

hepsor



Manufaktuuri kvartal, Tallinn

Consolidated unaudited interim report for
the III quarter and 9 months of 2026

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Reporting period:	01 January 2026 – 30 September 2026
Financial year:	01 January 2026 – 31 December 2026
Supervisory Board:	Henri Laks, Andres Pärloja, Kristjan Mitt
Management Board:	Martti Krass
Auditor:	Grant Thornton Baltic OÜ

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Hepsor Group

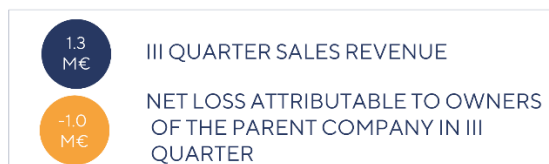
- ✓ Hepsor AS (hereinafter referred to as “the Group” or “Hepsor”) is an international real estate development company based on Estonian capital, with its headquarters in Tallinn. Since 2021, its shares have been listed on the Nasdaq Baltic Main List. In November 2025, the bonds issued by Hepsor were admitted to trading on the Baltic Bond List of Nasdaq Baltic.
- ✓ The company was founded in 2011 and currently operates in three markets – Estonia, Latvia, and Canada.
- ✓ Hepsor’s main activity is the development of sustainable and people-centred residential and business environments, combining innovative engineering solutions, environmental friendliness, and modern architecture. Hepsor was the first developer in the Baltics to implement several innovative engineering and technical solutions that make the buildings it develops more energy-efficient and, consequently, more environmentally friendly.
- ✓ Over its fifteen years of operation, Hepsor has developed a total of nearly 162,000 m² of real estate, including more than 2,000 homes and 44,000 m² of commercial space.
- ✓ Hepsor’s development portfolio in Estonia and Latvia includes 28 real estate projects with a total area of approximately 200 thousand m². In addition, the Group is involved in five projects in Canada, where its main activity is preparing new detailed land plans to secure increased building rights.
- ✓ The Group’s revenue and profit are directly dependent on the project development cycle, which lasts approximately 24–48 months. Revenue is generated only at the end of the cycle. Depending on the length of the development cycle and the start date of each project, more projects may be completed in some quarters than in others, meaning that both profit and revenue can vary significantly between quarters. As a result, some years or quarters may be weaker while others may be considerably stronger, both on an annual and quarterly basis.
- ✓ The Group’s consolidated financial statements comprise the financial statements of the parent company and all its subsidiaries as at the reporting date. Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ends when the parent company loses control. The Group’s ownership interest in its subsidiaries ranges from 50% to 100%. Subsidiaries in which the Group holds a 50% interest are consolidated because the Group has control through the management of real estate development projects and/or shareholders’ agreements. Associates and joint ventures are accounted for using the equity method.

Management Report

9 MONTH UNAUDITED SALES REVENUE AND NET LOSS FOR THE YEAR 2026



III QUARTER UNAUDITED SALES REVENUE AND NET LOSS FOR THE YEAR 2026



FINANCIAL RATIOS AND INDICATORS

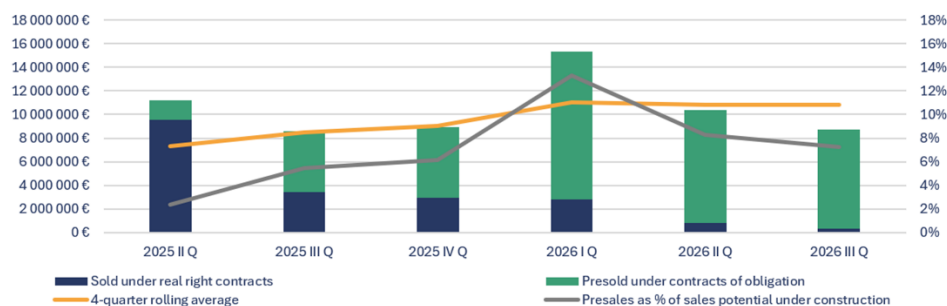
	30.09.2026	30.09.2025
Assets total	115,951	80,666
Loans total	69,534	44,912
Including subordinated loans from subsidiaries' owners, total	13,517	15,939
Total equity	24,577	21,613
Including equity attributable to owners of the parent company	16,999	21,323
Adjusted equity	38,094	37,552
Equity ratio (%)	21.2%	26.8%
Adjusted equity ratio (%)	32.9%	46.6%

OVERVIEW OF DEVELOPMENT PROJECTS

RESIDENTIAL	Status	Developments	m²	Total apartments	Total potential revenue	Presold apartments as at 30.09.2026	Presold revenue as at 30.09.2026	Pre-sale % of potential sales volume
	Completed	1 development	30 m²	1	0.1 M€	0	0.0 M€	0%
	In construction	6 developments	34,954 m²	548	115.1 M€	216	43.0 M€	37%

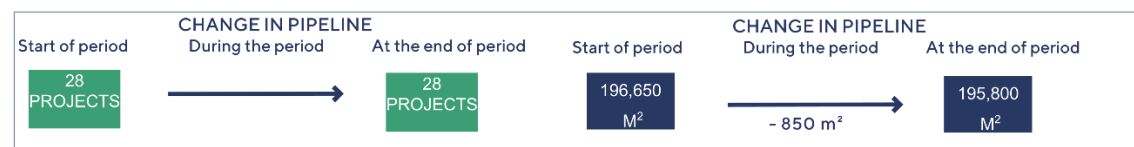
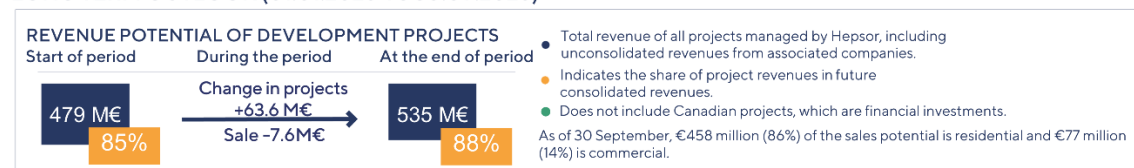
BUSINESS	Status	Developments	m²	Vacancy as at 30.09.26	Total rental income for the III quarter of 2026	Total rental income for 9 months of 2026	12-month rental income forecast from signed lease agreements (01.01.2026-31.12.2026)
	Completed	4 developments	16,678 m²	13%	0.6 M€	1.7 M€	2.2 M€

FIRST SALES



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

LONG TERM OUTLOOK (01.01.2026 VS 30.09.2026)



Dear shareholders, investors and readers,

The first nine months of 2026 were characterised by active development and substantial investments for Hepsor. The Group has reached the most capital-intensive stage of its investment cycle, as reflected in the 44% year-on-year increase in total assets. The new and larger-scale investment cycle, which began in 2025, provides a solid foundation for the Group's future growth. The investments made are expected to be gradually reflected in the Group's financial results from the fourth quarter of 2026 onwards, as development projects enter the sales and handover phase.

The financial results for the reporting period were primarily affected by the limited inventory of completed apartments available for sale. The Group started the year with 28 completed apartments, of which only one remains unsold to date. By the publication date of this report, Hepsor had commenced the handover of apartments in the M12 development project in the Manufaktuuri Quarter, marking the end of a nearly two-year period during which no new residential buildings were completed by the Group in Estonia.

Revenue and profitability growth in the coming periods will be supported by strong apartment pre-sales activity. During the first nine months of 2026, the Group signed pre-sale agreements for 175 apartments with a total value of 34.5 million euros. At the end of the third quarter, 548 new apartments were under construction, compared with 374 a year earlier, providing a solid basis for higher revenue and profit in the coming periods. As at 30 September 2026, the potential sales revenue of the Group's development portfolio amounted to 535 million euros (30 September 2025: 385 million euros), of which residential development projects accounted for 86% and commercial property development projects for 14%.

In September, Hepsor carried out its second public bond offering under its 20 million euro bond programme. A total of 974 investors subscribed for bonds worth 7.1 million euros. The initial offering was oversubscribed 2.4 times, and in response to strong investor demand, the issue size was increased from 3 million euros to 5 million euros.

Operating results



The Group's sales revenue for the first nine months of 2026 was 7.6 million euros (9 months 2025: 30.9 million euros), and revenue for the third quarter of the reporting year was 1.3 million euros (Q3 2025: 8.8 million euros).

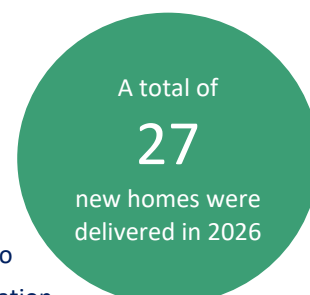
The Group's net loss for the first nine months of the reporting year was 3.2 million euros (9 months 2025: net profit of 1.5 million euros), of which the net loss attributable to the owners of the parent was 2.9 million euros (9 months 2025: net profit 0.9 million euros). The Group's net loss for the third quarter amounted to 1.0 million euros (Q3 2025: net profit of 1.2 million euros), of which the loss attributable

to owners of the parent company amounted to 1.0 million euros (Q3 2025: net profit of 1.1 million euros).

The Group's total assets increased by 43.7% year-on-year, reaching 116.0 million euros as at 30 September 2026 (30 September 2025: 80.7 million euros).

Residential development projects

During the reporting period, we handed over 27 apartments to customers (9 months 2025: 119 apartments). As at 30 September 2026, the Group had one completed apartment available for sale. Two residential development projects are scheduled for completion in the fourth quarter of 2026: the M12 development project comprising 49 apartments at Manufaktuuri 12 in Tallinn and the 360° Dzelzavas Residences development project comprising 103 apartments in Riga. In total, the two projects will deliver 152 apartments, of which 75 apartments had been sold under contracts of obligation as at 30 September.





In the first nine months of 2026, the Group signed first-time home sale agreements under contracts of obligation and real right contracts for 175 homes with a total value of 34.5 million euros, an increase of 31% and 27% respectively compared to the same period last year (9 months 2025: 134 homes and 27.1 million euros). In the third quarter, first-time home sale agreements were signed for 46 homes with a total value of 8.7 million euros. Compared to the same period last year, the number of homes sold increased by six, or 15%, while the total value of first-time sales increased by 1.2% (Q3 2025: 40 homes and 8.6 million euros).

As at the end of the reporting quarter, the four-quarter average of first-time sales reached 10.8 million euros (30 September 2025: 8.6 million euros), up 26% year-on-year.

As at the end of the reporting quarter, the Group had seven residential development projects in pre-sale and sale, of which one was completed and six were under construction.

As at 30 September 2026, the Group had 548 apartments under construction (30 September 2025: 374), of which 289 apartments (30 September 2025: 201) were in Estonia and 259 apartments (30 September 2025: 173) were in Latvia. In the third quarter, we started construction of the second phase of the Braila iela 23 development project, which will deliver 35 apartments.

Commercial Real Estate

As at 30 September 2026, 92% of the leasable area in Hepsor's completed commercial real estate portfolio – comprising four projects with a total area of 16,678 m² – is covered by lease agreements.

Canadian development projects

The third quarter of 2026 was significant for Hepsor's Canadian development projects. Following decisions of Toronto City Council, building rights came into force for two development projects – Isabella and Elysium Glenavy.

The Isabella development project allows for the construction of a 70-storey rental apartment building with a gross building area of approximately 46,000 m², and the Elysium Glenavy project a 36-storey rental apartment building with a gross building area of approximately 26,500 m².

Together with the Weston Road project, which obtained building rights in 2025, the planned building volume has been achieved in three of Hepsor's five Canadian development projects.

Future outlook

In the last quarter of 2026, we will focus primarily on completing the development projects under construction, selling apartments and preparing new projects.

In Estonia, the continued development of the Manufaktuuri quarter and the construction of the first phase of the Paevälja quarter are of key importance. Construction of the Veski Centre development project at Vana-Tartu mnt 49 in Rae Parish is scheduled to start in the fourth quarter. The Veski Centre is planned to have 3,551 m² of leasable space, of which 96% is covered by lease agreements.

In Latvia, we are continuing the preparation and implementation of several new residential development projects. In 2026, we plan to start construction of the first phase of the development project at Starta 17 in Riga, which will deliver 84 new homes.

In Latvia, the shareholders of SIA "Riga Properties 4" decided to discontinue the development of the planned commercial real estate project and to put the properties owned by the company up for sale. The decision is based on current demand in the commercial real estate market and the development potential of the project.

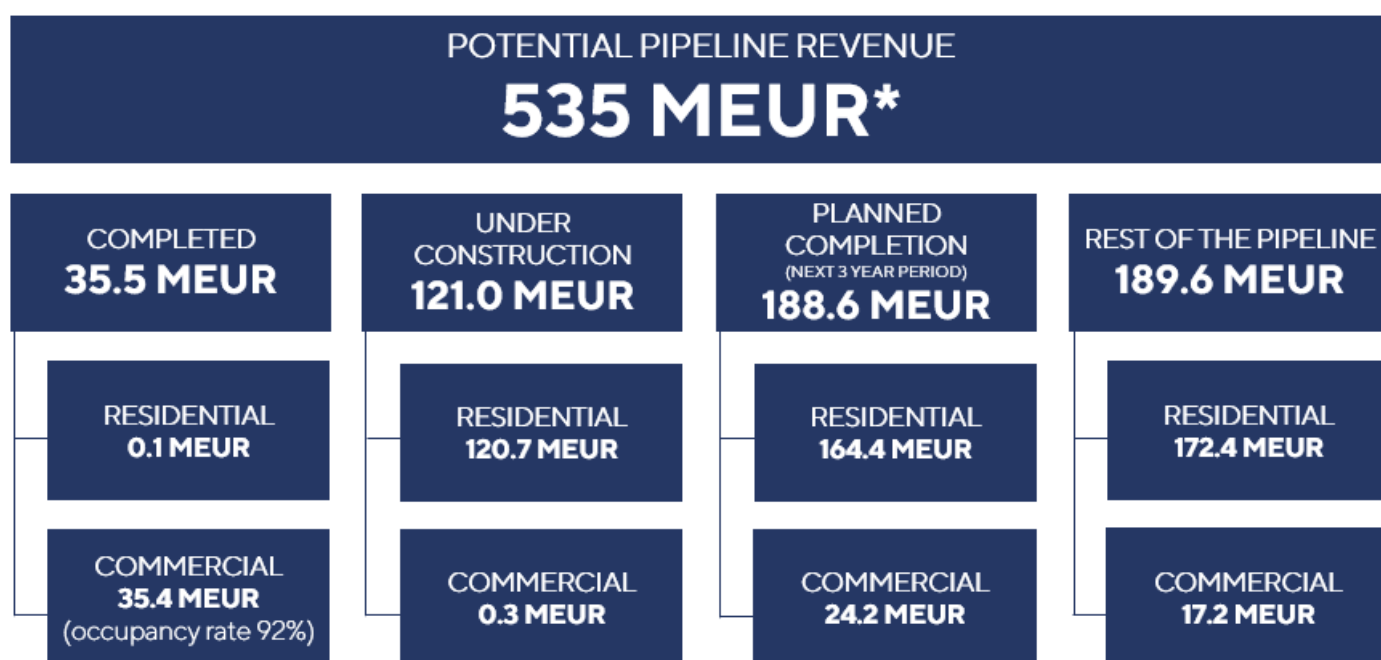
Martti Krass

Member of the Management Board

Development projects under construction and for sale

Potential sales revenue as at 30 September 2026:

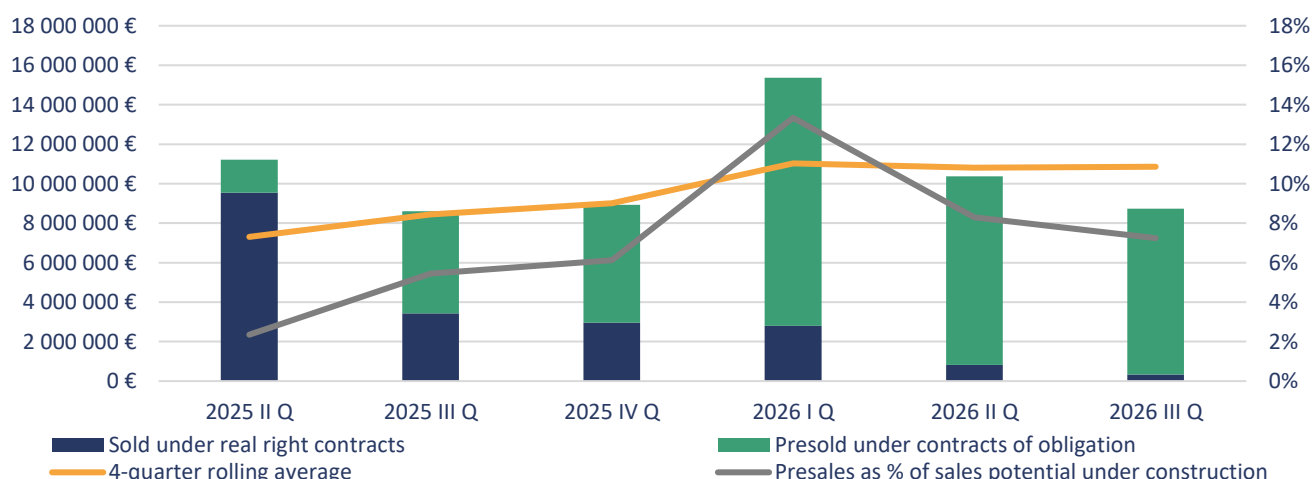
As at 30 September 2026, the sales revenue potential amounted to 535 million euros, of which 86% consists of residential real estate and 14% comprises commercial real estate.



