



# 2025 Executive Summary

AS Merko Ehitus



6 April 2026

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# Main facts

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**The Merko Ehitus group has two business areas: the sale of construction services and real estate development.**

**We operate in Estonia, Latvia and Lithuania. We create a better living environment and build the future.**

We are the largest listed construction company and residential developer in the Baltics.



## ESTONIA

Construction services  
AS Merko Ehitus Eesti  
OÜ Merko Kaevandused

Real estate development  
OÜ Merko Kodud

Road construction  
Tallinna Teede AS

## LATVIA

Construction services  
SIA Merko Būve

Real estate development  
SIA Merko Mājas

## LITHUANIA

Construction services  
UAB Merko Statyba

Real estate development  
UAB Merko Būstas

# Value offering

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**Merko is the preferred choice for construction service customers and home buyers who value quality.**

## **Construction services**

- We offer our customers complete construction service, managing the entire process and taking responsibility for the whole result.
- Complete construction service according to the customer's needs: preparation, design, engineering, construction, fit-out and warranty service.
- At the customer's request, we can also offer a property development service, from the acquisition of suitable land and the organisation of detailed planning procedures to the completion of the project.
- We have extensive experience in both private and public-private partnerships, including PPP (Public Private Partnership) projects.
- Merko's quality, environmental and safety management is certified to ISO standards.

## **Real estate development**

- We are among the strongest residential developer brands. Quality makes us a reliable choice for homebuyers.
- We focus on creating large and modern living environments.
- To ensure the highest quality, Merko manages all stages of the residential development process: land acquisition, detailed planning, architectural competition, design, construction, marketing and sale of apartments and commercial spaces, and after-sales service.

# Competitive advantages

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- We offer a full service
- Flexibility to deliver projects of different sizes, including major projects
- Strong management system
- Excellent teams
- Innovative technical and construction solutions
- 35 years of experience and a trusted brand
- Financial strength



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## PURPOSE

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

## BUSINESS

We construct buildings and infrastructure and develop real estate. We operate in Estonia, Latvia and Lithuania.

## PRINCIPLES

We operate as one Merko.  
We see opportunities, act upon them and have a long-term view.  
Our focus is on profitable growth.

## MERKO VALUES

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


## MERKO ESSENCE



# Business model: Construction services to customers

Merko offers strategic advisory services and high-quality full-scale solutions throughout the entire process as part of its full construction service, according to the customer's needs: preparation, design, construction, fittings and warranty-period service.

At the customer request, we offer a real estate development service in addition to the construction service, from acquiring a suitable property and organizing the detailed planning procedure to the completion of the object. For the best outcome, Merko should be engaged already at the outset of the construction project planning period, and cooperation should take place in the framework of the design and construction agreement.

**7** 

**WARRANTY-PERIOD SERVICE**  
The construction-period site team is responsible for warranty problems and ensures continuity and quality.

**6** 

**FURNISHING**  
Interior designs and furnishings pursuant to customer's needs and standards.

**5** 


**GENERAL CONTRACTING OF CONSTRUCTION**  
Site office and team based physically on the site every day, team includes at least project manager, site manager and engineer.  
Back-office support (occupational safety, quality oversight, budgeting staff, designers, financial experts, lawyers, etc.).  
Specialists: electricity, heating, ventilation, water and sewerage fields and concrete department with its own workers.  
Use of BIM system.  
Long-term, reliable partners and suppliers.

**1** 


**SUITABLE PLOT AND  
DETAIL PLAN**  
Detailed plan for the customer's property.  
Industrial, business and residential properties in the portfolio.  
Finding and acquisition of necessary property.

**2** 

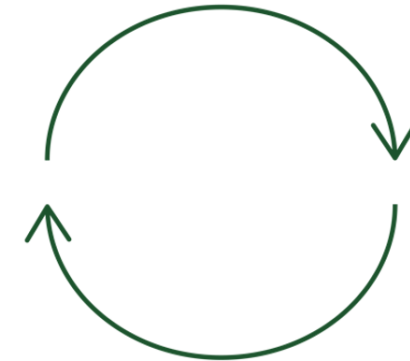
**CONCEPT**  
Mapping customer needs.  
Advisory services and concept development.  
Long-term experience of participating in PPP projects.

**3** 

**OFFER AND PRICE ESTIMATE**  
A well-thought-out and realistic offer includes the experience and knowledge of various units: design, construction, concrete works, road construction.

**4** 

**ENGINEERING AND DESIGN**  
BIM (Building Information Modeling) general contracting.  
In-house design team which involves the necessary specialists (electricity, heating, ventilation, water and sewerage).



# Business model: Property developments

Merko is one of the leading apartment developer brands in the Baltics. To ensure the best quality, we manage all phases of the development project: acquisition of the property, planning, design development, construction, sales, and service during the warranty period.

As a developer of apartments, Merko focuses on developing comprehensive and modern living environments.



## 7 WARRANTY-PERIOD SERVICE

A warranty specialist is the main contact in all matters related to the warranty.  
Apartment buyer satisfaction surveys  
Analysis and implementation of warranty period feedback when launching new development projects.



## 1 THE OPTIMUM PLOT

Appropriate portfolio of immovable property.  
Acquisition of new properties.



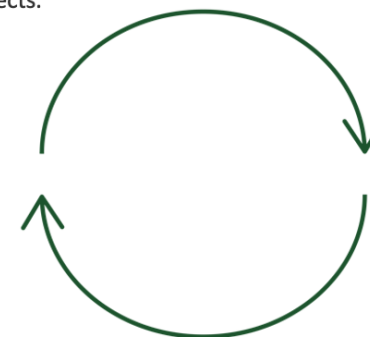
## 2 PLANNING THE AREA

Developing a concept suitable for the location and target group.  
Planning competition, involving experienced planners.  
Proceedings on the detailed plan.  
Organising an architecture competition.



## 6 SALES AND MARKETING

Merko itself organises sales and marketing.  
Professional sales managers are involved throughout the development process who know the product as a whole.  
Quality, realistic sale and marketing materials.



## 3 CONCEPT OF DEVELOPMENT

Application of Merko's 35 years of experience and customer feedback.  
Integrated and modern living environments include a high-quality living environment both inside buildings (apartments and common areas) and around them (courtyards, green areas).



## 5 GENERAL CONTRACTING OF CONSTRUCTION

A strong project team at each site.  
Back-office support (occupational safety, quality oversight, budgeting staff, designers, financial experts, lawyers, etc.)  
Specialists: electricity, heating, ventilation, water and sewerage fields and concrete department with its own workers.  
Use of BIM system.  
Long-term, reliable partners and suppliers.



## 4 ENGINEERING AND DESIGN

BIM general contracting.  
Professional reliable partners in the field of design, supported by the group's own design development department.  
Involvement of necessary specialists (electricity, heating, ventilation, water supply and sewerage)  
Use of contemporary solutions (energy efficiency, automation).  
Our priorities are soundproofing, healthy indoor climate, insulation that meets the standards, passive cooling.

