upb

2025 UPB ANNUAL REPORT

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INFORMATION ON THE COMPANY

NAME OF THE COMPANY	UPB
LEGAL STATUS OF THE COMPANY	Joint Stock Company
NUMBER, PLACE, AND DATE OF REGISTRATION	42103000187, Liepaja, 26 April 1991
ADDRESS	Dzintaru 17, Liepaja, Latvia, LV-3401
MANAGEMENT BOARD	Dainis Berzins, Chairman of the Management Board Ugis Grinbergs, Member of the Management Board Nora Kalna, Member of the Management Board
SUPERVISORY BOARD	Uldis Pilens, Chairman of the Supervisory Board Madara More, Deputy Chair of the Supervisory Board Normunds Horsts, Member of the Supervisory Board Maris Mors, Member of the Supervisory Board from 02.07.2025.
FINANCIAL YEAR	01.01.2025 – 31.12.2025
AUDITORS	SIA KPMG Baltics Roberta Hirsa 1, Riga, Latvia, LV-1045 Licence No. 55

INFORMATION ON SUBSIDIARIES

SIA AILE GRUPA
Pulvera 28, Liepaja,
Latvia, LV-3405
Shareholding: 100%

SIA ALTO 4.0
Latgales 246, Riga,
Latvia, LV-1063
Shareholding: 100%

SIA BUVMEHANIZACIJA
Martina 18, Liepaja,
Latvia, LV-3401
Shareholding: 100%

SIA ENNA
Dzintaru 19, Liepaja,
Latvia, LV-3401
Shareholding: 100%

SIA GROTTA
Latgales 246, Riga,
Latvia, LV-1063
Shareholding: 100%

SIA INZENIERU BIROJS "BUVE UN FORMA"
Latgales 246, Riga,
Latvia, LV-1063
Shareholding: 100%

AS MB BETONS
Dzintaru 17, Liepaja,
Latvia, LV-3401
Shareholding: 93,5%

SIA RK METALS
Lauktehnikas 12, Grobina,
Latvia, LV-3430
Shareholding: 100%

SIA UPB ENERGY
Dzintaru 19, Liepaja,
Latvia, LV-3401
Shareholding: 100%

SIA UPB NAMS
Dzintaru 19, Liepaja,
Latvia, LV-3401
Shareholding: 100%

SIA UPB PROJEKTI
Dzintaru 17, Liepaja,
Latvia, LV-3401
Shareholding: 100%

SIA ZET
Dzintaru 19, Liepaja,
Latvia, LV-3401
Shareholding: 100% –
since 19 August 2025

UAB UPB ENGINEERS
Savanoriu a. 1B-3, Panevezys,
Lithuania, LT 35201
Shareholding: 100%

AB UPB SWEDEN
c/o Advokatfirman Delphi, Master
Samuelsgatan 17, Box 1432,
111 84 Stockholm, Sweden
Shareholding: 100%

GMBH UPB AS
Schlossgasse 4, Munchenstein,
CH-4142, Switzerland
Shareholding: 100%

LTD UPB AS
6th Floor, Manfield House,
1 Southampton Street, London,
WC2R 0LR, Great Britain
Shareholding: 100%

MANAGEMENT REPORT

The Joint Stock Company UPB and its subsidiaries together form a group of industrial companies whose main business sectors are the design and construction of technologically complex buildings, as well as the design and production of building structures. In exports, UPB Group focuses on the design, manufacturing, delivery and assembly of concrete, steel and glazed structures and mechanical engineering products.

UPB Group includes glazed-aluminium, steel and precast concrete production plants, mechanical engineering plant, ready-mix concrete plants throughout the territory of Latvia, full-service design and construction companies in Latvia and abroad, and building maintenance company. UPB companies and representations are located in seven countries – Latvia, Sweden, Norway, Denmark, Lithuania, United Kingdom and Switzerland.

In 2025, UPB Group's consolidated turnover reached 258 million euros, which is the highest indicator in the Group's history. The financial year was closed with a profit of 13.2 million euros. The Group's companies employed approximately 1,600 employees and paid 36 million euro in taxes.