*All sales figures are without VAT

Residential development projects in pre-sale and sale as at 30 September 2026:

Initial sales include obligation-law and real-right contracts concluded during the quarter that were not preceded by an obligation-law contract. As at 30 September 2026, there are 7 projects in pre-sale and sale, of which 1 project is completed and 6 are under construction.



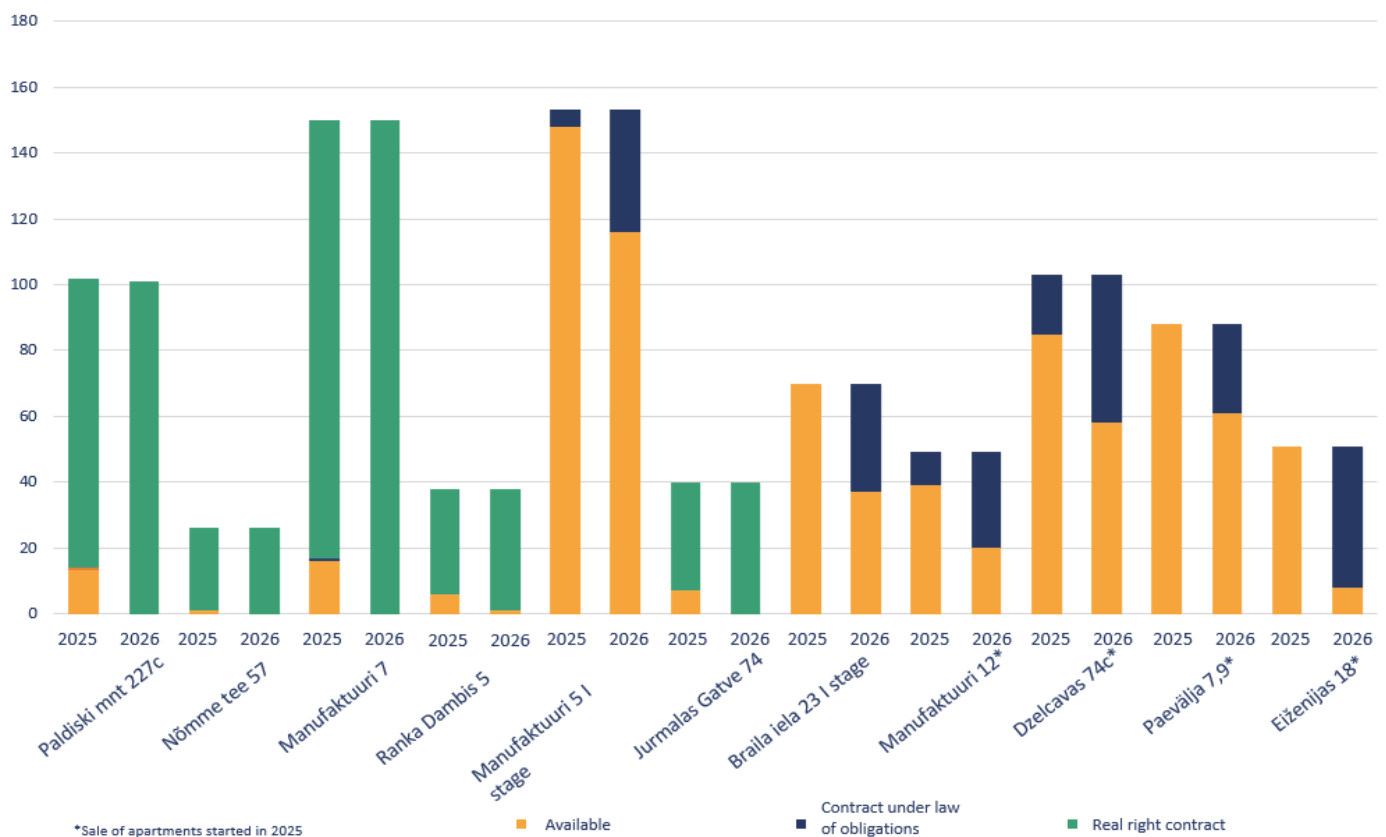
The four-quarter rolling average of initial sales in Q3 2026 was 10.8 million euros (Q3 2025: 8.5 million euros), representing an annual increase of 26%.

The Group's aim is to sell residential development projects for which construction has commenced within an average of 12 quarters, i.e., 8% per quarter. In the third quarter of 2026, 7% of the residential development portfolio under construction was sold based on preliminary sale-purchase agreements, compared to 5% of the residential development portfolio under construction at that time in the same period a year earlier.

Sold apartments as at 30 September 2026

	Total apartments	Sold as at 30 September 2026		Unsold
		Pre-sold	Sold	
Completed total	38	0	37	1
In construction total	548	213	0	335
Total	586	213	37	336

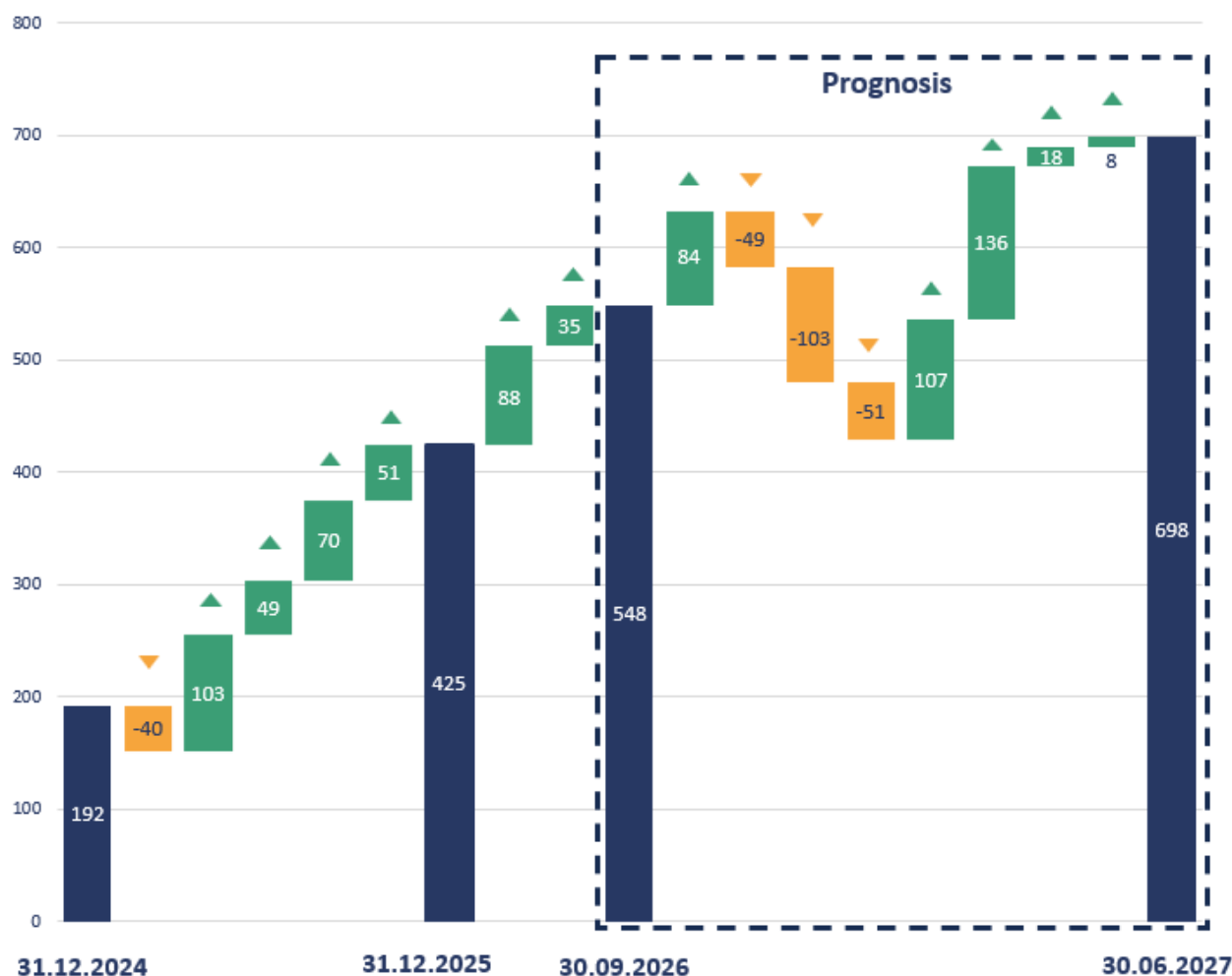
Residential development projects on sale as at 30 September 2026 compared to the status as at 30 September 2025:



Residential development projects under construction as at 30 September 2026:

In the third quarter of 2026, construction continued on existing development projects. As at 30 September 2026, the Group had 548 apartments under construction (30 September 2025: 374 apartments), of which 289 apartments (30 September 2025: 201) were in Estonia and 259 apartments (30 September 2025: 173) were in Latvia.

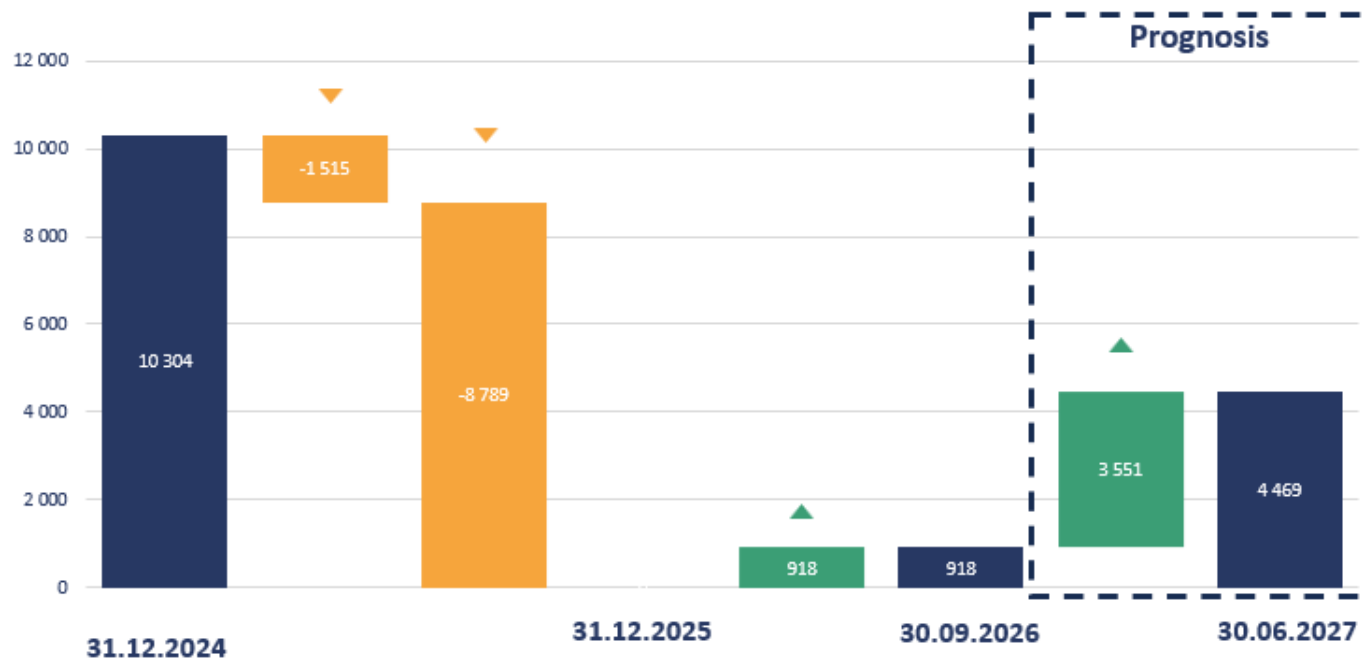
Change in the number of apartments under construction as at 30 September 2026:



	Construction started (units)	Construction ended (units)	Number of apartments under construction
Jūrmalas gatve 74, Rīga	40	0	
Manufaktuuri 5 phase I, Tallinn	152	0	
As at 31 December 2024	192		192
Jūrmalas gatve 74, Rīga	0	-40	
Dzelzavas 74C, Rīga	103	0	
Manufaktuuri 12, Tallinn	49	0	
Braila iela 23 phase I, Rīga	70	0	
Eiženijas 18, Rīga	51	0	
As at 31 December 2025	273	-40	425
Paevälja 7, 9, Tallinn	88	0	
Braila iela 23 phase II, Rīga	35	0	
As at 30 September 2026	123		548
Starta 17, Rīga	84	0	
Manufaktuuri 12, Tallinn	0	-49	
Dzelzavas 74C, Rīga	0	-103	
Eizenija 18, Rīga	0	-51	
Ganibu dambis phases I and VI, Rīga	107	0	
Narva mnt 150, Tallinn	136	0	
Manufaktuuri 5 phase II, Tallinn	18	0	
Võistluse 7, Tallinn	8	0	
Forecast as at 30 June 2027	353	-203	698

Commercial spaces under construction change 2024-2026 (as at 30 September 2026):