2025 results



# Key indicators

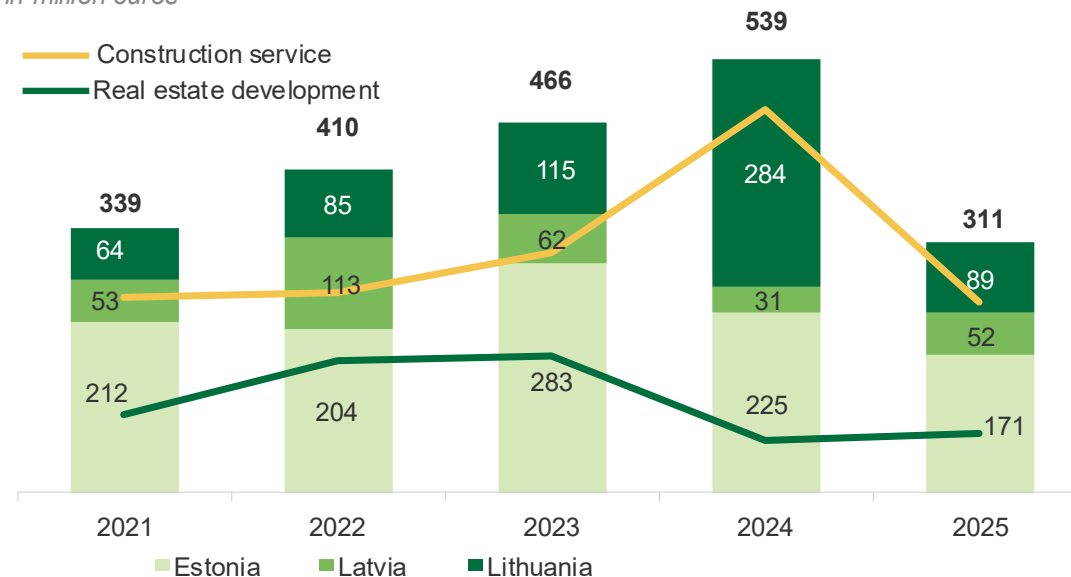
## Income statement summary

	2025	2024
Revenue (million EUR)	310.9	539.0
Gross profit (million EUR)	55.9	95.9
Gross margin (%)	18.0	17.8
EBITDA (million EUR)	37.5	75.7
EBITDA margin (%)	12.0	14.0
Operating profit (million EUR)	34.3	72.5
Operating profit margin (%)	11.0	13.4
Net profit (million EUR)	39.9	64.7
Net margin (%)	12.8	12.0

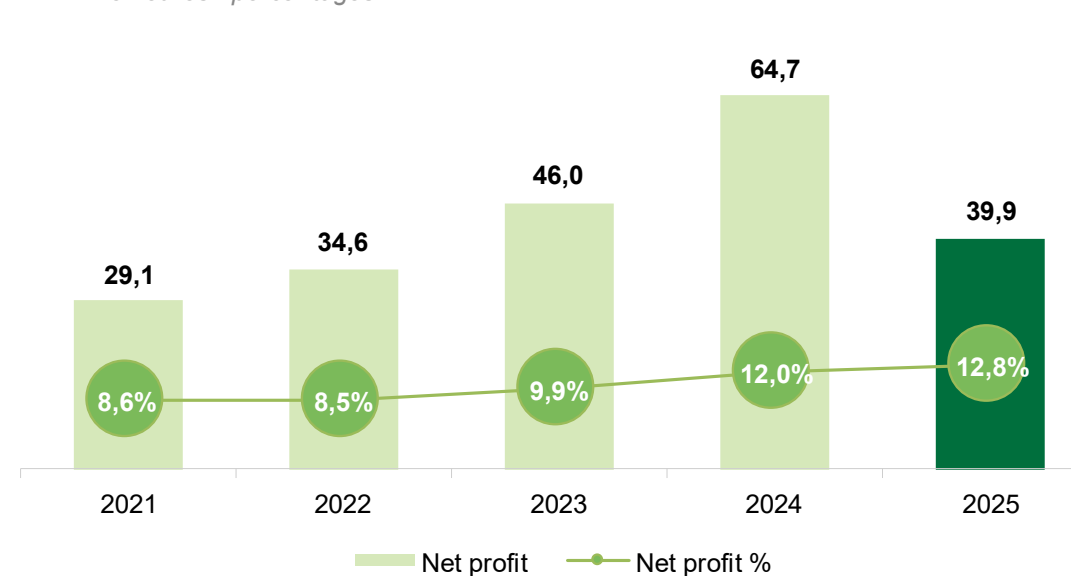
## Other significant indicators

	31.12.2025	31.12.2024
Assets (million EUR)	415.1	447.1
Equity (million EUR)	260.6	254.3
Return on equity (%)	15.6	28.4
Equity ratio (%)	62.8	56.9
Debt ratio (%)	8.0	7.5
Number of employees as at 31.12	613	605
Order book (million EUR)	466.9	340.6

DISTRIBUTION OF GROUP REVENUE BY GEOGRAPHICAL LOCATION  
in million euros



NET PROFIT NET PROFIT MARGIN  
in million euros / percentages



# Construction services

## SECURED ORDER BOOK *in million euros*



## LARGEST CONSTRUCTION CONTRACTS SIGNED IN 2025

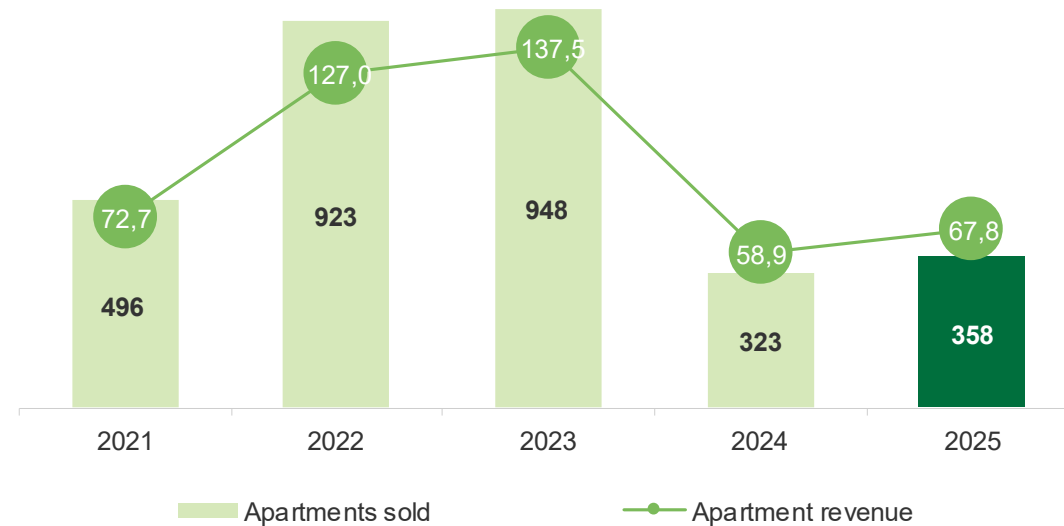
BRIEF DESCRIPTION OF CONTRACT	Cost million EUR
Construction contract for the Rail Baltica Ülemiste international passenger terminal / Tallinn, Estonia	85.0
Design and construction contract following alliance procurement model for the section of the railway between Ülemiste passenger terminal and Pärnu, together with the Tootsi-Pärnu section. (joint project) / Estonia	74.8
Design and construction contract for the construction of a hotel and entertainment and conference centre / Pärnu, Estonia	50.0
Construction contract to perform the construction of foundations for 16 wind turbines, electrical cables and roads in a windfarm / Smiltene, Latvia	30.0
Design and construction contract for the office building / Tallinn, Estonia	35.0
Construction contract for the Tallinn Hobby Centre Kullo / Tallinn, Estonia	24.9

