

upb

2024

UPB GROUP
ANNUAL
REPORT

TABLE OF CONTENTS

INFORMATION ON THE GROUP.....	3
INFORMATION ON SUBSIDIARIES.....	4
MANAGEMENT REPORT.....	5
MAIN PROJECTS OF 2024.....	7
SUMMARY	
CONSOLIDATED FINANCIAL STATEMENTS	
PROFIT AND LOSS STATEMENT FOR 2024.....	9
BALANCE SHEET.....	10
STATEMENT OF CASH FLOWS FOR 2024.....	12
STATEMENT OF CHANGES TO THE SHAREHOLDERS' EQUITY FOR 2024.....	13
NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS.....	14
AUDITORS' REPORT.....	15

INFORMATION ON THE GROUP

NAME OF THE GROUP PARENT COMPANY	UPB
LEGAL STATUS OF THE GROUP PARENT COMPANY	Joint Stock Company
NUMBER, PLACE AND DATE OF REGISTRATION OF THE GROUP PARENT COMPANY	42103000187, Liepaja, 26 April 1991
PLACE OF OPERATION OF THE EXECUTIVE BODY OF THE GROUP PARENT COMPANY	Dzintaru 17, Liepaja, Latvia, LV-3401
MEMBERS OF THE BOARD OF THE GROUP PARENT COMPANY AND THEIR POSITIONS	Dainis Berzins, Chairman of the Board Ugis Grinbergs, Member of the Board Nora Kalna, Member of the Board
MEMBERS OF THE COUNCIL OF THE GROUP PARENT COMPANY AND THEIR POSITIONS	Uldis Pilens, Chairman of the Council Madara More, Deputy Chairperson of the Council Normunds Horsts, Member of the Council
REPORTING YEAR	01.01.2024 – 31.12.2024
AUDITORS	SIA KPMG Baltics Roberta Hirsā 1, Riga, Latvia, LV-1045 Licence No. 55

INFORMATION ON SUBSIDIARIES

SIA AILE GRUPA

Pulvera 28, Liepaja,
Latvia, LV-3405
AS UPB holding: 100%

SIA ALTO 4.0

Latgales 246, Riga,
Latvia, LV-1063
AS UPB holding: 100%

SIA BETONA PETIJUMU CENTRS

Latgales 246, Riga,
Latvia, LV-1063
Indirect AS UPB holding through
AS MB Betons: 93.5%

SIA BUVMEHANIZACIJA

Martina 18, Liepaja,
Latvia, LV-3401
AS UPB holding: 100%

SIA DAUGAVPILS DZELZSBETONS

Rupniecibas 1a, Daugavpils,
Latvia, LV-5404
Indirect AS UPB holding through
AS MB Betons: 93.5%

SIA DZELZSBETONS MB

Cukura 34, Liepaja,
Latvia, LV-3414
Indirect AS UPB holding through
AS MB Betons: 93.5%

SIA ENNA

Dzintaru 19, Liepāja,
Latvia, LV-3401
AS UPB holding: 100%

SIA GROTTA

Latgales 246, Riga,
Latvia, LV-1063
AS UPB Holding: 100%

SIA INERTO MATERIĀLU SERVISS

Dzintaru 19, Liepaja,
Latvia, LV-3401
Indirect AS UPB holding through
AS MB Betons: 93.5%

SIA INZENIERU BIROJS "BUVE UN FORMA"

Latgales 246, Riga,
Latvia, LV-1063
AS UPB holding: 100%

SIA JELGAVAS MB

Graudu 4, Jelgava,
Latvia, LV-3001
Indirect AS UPB holding through
AS MB Betons: 93.5%

AS MB BETONS

Dzintaru 17, Liepaja,
Latvia, LV-3401
AS UPB holding: 93.5%

AS MBD

Rupniecibas 1M, Daugavpils,
Latvia, LV-5404
Indirect AS UPB holding through
AS MB Betons: 93.5%