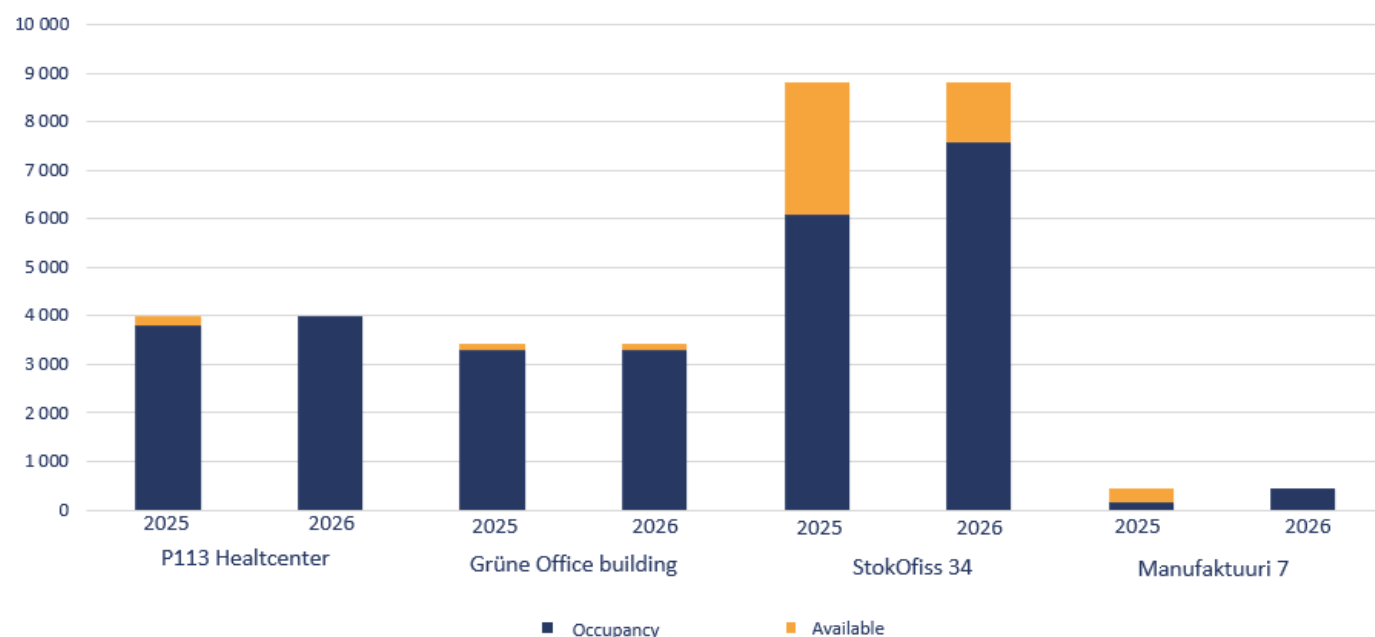
In the third quarter of 2026, no construction of new commercial premises was started.



Development project	Construction started (m²)	Construction ended (m²)	Under construction (m²)
Manufaktuuri Vabrik phase I, Tallinn	1,515	0	
StokOfiss 34, Riga	8,740	0	
As at 31 December 2024	10,255	0	10,255
Manufaktuuri Vabrik phase I, Tallinn	0	-1,515	
StokOfiss 34, Riga	0	-8,740	
As at 31 December 2025	0	-10,255	0
Paevälja quarter phase I, Tallinn	918	0	
As at 30 September 2026	918	0	918
Veski Centre, Peetri	3,551	0	
Prognosis as at 30 June 2027	3,551	0	4,469

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

Occupancy of completed commercial real estate development projects as at 30 September 2026:



Project	Leasable space (m²)	As at 30 September 2025 leased		1 October 2025 – 30 September 2026	As at 30 September 2026		
		Leased m²	Vacancy %	Signed lease agreements m²	Total leased m²	Vacancy m²	Vacancy %
Completed projects	16,678	13,380	20%	1,915	15,295	1,383	8%

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

Overview of development projects

As at 30 September 2026, the Group has a total of 28 active development projects in various development phases in Estonia and Latvia (30 September 2025: 25 projects), with a total saleable area of 195,800 square metres (30 September 2025: 178,200 square metres), as well as five land development projects in Canada.



3
COUNTRIES



33
ONGOING PROJECTS



449,800
SQUARE METERS

COMPLETED:		IN PROGRESS:		IN PIPELINE:	
Commercial	Residential	Commercial	Residential	Commercial	Residential
16,700 Sqm	30 sqm	900 sqm	34,000 sqm	49,500 sqm	94,700 Sqm



ESTONIA



Manufaktuuri Vabrik, Tallinn

20 PROJECTS – 98,600 sqm

READY DEVELOPMENTS:

Commercial **7,900 sqm**
Residential **0 sqm** (0 units)
Total **7,900 sqm**

ACTIVE CONSTRUCTION:

Commercial **900 sqm**
Residential **19,400 sqm** (289 units)
Total **20,300 sqm**

IN PIPELINE:

Commercial **12,500 sqm**
Residential **57,900 sqm** (952 units)
Total **70,400 sqm**



LATVIA



Ulbrokas 34, Riga

8 PROJECTS – 97,200 sqm

READY DEVELOPMENTS:

Commercial **8,800 sqm**
Residential **30 sqm** (1 unit)
Total **8,830 sqm**

ACTIVE CONSTRUCTION:

Commercial **0 sqm**
Residential **14,600 sqm** (259 units)
Total **14,600 sqm**

IN PIPELINE:

Commercial **37,000 sqm**
Residential **36,800 sqm** (638 units)
Total **73,800 sqm**



CANADA



Weston, Toronto

5 LAND DEVELOPMENT PROJECTS – 254,000 sqm

IN PIPELINE:

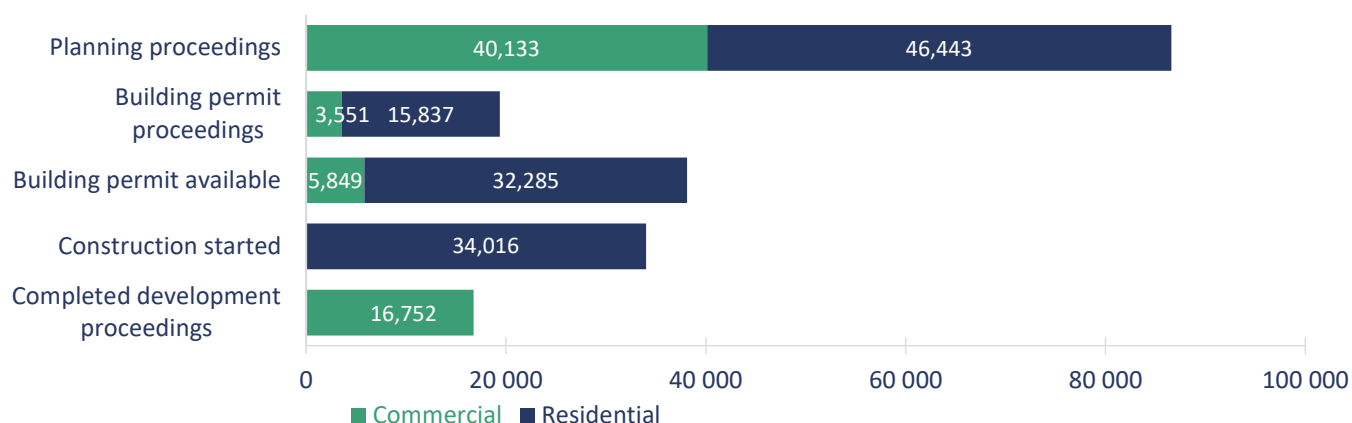
Construction rights for
3,000 purpose built
rental apartments

3 properties out of 5 have already
received planning approval

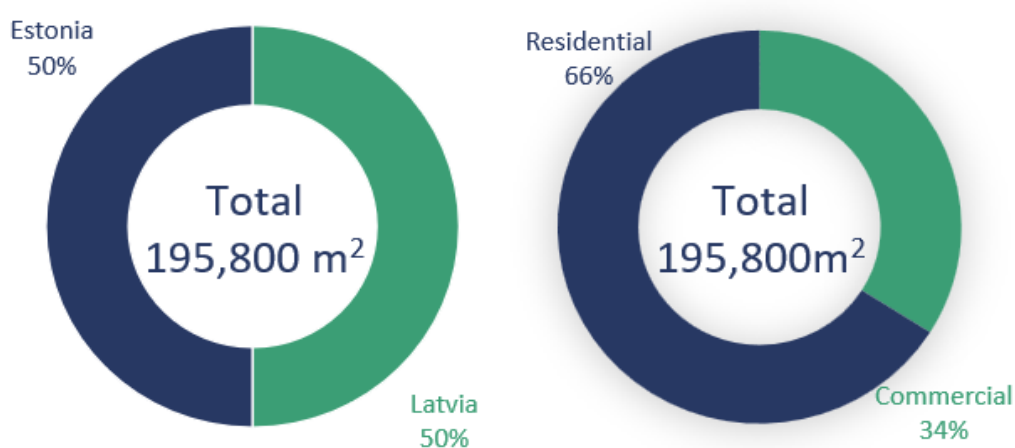
KEY INVESTMENT STRATEGY:

Acquiring land to expand property building
rights, with the intention to sell the land.

Distribution of development portfolio between different development phases as at 30 September 2026*:



Distribution of development portfolio between countries and type as at 30 September 2026*:



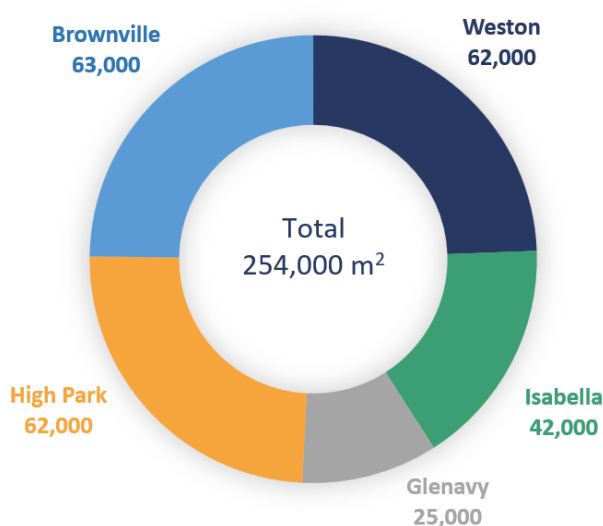
*Excluding Canadian projects

Development projects in Canada as at 30 September 2026:

Hepsor's Canadian property development projects are recognised as financial investments. Hepsor has invested in five different property development projects in Toronto, Canada's largest city. The primary objective of these projects, acquired in collaboration with business partners, is to obtain zoning approvals and development rights for the construction of approximately 3,000 new rental apartments.

In the third quarter of 2026, Toronto City Council decisions granting development rights for two of Hepsor's projects – Isabella and Elysium Glenavy – came into effect. As a result, the planned development capacity has now been secured for three of the five projects.

- ✓ **Weston Road project** – The objective of the project was to increase the development capacity of the site and obtain building rights for the construction of two residential apartment buildings. In August 2025, the decision of the Toronto City Council came into force, granting building rights for two apartment buildings of 35 and 39 storeys, with a total gross area of 62,000 m².
- ✓ **Isabella development project** – The objective of the project was to consolidate three properties located at 164–168 Isabella Street. Following a decision by Toronto City Council, the site has received approval for the construction of a 70-storey residential rental tower with a gross area of approximately 46,000 m².
- ✓ **The Elysium Glenavy project** – As part of the project, seven properties located at 17–29 Glenavy Avenue in Toronto's Leaside neighbourhood were acquired with the aim of increasing the development capacity of the site. Following a decision by Toronto City Council, the site has received approval for the construction of a 36-storey residential rental tower with a gross area of approximately 26,500 m².
- ✓ **The High Park project** involves the acquisition of a development project consisting of 11 properties located at 21–29 Oakmount Road & 26–36 Mountview Avenue. The development area is planned for a two-tower residential high-rise with rental apartments and a total development volume of approximately 62,000 m².
- ✓ **The Brownville Avenue project** involves the acquisition of a development project consisting of 17 properties on Brownville Avenue in Toronto, Canada. The project envisions a residential building with rental apartments and a development volume of approximately 63,000 m².



Ongoing development projects:

Project address	Project name	Company name	Hepsor share	Project status	Units for sale		Projected sales revenue (MEUR)	Planned start of construction	Planned project completion
					Homes (units)	Commercial (m2)			
Manufaktuuri 7, Tallinn	Manufaktuuri 7	Hepsor Phoenix 2 OÜ	50%	Under construction and/or available for sale	0	466	0.0	I Q 2023	N/A
Alvari 1, 5, Tallinn	Alvari 1, 1a	Hepsor A1 OÜ	100%	Planning proceedings	81	443	16.5	I Q 2030	I Q 2032
Manufaktuuri 12, Tallinn	M12	Hepsor Phoenix 4 OÜ	50%	Under construction and/or available for sale	49	0	12.3	III Q 2025	III Q 2027
Võistluse 7, Tallinn	V7	Hepsor V7 OÜ	50%	Building permit proceedings	8	0	2.6	II Q 2027	III Q 2028
Manufaktuuri 5, Tallinn	Manufaktuuri Vabrik	Hepsor Phoenix 3 OÜ	50%	Under construction and/or available for sale	153	0	48.6	III Q 2023	II Q 2030
Manufaktuuri 5, Tallinn	Manufaktuuri 5 phase II	Hepsor Phoenix 3 OÜ	50%	Building permit proceedings	18	676	7.7	III Q 2027	IV Q 2029
Manufaktuuri 5, Tallinn	Manufaktuuri 5 phase III	Hepsor Phoenix 3 OÜ	50%	Building permit proceedings	131	1,945	40.2	II Q 2028	III Q 2031
Manufaktuuri 5, Tallinn	Manufaktuuri 5 phase IV	Hepsor Phoenix 3 OÜ	50%	Building permit proceedings	0	1,233	N/A	N/A	N/A
Paevälja 7, 9, Tallinn*	Paevälja quarter phase I	Hepsor SOF OÜ	50%	Building permit proceedings	88	918	20.9	II Q 2026	II Q 2028
Narva mnt 150, Tallinn*	Paevälja quarter phase II	Hepsor SOF OÜ	50%	Planning proceedings	136	0	25.2	II Q 2027	IV Q 2029
Narva mnt 150a, Tallinn*	Paevälja quarter phase III	Hepsor SOF OÜ	50%	Planning proceedings	105	0	19.3	II Q 2028	II Q 2030
Kadaka tee 197, Tallinn	H&R residentsid phase I	H&R Residentsid OÜ	50%	Planning proceedings	47	0	9.7	N/A	N/A
Kadaka tee 197, Tallinn	H&R residentsid phase II	H&R Residentsid OÜ	50%	Planning proceedings	47	0	9.7	N/A	N/A
Meistri 14, Tallinn	Grüne Office	Hepsor M14 OÜ	51%	Completed earning cashflow	0	3,474	N/A	II Q 2023	N/A
Vana Tartu mnt 49, Tallinn	Peetri Office Building	Hepsor VT49 OÜ	50%	Building permit proceedings	0	3,551	N/A	IV Q 2026	N/A
Pärnu mnt 113, Tallinn	P113 Health centre	Hepsor P113 OÜ	45%	Completed earning cashflow	0	3,985	N/A	IV Q 2022	N/A
Narva mnt 150B, Tallinn	Narva mnt 150b	Hepsor N450 OÜ	100%	Planning proceedings	0	4,185	N/A	N/A	N/A
Ranka Dambis 5, Riga	Nameja Rezidence	Hepsor RD5 SIA	100%	Under construction and/or available for sale	1	0	0.1	III Q 2024	IV Q 2026
Braila iela 23, Riga	Zaļā Jugla	Hepsor Jugla SIA	100%	Under construction and/or available for sale	105	0	16.8	III Q 2025	III Q 2028
Eizenija 18, Riga	Ķiršu Kalna Mājas	Hepsor E18 SIA	100%	Building permit proceedings	51	0	7.7	IV Q 2025	II Q 2027
Dzelzavas iela 74C, Riga	360° Dzelzavas Residences	Hepsor DZ74 SIA	50%	Under construction and/or available for sale	103	0	14.4	II Q 2025	II Q 2027
Smaidu, Dreilini*	Smaidu park	SIA "Riga Properties 4"	50%	Planning proceedings	0	74,314	N/A	N/A	N/A
Starta 17, Riga	Starta 17 phase I	Hepsor S17 SIA	100%	Building permit proceedings	84	0	15.0	III Q 2026	I Q 2029
Starta 17, Riga	Starta 17 phase II	Hepsor S17 SIA	100%	Building permit proceedings	84	0	15.0	III Q 2027	IV Q 2029
Starta 17, Riga	Starta 17 phase III	Hepsor S17 SIA	100%	Building permit proceedings	84	0	15.0	II Q 2028	III Q 2030
Ulbrokas 34, Riga	StokOfiss 34	Hepsor U34 SIA	59.3%	Completed earning cashflow	0	8,810	N/A	II Q 2024	N/A
Ganibu Dambis 17, Riga	Veidama quarter phase I	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	53	0	9.1	II Q 2027	I Q 2030
Ganibu Dambis 17, Riga	Veidama quarter phase II	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	68	0	12.5	II Q 2028	II Q 2031
Ganibu Dambis 17, Riga	Veidama quarter phase III	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	62	0	9.4	I Q 2029	III Q 2031
Ganibu Dambis 17, Riga	Veidama quarter phase IV	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	80	0	12.7	IV Q 2029	III Q 2032
Ganibu Dambis 17, Riga	Veidama quarter phase V	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	69	0	11.5	III Q 2030	II Q 2033
Ganibu Dambis 17, Riga	Veidama quarter phase VI	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	54	1,995	7.9	II Q 2027	I Q 2030
Manufaktuuri 3, Tallinn	Manufaktuuri 3 phase I	Hepsor PHX5 OÜ	50%	Planning proceedings	59	219	16.5	I Q 2029	IV Q 2030
Manufaktuuri 3, Tallinn	Manufaktuuri 3 phase II	Hepsor PHX5 OÜ	50%	Planning proceedings	87	276	21.0	IV Q 2029	IV Q 2031
Manufaktuuri 3, Tallinn	Manufaktuuri 3 phase III	Hepsor PHX5 OÜ	50%	Planning proceedings	101	157	28.1	IV Q 2030	IV Q 2033
Manufaktuuri 3, Tallinn	Manufaktuuri 3 phase IV	Hepsor PHX5 OÜ	50%	Planning proceedings	126	659	31.9	II Q 2032	II Q 2035
Total					2,134	107,306	458**		

*Associates and joint ventures

** As at 30 September, total sales potential is 535 million euros, 458 million euros (86%) of the sales potential is residential and 77 million euros (14%) is commercial. For revenue marked as N/A, commercial buildings are not included; in the timeline view, we plan time starting from the building permit application process.

Development projects in Tallinn as at 30 September 2026:



Planning proceedings

- 1 Narva mnt 150, 150a
- 2 Narva mnt 150b
- 3 Alvari 1, 1a
- 4 Kadaka tee 197 I-II etapp
- 5 Manufaktuuri 3 I-IV etapp

Building permit proceedings

- 6 Vana-Tartu mnt 49
- 7 Võistluse 7
- 8 Manufaktuuri 5 II-IV etapp

Under construction and/or available for sale

- 9 Paevälja 7, 9
- 10 Manufaktuuri 5 I etapp
- 11 Manufaktuuri 12

Completed, earning cash flow

- 12 Manufaktuuri 7
- 13 Meistri 14
- 14 Pärnu mnt 113

Development projects in Riga as at 30 September 2026:



Planning proceedings

- 1 RP4 Drelini

Building permit proceedings / available

- 2 Ganibu Dambis 17a
- 3 Starta 17

Under construction and/or available for sale

- 4 Ranka Dambis 5
- 5 Dzelzavas 74C
- 6 Braila 23
- 7 Eizenija 18

Completed, earning cash flow

- 8 Ulbrokas 34

Projects in Toronto as at 30 September 2026:



Land development projects

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

Operating Result

Key financials

in thousands of euros	9 months 2026	9 months 2025	9 months 2024	Q3 2026	Q3 2025	Q3 2024
Revenue	7,568	30,888	27,855	1,344	8,825	20,433
Gross profit/-loss	802	4,942	4,231	386	2,082	3,854
EBITDA	-1,362	3,092	2,486	-443	1,630	3,237
Operating profit/-loss	-1,423	3,013	2,334	-464	1,603	3,190
Net profit/-loss	-3,178	1,525	1,177	-968	1,243	2,703
Incl net profit/-loss attributable to the	-2,878	937	-155	-962	1,133	1,371
Comprehensive income/-loss	-3,425	535	-80	-1,351	973	1,370
Incl comprehensive profit/-loss attributable to the owners of parent	-2,803	1,355	-329	-897	1,892	1,241
Earnings per share	-0.74	0.24	-0.04	-0.46	0.29	0.36

in thousands of euros	30 September 2026	31 December 2025	30 September 2025
Total assets	115,951	91,835	80,666
Incl inventories	76,628	58,938	53,994
Total liabilities	91,374	64,757	59,053
Incl subordinated loans from subsidiary owners and other equity-like instruments classified as liabilities	13,517	16,070	15,939
Total interest-bearing loan liabilities	69,534	47,747	44,912
Incl subordinated loans from subsidiary owners	10,397	13,770	14,239
Total equity	24,577	27,078	21,613
Incl equity attributable to the owners of parent	16,999	20,858	21,323

Key Ratios

	9 months 2026	9 months 2025	9 months 2024	Q3 2026	Q3 2025	Q3 2024
Gross profit margin	10.6%	16.0%	15.2%	28.7%	23.6%	18.9%
Operating profit margin	-18.8%	9.8%	8.4%	-34.5%	18.2%	15.6%
EBITDA margin	-18.0%	10.0%	8.9%	-33.0%	18.5%	15.8%
Net profit margin	-42.0%	4.9%	4.2%	-72.0%	14.1%	13.2%
Net profit margin attributable to owners	-38.0%	3.0%	-0.6%	-71.6%	12.8%	6.7%
General expense ratio	29.3%	6.6%	7.0%	25.0%	7.5%	3.3%

	30 September 2026	31 December 2025	30 September 2025
Equity ratio	21.2%	29.5%	26.8%
Adjusted equity ratio	32.9%	47.0%	46.6%
Debt ratio	60.0%	52.0%	55.7%
Adjusted debt ratio	51.0%	37.0%	38.0%
Current ratio	6.1	4.6	3.9
Return on equity	-14.2%	4.2%	12.4%
Return on equity attributable to the owners of the parent	-18.0%	1.9%	3.7%
Return on assets	-3.5%	1.2%	3.1%

Definitions of ratios

Gross profit margin = gross profit / revenue

Operating profit margin = operating profit / revenue

EBITDA margin = (operating profit + depreciation) / revenue

Net profit margin = net profit / revenue

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

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

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

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

Debt ratio = interest-bearing liabilities / total assets

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

Current ratio = current assets / current liabilities

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

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

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

Sales Revenue

The Group's sales revenue for the first nine months of 2026 was 7.6 million euros (9 months 2025: 30.9 million euros), of which sales revenue in Estonia amounted to 4.3 million euros (9 months 2025: 22.9 million euros), representing 56.3% (9 months 2025: 74.1%) of total sales revenue, while in Latvia the Group generated sales revenue of 3.3 million euros in the first nine months of the reporting year (9 months 2025: 8.0 million euros), accounting for 43.7% (9 months 2025: 25.9%) of total sales revenue.

Sales revenue for the third quarter of the reporting year was 1.3 million euros (Q3 2025: 8.8 million euros), of which sales revenue in Estonia was 0.7 million euros (Q3 2025: 7.0 million euros) and in Latvia 0.6 million euros (Q3 2025: 1.9 million euros).

In the first nine months of 2026, the Group sold a total of 27 apartments under real right agreements (9 months 2025: 119 apartments). As at 30 September 2026, the Group had one completed but unsold apartment in its portfolio. In addition, the Group sold a property located at Saules aleja 2a in Riga.

Two residential development projects – M12 and 360° Dzelzavas Residences – comprising a total of 152 apartments are scheduled for completion in the fourth quarter of 2026. As at 30 September 2026, 75 apartments in these projects had been sold under preliminary sales agreements.

In addition to apartment sales, the Group also provides project management services and earns rental income. During the reporting period, the Group generated other revenue of 1.8 million euros (9 months 2025: 1.4 million euros), which accounted for 24.1% (9 months 2025: 4.5%) of the Group's total sales revenue.

Profitability

The Group's profitability in 2026 has been negatively affected by the low number of apartments sold under real right agreements. The Group's gross profit for the third quarter was 0.4 million euros, with a gross profit margin of 28.7% (Q3 2025: 2.1 million euros and 23.6%), and gross profit for the first nine months amounted to 0.8 million euros, with a gross profit margin of 10.6% (9 months 2025: 4.9 million euros and 16.0%).

The Group's operating loss for the third quarter of 2026 was 0.5 million euros, and the operating loss for the first nine months amounted to 1.4 million euros (Q3 2025: operating profit of 1.6 million euros and 9 months 2025: operating profit of 3.0 million euros). The operating profit margin for the third quarter of the reporting year was -34.5% (Q3 2025: 18.2%), and the operating profit margin for the first nine months was -18.8% (9 months 2025: 9.8%). The Group's operating expenses remained at the same level as in the comparative period, amounting to 2.6 million euros, of which 0.3 million euros related to marketing expenses for development projects.

The Group's net loss for the third quarter was 1.0 million euros (Q3 2025: net profit of 1.2 million euros), of which a loss of 1.0 million euros was attributable to the owners of the parent company (Q3 2025: net profit of 1.1 million euros).

The Group's net loss for the first nine months of the reporting year was 3.2 million euros (9 months 2025: net profit of 1.5 million euros), of which the net loss attributable to the owners of the parent company was 2.9 million euros (9 months 2025: net profit 0.9 million euros).

The net profit margin was -72.0% for the third quarter and -42.0% for the first nine months of the reporting year (Q3 2025: 14.1% and 9 months 2025: 4.9%). The net profit margin attributable to the owners of the parent company was -71.6% for the third quarter (Q3 2025: 12.8%) and -38.0% for the first nine months (9 months 2025: 3.0%).

Balance Sheet

The Group's balance sheet total grew by 43.7% year-on-year, amounting to 116.0 million euros as at 30 September 2026 (30 September 2025: 80.7 million euros). Inventories accounted for 66.1% of the balance sheet total, or 76.6 million euros (30 September 2025: 66.9%, or 54.0 million euros).

In addition to investments in the existing development portfolio, the growth in inventories over the year was also driven by the addition of a residential development project at Manufaktuuri 3 in Tallinn to the Group's development portfolio.

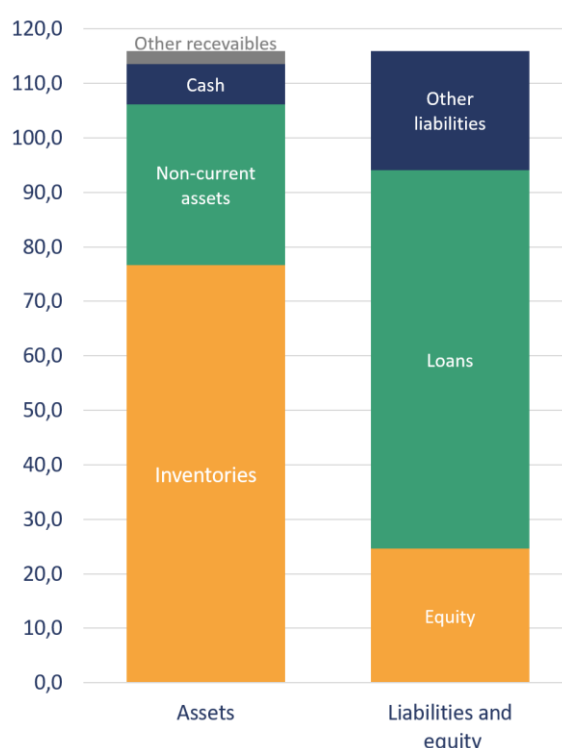
During the same period, inventories decreased as a result of the sale of the property at Saules aleja 2a in Riga, the disposal of the subsidiary SIA "Riga Properties 4" from the Group, and the reclassification of the properties at Narva mnt 150b and Alvari Street 1, 1a and 5 as investment properties and in the period from 1 October 2025 to 30 September 2026, a total of 49 apartments were sold under real right agreements.

As at 30 September 2026, cash and cash equivalents accounted for 6.3% of the balance sheet total, or 7.4 million euros (30 September 2025: 2.3%, or 1.9 million euros).

The Group's loan liabilities totalled 69.5 million euros as at 30 September 2026, compared to 44.9 million euros in the same period of the previous year, and the debt ratio was 60.0% (30 September 2025: 55.7%). Loans provided by subsidiaries' shareholders that are tied to the development project risk of the relevant subsidiary amounted to 10.4 million euros as at 30 September 2026 (30 September 2025: 14.2 million euros). The adjusted debt ratio was 51.0% (30 September 2025: 38.0%). In the third quarter of 2026, based on a resolution of the shareholders of Hepsor Phoenix 3 OÜ, shareholder loans together with accrued interest totalling 2.0 million euros were converted into a voluntary reserve within the company's equity to strengthen the project company's capital structure. Of this amount, 1.1 million euros represented the loan principal and 0.9 million euros represented accrued interest.

The Group's equity grew by 13.7% over the year, reaching 24.6 million euros. The largest contributor to this growth in the Group's equity was a non-cash contribution of 5.8 million euros made by the non-controlling interest to the voluntary reserve of subsidiary Hepsor PHX5 OÜ at the end of 2025. Non-controlling interest equity in Hepsor's consolidated report reached 7.6 million euros by the end of the reporting period (30 September 2025: 0.3 million euros). The equity ratio as at 30 September 2026 was 21.2% (30 September 2025: 26.8%). The adjusted equity ratio, in which loans provided by subsidiaries' non-controlling interests against

Balance sheet structure 30.09.2026
(m€)



development project risk and other equity-like instruments are added to equity, was 32.9% as at 30 September 2026 (30 September 2025: 46.6%).

Equity attributable to the owners of the parent company decreased by 20.3% over the year, to 17.0 million euros (30 September 2025: 21.3 million euros). The decrease in equity for the reporting year resulted, in addition to the net loss for the reporting period, from dividends paid to shareholders in the amount of 1.056 million euros.