# Real Estate Development



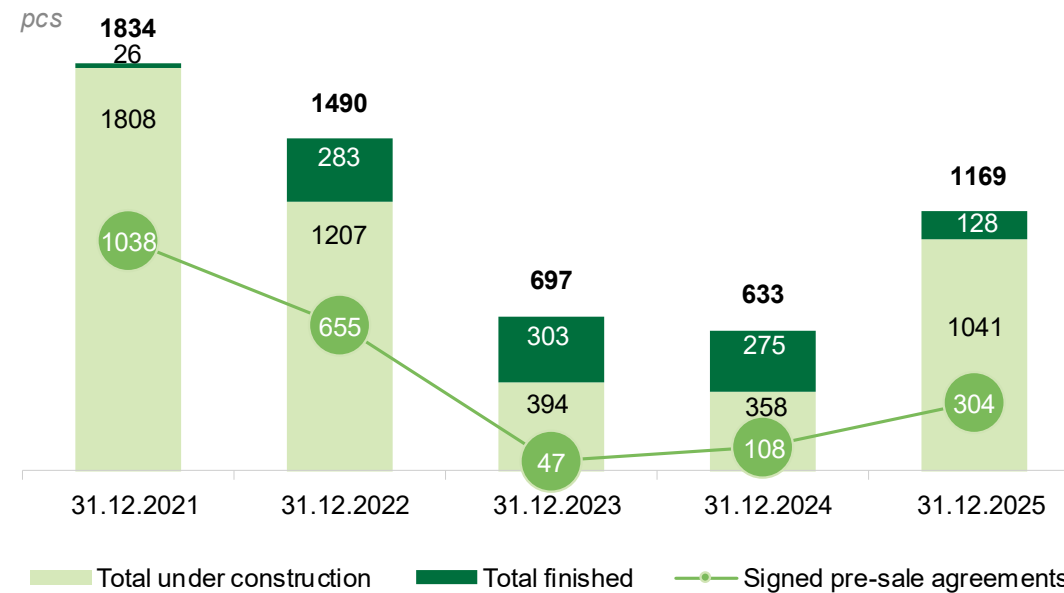
## APARTMENTS SOLD / APARTMENT REVENUE

pcs / in million euros



## GROUP APARTMENTS INVENTORY

pcs



# Strategy

AS Merko Ehitus subsidiaries provide construction services in the field of building and infrastructure construction and develop residential real estate in their home markets of Estonia, Latvia and Lithuania. We want to be the preferred partner for those who value quality, both in the performance of construction works and in the development and sale of apartments, as well as in contributing to society.

As a caring and development oriented employer, we ensure that our employees are professional and motivated, each of whom contributes to the joint result of each company, each unit and Merko itself. By focusing on profitability, cost base efficiency and the best employees, we ensure the investor a long-term profitable investment.

# Long-term financial objectives



Average return on equity at least  
10%



Dividend rate  
50-70%  
of annual profit



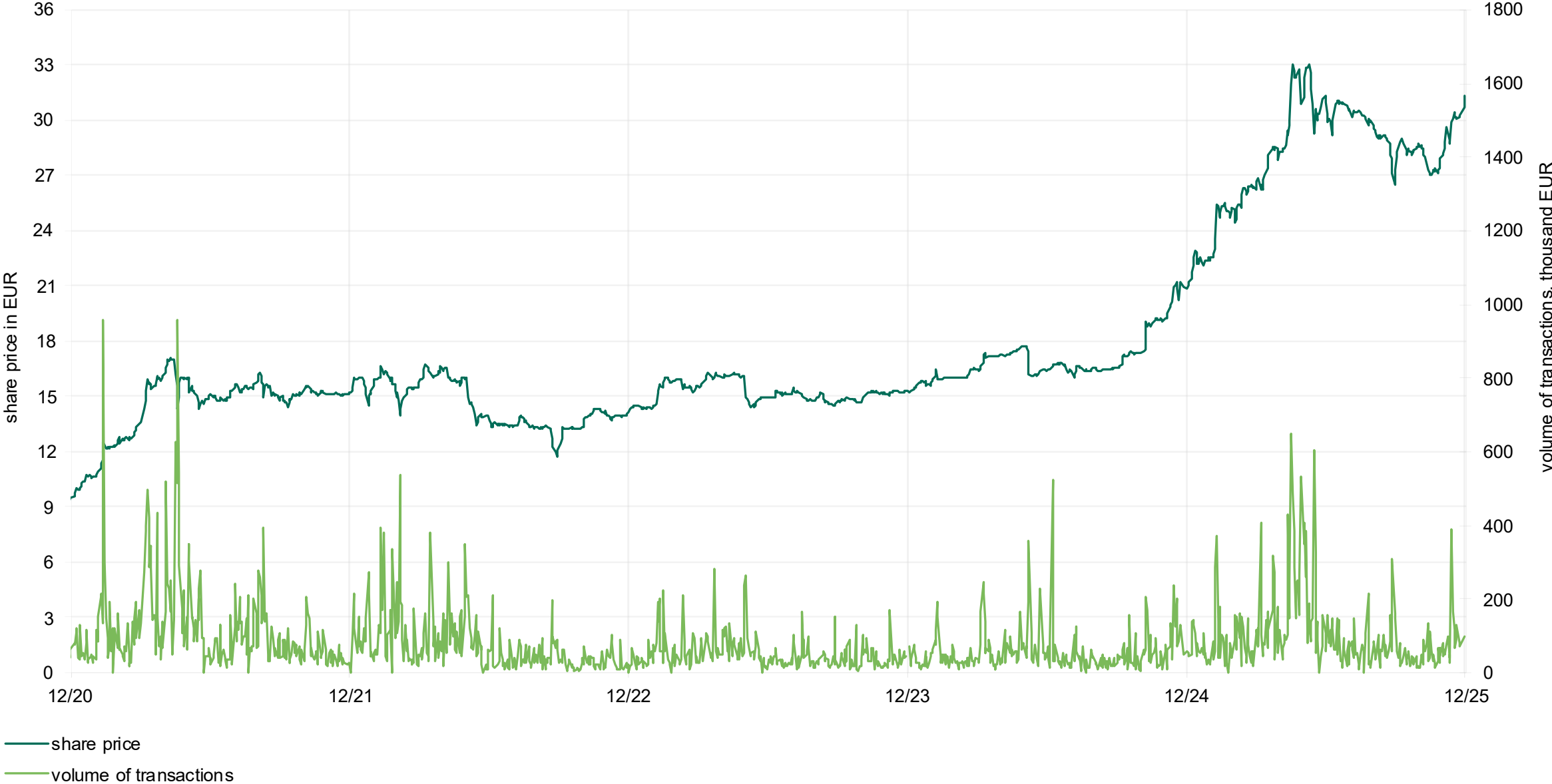
Equity ratio at least  
40%

## Fulfilment of long-term financial objectives

	2025	2024	2023	2022	2021	AVERAGE
Return on equity, ROE (on yearly basis)	15.6%	28.4%	23.4%	20.4%	18.8%	21.3%
Dividend rate	55%*	52%	50%	51%	61%	54%
Equity ratio 31.12.	62.8%	56.9%	49.9%	47.5%	51.6%	53.7%

\*Proposal of the Management Board in coordination with the Supervisory Board .

