upb

2025

UPB GROUP
ANNUAL
REPORT

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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 Maris Mors, Member of the Council since 02.07.2025.
REPORTING 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
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 MATERIALU 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 ZET
Dzintaru 19, Liepaja,
Latvia, LV-3401
AS UPB holding: 100% –
since 19.08.2025

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

UAB UPB ENGINEERS
Savanoriu a. 2A, Panevežys,
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 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 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

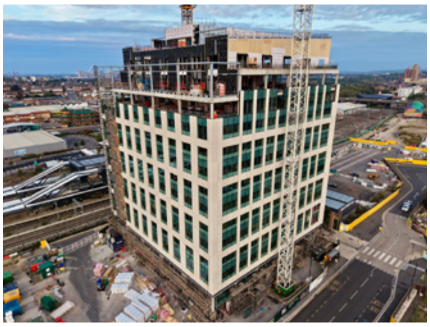
MAIN PROJECTS OF 2025

VGP KVADRA PAK
INDUSTRIAL BUILDING
Riga, Latvia

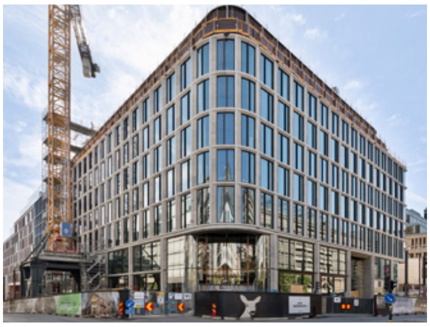
LAFLORA ENERGY WIND PARK
ENERGY SOLUTIONS
Jelgava district, Latvia

LATVIJAS FINIERIS' RESIN PLANT
INDUSTRIAL BUILDING
Riga, Latvia

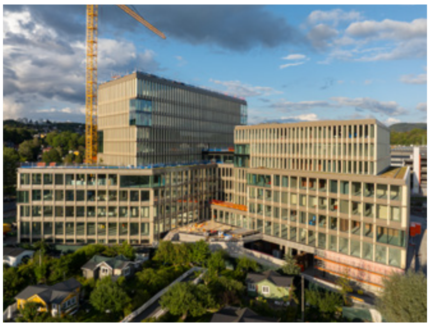
3 COPPER SQUARE
OFFICE BUILDING
London, United Kingdom



RGNT
OFFICE BUILDING
Stockholm, Sweden

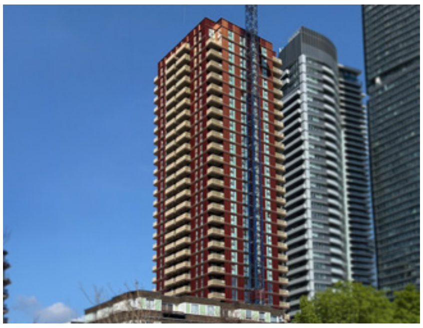


CAMPUS ULLEVÅL
PUBLIC BUILDING
Oslo, Norway

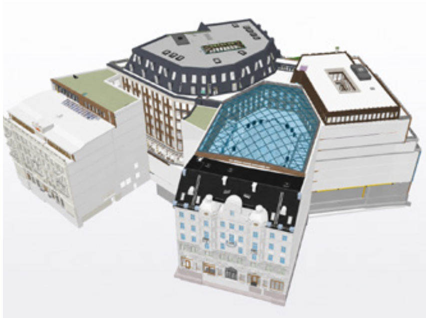


OLIVIN
OFFICE BUILDING
Stockholm, Sweden

THE BELLAMY
RESIDENTIAL BUILDING
London, United Kingdom



STURE
PUBLIC BUILDING
Stockholm, Sweden



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

PROFIT AND LOSS STATEMENT FOR 2025

	2025 (EUR)	2024 (EUR)
Net sales	258 113 744	219 418 380
Cost of goods sold, cost of services	(225 070 343)	(198 975 412)
Gross profit	**33 043 401**	**20 442 968**
Selling expenses	(4 155 568)	(3 155 951)
Administrative expenses	(14 574 431)	(11 387 681)
Other operating income	557 922	231 578
Other operating expenses	(728 962)	(299 819)
Interest and similar income	781 929	649 824
Interest and similar expenses	(605 943)	(1 139 233)
Profit or loss before corporate income tax	**14 318 348**	**5 341 686**
Corporate Income Tax	(979 324)	(910 156)
Profit or loss of the reporting year	**13 339 024**	**4 431 530**
Share of profit or loss attributed to minority interest	(101 731)	(141 855)
Profit or loss after minority interest	**13 237 293**	**4 289 675**