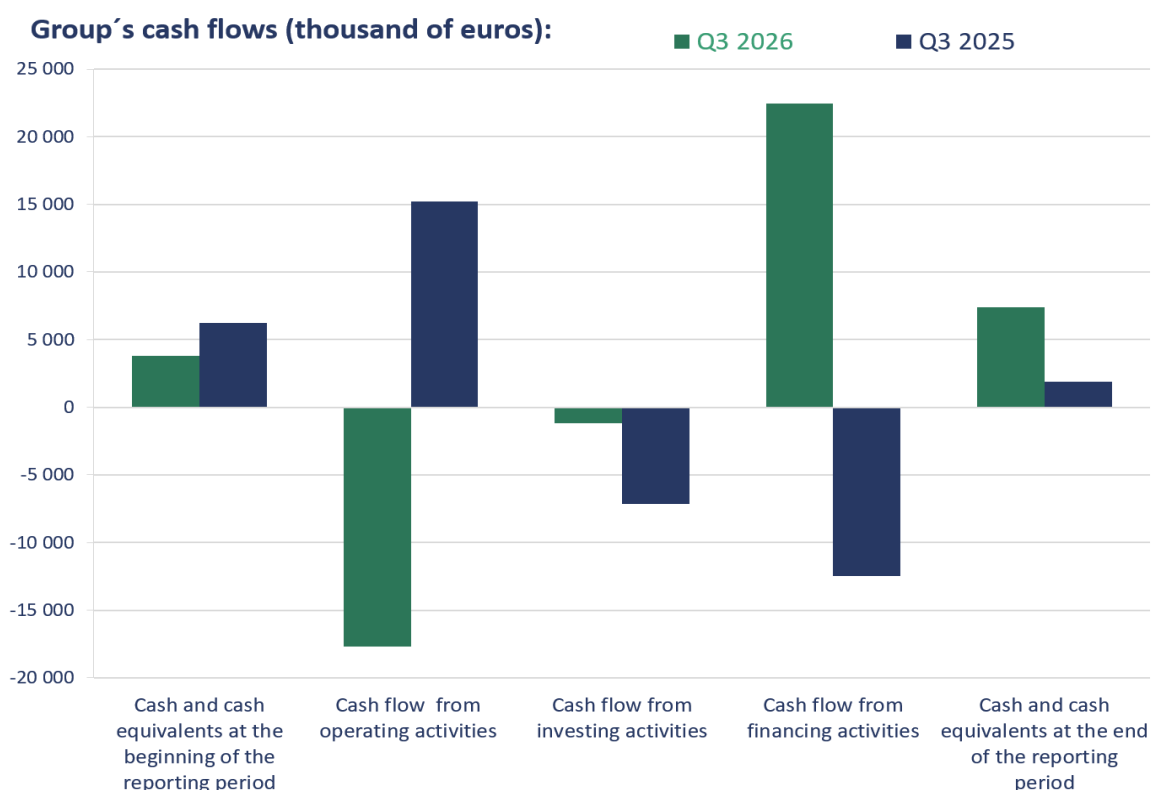
Cash Flows

The Group's cash and cash equivalents amounted to 3.8 million euros at the beginning of 2026 and to 7.4 million euros at the end of the reporting period. The positive cash flow for the period was 3.6 million euros (9 months 2025: negative 4.4 million euros).

Cash flow from operating activities was negative at 17.7 million euros in the first nine months of 2026 (9 months 2025: positive 15.2 million euros). Operating cash flows were primarily affected by changes in inventories, driven by investments in development projects and the sale of apartments and land plots. The impact of inventory changes on operating cash flow was negative at 15.4 million euros in the first nine months of 2026 (9 months 2025: positive 11.5 million euros). In addition, the disposal of SIA "Riga Properties 4" from the Group had a negative impact of 4.8 million euros on cash flows from operating activities during the reporting period.

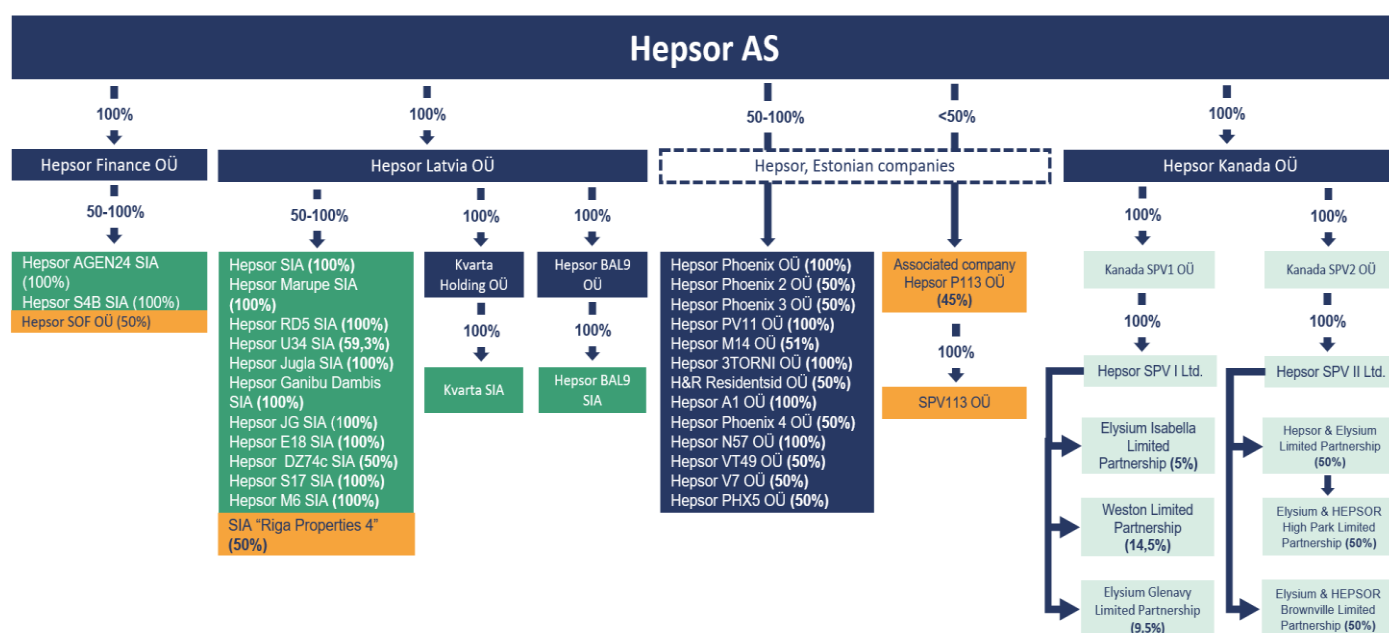
Cash flow from investing activities was negative at 1.2 million euros (9 months 2025: negative 7.3 million euros). During the first nine months of 2026, the Group invested 1.2 million euros in Canadian projects (9 months 2025: 1.7 million euros).

Cash flows from financing activities were positive at 22.4 million euros (9 months 2025: negative 12.5 million euros). The net amount of loans received during the reporting period was 21.8 million euros (9 months 2025: negative 8.5 million euros). During the first nine months of the reporting year, the Group paid interest of 3.3 million euros (9 months 2025: 2.9 million euros). On 19 June 2026, Hepsor AS paid a dividend to shareholders of 0.27 euros per share. The total amount of dividends paid was 1.056 million euros. In September 2026, the Group raised 5.0 million euros through a public bond issue. The costs associated with the issue amounted to 0.1 million euros, which are recognised as an adjustment to the financial liability and amortised as interest expense over the term of the bonds. Net cash proceeds from the bond issue amounted to 4.9 million euros.



Group Structure

As at 30 September 2026, the Group comprised the parent company, 37 subsidiaries, two associates, one joint venture, and one subsidiary of an associate (as at 30 September 2025, the Group comprised the parent company, 46 subsidiaries, and one associate along with its subsidiary). Weston Limited Partnership, Elysium Isabella Limited Partnership, Elysium Glenavy Limited Partnership, Hepsor & Elysium Limited Partnership, Elysium & Hepsor High Park Limited Partnership, and Elysium & Hepsor Brownville Limited Partnership are recognized as financial investments.



Changes in structure

- ✓ In the second quarter of 2026, nine 100%-owned subsidiaries of Hepsor AS – Hepsor M7 OÜ, Hepsor V10 OÜ, Hepsor Kadaka OÜ, Hepsor Peetri OÜ, Hepsor P26b OÜ, Hepsor Tooma OÜ, Hepsor N170 OÜ, Hepsor Fortuuna OÜ, and Hepsor N450 OÜ – whose development activities had ended, were merged into Hepsor Finance OÜ. The purpose of the merger was to simplify the Group's structure. The merger had no impact on the Group's consolidated financial statements. The merger was entered into the Commercial Register on 12 June 2026.
- ✓ Hepsor Finance OÜ's subsidiary Hepsor BAL7 SIA, whose business activities had ended, was liquidated. The liquidation was entered into the Commercial Register on 1 June 2026.
- ✓ In April 2026, Hepsor SA2 SIA sold the property it owned, which brought an end to the company's development activities. As at 18 June 2026 the company is no longer consolidated in the Group's consolidated financial statements and the liquidation process of Hepsor SA2 SIA commenced in the third quarter.
- ✓ On 25 September 2026, Hepsor AS established the subsidiary Hepsor M6 SIA.

- ✓ The shareholders of SIA “Riga Properties 4” signed an amendment to the shareholders’ agreement, under which development of the properties owned by the company will be discontinued and the properties will be put up for sale. In connection with this, the provision of project management services by Hepsor SIA to SIA “Riga Properties 4” was also terminated. As a result of the amendment to the shareholders’ agreement, the Hepsor Group lost control over SIA “Riga Properties 4”, and from 30 September 2026 the company is accounted for as an associate of the Group. The Hepsor Group’s shareholding in the company did not change.

Main events

- ✓ On 11 February 2026, Hepsor E18 SIA and BluOr Bank AS signed a loan agreement in the amount of EUR 5.25 million. The purpose of the five-year loan is to finance the construction of the Ķiršu Kalna Mājas residential development project and the installation of infrastructure at Eiženijas iela 18, Dzirciems, Riga.
- ✓ On 20 May 2026, Hepsor AS held its annual general meeting of shareholders. The meeting approved the 2025 annual report and decided on profit distribution as follows: to pay a dividend of EUR 0.27 per share, totaling EUR 1,056 thousand, and to leave the remaining undistributed profit of EUR 6,600 thousand undistributed. The meeting also approved the transactions arising from the HEPSOR PHX5 OÜ shareholders' agreement concluded between HEPSOR PHX5 OÜ, Hepsor AS, and AS Phoenix Land, and elected Grant Thornton Baltic OÜ as the auditor of Hepsor AS's 2026 and 2027 annual reports.
- ✓ In June 2026, Hepsor SOF OÜ – a joint venture between Hepsor AS and the EfTEN Special Opportunities Fund – and construction company Mitt & Perlebach OÜ signed a construction contract for the construction of apartment buildings at Paevälja 7 and Paevälja 9 in the Paevälja quarter in Tallinn.
- ✓ On 1 July 2026, Hepsor SOF OÜ and Coop Pank AS signed a loan agreement in the amount of EUR 12.7 million to finance the construction of three new residential buildings in the Paevälja quarter in Lasnamäe.
- ✓ On 20 July 2026, Hepsor SIA and SIA “AF 2” (registration code 40203600778) signed a preliminary sale and purchase agreement for the properties located at Meža iela 6-1, Meža iela 6-2, Meža iela 6-3 and Meža iela 6-4. The total purchase price of the properties is 790,000 euros, with no VAT applied. The Group plans to build a 48-apartment residential building on the properties, with construction scheduled to begin in the second half of 2027. To develop the properties, the Group established a wholly owned subsidiary, Hepsor M6 SIA, which was registered as the owner of the properties on 21 October 2026.
- ✓ On 4 September 2026, the public offering of Hepsor AS bonds ended. A total of 974 investors participated in the offering, subscribing for bonds in the total amount of EUR 7.1 million, of which EUR 5.8 million (82%) in Estonia, EUR 0.9 million (13%) in Latvia and EUR 0.3 million (5%) in Lithuania. The base volume of the second series offering of EUR 3 million was oversubscribed 2.4 times. Hepsor exercised its right to increase the offering by 2,000 bonds, as a result of which the total volume of the offering increased to EUR 5 million.

Share and Shareholders

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

As at 30 September 2026, Hepsor AS had 8,059 shareholders (30 September 2025: 8,814 shareholders).

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

Shareholder	Position	Number of shares	Shareholding %
Martti Krass	Member of Management Board	60,000	1.53%
Henri Laks	Chairman of Supervisory Board	498,000	12.73%
Andres Pärloja	Member of Supervisory Board	997,500	25.49%
Kristjan Mitt	Member of Supervisory Board	997,500	25.49%
Total	-	2,553,000	65.25%

Shareholder structure by number of shares held as at 30 September 2026:

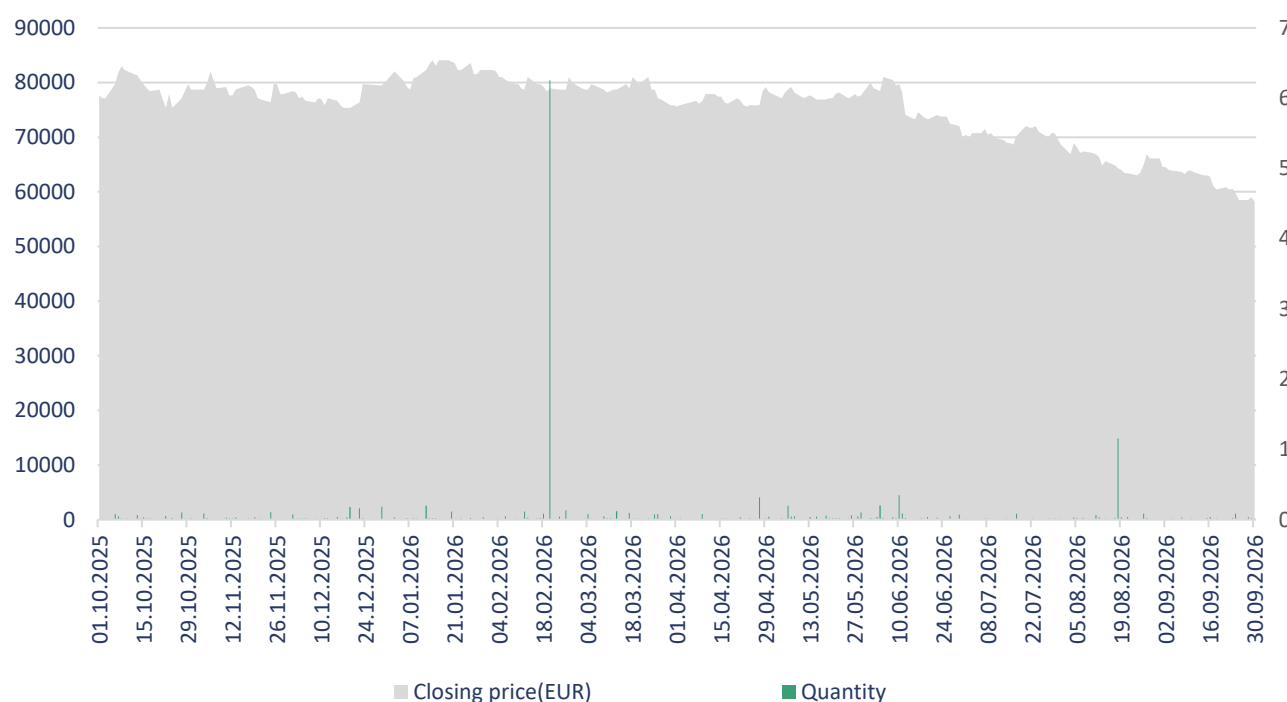
Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
100,001-...	6	0.07%	3,012,161	76.99%
10,001-100,000	9	0.11%	360,130	9.20%
1,001-10,000	54	0.67%	154,318	3.94%
101-1000	714	8.86%	194,770	4.98%
1-100	7,276	90.28%	191,143	4.89%
Total	8,059	100.00%	3,912,522	100.00%

During the period from 1 October 2025 to 30 September 2026, a total of 5,600 transactions were carried out with Hepsor shares, during which 189,285 shares changed ownership for a total amount of 1,126,397 euros. The highest transaction price during the period was 6.54 euros, and the lowest was 4.52 euros. The market capitalisation of the shares as at 30 September 2026 was 17.4 million euros (30 September 2025: 23.8 million euros), and equity attributable to the owners of the parent company was 17.0 million euros (30 September 2025: 21.3 million euros).