# Share price and transaction volume 2021–2025





Significant projects  
completed in 2025

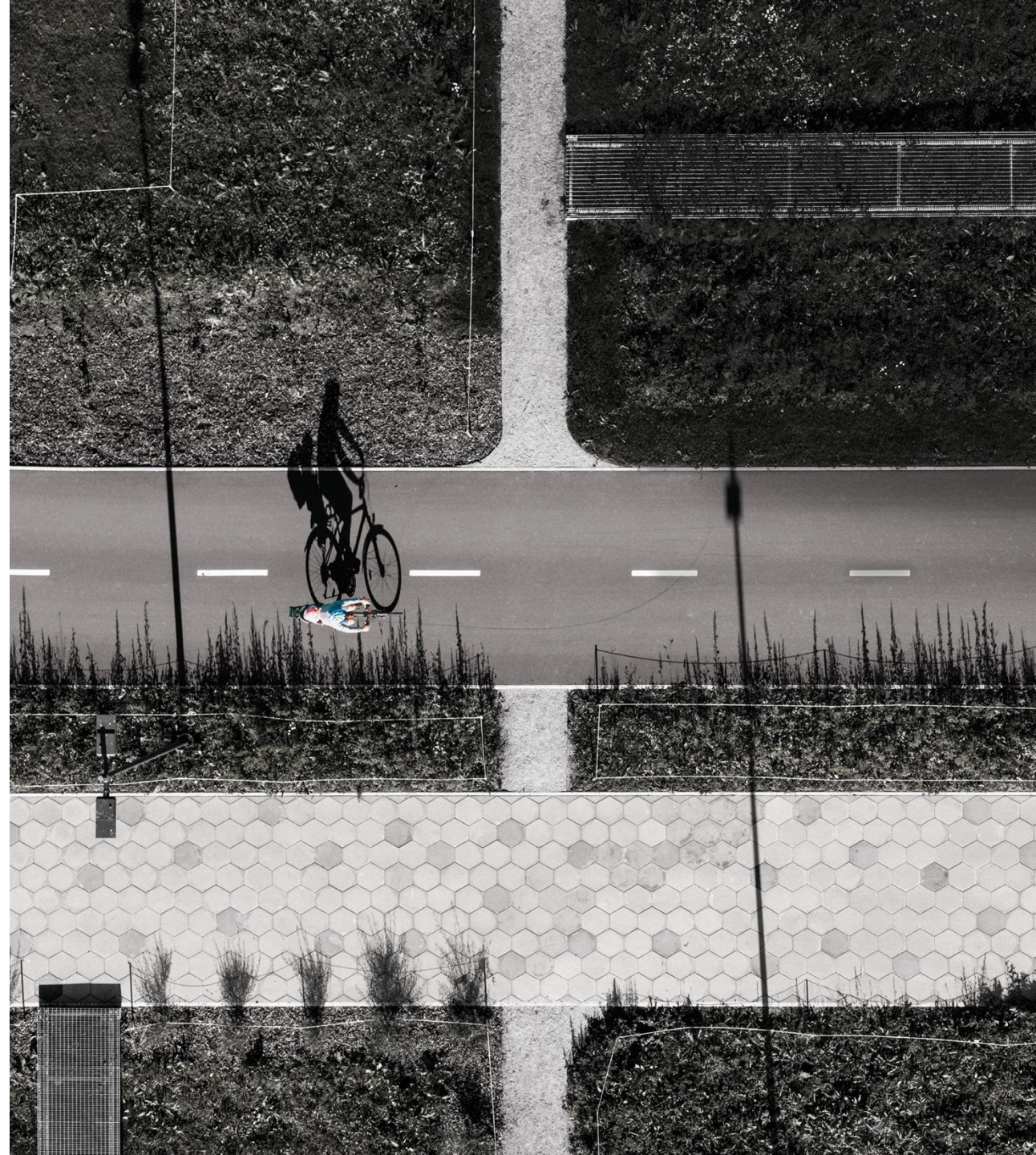
HYATT  
PLACE

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PLACE

# Urban space

We are builders of buildings, but also of the spaces between. Merko has contributed to the development of urban spaces over the years by building central squares, parks, green areas and streets in various larger and smaller cities. In addition, we have installed more than 20 pieces of art in the urban space of Tallinn.

The Putukaväil (insect passage) in Tallinn is a 14-kilometre green corridor that supports biodiversity. It transforms former railway and high-voltage corridors into a network of green areas that connect different districts of the city. The area features diverse landscaping, recreational spaces and movement opportunities that invite walking, cycling, and year-round outdoor activity. In the first stage of Putukaväil, completed in 2025, Merko group company Tallinna Teede AS created a diverse linear park on a former wasteland beneath old high-voltage power lines in Põhja-Tallinn. On the section between Ristikü Street and Kolde Avenue, additional facilities were built alongside walking and cycling paths — an outdoor gym, a pétanque court, table tennis tables, beach volleyball and basketball courts, as well as several playgrounds.





# Energy infrastructure

Merko has built more than one hundred different energy facilities in Estonia, Latvia and Lithuania, including 19 complex wind farm infrastructure projects in Lithuania over the past decade. We have completed the installation of more than 220 wind-turbine foundations in Lithuania, for which the Lithuanian Wind Energy Association recognised Merko Statyba as the country's largest builder of wind-turbine foundations. Merko's expertise covers the full construction cycle – from building foundations to delivering complete Balance of Plant (BoP) solutions, including drainage systems, access roads, electrical networks and preparation of all required documentation. In 2025, we had nine energy-sector projects under construction. In addition to hundreds of wind turbines in Lithuania, we also built 16 turbine foundations, electrical cables and roads in the Augstkalni wind farm in Latvia.

In 2025, Merko completed the Vārme solar park in the Kuldīga district – the first solar project in Latvia developed by Ignitis Renewables, one of the leading renewable energy companies in the Baltics. The 110-hectare park includes more than 156,000 solar panels with a total installed capacity of 94 MW, supported by 18 medium-voltage power stations, 232 combiner boxes, irradiance sensors, weather stations, access roads, drainage systems, and medium-voltage cabling. The park generates enough electricity to power around 40,000 households.

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# National defence

Merko continued contributing to national defence in 2025 through the construction of various buildings and infrastructure. In November 2025, Lithuania opened its largest and the most modern training centre in the Baltic states in Pabradė, accommodating up to 3,000 allied troops. Merko's work included the construction of three barracks buildings, a multifunctional facility, parking areas, new roads and a helipad.

In addition, Merko was working in 2025 on the Tartu joint building of national defence institutions, which will serve units under the Ministry of Defence, primarily the Defence Forces, Defence Resources Agency, and National Defence Investment Centre. The 4,700 m<sup>2</sup> building will include 100 workstations, meeting rooms, and 210 barrack-style accommodation units. For the first time in Estonia's defence sector, an alliance procurement model is being used, making architect, designer, and builder jointly responsible for the outcome. All parties have been involved from the early planning process.

# Infrastructure

Over the past 35 years, Merko has built extensive water and sewage systems, roads and streets, intersections, viaducts and traffic junctions. We have built the Muuga coal terminal and movement area of the Ämari Air Base and overseen the closing of industrial waste and graft wood landfills. We have constructed harbours, quays, hydraulic engineering structures and tramlines, central squares, parks and streets in various cities. Infrastructure projects have a major impact on people's quality of life, making travel faster, more convenient, and safer.

In 2025, the new Old Harbour tramline, built together with KMG Infra, was completed in Tallinn. It connects seaport, railway terminal, the bus station, the airport, and the tramline taking to the future Rail Baltica Ülemiste passenger terminal. The new line makes it easier for residents and visitors to move between key entry points to the city and the country. The new line branches off from the existing tram network, and the project required extensive reconstruction of public space in central Tallinn. During the works, about 2.5 kilometres of double-track rail, tram stops and a traction substation were built. In addition, Merko and KMG upgraded many underground utilities and improved the surrounding urban infrastructure significantly.





# Rail Baltica

In 2025, Merko was involved in five Rail Baltica-related projects.

The group company Tallinna Teede AS built road viaducts that cross the Rail Baltica railway corridor on the Saku-Tõdva and Tõdva-Hageri roads in Harju County.

In addition, in 2025 Merko was working under an alliance model on the preparation of the 142-kilometre section of Rail Baltica railway between Tallinn and Pärnu, on the construction of the railway infrastructure between Saku and the Raplamaa border in cooperation with GRK Eesti, on the construction of un of load-bearing structures as well as railway facilities underlying the railway at Ülemiste terminal in cooperation with KMG Infra, and on the construction of the Ülemiste passenger terminal building.

The Ülemiste passenger terminal is being built according to a design by the internationally renowned architectural firm Zaha Hadid Architects. The underground facilities of the terminal are being completed in cooperation between Merko and KMG, while the terminal building itself is the responsibility of Merko. The new building will span across Suur-Sõjamäe Street and reach a height of up to 20 metres, roughly equal to a six-storey building.

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## Projects with international sustainability certificates

In 2025, construction works were fully completed on the Arter Quarter in the centre of Tallinn. The office towers in this quarter are the first in Estonia to receive the international BREEAM New Construction sustainability certificate at the Excellent level. The buildings in the quarter are nearly zero-energy structures that use environmentally friendly energy solutions. Geothermal energy extracted through 305 energy piles covers roughly 30% of the quarter's heating demand and 70% of its cooling needs, with the remainder supplied by district heating and district cooling.

In addition, Merko continued work in 2025 on City Plaza 2, a new office building rising in central Tallinn that will become the new headquarters of LHV Bank. The building will have 28 above-ground floors and two underground levels, with a total floor area of 21,000 m<sup>2</sup>. The project follows sustainability principles and is being developed in accordance with the requirements of the BREEAM Excellent standard. Merko also began construction of a hotel and entertainment and conference centre in Pärnu in 2025. For this 23,000 m<sup>2</sup> complex, the client is seeking the LEED Platinum certification for energy-efficient buildings.