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

BALANCE SHEET AS AT 31 DECEMBER 2025

ASSETS

LONG TERM INVESTMENTS	2025 (EUR)	2024 (EUR)
Intangible assets		
Development costs	338 820	429 172
Concessions, patents, licenses, trademarks, and similar rights	411 611	331 658
Intangible assets in development	124 410	24 816
Prepayments for intangible assets	26 427	34 995
Total intangible assets	**901 268**	**820 641**
Fixed assets		
Land, buildings and engineering structures	19 334 251	20 613 140
Leasehold improvements	1 076 302	886 088
Equipment and machinery	8 503 289	8 868 760
Other fixed assets	6 782 446	5 660 067
Property, Plant and Equipment under Construction and Construction in Progress	1 181 741	407 554
Advance payments for fixed assets	308 963	2 475
Total fixed assets	**37 186 992**	**36 438 084**
Long term financial investments		
Other securities and investments	400	400
Other loans and long term receivables	975	–
Prepaid expenses	55 905	68 763
Total long term financial investments	**57 280**	**69 163**
Total long term investments	**38 145 540**	**37 327 888**

CURRENT ASSETS

	2025 (EUR)	2024 (EUR)
Stock		
Raw materials	8 316 727	12 298 588
Work in progress and unfinished orders	7 128 518	2 869 944
Finished goods and goods for sale	1 368 565	1 764 373
Prepayments for goods	1 074 106	3 906 570
Total stock	**17 887 916**	**20 839 475**
Receivables		
Trade receivables	12 851 273	15 350 409
Other receivables	9 356 426	12 092 234
Prepaid expenses	1 872 692	1 467 758
Accrued income	19 580 738	27 812 468
Total receivables	**43 661 129**	**56 722 869**
Cash	**36 192 157**	**17 105 053**
Total current assets	**97 741 202**	**94 667 397**
Total assets	**135 886 742**	**131 995 285**

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

EQUITY AND LIABILITIES

	2025 (EUR)	2024 (EUR)
Shareholder's equity		
Share capital	15 720 305	15 720 305
Foreign exchange revaluation reserve	(19 131)	32 818
Other reserves	18	18
Retained earnings brought forward from previous years	21 590 910	23 301 235
Profit or loss of the reporting year	13 237 293	4 289 675
Minority interest	1 267 426	1 200 112
Total sharedholder's equity	**51 796 821**	**44 544 163**
Provisions		
Other provisions	11 902 043	9 505 300
Total provisions	**11 902 043**	**9 505 300**

LIABILITIES

	2025 (EUR)	2024 (EUR)
Long term liabilities		
Loans from credit institutions	1 714 286	2 571 428
Other loans	2 517 885	1 516 851
Other liabilities	1 718 209	1 660 083
Deferred income	496 556	237 630
Total long term liabilities	**6 446 936**	**5 985 992**
Short term liabilities		
Loans from credit institutions	857 143	857 143
Other loans	1 015 370	620 076
Customer advances	19 110 628	31 225 218
Accounts payable to suppliers and contractors	11 930 213	11 754 581
Taxes and compulsory state social security contributions	4 684 597	2 836 442
Other liabilities	2 250 264	1 964 208
Deferred income	2 078 984	761 525
Dividends payable	34 416	1 534 416
Accrued liabilities	23 779 327	20 406 221
Total short-term liabilities	**65 740 942**	**71 959 830**
Total liabilities	**72 187 878**	**77 945 822**
Total equity and liabilities	**135 886 742**	**131 995 285**