Market cap at 30
September 2026

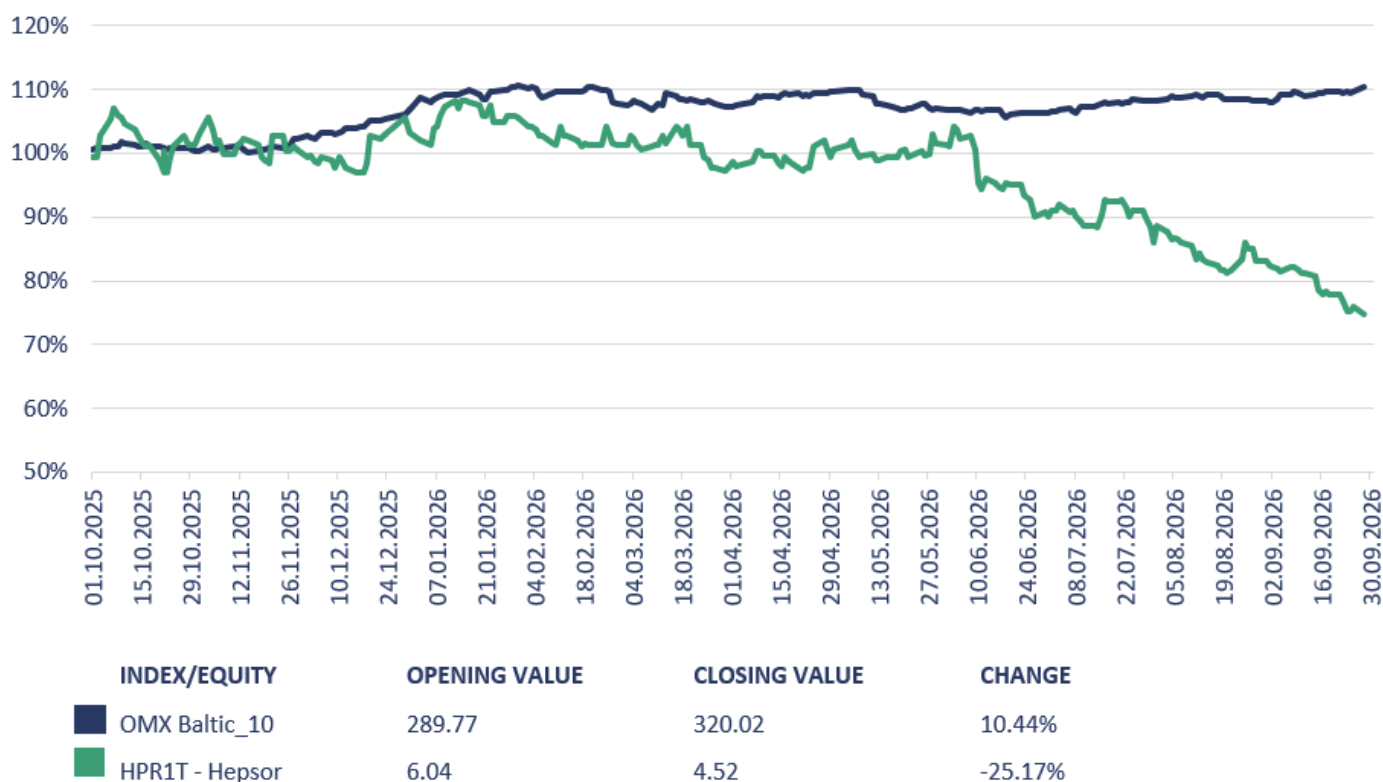
17.4
million euros

Trading volume and price range of Hepsor AS shares, 12 months (1 October 2025 – 30 September 2026):



Source: Nasdaq Baltic

Change in Hepsor share price in comparison with the benchmark OMX Tallinn index, 12 months (1 October 2025 – 30 September 2026):



Source: Nasdaq Baltic

Consolidated Financial Statements

Consolidated statement of financial position

in thousands of euros	Note	30 September 2026	31 December 2025	30 September 2025
Assets				
Current assets				
Cash and cash equivalents		7,410	3,821	1,867
Current financial investments		50	0	0
Trade and other receivables	3	1,879	1,807	1,796
Current loan receivables	4	425	0	0
Inventories	2	76,628	58,938	53,994
Total current assets		86,392	64,566	57,657
Non-current assets				
Property, plant and equipment		208	260	274
Intangible assets		0	0	1
Investment properties	5	11,820	11,820	7,980
Financial investments	6	9,078	7,837	7,550
Investments in joint ventures		451	26	1
Non-current loan receivables	4	6,651	6,521	6,572
Other non-current receivables		1,351	805	631
Total non-current assets		29,559	27,269	23,009
Total assets	22	115,951	91,835	80,666
Liabilities and equity				
Current liabilities				
Loans and borrowings	7	1,617	5,687	8,192
Current lease liabilities		12	50	13
Prepayments from customers		4,530	1,544	1,211
Trade and other payables	8	7,973	6,832	5,255
Total current liabilities		14,132	14,113	14,671
Non-current liabilities				
Loans and borrowings	7	67,917	42,060	36,720
Non-current lease liabilities		112	112	162
Other non-current liabilities	9	9,213	8,472	7,500
Total non-current liabilities		77,242	50,644	44,382
Total liabilities	22	91,374	64,757	59,053
Equity				
Share capital	11	3,913	3,913	3,913
Share premium		8,917	8,917	8,917
Reserves		385	385	385
Retained earnings		11,362	13,863	8,398
Total equity		24,577	27,078	21,613
incl. total equity attributable to owners of the parent		16,999	20,858	21,323
incl. non-controlling interest		7,578	6,220	290
Total liabilities and equity		115,951	91,835	80,666

Consolidated statement of profit and loss and other comprehensive income

in thousands of euros	Note	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Revenue	13, 22	7,568	30,888	1,344	8,825
Cost of sales (-)	14	-6,766	-25,946	-958	-6,743
Gross profit		802	4,942	386	2,082
Marketing expenses (-)	15	-799	-676	-303	-228
Administrative expenses (-)	16	-1,420	-1,356	-559	-438
Other operating income		44	314	27	232
Other operating expenses (-)		-50	-211	-15	-45
Operating profit (-loss) of the year	22	-1,423	3,013	-464	1,603
Financial income	18.1	616	322	248	165
Financial expenses (-)	18.2	-2,048	-1,527	-751	-525
Profit before tax		-2,855	1,808	-967	1,243
Corporate income tax		-323	-283	-1	0
Net profit (-loss) for the year		-3,178	1,525	-968	1,243
Attributable to owners of the parent		-2,878	937	-962	1,133
Non-controlling interest		-300	588	-6	110
Other comprehensive income (-loss)					
Changes related to change of ownership		-137	-81	-353	-81
Change in value of embedded derivatives with minority shareholders		-98	-534	-59	-106
The effects of changes in foreign exchange rates		-12	-375	29	-83
Other comprehensive income (-loss) for the period		-247	-990	-383	-270
Attributable to owners of the parent		75	418	65	759
Non-controlling interest		-322	-1,408	-448	-1,029
Comprehensive income (-loss) for the period		-3,425	535	-1,351	973
Attributable to owners of the parent		-2,803	1,355	-897	1,892
Non-controlling interest		-622	-820	-454	-919
Earnings per share					
Basic (euros per share)		-0.74	0.24	-0.25	0.29
Diluted (euros per share)		-0.74	0.24	-0.25	0.29

Consolidated statement of changes in equity

in thousands of euros	Attributable to equity owners of the parent				Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Retained earnings		
Balance of 31 December 2024	3,855	8,917	385	7,755	1,098	22,010
2025						
Net profit/-loss for the period	0	0	0	937	588	1,525
Other comprehensive income/-loss for the period	0	0	0	418	-1,408	-990
Voluntary reserve capital	0	0	0	0	12	12
Dividends paid	0	0	0	-1,002	0	-1,002
Issue of shares	58	0	0	0	0	58
Balance of 30 September 2025	3,913	8,917	385	8,108	290	21,613
Balance of 31 December 2025	3,913	8,917	385	7,643	6,220	27,078
2026						
Net profit/-loss for the period	0	0	0	-2,878	-300	-3,178
Other comprehensive income/-loss for the period	0	0	0	75	-322	-247
Voluntary reserve capital	0	0	0	0	1,980	1,980
Dividends paid	0	0	0	-1,056	0	-1,056
Balance of 30 September 2026	3,913	8,917	385	3,784	7,578	24,577

Consolidated statement of cash flows

in thousands of euros	Note	9 months 2026	9 months 2025
Net cash flows from (to) operating activities			
Operating profit/(-loss) of the year	22	-1,423	3,013
Adjustments for:			
Depreciation of property, plant and equipment		61	79
Loss on write-off of property, plant and equipment		-1	0
Other adjustments	21	-4,813	0
Income tax paid		-389	-324
Changes in working capital:			
Change in trade receivables and prepayments		-37	-1,038
Change in inventories	19	-15,448	11,484
Change in liabilities and prepayments		4,305	1,869
Other changes		27	126
Cash flows from (to) operating activities		-17,716	15,209
Net cash flows from (to) investing activities			
Payments for property, plant and equipment		-10	-64
Proceeds from sale of property, plant and equipment		1	1
Payments for financial investments		-1,241	-1,675
Payments for acquisition of joint venture		0	-1
Proceeds from sale of joint venture		0	1
Payments for acquisition of subsidiary		0	-1,421
Proceeds from sale of subsidiaries		0	0
Effect of subsidiary leaving the group		138	0
Cash disposed of on subsidiary leaving the group		-49	0
Loans granted		0	-4,144
Interest received		6	5
Cash flows from (to) investing activities		-1,155	-7,298
Net cash flows from (to) financing activities			
Loans raised	7	25,833	14,356
Loan repayments	7	-3,993	-22,896
Bond issue (net)	7	4,912	0
Interest paid	19	-3,254	-2,878
Payments of finance lease principal		-8	-7
Payments of right to use lease liabilities		-30	-32
Dividends paid		-1,056	-1,002
Other receipts from financing activities		101	11
Other payments from financing activities		-45	-14
Cash flows from (to) financing activities		22,460	-12,462
Net cash flow		3,589	-4,551
Cash and cash equivalents at beginning of year		3,821	6,249
Cash acquired on acquisition of subsidiary		0	169
Increase/decrease in cash and cash equivalents		3,589	-4,382
Cash and cash equivalents at end of year		7,410	1,867

Notes to the consolidated interim financial statements

Note 1. General information

Hepsor AS (hereinafter “the Group”) consolidated unaudited interim report for the third quarter and 9 months of 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards as adopted in the European Union (“IFRS (EU)”). The Group has consistently applied the accounting policies throughout all periods presented, unless stated otherwise. The interim report for the third quarter of 2026 follows the same accounting principles and methods used in the 2025 audited consolidated financial statements. The interim financial statements contain the audited financial results for 2025 and unaudited comparative figures for the third quarter of 2025.

The Group has not made any changes to its critical accounting estimates which may affect the consolidated unaudited interim financial statements for the third quarter of 2026.

The Group has not made any changes to the valuation techniques applied for fair value measurement in 2026.

Note 2. Inventories

Inventories are classified as development projects ready for sale once a usage permit has been granted for the project. As at 30 September 2026, usage permits had been issued for residential development projects located at Manufaktuuri 7 in Estonia and Ranka dambis 5 in Latvia. In addition, a partial usage permit had been issued for the commercial real estate development project located at Ulbrokas 34, Latvia. As at 30 September 2026, the Group had 1 unsold apartment and 8 commercial spaces in development projects classified as ready for sale (31 December 2025: 36, 30 September 2025: 58), of which 1 apartment was located in Riga and all 8 commercial spaces were located in Tallinn.

As at 30 September 2026, the changes in inventories as stated in cash flow statements have been adjusted by loan interest expense. The capitalised loan interest amounted to 2,226 thousand euros (31 December 2025: 1,859 thousand euros, 30 September 2025: 1,337 thousand euros). Further information is provided in Note 19.