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# Living environments



One of the group's strategic business areas is the development of residential real estate, and in this field, we have reached the vanguard of the best brands in the Baltics. We focus on large and contemporary living environments. To ensure the best possible quality, we manage the entirety of the development process starting from planning of buildings in the surrounding environment, design, development, and construction, all the way up to sales of apartments and commercial units within the residential developments, also providing warranty service.

For more than 35 years, we have built high-quality homes for over 11,000 families and have hundreds of new homes finished and under way in Tallinn and its vicinity, Tartu, Riga and Vilnius.

The companies in the Merko group are involved in shaping a multifaceted living environment, both in its various apartment projects, and on a broader level in the urban space. The goal of our activities is to leave a positive imprint on the environment and minimize the potential impact from our construction activity. The major companies in the group all measure their CO<sub>2</sub> footprint and the results are available in our ESG report.





## Uus-Veerenni

Uus-Veerenni residential area spans on 12 hectares and offers the convenience of a central location. In total, Merko plans to develop up to 56 residential buildings in the quarter, creating nearly 1,300 new homes. Since 2019, we have completed 38 buildings, delivering more than 500 apartments and 20 commercial spaces.

Construction continued in 2025 with an eight-storey residential building at Tiiu 14, which will welcome 63 families upon its completion in 2026. The district is designed with both functionality and community in mind: parking is located in underground garages, visitor bicycle spaces are provided next to buildings, and residents have access to dedicated bicycle maintenance rooms on parking levels. Landscaped courtyards between buildings feature green areas, playgrounds, and recreational zones.

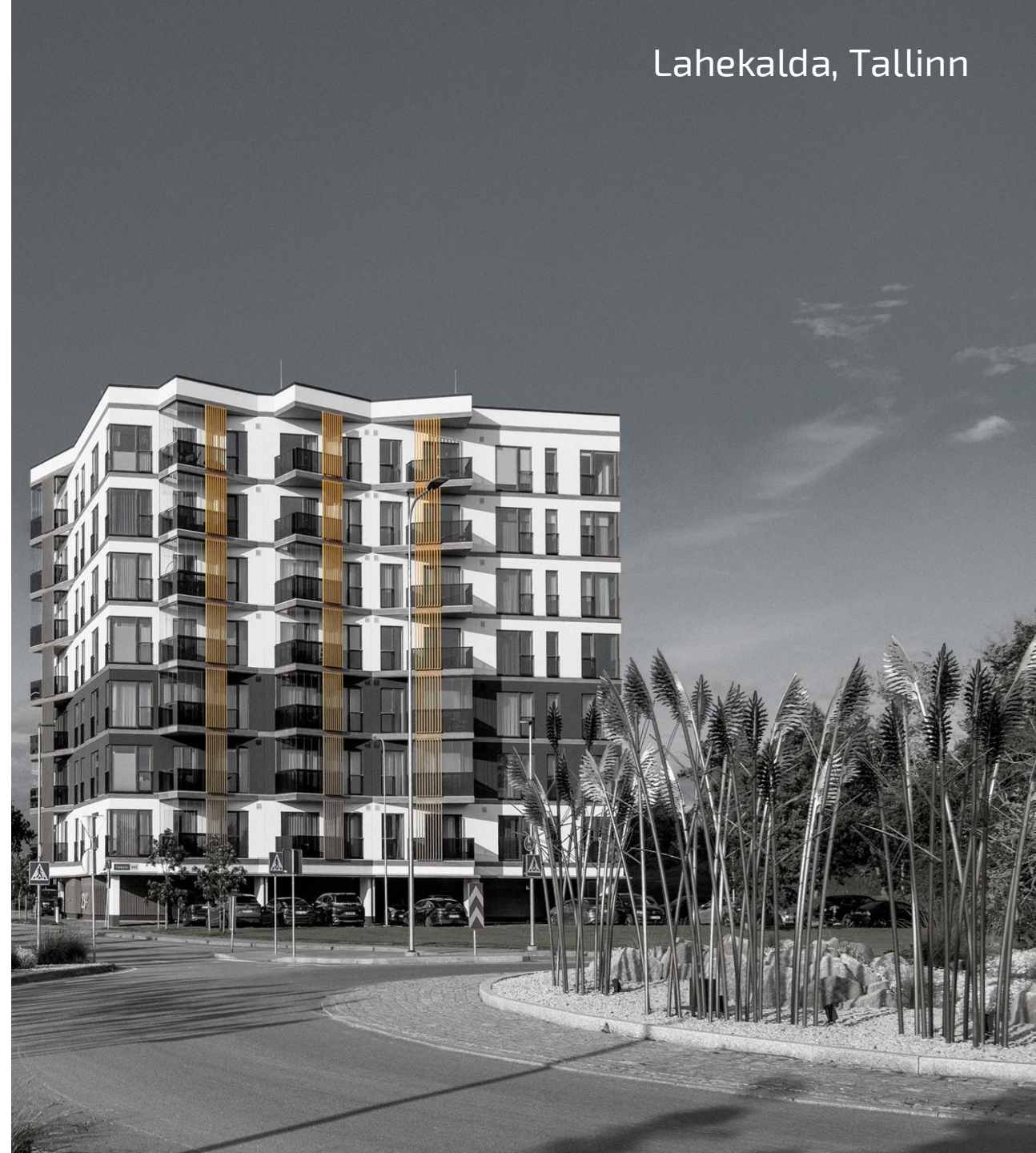
In addition to a kindergarten, we have created a neighbourhood park, a reading nook, sculpture alley, a small convenience store, and a multifunctional community room. Some plots awaiting construction have been converted into a temporary park with a community garden, an outdoor gym, and other sports facilities, and an outdoor padel centre operates at the edge of the quarter.

# Lahekalda

Lahekalda, situated on the scenic Maarjamäe limestone bluff between Kadriorg and Pirita, has rapidly grown into one of East Tallinn's most family-friendly residential districts. Designed with an emphasis on greenery, recreation and community, the development will ultimately include around 1,000 homes, carefully positioned to preserve views of trees, the sea and Tallinn's Old Town.

Nearly 500 apartments across the first ten buildings have already been completed, and two eight-storey buildings with 105 additional homes at Paekalda 15 and 17 will be finished in 2026.

A variety of leisure opportunities are offered to residents by the recreational and play areas located in the inner courtyards and shared spaces of the quarter, including an outdoor gym and a swing alley, as well as a community garden and greenhouse. The environment is further enhanced by an Estonian artist's sculpture, and future plans include the addition of a kindergarten and a park.





## Õielehe

Õielehe residential development is located in Jüri, in Rae municipality – Tallinn's fastest-growing suburb and a preferred home for young families thanks to its affordable housing and proximity to the capital.

At the completion of the whole project, more than 140 families will benefit from functional architecture thoughtfully integrated into the surrounding countryside. Within walking distance are schools, kindergartens, supermarkets, sports facilities and extensive nature and health trails, offering free 24/7 outdoor exercise opportunities.

Each home features a terrace or balcony, and all parking spaces are equipped for electric vehicles, while the rooftops of the buildings host solar panels. The entire development includes ten buildings with 121 apartments and four terraced houses with 23 homes. The first stage comprised two apartment buildings with 22 homes, completed in spring 2025. In January 2026, construction of the second phase commenced, under which three apartment buildings with a total of 33 apartments are scheduled for completion in spring 2027.

# Noblessner

Merko and BLRT have cooperated since 2014 to create a high-quality urban environment and modern living space in the historic Noblessner area. Recognised as the Baltics' best urban space development, Noblessner has transformed into a vibrant, human-centred seaside estate that blends restored historic industrial architecture with contemporary living, a marina, cultural venues, acclaimed restaurants and thoughtfully designed public spaces.

Today, 10 buildings with more than 500 apartments have been completed in the Staapli Quarter and along Vesilennuki and Allveelaeva Streets, with playgrounds and leisure areas for residents. The developments also include ground-floor commercial spaces, home to various businesses and services. In 2025, construction began on the Allveelaeva 2 residential building with 83 apartments, which will be completed in 2027, while the most seaside plots along Lennusadama Street were developed in parallel. Four apartment buildings with commercial spaces will be constructed directly on the Noblessner marina quay.