During the reporting period, UPB Group successfully restored growth after a challenging period in the Scandinavian markets, supported by increased activity across the Baltic states. Demand for precast concrete façades with various decorative finishes is growing rapidly in the Baltic region. In response the project portfolio has been significantly expanded with orders from Latvia and Lithuania, while the majority of export volumes were delivered to Sweden, Norway, and the United Kingdom. Overall, the international projects are becoming larger and more technically complex, with increasingly demanding sustainability requirements, and it requires an integrated approach, which is the basis of UPB's competitiveness – combining design, production and construction in a single solution.

Among the most significant export projects in 2025 was the Sture development in central Stockholm, where three new buildings are being constructed within a historic urban environment. In Norway, UPB completed its largest façade project to date in the Oslo region – Campus Ullevål. Also in 2025, UPB was involved in the office building development project "Olivin" in Stockholm at an early stage. During the design phase, several optimizations were implemented, including the integration of reused precast concrete structures into the building frame, which significantly reduced the project's CO_2 footprint. In another project, recycled bricks were used as a decorative finish for concrete façade elements, promoting circular economy principles in construction. Meanwhile, in the United Kingdom, two projects in London are nearing completion, while a new project in Cambridge is in the design stage. The professional performance of UPB in export markets has been highly appreciated in Latvia, too – the company received the state's highest award in business "Export Champions 2025".

Growth was further driven by demand in the industrial and energy sectors, which remain key long-term development priorities for the UPB Group. In 2025, construction commenced on the new Latvijas Finieris resin plant, with UPB providing design and construction, as well as the installation of technological equipment. The Group's largest energy project to date, the Laflora Energy wind park, is nearing completion. At the same time, implementation of two Design & Build projects – the construction of the Lung Health and Infectious Diseases Unit of Riga East University Hospital and modular powder charge assembly plant for artillery ammunition in Iecava – has commenced. The confirmed project portfolio for year 2026 shows that investor activity in the industrial sector remains strong, supporting expectations of turnover growth in the future.

During the reporting year, UPB allocated 6 million euros to development projects, the majority directed towards the precast concrete facility in Liepāja, extending the production of Terrazzo concrete façades. Resources were also allocated for low-carbon concrete products – enabling clinker reduction of up to 70% while maintaining durability, longevity and quality of the product. In the field of sustainability, a new brand, "UPB Reshape", was also established to bring together the UPB Group's long-standing experience and technical expertise in implementing responsible and environmentally sustainable construction practices.

The year 2026 marks the beginning of a new investment cycle for the UPB Group. Over the next three years, 30 million euros will be invested in advancing production technologies, increasing automation, and strengthening engineering competencies. Significant resources are intended in the segment of ready-mixed concrete, acquiring a new mobile concrete plant and renewing the fleet of specialized vehicles. Further development of the technological capabilities of the mechanical engineering production facility will also continue.

UPB long-term development will continue as an industrial, vertically integrated group of companies, capable of implementing technologically complex projects in domestic and export markets. Internationally, the focus remains on high-complexity facade and frame projects, while locally the focus is on development of energy and industrial construction sectors.

The UPB Group companies started year 2026 with a strong order backlog, supported by positive developments across the Group's key operating markets. However, the impact of rising oil prices following the Iran conflict on the second half of 2026 remains uncertain and cannot be yet assessed. No other events that could affect the result of the reporting year have occurred.