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

STATEMENT OF CASH FLOW FOR 2025

CASH FLOWS FROM OPERATING ACTIVITIES

	2025 (EUR)	2024 (EUR)
1. Profit or loss before corporate income tax	14 318 348	5 341 686
Adjustments for:		
Impairment of fixed assets	6 297 292	4 847 151
Impairment of intangible assets	256 726	315 880
Change in provisions (except allowances for doubtful debts)	2 396 743	524 564
Profit or loss from foreign exchange fluctuations and changes in other reserves due to disposal of an investment	(51 949)	57 130
Other interest and similar income	(781 929)	(649 824)
Interest and similar expenses	332 799	988 156
2. Profit or loss before adjustments for the effect of changes to current assets and short term liabilities	**22 768 030**	**11 424 743**
Adjustments for:		
Increase/decrease of receivables	13 274 064	2 366 634
increase/decrease of stock	2 951 559	(161 385)
Increase or (decrease) of accounts payable to suppliers, contractors and other creditors	(5 141 480)	(1 113 389)
3. Gross cash flows from (used in) operating activities	**33 852 173**	**12 516 603**
4. Interest paid	(332 799)	(988 156)
5. Corporate income tax	(1 034 441)	(717 973)
6. Received overpaid corporate income tax	–	–
Net cash flows from (used in) operating activities	**32 484 933**	**10 810 474**

CASH FLOWS FROM INVESTING ACTIVITIES

	2025 (EUR)	2024 (EUR)
Purchase of fixed and intangible assets	(5 130 144)	(3 621 877)
Income from disposal of fixed and intangible assets	4 712	359 620
Loans issued	(975)	–
Income from repayment of loans	–	26 040
Interest received	781 929	649 824
Net cash flows used in investing activities	**(4 344 478)**	**(2 586 393)**

CASH FLOWS FROM FINANCING ACTIVITIES

	2025 (EUR)	2024 (EUR)
Loans received	280 723	9 649 191
Repayment of loans	(857 142)	(13 762 021)
Finance lease payments	(942 516)	(793 918)
Dividends paid	(7 534 416)	(6 629 897)
Net cash flows used in financing activities	**(9 053 351)**	**(11 536 645)**
Net cash flows for the reporting year	**19 087 104**	**(3 312 564)**
Cash and cash equivalents at the beginning of the year	**17 105 053**	**20 417 617**
Cash and cash equivalents at the end of the year	**36 192 157**	**17 105 053**

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

STATEMENT OF CHANGES TO THE SHAREHOLDERS' EQUITY FOR 2025

	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)
31.12.2023	**15 720 305**	**(27 876)**	**18**	**25 382 143**	**3 919 092**	**1 092 673**	**46 086 355**
Loss for 2023 transferred to retained earnings brought forward from previous years	–	–	–	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**
Profit for 2024 transferred to retained earnings	–	–	–	4 289 675	(4 289 675)	–	–
Distribution of dividends	–	–	–	(6 000 000)	–	(34 416)	(6 034 416)
Foreign exchange revaluation result	–	(51 949)	–	–	–	–	(51 949)
Profit of the reporting year	–	–	–	–	13 237 293	101 730	13 339 023
31.12.2025	**15 720 305**	**(19 131)**	**18**	**21 590 910**	**13 237 293**	**1 267 426**	**51 796 821**

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 CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated 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 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 FINANCIAL STATEMENTS

Opinion
The accompanying summary consolidated 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 consolidated financial statements, are derived from the audited consolidated financial statements of AS UPB for the year ended 31 December 2025.

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of AS UPB for the year ended 31 December 2025 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.

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 2026.

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.

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

2025 ANNUAL REPORT

upb

AILE GRUPA | SC STIKLU CENTRS | RK METĀLS | RK MACHINERY

MB GRUPA DZELZSBETONS | MB GRUPA TRANSPORTBETONS | MB GRUPA INERTIE MATERIĀLI | MB GRUPA BETONA PĒTĪJUMU CENTRS

ENNA | GROTTA | ZET | upb energy

upb nams | Būve un Forma | BM | upb ENGINEERS | upb PROJEKTI