Noblessner, Tallinn





## Erminurme

Erminurme is located on the former military airfield in Raadi, Tartu – an area that has been completely transformed in recent years. At the end of the former runway now stands the Estonian National Museum, widely regarded as one of the finest museums in Europe. The Erminurme residential quarter makes full use of this distinctive neighbour and its unique setting.

The development includes 12 two- to three-storey apartment buildings with a total of 224 homes. So far, 11 buildings with 197 apartments have been completed. As part of the most recent phase to date, two apartment buildings with a total of 36 apartments were completed in spring 2025. The living environment is complemented by a 7,000-square-metre park designed to reflect the area's military heritage.

# Leedri

In 2025, Merko launched the development of the Leedri residential quarter in Raadi, in Tartu municipality. The project comprises six apartment buildings with a total of 144 homes.

The first stage includes two A-class three-storey buildings with 48 apartments, scheduled for completion in spring 2027. The buildings feature lifts, basement storage, a bicycle room and rooftop solar panels, while all homes come with either a terrace or a balcony.

The buildings, characterised by modern architecture, will be surrounded by thoughtfully landscaped courtyards. Everyday convenience is supported by parking next to the buildings, shared electric vehicle charging, nearby schools, and a recreational area offering playgrounds, sports facilities and an outdoor gym.



# Krulli

Merko and Krulli are collaborating on select developments within the historic Krulli quarter in North Tallinn as part of a broader transformation of the area into a vibrant residential, business, and cultural hub. More than 125 years ago, German-born Estonian industrialist Franz Krull established here one of the most advanced metal and machine works of its time. His factory became a cornerstone of Tallinn's industrial growth, producing boilers, engines, and machinery that were exported across the world.

OÜ Merko Kodud and AS Krulli Kvartal have established the joint venture Krulli Kodud OÜ with the aim to develop residential buildings in Krulli quarter. The cooperation will begin with the construction of three apartment buildings on the Volta Street side of the Krulli development area. The planned buildings will include a total of 23 apartments. The process of applying for building permits has already started, and the completion of the first buildings is scheduled for 2027.

The Krulli Quarter covers a total area of 10 hectares and allows for more than 100,000 m<sup>2</sup> of above-ground development. Over the next ten years, nearly 20 buildings will be constructed or renovated in the area, creating more than 600 homes and 3,000 jobs.

Krulli quarter, Tallinn



# Uus-Karlowa

A distinctive new district on the banks of the River Emajõgi in the heart of Tartu is set to become a modern residential quarter and prestigious urban space through a partnership between Giga Investeeringud and Merko.

The former site of Tartu's boiler house is planned as a mixed-use development, designed to create a vibrant and accessible urban environment. The area will include apartment buildings, a hotel and an office building, complemented by high-quality public space surrounding the buildings. A riverside promenade connecting Väike-Turu and Turu streets will make the area one of the most attractive places to live in Tartu.

The joint venture Turu 18 Kodud OÜ, established in 2025, will develop three buildings with residential and commercial spaces on the Turu 18 property, along with a contemporary and versatile urban environment around them.

# Lucavsala

Lucavsala island lies within the braided channels of the Daugava River as it flows through Riga. Positioned between the main riverbed and the smaller Bieķengrāvis branch, the island forms a natural green buffer that opens panoramic views of the historic city centre, the riverfront, the island's rich greenery and the characteristic rooftops of the Pārdaugava district. Over the years, Lucavsala has become a popular recreational destination for residents seeking places to swim, relax and connect with nature.

The development project totals three residential buildings with 590 apartments, six commercial units, and a multi-storey parking garage. The first phase features three interconnected buildings housing 214 apartments and two commercial spaces. In 2025, we completed the first part of this stage – a nine-storey building with 54 apartments. The A-class buildings feature unique landscaping, while an outdoor gym, several recreation areas for different age groups, as well as basketball and football pitches, will be located on the roof of a multistorey parking garage.

Lucavsala, Riga





## Mežpilsēta

Located in Riga's green and well-connected Mežciems district, this residential development offers a peaceful, family- and pet-friendly living environment surrounded by forest and the Dreiliņupīte stream, while remaining only minutes from the city centre via major transport routes.

The project will comprise 11 buildings with a total of 535 apartments, of which four buildings with 164 apartments have already been completed, and the six-storey Hipokrāta 16 building with 53 apartments is scheduled for completion by the end of 2026. A distinctive highlight of the complex is its large indoor common room – the first of its kind in Merko's Latvian residential projects – equipped with a kitchen, activity zones, a terrace, and dedicated areas for both children and adults, fostering a strong sense of community. The closed and secure grounds further enhance resident well-being with multiple playgrounds and direct access to nearby forest trails.

# Arena Garden Towers

Arena Garden Towers is located in the Skanste neighbourhood, one of Riga's fastest-growing areas and recognised as the city's modern centre.

The project will consist of four residential buildings with around 400 apartments. In 2025, Merko had two buildings under construction: a 13-storey building with 84 apartments, including two penthouses with 6.3-metre ceilings, scheduled for completion in 2026, and another 13-storey building with 80 apartments to be completed in 2027.

This is Merko's first residential project in Riga to implement an energy-pile system, enabling the use of renewable geothermal energy during transitional periods between heating and cooling seasons. The fully enclosed courtyard will be accessible only to residents and will feature recreational areas, a playground and urban gardens with gazebos. A rooftop terrace with seating areas will provide panoramic views over Riga for all residents.



Arena Garden Towers, Riga



Pētersala, Riga

## Pētersala

Merko continues to shape and revitalise Riga's Quiet Centre with the new Pētersala residential quarter. Comprising four elegant buildings, two newly built with contemporary architecture and two carefully restored Art Nouveau gems, the ensemble blends modern living with historical charm. The historic buildings, designed by renowned Latvian architect Konstantīns Pēkšēns, who authored more than 250 major buildings in Riga at the turn of the 20th century, will be reconstructed with their heritage elements preserved in honour of his legacy.

Across the four buildings, 105 apartments will cater to a variety of lifestyles, with presales now underway. Pētersala also marks the final chapter of the wider Viesturdārzs project: a combined courtyard will link Viesturdārzs third stage with the new quarter, and residents throughout the development will continue to enjoy direct access to Viesturdārzs park, one of Riga's most beloved green spaces.

# Vilnelės Skverai

The Vilnelės Skverai residential quarter, situated on a 4.7-hectare plot near Vilnius Old Town and the Vilnelė river between Užupis district and the Pavilniai regional park, will become home to about 1,100 families across 26 contemporary A+ energy class buildings arranged around four landscaped squares. Designed as a pedestrian-friendly neighbourhood with all parking placed underground, it features promenades linking the squares, each with its own courtyard, greenery, gazebos, benches and playgrounds, offering inviting community spaces with easy access to the river, green fields and forest trails of Belmonto park, Užupis and Vilnius Old Town.

During the first three stages, Merko completed 20 residential buildings with 749 apartments, while the fourth stage will add six 6- to 7-storey buildings with 311 apartments. In 2025, Merko was constructing the first part of the fourth stage, which includes the entire underground parking facility and the first three apartment buildings, scheduled for completion in the second half of 2026.

The buildings feature clean architectural lines, large panoramic windows, comfortable underfloor heating, and each apartment comes with either a balcony or a spacious terrace.



Vilnelės Skverai, Vilnius



# Šnipiškių Urban

The Šnipiškių Urban project comprises six A++ energy class buildings with 214 apartments, each featuring a balcony or terrace, built above a two-storey underground parking facility with 241 spaces, EV charging stations and dedicated bicycle storage. In 2025, Merko launched the construction of the first stage, which includes the underground parking complex and the first three buildings, with completion scheduled for 2026.

Located in the rapidly developing heart of Šnipiškės, an area emerging as Vilnius' second city centre, the project offers residents convenient access to markets, dining, offices and the Old Town via new pedestrian and cycling paths. Its architecture draws inspiration from the district's evolving character, combining distinctive materials and soft, rounded building and balcony forms. High ceilings, large panoramic windows and thoughtfully designed private and shared areas enhance comfort and spaciousness, while landscaped grounds provide sports facilities and children's playgrounds.