DAINIS BERZINS
Chairman of the Board

NORA KALNA
Member of the Board

UGIS GRINBERGS
Member of the Board

MAIN PROJECTS OF 2025

VGP KVADRA PAK

INDUSTRIAL BUILDING

Riga, Latvia

LAFLORA ENERGY WIND PARK

ENERGY SOLUTIONS

Jelgava district, Latvia

LATVIJAS FINIERIS' RESIN PLANT

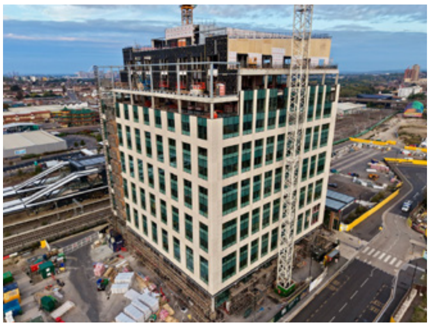
INDUSTRIAL BUILDING

Riga, Latvia

3 COPPER SQUARE

OFFICE BUILDING

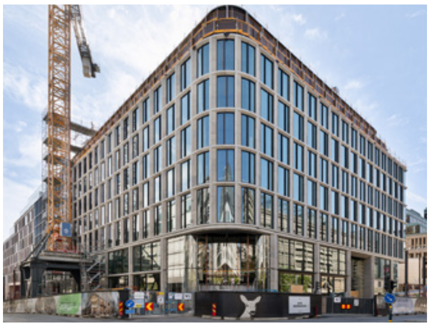
London, United Kingdom



RGNT

OFFICE BUILDING

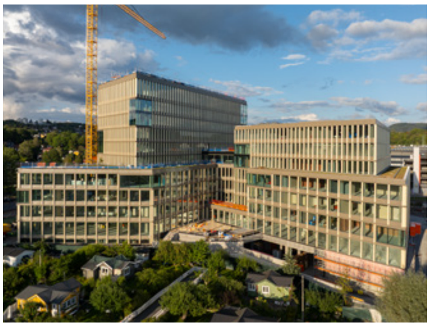
Stockholm, Sweden



CAMPUS ULLEVÅL

PUBLIC BUILDING

Oslo, Norway



OLIVIN

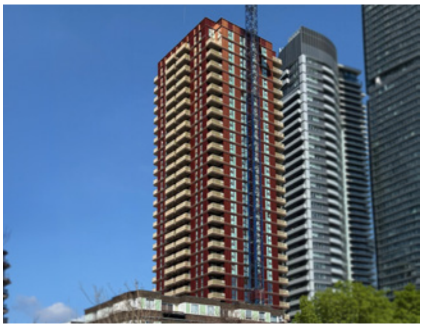
OFFICE BUILDING

Stockholm, Sweden

THE BELLAMY

RESIDENTIAL BUILDING

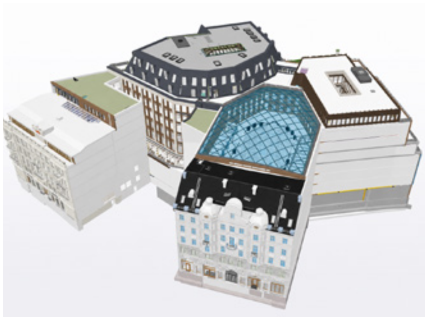
London, United Kingdom



STURE

PUBLIC BUILDING

Stockholm, Sweden



SUMMARY FINANCIAL STATEMENTS

PROFIT OR LOSS STATEMENT FOR 2025

	2025 (EUR)	2024 (EUR)
Net sales	149 861 283	144 725 436
b) from construction services provided	140 780 975	135 046 446
c) from other principal operating activities	9 080 308	9 678 990
Cost of sales, cost of goods sold or cost of services rendered	(135 251 458)	(134 908 772)
Gross profit	**14 609 825**	**9 816 664**
Selling expenses	(2 209 710)	(1 697 528)
Administrative expenses	(7 736 013)	(6 781 425)
Other operating income	302 665	175 079
Other operating expenses	(228 836)	(159 634)
Income from participation in the capital of subsidiaries	2 904 528	2 445 584
Interest income and similar income	606 195	347 354
Interest expense and similar expenses	(478 560)	(1 067 374)
Profit before corporate income tax	**7 770 094**	**3 078 720**
Corporate income tax for the reporting year	(292 994)	(229 267)
Profit of the reporting year	**7 477 100**	**2 849 453**

The accompanying notes on page 14 form an integral part of these summary financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2025

ASSETS

NON-CURRENT ASSETS	2025 (EUR)	2024 (EUR)
Intangible assets		
Concessions patents, licenses, trademarks and similar rights	230 201	74 439
Development of intangible assets	124 410	24 816
Advance payments for intangible assets	26 427	34 995
Total intangible assets	**381 038**	**134 250**
Property, plant and equipment		
Land, buildings and engineering structures	18 352 098	19 027 734
Leasehold improvements	719 605	893 881
Technological equipment and machinery	3 020 825	3 441 313
Other fixed assets and equipment	2 460 472	2 677 866
Construction in progress and costs of unfinished construction projects	1 068 865	352 380
Advance payments for property, plant and equipment	35 000	2 475
Total property, plant and equipment	**25 656 865**	**26 395 649**
Long term financial investments		
Investments in subsidiaries	4 218 052	4 215 377
Long-term loans to subsidiaries	600 000	996 289
Other loans and other long-term debtors	975	–
Total long term financial investments	**4 819 027**	**5 211 666**
Total non-current assets	**30 856 930**	**31 741 565**