SIA RK METALS

Lauktehnikas 12, Grobina,
Latvia, LV-3430
AS UPB holding: 100%

SIA STIKLU CENTRS

Pulvera 20, Liepaja,
Latvia, LV-3405
Indirect AS UPB holding through
SIA Aile Grupa: 100%

SIA TRANSPORTBETONS MB

Graudu 4, Jelgava,
Latvia, LV-3001
Indirect AS UPB holding through
AS MB Betons: 93.5%

SIA UPB ENERGY

Dzintaru 19, Liepaja,
Latvia, LV-3401
AS UPB holding: 100%

SIA UPB NAMS

Dzintaru 19, Liepaja,
Latvia, LV-3401
AS UPB holding: 100%

SIA UPB PROJEKTI

Dzintaru 17, Liepaja,
Latvia, LV-3401
AS UPB holding: 100%

UAB UPB ENGINEERS

Savanoriu a. 1B-3, Panevėžys,
Lithuania, LT 35201
AS UPB holding: 100%

AB UPB SWEDEN

c/o Advokatfirman Delphi, Master
Samuelsgatan 17, Box 1432,
111 84 Stockholm, Sweden
AS UPB holding: 100%

GMBH UPB AS

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

LTD UPB AS

6th Floor, Manfield House,
1 Southampton Street, London,
WC2R 0LR, Great Britain
AS UPB holding: 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 2024, UPB Group's consolidated turnover exceeded 219 million euro and the financial year was closed with a profit of 4.4 million euro. The Group's companies employed approximately 1,600 employees and paid 30.7 million euro in taxes.

During the reporting period, the construction sector was significantly affected by inflation containment measures implemented by the central banks, which dampened activity on foreign markets, especially in UPB's largest export region, Scandinavia. Despite this impact, UPB managed to maintain stable production and construction intensity, significantly increase turnover on the Latvian market and continue its development abroad.

The growth in domestic market was driven by increasing demand in the industrial and energy sectors, which are identified as the Group's long-term development priorities. Several notable industrial projects have been completed, including the construction of the Baltic Cargo Hub – a specialised air cargo handling centre, expansion of Rettenmeier Baltic Timber production facility in Inčukalns and the development of a new timber building complex for Latvijas Finieris tree nursery "Zābaki". In the energy sector, construction of two environmentally friendly biomass boiler houses has been completed, as well as designing of a new lignin resin plant for Latvijas Finieris, which will be followed by construction works.

The Group's cooperation with AS Latvenergo, commenced in 2024 with the signing of a Design & Build contract for the Laflora Energy wind farm – the largest wind energy project in Latvia to date – marks a key milestone. UPB's management sees strong growth potential in this sector and considers it a strategic direction for the future.

Foreign markets account for around half of UPB Group's total turnover, with the United Kingdom holding an increasingly important position in the Group's export portfolio. In 2024, two new façade projects were started in London: a 31-storey residential building Byng Street and the Copper Square office complex with a glass fibre reinforced concrete (GRC) façade.

In Scandinavia, several precast concrete façade projects with diverse decorative finishes have been completed, including a brick finish used in the Flow Hyllie and Ballongflygaren projects in Sweden, that showcases Group's ability to deliver technically complex and visually impressive façade solutions. Also, two high-rise projects have to be mentioned: the 90-metre office building Sickla Central in Stockholm, where UPB provided complete frame and facade construction, with all the building structures manufactured in-house, and the 23-storey residential building Carls Tårn in Denmark, where UPB ensured full-service façade works.

The Group's portfolio includes an increasing number of hybrid construction projects, that integrate timber elements alongside concrete and steel structures, allowing to achieve significant reduction of carbon emissions. This tendency is not only observed abroad but also in Latvia.

The company's management highlights that sustainability is a high priority in foreign projects—particularly in Sweden, where environmental performance is often considered equally important as economic criteria. To support clients in reaching their climate neutrality goals, UPB applies sustainability principles throughout all project stages and invests in research and development. Notable achievements include a new concrete product line with reduced CO₂ emissions and the integration of reused precast concrete structures in the Olivin project in Sweden, contributing to the advancement of circular economy practices in construction.