# Social responsibility





## Art in urban space

In addition to construction projects that shape the appearance of urban space and create new modern living environments, we also enrich public areas with various works of art. Over the years, we have installed 20 different artworks created by Estonian artists across Tallinn.

The Arter quarter, completed in 2024/2025, transformed the entire skyline of Tallinn. And thanks to Arter, Tallinn finally has an "equestrian monument", something that many have demanded for the public realm in the past. In front of Arter, on the stone ledges along Liivalaia Street, visitors can now see artist Flo Kasearu's horses and riders titled "Monumental Abandonment". The work subverts the traditional monument form with a playful twist, using a deliberately miniature scale instead of heroic proportions.

In 2025, an almost three-metre-high golden metal sculpture was inaugurated in front of the Hyatt Place Hotel in Tallinn. Custom-designed for the location by Kalle Pruuden and executed by HN Steel, Anchor signifies stability and security – the qualities that a crew on a sea voyage seeks when lowering anchor and likewise the feeling that a visitor to Tallinn wants from their hotel experience.

In 2025, preparations were underway to open an exhibition in the underground car park at Freedom Square in the city centre of Tallinn. The exhibition features work by two renowned Estonian sculptors, Edith Karlson and Jass Kaselaan. Edith Karlson also represented Estonia at the 2024 Venice Biennale. Nestled between the old bastion walls, visitors can now find Karlson's horse sculpture "Body and Soul" and her life-sized cast-plaster "ghosts" titled "Drama Is in Your Head", alongside Kaselaan's sculpture groups "Seven Mice" and "Them and Me". Among the works displayed at the Freedom Square exhibition, Jass Kaselaan's sculpture group Toys has already been installed in the Uus-Veerenni residential quarter, and Edith Karlson's monumental dinosaur sculpture Good Old Times can be seen in Noblessner. In addition to these artists, Merko has also commissioned public artworks in Tallinn from Heigo Jelle, Siim Poomann and Kersti Lootus.

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# Culture in the Courtyard

In the Uus-Veerenni residential quarter built by Merko in central Tallinn, a neighbourhood that will eventually become home to around 1,300 families, lies one of the liveliest new park landscapes in the city. The contemporary living environment is enriched with art, including Heigo Jelle's sculptures: the steel and sharply multi-layered, perhaps even thought-provoking Mushroom Man, and the slightly enigmatically erotic Pure Love, which together lend the quarter both quality of character and, quite literally, a tonne and a half of love. Nearby, in the Uus-Veerenni Park, stands the group work Toys by sculptor Jass Kaselaan.

The Lahekalda residential area has also received its own artwork: Kalle Pruuden's sculpture Reed greets residents and visitors at the entrance. The seaside Noblessner district is likewise enriched by public art. In addition to Edith Karlson's already mentioned giant dinosaur sculpture The Good Old Times, the area features the metal-and-light installation Nest – a giant "egg lamp" installation inspired by a drawing of a stork's nest made by five-year-old Stina, mounted atop a long-unused lighting mast on Peetri Street. Near the PROTO Discovery Factory, one encounters more of Heigo Jelle's works, such as Ground-to-Air Girl and Two Move to the Big City.

Honouring the district's proud shipbuilding heritage of more than a century, a Golden Lessner's Propeller has been installed – erected by BLRT with Merko's contribution. The bronze ship propeller, 7.5 metres in diameter and weighing 33 tonnes, is a genuine piece manufactured at the Alstom Power Elblag factory. It was brought to Tallinn from the Turku Repair Shipyard in Naantali.



# Estonian Health Trails

In the field of sport and recreation, Merko focuses on creating exercise and sporting opportunities for everyone in Estonia, helping to increase the number of years lived in good health. Our largest sponsorship project continues to be the Estonian Health Trails project. Launched back in 2005 along with Swedbank and Enefit (known as Hansapank and Eesti Energia at the time), the aim is to give as many residents of Estonia as possible year-round and free-of-charge use of outdoor trails to popularise an active lifestyle and increase their years lived in good health. The driving statistic is the stark contrast between healthily lived years between Estonia and the Nordic countries. In Estonia, the number is about 58, while in Sweden, it is 72 years as of 2025. At the same time, overall life expectancy is roughly similar, which suggests that lifestyle choices and active living have a dramatic impact on quality of life.

Over 20 years, the three founders have contributed approximately 8.5 million euros to developing various trails. As a result of partnering with the national government, local municipalities, and EU funds, total investments into the trail infrastructure so far have exceeded 70 million euros. Estonia has a total of 120 recreational trails that are maintained and can be used year-round, totalling more than 1,100 km and serviced by 200 people. Trail maps and signs aid with navigation, and opportunities are further enriched by the addition of rope courses, stretching and outdoor gym equipment, bike tracks, and pump tracks. The number of visits reached 7.3 million in 2025.

Based on the model of the Estonian Health Trails, Merko has since established a recreational trail on the island of Zaķusala in the Daugava River in Riga. Called the Green Trail, the track welcomes all levels of users from beginners to professional athletes. Depending on snow conditions, the trail can also be used for skiing in winter, and at other times of the year for other seasonal modes of use.



# Sport and recreation

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In the field of sports, Merko continued its support for the Latvian cross-country skier Patrīcija Eiduka, reflecting the company's commitment to supporting high-performance athletes and the development of Latvian sports. Merko is particularly proud that Patrīcija Eiduka is a member of the Latvian Olympic team at the Milano Cortina Winter Olympic Games 2026. In addition, we continued supporting the Lithuanian national ice hockey association. In 2025 we had two projects focusing on supporting young people sporting: in Lithuania we continued to contribute to organising training sessions for the young players of the Balsiai football school Geležinis vilkas and in Latvia, we supported the youth floorball club Ķekavas Bulldogs by supporting young athletes, for whom such financial contributions are important for long-term development and participation in competitive sports.

In 2025, we built an outdoor padel centre in the Uus-Veerenni residential development in Tallinn. The facility, open both to residents and the wider public, was developed in cooperation with Padelsquare. At the time of its opening, it was the only place in Tallinn where padel could be played on four courts at the same time. The courts are suitable for both dedicated players and beginners, as well as for anyone looking to enjoy an active game with friends. The centre is open from spring to autumn and includes dressing rooms, a landscaped park area and a racket rental service. Other sports facilities developed in Merko's residential quarters also encourage an active lifestyle, including ball game courts in Uus-Veerenni, a swings promenade in Lahekalda, and an outdoor gym in Õielehe.





# Culture and Art Heritage

Merko has been actively contributing to the preservation and development of Estonia's cultural heritage for many years. This includes construction projects such as the installation of an elevator in the St Nicholas' church-museum, affording visitors an unparalleled visit to the "heavens". It includes supporting the reconstruction and preservation of iconic works of art in Tallinn, like supporting the conservation of the magnificent late medieval retablo commissioned for the high altar of St Nicholas' Church and the new display for the Tallinn Dance of Death, ascribed to the famous Lübeck master Bernt Notke.

Merko helped bring the much-loved Estonian Television programme „Klassikatähed“ („Classical Stars“) back to the screen in autumn 2025, in cooperation with the Cultural Partnership Foundation. The series offers young musicians' invaluable stage and media experience, helping them gain recognition at home and abroad while strengthening Estonia's cultural future. A record number of young musicians applied to the competition, and the main prize was awarded to Ukrainian pianist Havryil Sydoryk, a student at the Tallinn School of Music and Ballet.

In 2025, Merko also had the honour of supporting the publication of the book "Louis I. Kahn: Nordic Latitudes." The book offers an innovative and personal interpretation of the work, teaching, and legacy of Louis Kahn, one of the most influential architects of the twentieth century. Kahn's former student, practicing architect Per Olaf Fjeld, together with co-author Emily Randall Fjeld, has produced a study that explores Kahn's development in greater depth than many previous writings, focusing on his connections with the Nordic countries and Europe. The research highlights both Kahn's early childhood in Estonia and the cultural environment of his birthplace, as well as his travels and relationships with other architects. For Estonian readers, the book is especially engaging because it offers the author's perspective on architectural history of the 1960s and 1970s through the lens of human relationships.