CURRENT ASSETS

	2025 (EUR)	2024 (EUR)
Inventories		
Raw materials, basic materials and auxiliary materials	1 587 634	1 638 581
Work in progress and contracts in progress	5 153 983	2 339 543
Finished goods and goods held for sale	24 050	–
Advance payments for inventories	100 169	8 579 807
Total inventories	**6 865 836**	**12 557 931**
Receivables		
Trade receivables	7 546 039	6 466 147
Amounts owed by subsidiaries	15 451 530	17 051 090
Other debtors	6 984 083	10 286 828
Prepaid expenses	1 009 136	794 769
Accrued income	1 801 554	4 268 458
Total receivables	**32 792 342**	**38 867 292**
Cash	**27 395 067**	**12 005 790**
Total current assets	**67 053 245**	**63 431 013**
Total assets	**97 910 175**	**95 172 578**

The accompanying notes on page 14 form an integral part of these summary financial statements.

EQUITY AND LIABILITIES

	2025 (EUR)	2024 (EUR)
Equity		
Share capital	15 720 305	15 720 305
Retained earnings brought forward	16 345 348	19 495 895
Retained earnings for the reporting year	7 477 100	2 849 453
Total equity	**39 542 753**	**38 065 653**
Provisions		
Other provisions	5 817 666	5 493 064
Total provisions	**5 817 666**	**5 493 064**

CREDITORS

	2025 (EUR)	2024 (EUR)
Non-current creditors		
Borrowings from credit institutions	1 714 286	2 571 428
Other borrowings	251 453	178 986
Amounts owed to subsidiaries	–	290 512
Total non-current creditors	**1 965 739**	**3 040 926**
Current creditors		
Borrowings from credit institutions	857 143	857 143
Other borrowings	196 843	86 279
Advances received from customers	12 362 807	17 384 117
Trade payables	3 022 801	3 180 534
Amounts owed to subsidiaries	23 762 197	16 167 814
Taxes and mandatory State social insurance contributions	2 469 297	988 638
Other creditors	503 686	435 308
Deferred income	102 189	44 939
Dividends payable	–	1 500 000
Accrued liabilities	7 307 054	7 928 163
Total current creditors	**50 584 017**	**48 572 935**
Total creditors	**52 549 756**	**51 613 861**
Total equity and liabilities	**97 910 175**	**95 172 578**

The accompanying notes on page 14 form an integral part of these summary financial statements.

STATEMENT OF CHANGES IN EQUITY FOR 2025

CASH FLOWS FROM OPERATING ACTIVITIES

	2025 (EUR)	2024 (EUR)
1. Profit before corporate income tax	7 770 094	3 078 720
Adjustments:		
Impairment adjustments for property, plant and equipment	2 467 677	2 722 511
Impairment adjustments for intangible assets	72 133	105 074
Creation of provisions	324 602	185 204
Gain or loss from foreign currency exchange rate fluctuations	–	(28 994)
Income from participation in the capital of subsidiaries	(2 904 528)	(2 445 584)
Other interest income and similar income	(606 195)	(340 829)
Interest expense and similar expenses	197 198	693 082
2. Profit or loss before adjustments for the effects of changes in current assets and current liabilities	**7 320 981**	**3 969 184**
Adjustments:		
Increase or decrease in trade and other receivables	3 021 399	18 780 948
Increase or decrease in inventories	5 692 095	(6 349 886)
Increase or decrease in trade and other payables	7 993 927	(9 953 542)
3. Gross cash flow from operating activities	**24 028 402**	**6 446 704**
4. Interest paid	(197 198)	(693 082)
5. Corporate income tax paid	(499 048)	(209 928)
6. Corporate income tax refunded	126 643	–
Net cash flows from operating activities	**23 458 799**	**5 543 694**