Project statuses are classified as follows:

in thousands of euros	30 September 2026	31 December 2025	30 September 2025
A – planning proceedings	7,287	11,705	10,470
B – building permit proceedings	3,280	4,155	3,277
C – building permit available / construction not yet started	5,058	4,928	4,895
D – construction started / sale started	46,593	19,906	14,337
E – construction ready for sale	14,410	18,244	21,015
Total inventories	76,628	58,938	53,994

The following development projects are stated as inventories:

in thousands of euros				30 September 2026		31 December 2025		30 September 2025	
Address	Project company	Location	Segment	Acquisition cost	Project status	Acquisition cost	Project status	Acquisition cost	Project status
Work in progress									
Narva mnt 150b, Tallinn	Hepsor N450 OÜ	Estonia	Commercial	0	-	0	-	1,229	A
Manufaktuuri 5, Tallinn	Hepsor Phoenix 3 OÜ	Estonia	Residential/Commercial	19,452	D	10,776	D	9,257	D
Alvari 1, 1a, 5, Tallinn	Hepsor A1 OÜ	Estonia	Residential/Commercial	0	-	0	-	2,209	A
Kadaka tee 197, Tallinn	H&R Residentsid OÜ	Estonia	Residential	1,445	A	1,387	A	1,374	A
Manufaktuuri 12, Tallinn	Hepsor Phoenix 4 OÜ	Estonia	Residential	8,008	D	2,867	D	1,791	D
Vana-Tartu mnt 49, Tallinn	Hepsor VT49 OÜ	Estonia	Commercial	1,209	B	1,295	B	1,285	B
Võistluse 7, Tallinn	Hepsor V7 OÜ	Estonia	Residential	538	B	490	B	473	B
Manufaktuuri 3, Tallinn	Hepsor PHX5 OÜ	Estonia	Residential	5,842	A	5,834	A	0	-
Saules aleja 2a, Riga	Hepsor SA2 SIA	Latvia	Residential	0	-	1,082	B	1,081	B
Braila 23, Riga	Hepsor Jugla SIA	Latvia	Residential	5,664	D	1,681	D	742	D
Ganibu dambis 17a, Riga	Hepsor Ganibu Dambis SIA	Latvia	Residential	5,058	C	4,928	C	4,895	C
Smaidu, Dreilini	SIA "Riga Properties 4"	Latvia	Commercial	0	-	4,484	A	4,401	A
Eiženijas 18, Riga	Hepsor E18 SIA	Latvia	Residential	3,375	D	546	D	438	B
Dzelzavas 74c, Riga	Hepsor Dz74c SIA	Latvia	Residential	10,094	D	4,036	D	2,547	D
Starta 17, Riga	Hepsor S17 SIA	Latvia	Residential	1,533	B	1,288	B	1,257	A
Total work in progress				62,218		40,694		32,979	
Ready for sale real estate development									
Manufaktuuri 22, Tallinn (parking spaces)	Hepsor Phoenix OÜ	Estonia	Residential	16	E	16	E	16	E
Nõmme tee 57, Tallinn	Hepsor N57 OÜ	Estonia	Residential	4	E	122	E	122	E
Paldiski mnt 227c, Tallinn	Hepsor 3Torni OÜ	Estonia	Residential	0	-	1,884	E	2,864	E
Manufaktuuri 7, Tallinn	Hepsor Phoenix 2 OÜ	Estonia	Residential/Commercial	1,322	E	2,380	E	3,741	E
Ranka dambis 5, Riga	Hepsor RD5 SIA	Latvia	Residential	64	E	671	E	671	E
Jūrmalas gatve 74, Riga	Hepsor JG SIA	Latvia	Residential	0	-	578	E	1,237	E
Ulbrokas 34, Riga	Hepsor U34 SIA	Latvia	Commercial	13,004	E	12,593	E	12,364	E
Total ready for sale real estate development				14,410		18,244		21,015	
Total inventories				76,628		58,938		53,994	

Note 3. Trade and other receivables

in thousands of euros	30 September 2026	31 December 2025	30 September 2025
Trade receivables	507	1,001	1,355
Allowance for doubtful receivables	-16	-13	-13
Net trade receivables	491	988	1,342
Prepayments			
Tax prepayment			
Value added tax	491	320	249
Other taxes	0		7
Other prepayments for goods and services	385	59	135
Total prepayments	876	379	391
Other current receivables			
Interest receivables	89	0	0
Other current receivables	423	440	63
Other current receivables	512	440	63
Total trade receivables	1,879	1,807	1,796

Note 4. Loans granted

in thousands of euros	Unrelated legal entities	Related legal entities (Note 23)	Total
2026			
Loan balance as at 31 December 2025	0	6,521	6,521
- current portion	0	0	0
- non-current portion	0	6,521	6,521
Reclassification due to group company becoming an associate	0	555	555
Loan balance as at 30 September 2026	0	7,076	7,076
- current portion	0	425	425
- non-current portion	0	6,651	6,651
Contractual interest rate per annum	-	7-12%	
2025			
Loan balance as at 31 December 2024	200	2,428	2,628
- current portion	200	0	200
- non-current portion	0	2,428	2,428
Loans granted	296	4,144	4,440
Elimination of loan on acquisition of subsidiary	-296	0	-296
Division of subsidiary	-200	0	-200
Loan balance as at 30 September 2025	0	6,572	6,572
- current portion	0	0	0
- non-current portion	0	6,572	6,572
Contractual interest rate per annum	0-12%	7-12%	
Contractual interest rate per annum	0-12%	7-12%	

Note 5. Investment properties

Hepsor M14 OÜ's office building development project in Tallinn, Meistri 14 was completed in 2021. As at 31 December 2024, the building was classified as a property investment which is measured at fair value. The Group performed the valuation using the five-year discounted cash flow method. Since the purpose of the property investment is to generate rental income, the method used reflects best the fair value of the property investment. The valuation is based on existing cash flows, the rate of return, and an appropriate discount rate that takes into account the expected return of similar assets for average investors. At the end of 2025, a return rate of 7.7% and a discount rate of 8.1% were used for the asset valuation. As at 30 September 2026, the fair value of the asset is 8.0 million euros.

In 2025, the properties located at Alvari 1, 1a and 5 and Narva mnt 150b in Tallinn were reclassified from inventories to investment property. The Group does not plan to undertake development activities on these properties and holds them with the objective of earning returns from capital appreciation. In determining the fair value of the Alvari Street properties, which are designated as residential land, the Group relied on transaction prices of comparable properties in the vicinity during the reporting period. The fair value of the property located at Narva mnt 150b, which is designated as commercial land, was determined on the basis of a valuation prepared by an independent expert. As at 30 September 2026, the fair value of these properties is 3.8 million euros.

Note 6. Financial investments

On 26 June 2026, the Group exited the Tatari 6A development project. The Group held an 80% shareholding in Tatari 6A Arenduse OÜ to ensure the quality of the management process. The Group had no profit share in the project. The provision of management services ended upon the exit.

In the second quarter of 2026, Hepsor SA2 SIA sold the property it owned, which brought an end to the company's development activities. As at 18 June 2026, Hepsor SA2 SIA is therefore recognised as a financial investment and, as at 30 September 2026, had a carrying value of 36 thousand euros. Hepsor SA2 SIA has been in liquidation since 4 August 2026.

Between 2023 and 2025, the Group invested in a total of five joint ventures in Canada. These joint ventures are accounted for using the equity method. In 2023, the Group invested in two joint ventures: Weston Limited Partnership and Elysium Isabella Limited Partnership. In 2024 and 2025, three additional joint ventures were established: Elysium Glenavy Limited Partnership, Brownville Limited Partnership, and EH High Park Limited Partnership. As at 30 September 2026, the carrying amount of the financial investments is 9,042 thousand euros (31 December 2025: 7,835 thousand euros, 30 September 2025: 7,548 thousand euros).

Note 7. Loans and borrowings

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

On 6 August 2026, Group company Hepsor U34 SIA and Bigbank AS signed a loan agreement in the amount of 10 million euros. The five-year loan was used to refinance in full the obligations arising from the loan agreement previously concluded with Bigbank AS.

As at 30 September 2026, 79% (31 December 2025: 79%, 30 September 2025: 85%) of all loans granted to the Group have been received against the risk of development projects.

in thousands of euros	Bank loans	Bonds	Unrelated legal entities	Related legal entities	Total
Balance as at 30 September 2026					
Loans for development projects	43,668	0	10,964	133	54,765
Loans to headquarters to finance development projects	2,000	12,769	0	0	14,769
Total	45,668	12,769	10,964	133	69,534
Balance as at 31 December 2025					
Loans for development projects	21,320	0	16,481	133	37,934
Loans to headquarters to finance development projects	2,000	7,813	0	0	9,813
Total	23,320	7,813	16,481	133	47,747
Balance as at 30 September 2025					
Loans for development projects	21,079	0	16,950	133	38,162
Loans to headquarters to finance development projects	6,750	0	0	0	6,750
Total	27,829	0	16,950	133	44,912

As at 30 September 2026, the Group has the following loan obligations:

in thousands of euros	Bank loans	Bonds	Unrelated legal entities	Related legal entities (Note 23)	Total
2026					
Loan balance as at 31 December 2025	23,320	7,813	16,481	133	47,747
- current loan payable	1,558	0	4,129	0	5,687
- non-current loan payable	21,762	7,813	12,352	133	42,060
Received	23,912	4,912	1,921	0	30,745
Repaid	-1,564	0	-2,429	0	-3,993
Effect of subsidiary leaving the group	0	0	-3,094	0	-3,094
Reclassification of loan to other non-current liabilities	0	0	-800	0	-800
Conversion of loan into voluntary reserve	0	0	-1,132	0	-1,132
Effect of the effective interest rate	0	44	17	0	61
Loan balance as at 30 September 2026	45,668	12,769	10,964	133	69,534
- current loan payable	38	0	1,579	0	1,617
- non-current loan payable	45,630	12,769	9,385	133	67,917
Contractual interest rate per annum	EU6+3.25%-8%; 5.46%	9.5%	0-18%	0-12%	
2025					
Loan balance as at 31 December 2024	33,828	0	19,489	1,371	54,688
- current loan payable	17,753	0	4,345	1,238	23,336
- non-current loan payable	16,075	0	15,144	133	31,352
Received	9,764	0	4,592	0	14,356
Repaid	-15,763	0	-5,895	-1,238	-22,896
Elimination of loan on acquisition of subsidiary	0	0	-1,226	0	-1,226
Effect of the effective interest rate	0	0	-10	0	-10
Total loan balance as at 30 September 2025	27,829	0	16,950	133	44,912
- current loan payable	4,857	0	3,335	0	8,192
- non-current loan payable	22,972	0	13,615	133	36,720
Contractual interest rate per annum	EU6+3.25%-8%; 5.46%		0-18%	0-12%	

As at 30 September 2026, the Group had the following bank loans under the following conditions:

Lender	Country	Loan balance	Contract term	Loan limit	Interest per annum	Collateral	Cost value of the collateral (Note 2, 5)	Guarantee given
LHV Pank AS	Estonia	4,412	2027	4,900	5.46%	Mortgage – Meistri 14, Tallinn	7,980	-
LHV Pank AS	Estonia	5,611	2029	7,600	6M Euribor+8%	Mortgage – Manufaktuuri 3, 5 and 12, Tallinn	33,302	3,000
LHV Pank AS	Estonia	2,917	2029	25,650	6M Euribor+6.5%			
LHV Pank AS	Estonia	5,243	2029	7,000	6M Euribor+5.5%			
Bigbank AS	Latvia	1,805	2028	2,000	6M Euribor+4.5%	Mortgage – Ganību dambis 17A, Riga	5,058	-
Bigbank AS	Latvia	10,000	2030	10,000	6M Euribor+3.5%	Mortgage – Ulbrokas 34, Riga; Commercial pledge	13,004	890
Bigbank AS	Latvia	7,424	2028	8,600	6M Euribor+4.4%	Mortgage – Dzelzavas 74c, Riga	10,094	430
BluOr Bank AS	Latvia	4,114	2030	11,990	6M Euribor+3.4%	Mortgage – Braila 23, Riga; Commercial pledge	5,664	-
BluOr Bank AS	Latvia	2,141	2031	5,250	6M Euribor+3.2%	Mortgage – Eiženijas iela 18, Riga; Commercial pledge	3,375	-

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

Lender	Country	Loan balance	Contract term	Loan limit	Interest per annum	Collateral	Cost value of the collateral (Note 2, 5)	Guarantee given
LHV Pank AS	Estonia	4,523	2027	4,900	5.46%	Mortgage – Meistri 14, Tallinn	7,980	-
LHV Pank AS	Estonia	940	2026	13,900	6M Euribor+4.5%	Mortgage – Paldiski mnt 227c, Tallinn	1,884	-
LHV Pank AS	Estonia	166	2026	5,758	6M Euribor+4.5%	Mortgage – Manufaktuuri 7, Tallinn	2,380	-
LHV Pank AS	Estonia	1,549	2029	7,600	6M Euribor+8%	Mortgage – Manufaktuuri 3, 5 and 12, Tallinn	19,477	3,000
LHV Pank AS	Estonia	0	2029	25,650	6M Euribor+6.5%			
LHV Pank AS	Estonia	870	2029	7,000	6M Euribor+5.5%			
Bigbank AS	Latvia	1,850	2028	2,000	6M Euribor+4.5%	Mortgage – Ganību dambis 17A, Riga; Commercial pledge	4,928	-
Bigbank AS	Latvia	168	2026	3,259	6M Euribor+4.9%	Mortgage – Ranka dambis 5, Riga	671	460
Bigbank AS	Latvia	136	2028	4,000	6M Euribor+4.6%	Mortgage – Jūrmalas gatve 74, Riga	578	430
Bigbank AS	Latvia	8,838	2027	9,000	6M Euribor+4.4%	Mortgage – Ulbrokas 34, Riga; Commercial pledge	12,593	890
Bigbank AS	Latvia	1,853	2028	8,600	6M Euribor+4.4%	Mortgage – Dzelzavas 74c, Riga	4,036	430
BluOr Bank AS	Latvia	429	2030	11,990	6M Euribor+3.4%	Mortgage – Braila 23, Riga	1,681	-

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

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

Note 8. Trade and other payables

in thousands of euros	30 September 2026	31 December 2025	30 September 2025
Trade payables	3,759	1,588	1,115
Taxes payable			
Value added tax	92	274	350
Personal income tax	24	42	26
Social security tax	49	68	41
Corporate income tax	3	69	0
Other taxes	42	71	170
Total taxes payable	210	524	587
Accrued expenses			
Payables to employees	171	156	167
Interest payable (Note 19)	704	915	388
Other accrued expenses	63	628	162
Total accrued expenses	938	1,699	717
Other current payables			
Embedded derivatives (Note 10)	2,687	2,588	2,409
Other payables	379	433	427
Total other current payables	3,066	3,021	2,836
Total trade and other payables	7,973	6,832	5,255

As at 30 September 2026, other payables include 362 thousand euros (31 December 2025: 362 thousand euros, 30 September 2025: 362 thousand euros) related to the co-financing obligation of the Manufaktuuri kindergarten, for which a claim has been filed with the administrative court (Note 12.2).

Note 9. Other non-current liabilities

in thousands of euros	30 September 2026	31 December 2025	30 September 2025
Non-current interest payables (Note 19)	3,389	3,468	3,061
Other non-current payables	3,982	3,162	2,597
Deferred income	1,842	1,842	1,842
Total other non-current liabilities	9,213	8,472	7,500

As at 30 September 2026, other non-current liabilities include amounts payable to financial investors involved in the financing of the StokOfiss 34 development project totalling 1.7 million euros (31 December 2025: 1.7 million euros) and 0.6 million euros (31 December 2025: 0.6 million euros) related to the Zaļā Jugla development project and 0.8 million euros related to the Starta 17 development project.

Note 10. Embedded derivatives

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

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

in thousands of euros	30 September 2026	31 December 2025	30 September 2025
<i>Residential development project in Manufaktuuri 7, Tallinn</i>	2,687	2,588	2,409
Total change in liabilities arising from embedded derivatives	2,687	2,588	2,409

Note 11. Equity

According to the Articles of Association of Hepsor AS, the company's minimum share capital is 3 million euros and the maximum share capital is 12 million euros. On 8 July 2025, the Supervisory Board of Hepsor AS adopted a resolution to increase the share capital of Hepsor AS by 57,821 euros. As at 30 September 2026, the share capital of Hepsor AS amounted to 3,913 thousand euros. Hepsor AS has 3,912,522 shares with a nominal value of 1 euro each.

Note 12. Contingent assets and liabilities

12.1 Contingent liabilities arising from embedded derivatives

In accordance with the shareholders' agreements between the Group and the minority shareholders of its subsidiaries, the Group had, as at 30 September 2026, a contingent liability to pay 15,960 thousand euros (31 December 2025: 13,977 thousand euros, 30 September 2025: 4,958 thousand euros) to the minority shareholders upon the realisation of the business plans. The obligation amounts are estimates calculated based on the business plans valid at the time of reporting for the respective development projects. Contingent liabilities arising from embedded derivatives are assessed at each reporting date. As at 30 September 2026, the expected realisation period for the contingent liabilities presented in the report is between 2026 and 2033.