UPB continues to invest in strengthening its production and technological capabilities. The Group's total investments in the reporting period amounted to 3.4 million euro, out of which more than 1 million euro was invested in modernisation of the mechanical engineering facility, including purchase of a large-size milling machine. The ready-mix concrete plant in Ādaži was also modernised, along with the renewal of the specialised vehicle fleet.

Considering early signs of recovery in export markets, UPB Group's management expects growth in 2025. Turnover is expected to increase by approximately 10%, while investments are set to rise by 44%, with a particular focus on acquisition of new technologies that will improve the production efficiency and reduce emissions.

UPB long-term development will continue as an industrial, vertically integrated group of companies, capable of implementing technologically complex projects and offering products with high added value. On export markets, the focus remains on high-complexity facade and frame projects, while domestically the focus is on development of energy and industrial construction.

Between the end of the reporting year and the signing of this report, a final settlement was concluded in the dispute related to the construction of Phase 1 of the Preses Nama Kwartals, and payment was received in accordance with the agreed terms. 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 2024

RETENMEIER SAWMILL AND LOG SORTING LINE

INDUSTRIAL BUILDING

🇱🇻 Inčukalns, Latvia



KNAUF LATVIA

OFFICE BUILDING

🇱🇻 Saurieši, Latvia



WOOD NURSERY ZĀBAKI

INDUSTRIAL BUILDING

🇱🇻 Sigulda district, Latvia



GRID 17

OFFICE BUILDING

🇸🇪 Stockholm, Sweden



BALLONGFLYGAREN

OFFICE BUILDING

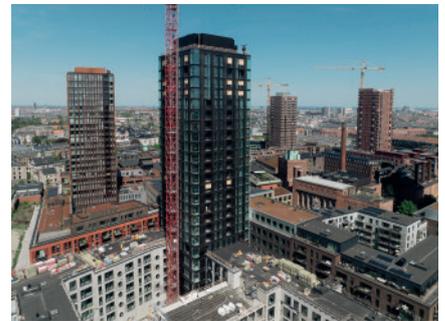
🇸🇪 Stockholm, Sweden



CARL'S TÅRN

RESIDENTIAL BUILDING

🇩🇰 Copenhagen, Denmark



OLIVIN

OFFICE BUILDING

🇸🇪 Stockholm, Sweden



SICKLA CENTRAL

OFFICE BUILDING

🇸🇪 Stockholm, Sweden



GC-BRO SÖRSTAFORS

PEDESTRIAN AND CYCLIST BRIDGE

🇸🇪 Sörstafors, Sweden



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

PROFIT AND LOSS STATEMENT FOR 2024

	2024 (EUR)	2023 (EUR)
Net sales	219 418 380	248 310 855
Cost of goods sold, cost of services	(198 975 412)	(229 495 271)
Gross profit	20 442 968	18 815 584
Selling expenses	(3 155 951)	(3 215 606)
Administrative expenses	(11 387 681)	(10 264 903)
Other operating income	231 578	401 208
Other operating expenses	(299 819)	(256 978)
Interest and similar income	649 824	219 333
Interest and similar expenses	(1 139 233)	(946 937)
Profit or loss before corporate income tax	5 341 686	4 751 701
Corporate Income Tax	(910 156)	(687 169)
Profit or loss of the reporting year	4 431 530	4 064 532
Share of profit or loss attributed to minority interest	(141 855)	(145 440)
Profit or loss after minority interest	4 289 675	3 919 092