CASH FLOWS FROM INVESTING ACTIVITIES

	2025 (EUR)	2024 (EUR)
Acquisition of shares or ownership interests in subsidiaries	(2 800)	(1 700 032)
Proceeds from disposal of shares or ownership interests in subsidiaries	330 000	–
Acquisition of property, plant and equipment and intangible assets	(1 833 800)	(587 245)
Proceeds from disposal of property, plant and equipment and intangible assets	117 678	218 152
Loans issued	(975)	(314 850)
Proceeds from repayment of loans	440 916	135 205
Interest received	606 195	340 829
Dividends received	779 068	963 790
Net cash flows from investing activities	**436 282**	**(944 151)**

CASH FLOWS FROM FINANCING ACTIVITIES

	2025 (EUR)	2024 (EUR)
Borrowings received	–	9 000 000
Repayment of borrowings	(857 142)	(13 762 021)
Payments for the purchase of leased assets	(148 662)	(159 006)
Dividends paid	(7 500 000)	(6 597 430)
Net cash flow from financing activities	**(8 505 804)**	**(11 518 457)**
Net cash flows for the reporting year	**15 389 277**	**(6 918 914)**
Cash and cash equivalents at the beginning of the year	**12 005 790**	**18 924 704**
Cash and cash equivalents at the end of the year	**27 395 067**	**12 005 790**

The accompanying notes on page 14 form an integral part of these summary financial statements.

STATEMENT OF CHANGES IN EQUITY FOR 2025

	Share capital (EUR)	Retained Earnings Brought Forward (EUR)	Profit for the Reporting Year (EUR)	Total Equity (EUR)
31.12.2023	**15 720 305**	**23 331 161**	**2 164 734**	**41 216 200**
2023 profit transferred to retained earnings brought forward	–	2 164 734	(2 164 734)	–
Dividends declared	–	(6 000 000)	–	(6 000 000)
Profit for the reporting year	–	–	2 849 453	2 849 453
31.12.2024	**15 720 305**	**19 495 895**	**2 849 453**	**38 065 653**
2024 profit transferred to retained earnings brought forward	–	2 849 453	(2 849 453)	–
Dividends declared	–	(6 000 000)	–	(6 000 000)
Profit for the reporting year	–	–	7 477 100	7 477 100
31.12.2025	**15 720 305**	**16 345 348**	**7 477 100**	**39 542 753**

The accompanying notes on page 14 form an integral part of these summary financial statements.

NOTES TO THE FINANCIAL STATEMENTS

BASIS FOR PREPARATION OF SUMMARY FINANCIAL STATEMENTS

The summary financial statements comprise the balance sheet as at 31 December 2025 and the statements of profit and loss, cash flow and changes in equity for the year then ended and notes to the summary financial statements derived from the audited financial statements of AS UPB in accordance with the Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia.

The audited financial statements of AS UPB and the Auditors' Report thereon is available at Dzintaru 17, Liepaja, Latvia.

Management believes that the content of the summary financial statements is consistent with the objective of the summary financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AS UPB

REPORT ON THE SUMMARY FINANCIAL STATEMENTS

Opinion

The accompanying summary financial statements on pages 8 to 14, which comprise the summary balance sheet as at 31 December 2025 and the summary statements of profit and loss, cash flow and changes in equity for the year then ended, and related notes to the summary financial statements, are derived from the audited financial statements of AS UPB for the year ended 31 December 2025.

In our opinion, the summary financial statements derived from the audited financial statements of AS UPB for the year ended 31 December 2025 are consistent, in all material respects, with the audited financial statements on the basis described in the notes to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of AS UPB and our report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on AS UPB financial statements in our report dated 16 July 2026.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements based on audited financial statements on the basis described in the notes to the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements whether based on our procedures, which were conducted in accordance with International Standard on Auditing 810, "Engagements to Report on Summary Financial Statements" summary financial statements are consistent, in all material respects, with the audited financial statements.

IRĒNA SARMA
Member of the Board, Latvian Sworn Auditor
Certificate No. 151, Riga, Latvia

2025

ANNUAL REPORT