12.2 Lawsuit

Subsidiaries of Hepsor AS, Hepsor Phoenix 2 OÜ, Hepsor Phoenix 3 OÜ and Hepsor PHX5 OÜ, together with AS PHOENIX LAND, have filed a joint claim with the administrative court to assess the legality of the co-financing agreement for the Manufaktuuri kindergarten concluded with the City of Tallinn on 28 April 2022. The claim seeks to have the co-financing obligation declared invalid and to recover amounts already paid. The disputed obligation amounts to 1,049 thousand euros. The claim is based on several decisions issued by the Supreme Court in 2025 concerning co-financing, which established principles that such co-financing arrangements must comply with. The dispute is complex, and the outcome of the claim is currently difficult to assess.

Further information on the co-financing obligation of the kindergarten is presented in Note 8.

A claim for damages filed in November 2024 by seven apartment owners of Manufaktuuri 18 against Hepsor AS subsidiary Hepsor Phoenix OÜ is pending before Harju County Court. The court claim is based on the allegation that the apartment ownerships sold to the claimants from 2018–2019 have construction defects. The claimants seek compensation for the damage allegedly suffered by them in the amount of 467 thousand euros, together with late interest calculated on that amount. In the court proceedings, it will first be decided by an interim judgment whether the buyers' claims have expired. The management of Hepsor Phoenix OÜ does not consider the court claim to be justified and, based on the circumstances presented so far, assesses the satisfaction of the claim as unlikely.

12.3 Group guarantees given

As at 30 September 2026, the Group has provided a guarantee to the City of Tallinn to secure the fulfilment of the kindergarten co-financing obligations of its subsidiaries in the amount of 1,294 thousand euros.

The Group is obliged to provide warranty services to customers during the warranty period. The Group outsources warranty period services for developed real estate projects to contracted construction service partners. Based on construction contracts and past experience, the Group has not recognised a warranty provision for construction works.

Further information on guarantees provided for bank loans is presented in Note 7.

Note 13. Revenue

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Revenue from sale of real estate	5,746	29,514	721	8,298
Revenue from project management services	229	383	80	173
Revenue from rent	1,251	777	457	278
Revenue from other services	342	214	86	76
Total	7,568	30,888	1,344	8,825

Additional information on sales revenue is provided in Note 22.

Note 14. Cost of sales

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Cost of real estate sold	-5,516	-24,610	-595	-6,382
Personnel expenses (Note 17)	-370	-552	-140	-169
Depreciation	-4	-3	-2	-1
Other costs	-876	-781	-221	-191
Total	-6,766	-25,946	-958	-6,743

Note 15. Marketing expenses

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Personnel expenses (Note 17)	-386	-169	-148	-56
Depreciation	-6	-24	-2	-8
Other marketing expenses	-407	-483	-153	-164
Total	-799	-676	-303	-228

Note 16. Administrative expenses

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Personnel expenses (Note 17)	-877	-848	-341	-267
Depreciation	-51	-52	-17	-18
Traveling and transport expenses	-49	-54	-23	-18
Purchased service expenses	-241	-243	-79	-81
Other administrative expenses	-202	-159	-99	-54
Total	-1,420	-1,356	-559	-438

Note 17. Personnel expenses

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Salaries	-1,243	-1,195	-477	-369
Social security and other payroll taxes	-390	-374	-152	-123
Total (Notes 14, 15, 16)	-1,633	-1,569	-629	-492

As at 30 September 2026, the Group, together with the members of the Management Board and the Supervisory Board, had 30 (31 December 2025: 26) employees, of which 18 in Estonia (31 December 2025: 14) and 12 in Latvia (31 December 2025: 12).

Gross fees paid to the members of the Management and Supervisory Boards during the reporting period amounted to 393 thousand euros (2025: 383 thousand euros).

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

Note 18. Finance income and expenses

18.1 Finance income

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Interest income	533	291	169	160
Other finance income	83	31	79	5
Total	616	322	248	165

18.2 Finance expenses

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Interest expenses (Note 19)	-1,927	-1,452	-702	-505
Other finance expenses	-121	-75	-49	-20
Total	-2,048	-1,527	-751	-525

In 2026, borrowing costs of 2,226 thousand euros (9 months 2025: 1,337 thousand euros) were capitalised as the cost of inventories.

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

in thousands of euros	9 months 2026	9 months 2025
Inventories		
Reclassification of cash flows from operating activities to financing activities (Note 2)	2,226	1,337
Decrease (-)/ increase (+) of inventory balances (Note 2)	-17,690	10,147
Effect of effective interest rate	16	0
Change in inventories	15,448	11,484
Interest received		
Interest income in the statement of comprehensive income (Note 18)	533	291
Decrease (-)/ increase (+) of interest receivables	-630	-286
Increase in interest receivables due to group company becoming an associate	103	0
Interest received total	6	5
Interest paid		
Interest expense in the statement of profit or loss and other comprehensive income (Note 18)	-1,927	-1,452
Reclassification of cash flows from operating activities to financing activities (Note 2)	-2,242	-1,337
Decrease (-)/ increase (+) of interest payables (Notes 8, 9)	-290	-101
Conversion of interest into voluntary reserve	848	12
Decrease in interest payables due to group company becoming an associate	341	0
Effect of effective interest rate	16	0
Interest paid total	-3,254	-2,878

Note 20. Subsidiaries

On 12 June 2026, the merger of the wholly owned subsidiaries of Hepsor AS – Hepsor M7 OÜ, Hepsor V10 OÜ, Hepsor Kadaka OÜ, Hepsor Peetri OÜ, Hepsor P26b OÜ, Hepsor Tooma OÜ, Hepsor N170 OÜ, Hepsor Fortuuna OÜ and Hepsor N450 OÜ – with Hepsor Finance OÜ was entered in the Commercial Register.

On 1 June 2026, the Group's wholly owned subsidiary Hepsor Bal7 SIA, whose business activities had ended, was liquidated.

As of 18 June 2026, Hepsor SA2 SIA is no longer consolidated in the Group's financial statements and is recognised as a financial investment.

On 25 September 2026, Hepsor AS established a subsidiary in Latvia, Hepsor M6 SIA.

As of 30 September 2026, SIA "Riga Properties 4" is no longer consolidated in the Group's financial statements and is recognised as an associate.

Changes in the Group structure in the nine months of 2026 and their effect on comprehensive income and cash flows were as follows:

in thousands of euros	Other comprehensive income		Cash flow	
	Other comprehensive income attributable to owners of the parent	Other comprehensive income attributable to non-controlling interests	Cash flow from operating activities	Cash flow from investing activities
Hepsor BAL7 SIA	8	0	0	0
Hepsor SA2 SIA	43	164	0	138
SIA "Riga Properties 4"	36	-389	-4,813	-49
Total	87	-224	-4,813	89

Changes in the Group structure in the nine months of 2025 and their effect on comprehensive income and cash flows were as follows:

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

In March, the minority shareholder of Hepsor V7 OÜ paid for its 50% shareholding.

On 20 March 2025, Hepsor Finance OÜ, a subsidiary of Hepsor AS, established the subsidiary Hepsor SOF OÜ and on 11 April 2025 sold a 50% shareholding in it to the contractual investment fund EFTEN Special Opportunities Fund. Hepsor Finance OÜ recognises Hepsor SOF OÜ as a joint venture.

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

On 9 July 2025, Hepsor Latvia OÜ, a subsidiary of Hepsor AS, acquired a 50% shareholding in Hepsor Dz74c SIA.

On 14 August 2025, Hepsor Latvia OÜ, a subsidiary of Hepsor AS, acquired a 100% shareholding in Hepsor S17 SIA.

Note 21. Associates and joint ventures

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

Ownership and voting rights %

	30 September 2026	31 December 2025	30 September 2025
Hepsor P113 OÜ	45	45	45
Hepsor SOF OÜ	50	50	50
SIA "Riga Properties 4"	50	-	-

Financial information about associates and joint ventures:

in thousands of euros	30 September 2026	31 December 2025	30 September 2025	30 September 2026	31 December 2025	30 September 2025	30 September 2026
	Hepsor P113 OÜ			Hepsor SOF OÜ			SIA "Riga Properties 4"
Current assets							
Cash and cash equivalents	395	188	330	426	106	211	49
Trade and other receivables	54	54	122	18	63	48	3
Inventories	0	0	0	13,711	10,603	9,792	4,892
Total current assets	449	242	452	14,155	10,772	10,051	4,944
Non-current assets							
Investment property	11,270	11,270	10,610	0	0	0	0
Investments in subsidiaries	3	3	3	0	0	0	0
Non-current receivables and prepayments	46	46	53	0	0	0	0
Total non-current assets	11,319	11,319	10,666	0	0	0	0
Total assets	11,768	11,561	11,118	14,155	10,772	10,051	4,944
Current liabilities							
Loans and borrowings	7,865	6,997	34	0	0	0	889
Trade and other payables	53	59	168	1,710	506	25	237
Total current liabilities	7,918	7,056	202	1,710	506	25	1,126
Non-current liabilities							
Loans and borrowings	5,957	6,948	14,970	10,597	9,354	9,436	2,760
Other non-current liabilities	1,552	1,230	137	1,760	860	556	261
Total non-current liabilities	7,509	8,178	15,107	12,357	10,214	9,992	3,021
Total liabilities	15,427	15,234	15,309	14,067	10,720	10,017	4,147
Total equity	-3,659	-3,673	-4,191	88	52	34	797
Total liabilities and equity	11,768	11,561	11,118	14,155	10,772	10,051	4,944

The shareholders of SIA “Riga Properties 4” signed an amendment to the shareholders’ agreement, under which the development of the properties owned by the company will be discontinued and the properties will be put up for sale. In connection with this, the provision of project management services between Hepsor SIA and SIA “Riga Properties 4” was also terminated. As a result of the amendment to the shareholders’ agreement, the Hepsor Group lost control over SIA “Riga Properties 4”, and as of 30 September 2026 the company is recognised as an associate of the Group. The Hepsor Group’s shareholding in the company did not change.

As at 30 September 2026, the subsidiaries of Hepsor AS had granted loans to the joint venture Hepsor SOF OÜ in the total amount of 3,880 thousand euros.

As at 30 September 2026, 100% of P113 Tervisemaja owned by Hepsor P113 OÜ was covered by lease agreements. As at 30 September 2026, Hepsor AS had granted a loan of 2,748 thousand euros to its associate Hepsor P113 OÜ. P113 Tervisemaja is recognised as investment property. As at 30 September 2026, the fair value of the building is 11.2 million euros (31 December 2025: 11.2 million euros). The valuation was performed using the discounted cash flow method. The valuation is based on existing cash flows or cash flows derived from market averages, the capitalisation rate and an appropriate discount rate reflecting the average return expectations of investors for similar assets, taking into account the location of the property, its technical condition, tenant risk profiles and other relevant factors. At the end of 2025, a capitalisation rate of 7.7% (31 December 2024: 7.7%) and a discount rate of 8.7% (31 December 2024: 8.75%) were applied in measuring the fair value of the property.

Note 22. Operating segments

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

The Group reports separately information about the following operating segments:

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

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

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

Revenue by geographical area:

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Estonia	4,258	22,876	673	6,952
Latvia	3,310	8,012	671	1,873
Total	7,568	30,888	1,344	9,411

Additional information on sales revenue is provided in Note 13.

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

in thousands of euros	Residential development			Commercial development		Headquarters		Total
9 months 2026	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	3,455	2,388	0	548	868	255	54	7,568
incl. revenue from rent	96	174	0	455	526	0	0	1,251
Operating profit/-loss	-56	-121	-5	440	627	-1,653	-655	-1,423
Assets	35,873	27,075	9,350	15,035	13,620	13,191	1,807	115,951
Liabilities	23,081	20,558	5,849	9,944	11,079	17,508	3,355	91,374

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

in thousands of euros	Residential development			Commercial development		Headquarters		Total
Q3 2026	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	437	323	0	177	318	59	30	1,344
incl. revenue from rent	39	58	0	151	209	0	0	457
Operating profit/-loss	-81	39	-3	144	345	-677	-231	-464
Assets	35,873	27,075	9,350	15,035	13,620	13,191	1,807	115,951
Liabilities	23,081	20,558	5,849	9,944	11,079	17,508	3,355	91,374

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

Note 23. Related parties

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

Balances and loan transactions with related parties:

in thousands of euros	30 September	31 December	30 September
Receivables			
Loans granted (Note 4)			
Associated companies			
Opening balance as at 1 January	6,521	2,428	2,428
Loans granted	555	4,144	4,144
Effective interest rate impact	0	-51	0
Balance at the end of period	7,076	6,521	6,572
Trade and other receivables			
Management and all companies directly or indirectly owned by	17	14	14
Associated companies	16	3	1
Interest receivables			
Associated companies	1,421	787	598
Payables			
Prepayments from customers			
Management and all companies directly or indirectly owned by	92	3	3
Loans and borrowings (Note 7)			
Management and all companies directly or indirectly owned by			
Opening balance as at 1 January	133	1,371	1,371
Loans repaid	0	-1,238	-1,238
Balance at the end of period	133	133	133
Bonds			
Management and all companies directly or indirectly owned by	390	390	0
Trade payables			
Management and all companies directly or indirectly owned by	3,443	300	740
Interest payables			
Management and all companies directly or indirectly owned by	18	18	14

Purchases and sales of goods and services:

in thousands of euros	9 months 2026	9 months 2025	Q3 2026	Q3 2025
Sales of goods and services				
Associated companies	205	104	43	51
Management and all companies directly or indirectly owned by them	119	40	42	4
Total sales of goods and services	324	144	85	55
Purchases of goods and services				
Management and all companies directly or indirectly owned by them	24,780	7,434	9,883	3,285
<i>incl. construction service</i>	24,622	7,266	9,834	3,294
Interest income earned				
Associated companies	531	289	167	163
Interest expenses incurred				
Management and all companies directly or indirectly owned by them				
Accrued interest	28	80	9	7
Interest paid	28	93	9	19

Note 24. Events after the reporting period

On 21 October 2026, the Group's subsidiary Hepsor M6 SIA was registered as the owner of the properties located at Meža iela 6, Riga, Latvia. The properties were acquired for 790 thousand euros with no VAT added, and the Group plans to build a 48-apartment residential building on them.

Note 25. Risk management

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

Strategic risk

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

Market risk

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

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

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

Credit risk

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

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

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

Liquidity risk

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

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

Capital risk

The objective of the Group's capital risk management is to ensure the most optimal capital structure that supports the sustainability of the Group's business operations and the interests of its shareholders. The Group finances its activities through both debt and equity capital.

The Group considers loan capital and total equity as capital. The Group uses the debt-to-capital ratio to monitor its capital, which is calculated as the ratio of net debt to total capital. The Group also monitors the ratio of equity to total assets.

Currency risk

The Group's activities are mainly carried out in the currency of the economic environment of the companies: in Estonia and Latvia in euros (EUR) and in Canada in Canadian dollars (CAD). The Group's currency risk arises from the translation of the functional currency of the Canadian subsidiary into the Group's functional and presentation currency. In order to mitigate currency risks, the Group concludes as many contracts as possible in euros. The majority of intra-group transactions are carried out in euros. The growth of business in Canada leads to the Group's exposure to currency risks. As at 30 September 2026, the Group is not significantly exposed to currency risks, therefore, the Group has not used instruments to hedge currency risks.

Management Board's Confirmation

The Management Board confirms that the unaudited interim report for the third quarter and nine months of 2026, which is comprised of the management report and the interim financial statements, provides a true and fair view of the Group's operations, financial position and results of operations, and describes the significant risks and uncertainties the Group faces.

Martti Krass

Member of the Management Board

Tallinn, 27 October 2026