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

BALANCE SHEET AS AT 31 DECEMBER 2024

ASSETS

LONG TERM INVESTMENTS	2024	2023
	(EUR)	(EUR)
Intangible assets		
Development costs	429 172	519 524
Concessions, patents, licenses, trademarks, and similar rights	331 658	483 466
Intangible assets in development	24 816	15 862
Prepayments for intangible assets	34 995	–
<i>Total intangible assets</i>	820 641	1 018 852
Fixed assets		
Land, buildings and engineering structures	20 613 140	21 443 046
Leasehold improvements	886 088	1 117 403
Equipment and machinery	8 868 760	8 445 936
Other fixed assets	5 660 067	6 011 379
Construction in progress	407 554	361 760
Advance payments for fixed assets	2 475	15 648
<i>Total fixed assets</i>	36 438 084	37 395 172
Long term financial investments		
Other securities and investments	400	400
Other loans and long term receivables	–	37 334
Prepaid expenses	68 763	82 673
<i>Total long term financial investments</i>	69 163	120 407
Total long term investments	37 327 888	38 534 431
CURRENT ASSETS		
Stock		
Raw materials	12 298 588	12 392 666
Work in progress and unfinished orders	2 869 944	3 980 684
Finished goods and goods for sale	1 764 373	1 480 832
Prepayments for goods	3 906 570	2 823 908
<i>Total stock</i>	20 839 475	20 678 090
Receivables		
Trade receivables	15 350 409	15 153 236
Other receivables	12 092 234	21 070 244
Prepaid expenses	1 467 758	1 311 606
Accrued income	27 812 468	21 625 779
<i>Total receivables</i>	56 722 869	59 160 865
Cash		
	17 105 053	20 417 617
Total current assets	94 667 397	100 256 572
Total assets	131 995 285	138 791 003

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

EQUITY AND LIABILITIES

	2024 (EUR)	2023 (EUR)
Shareholder's equity		
Share capital	15 720 305	15 720 305
Foreign exchange revaluation reserve	32 818	(27 876)
Other reserves	18	18
Retained earnings brought forward from previous years	23 301 235	25 382 143
Profit or loss of the reporting year	4 289 675	3 919 092
Minority interest	1 200 112	1 092 673
Total shareholder's equity	44 544 163	46 086 355
Provisions		
Other provisions	9 505 300	8 980 736
Total provisions	9 505 300	8 980 736
LIABILITIES		
Long term liabilities		
Loans from credit institutions	2 571 428	7 333 449
Other loans	1 516 851	797 513
Other liabilities	1 660 083	2 140 612
Deferred income	237 630	21 867
Total long term liabilities	5 985 992	10 293 441
Short term liabilities		
Loans from credit institutions	857 143	857 143
Other loans	620 076	738 666
Customer advances	31 225 218	16 912 463
Accounts payable to suppliers and contractors	11 754 581	13 758 829
Taxes and compulsory state social security contributions	2 836 442	2 709 349
Other liabilities	1 964 208	13 485 804
Deferred income	761 525	2 955 903
Dividends payable	1 534 416	2 129 897
Accrued liabilities	20 406 221	19 882 417
Total current liabilities	71 959 830	73 430 471
Total liabilities	77 945 822	83 723 912
Total equity and liabilities	131 995 285	138 791 003

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

STATEMENT OF CASH FLOW FOR 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2024 (EUR)	2023 (EUR)
1. Profit or loss before corporate income tax	5 341 686	4 751 701
Adjustments for:		
Impairment of fixed assets	4 847 151	5 354 123
Impairment of intangible assets	315 880	543 065
Change in provisions (except allowances for doubtful debts)	524 564	1 531 774
Profit or loss from foreign exchange fluctuations and changes in other reserves due to disposal of an investment	57 130	44 064
Other interest and similar income	(649 824)	(141 440)
Interest and similar expenses	988 156	859 953
Income from subsidies and grants	–	(65 969)
2. Profit or loss before adjustments for the effect of changes to current assets and short term liabilities	11 424 743	12 877 271
Adjustments for:		
Increase/decrease of receivables	2 366 634	(9 674 859)
increase/decrease of stock	(161 385)	10 070 155
Increase or (decrease) of accounts payable to suppliers, contractors and other creditors	(1 113 389)	12 194 368
3. Gross cash flows from (used in) operating activities	12 516 603	25 466 935
4. Interest paid	(988 156)	(859 953)
5. Corporate income tax	(717 973)	(445 775)
<i>Net cash flows from operating activities</i>	10 810 474	24 161 207
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed and intangible assets	(3 621 877)	(2 003 703)
Income from disposal of fixed and intangible assets	359 620	327 081
Income from repayment of loans	26 040	44 444
Interest received	649 824	141 440
<i>Net cash flows from investing activities</i>	(2 586 393)	(1 490 738)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received	9 649 191	–
Grants, donations received	–	44 100
Repayment of loans	(13 762 021)	(8 710 069)
Finance lease payments	(793 918)	(1 194 738)
Dividends paid	(6 629 897)	(395 039)
<i>Net cash flows used in financing activities</i>	(11 536 645)	(10 255 746)
Net cash flows for the reporting year	(3 312 564)	12 414 723
Cash and cash equivalents at the beginning of the year	20 417 617	8 002 894
Cash and cash equivalents at the end of the year	17 105 053	20 417 617

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

STATEMENT OF CHANGES TO THE SHAREHOLDERS' EQUITY FOR 2024

	Share capital (EUR)	Foreign currency revaluation reserve (EUR)	Other reserves (EUR)	Retained earnings brought forward from previous years (EUR)	Profit or loss for the reporting year (EUR)	Minority interest (EUR)	Total shareholders' equity (EUR)
31.12.2022	15 720 305	(71 940)	18	30 083 954	(4 701 811)	979 701	42 010 227
Loss for 2022 transferred to retained earnings brought forward from previous years	-	-	-	(4 701 811)	4 701 811	-	-
Distribution of dividends	-	-	-	-	-	(32 468)	(32 468)
Foreign exchange revaluation result	-	44 064	-	-	-	-	44 064
Profit of the reporting year	-	-	-	-	3 919 092	145 440	4 064 532
31.12.2023	15 720 305	(27 876)	18	25 382 143	3 919 092	1 092 673	46 086 355
Profit for 2023 transferred to retained earnings	-	-	-	3 919 092	(3 919 092)	-	-
Distribution of dividends	-	-	-	(6 000 000)	-	(34 416)	(6 034 416)
Foreign exchange revaluation result	-	60 694	-	-	-	-	60 694
Profit of the reporting year	-	-	-	-	4 289 675	141 855	4 431 530
31.12.2024	15 720 305	32 818	18	23 301 235	4 289 675	1 200 112	44 544 163

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

NOTES TO THE FINANCIAL STATEMENTS

BASIS FOR PREPARATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements comprise the balance sheet as at 31 December 2024 and the statements of profit and loss, cash flow and changes in equity for the year then ended and notes to the summary consolidated financial statements derived from the audited consolidated financial statements of AS UPB in accordance with the Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia.

The audited consolidated 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 consolidated financial statements is consistent with the objective of the summary consolidated financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AS UPB

REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Opinion

The accompanying summary consolidated financial statements on pages 9 to 13, which comprise the summary balance sheet as at 31 December 2024 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 consolidated financial statements, are derived from the audited consolidated financial statements of AS UPB for the year ended 31 December 2024.

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of AS UPB for the year ended 31 December 2024 are consistent, in all material respects, with the audited consolidated financial statements on the basis described in the notes to the summary consolidated financial statements

Summary Consolidated Financial Statements

The summary consolidated 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 consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of AS UPB and our report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.



IRĒNA SARMA

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

The Audited Consolidated Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on AS UPB consolidated financial statements in our report dated 16 July 2025.

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the summary consolidated 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.

KPMG Baltics SIA
Licence No. 55

2024
ANNUAL
REPORT

upb

AILE[®]
GRUPA

SC
STIKLU CENTRS

RK
METĀLS

RK
MACHINERY

MBGRUPA
DZELZSBETONS

MBGRUPA
TRANSPORTBETONS

MBGRUPA
INERTIE MATERIĀLI

MBGRUPA
BETONAPĒTĪJUMU CENTRS

ENNA

GROTTA

upb
ENGINEERS

upbenergy

upbnams

 **Büve
un
Forma**

BM

upb
PROJEKTI