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# Education and aftergrowth

We introduce students to real-life work in the construction sector and offer internship opportunities and jobs across our companies. We award scholarships and accept future engineers as interns, giving them the chance to experience the challenges and opportunities of the construction world firsthand. In addition, we support engineering education, competitions and contests, as well as innovation-related initiatives in engineering and architecture to inspire young people to choose a career in our field.

During the summer of 2025, six students from Tallinn University of Technology joined Merko's Estonian companies as interns. Their internships provided experience in design, construction management, indoor climate and technical systems, with one student completing their internship at Merko Kaevandused. In addition, we welcomed university and school students to our construction sites, hosted job-shadows, and participated in student events and career fairs. Our engineers shared their expertise in guest lectures and at conferences, giving young people insight into the daily work of a construction engineer. Being repeatedly selected as the most attractive employer among engineering students confirms that Merko's commitment to supporting young talent is recognised and valued.



# TalTech scholarship

Since 2007, we have recognised engineering students and young scientists and lecturers at Tallinn University of Technology with scholarships to help ensure the next generation of construction professionals and to support lecturers in providing high-quality education for future engineers. In 2025, the young researcher and lecturer scholarships were awarded to Villu Kukk and Merli Tamme, while the engineering scholarships went to Taavi Õispuu, Markus-Aleks Trofimov and Jon Silver Eerma.

Villu Kukk is a postdoctoral researcher at the Department of Civil Engineering and Architecture at Tallinn University of Technology. His research focuses on the safety of cross-laminated timber when exposed to moisture, helping to develop sustainable construction and improve methods for studying timber structures. Merli Tamme is a doctoral student and junior researcher in technology sciences at the School of Engineering at the Tallinn University of Technology. Her research examines the use of fiberglass rods instead of steel in load-bearing rebar structures with the aim of improving durability in challenging environmental conditions along with reducing construction costs.

Taavi Õispuu is in his fifth year of studying building design and construction management at Tallinn University of Technology. He joined Merko in 2022 as an intern and later continued working as a Site Technician. Markus-Aleks Trofimov is also a fifth-year student in building design and construction management at Tallinn University of Technology. He came to Merko as an intern in 2022 and has since worked as a Site Technician on various projects. Jon Silver Eerma is a third-year student in building design and construction management at Tallinn University of Technology. He joined Merko after completing his first year, starting as an intern in the concrete works department and later working as a Site Technician on different sites.





## Youth-focused events

In 2025, we continued our long-standing tradition of organising Children's Day for employees' families. The aim of the event is to introduce the company's field of activity to employees' families and to offer children a hands-on and memorable experience. This year, participants visited the Uus-Veerenni residential quarter, where they gained an overview of both the construction of a new apartment building and the development of a complete living environment. The programme included active outdoor games, a shared lunch, and a visit from an ice-cream truck.

The 2025 Merko's Future Makers Day brought together interns from Merko Estonian companies. During the day, they visited both development and infrastructure projects, including the Uus-Veerenni quarter, the construction site of the City Plaza 2 office building, the Ülemiste terminal facilities, and the Soodla quarry, where Merko extracts and sells mineral resources. Each site provided insight into different stages of work and highlighted the technical and organisational challenges involved in the construction process. Interns had the opportunity to hear first-hand experiences from site teams, observe the progress of large-scale projects, and better understand the importance of accuracy, cooperation, and smart technological solutions.

In 2025, group Latvian construction company Merko Būve continued its annual involvement in the "Learn Construction" initiative. The program is run by the Latvian Builders' Association that unites construction companies and industry stakeholders to promote quality, education, and professional standards across the sector. The "Learn Construction" initiative aims to strengthen cooperation between the construction industry and students by providing visits to active construction sites, mentoring opportunities, and participation in guest lectures at educational institutions. In 2025, almost 30 second-year students from the Riga Technical University Faculty of Architecture visited the construction site of our Arena Garden Towers first building and our company experienced construction specialists contributed to lectures and on-site activities as part of the program.

In Lithuania, Merko participated in the Junior Achievement Lithuania "Job Shadow" program, welcoming secondary school students to the company for a one-day workplace orientation. During the visit, students were introduced to career opportunities in the construction sector and gained insight into the skills and competencies required to build and sustain a successful career. In cooperation with Junior Achievement Lithuania, we also provided students with the opportunity to visit Merko construction sites, offering practical exposure to real working environments.

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# Recognitions



# Company recognitions

- Based on the results of Kantar Emor's 2025 survey on the awareness and reputation of Estonian real estate brands, Merko was named the most well-known and trustworthy real estate developer in Estonia. Merko has earned this recognition for six previous years.
- Merko received the 2025 "Cultural Friend of the Year" award from the Estonian Ministry of Culture for supporting the return of the TV programme "Klassikatähed" ("Classical stars") to Estonian Television and for contributing to the publication of the book "Põhjamaised laotused" ("The Nordic Latitudes") about the life of the recognised architect Louis I. Kahn.
- The Estonian Ministry of Defence recognised Merko Ehitus Eesti with a silver-level "Supporter of National Defenders" award for its outstanding contribution to national security.
- In a survey conducted by CVKeskus.ee, Merko was named the most desirable employer in Estonia's construction sector for the second year in a row. In the overall ranking of all companies, we placed 15th.
- Merko took first place among construction-sector companies in CV-Online/CV.ee's TOP Employer survey in Estonia.
- Merko ranked first in Estonia in the Instar employer expectations and employer reputation survey among engineering students. We have also been awarded the title of the most attractive employer in our field in 2024, 2023 and 2021, and have reached the top three eight times.
- Merko Ehitus Eesti received a letter of appreciation from Tallinn University of Technology for contributing to the development of Estonian society.
- Merko received the "Education Friend of the Year" award from the City of Tallinn and was selected as a finalist in the same category at the national level.
- Merko was recognised by the Ministry of Education and Research and the Association of Estonian Adult Educators as the "Learner-Friendly Employer of the Year."
- The Lithuanian Wind Power Association awarded Merko Statyba as the leading company in Lithuania for installing the highest number of wind turbine foundations. This recognition highlights Merko's extensive experience, commitment to high-quality standards, and substantial contribution to the advancement of sustainable energy production and infrastructure development in Lithuania.
- Lithuanian Free Market Institute and the Vilnius Chamber of Commerce, Industry and Crafts have recognized Merko as one of the country's top taxpayers contributing to national growth.

Merko Ehitus Eesti

**Attractive  
Employer  
2025**

*Estonian Students' Employer Image  
Survey According to Students of Technology*





# Employee recognitions

- Saulius Putrimas, Head of Merko in Lithuania, received the “CEO of the Year 2025” title in a competition organised by the Lithuanian business daily Verslo Žinios. The annual competition recognises leaders who have created the most value for employees, shareholders and society over the past year.
- Ahti Suppi, Project Director at Merko Ehitus Eesti, received the “Builder of the Year 2025” title for managing the construction of Arter quarter. The competition was organised by the Estonian Association of Construction Entrepreneurs.
- Elina Vink, Site Engineer at Merko Ehitus Eesti, was awarded the title of “Young Civil Engineer of the Year 2025” in the competition organised by the Estonian Association of Civil Engineers.
- Tiit Joosti, Project Director at Merko Ehitus Eesti, received the Aadu Lassi road engineering and construction award, presented by the Estonian Transport Administration and the Estonian Association of Infrastructure Construction.
- Taavi Kuusik and Viljar Paas, Project Managers at Merko Ehitus Eesti, received the silver badge of honour from the Estonian Ministry of Defence for their contribution to managing design and construction works on national defence sites.
- Marten Erik Johandi, Structural Engineering Technician at Merko Ehitus Eesti, won first place in the “Research Work 2025” competition organised by the Estonian Woodhouse Association for his Tallinn University of Technology research thesis “Studies of the exterior walls of a 9-story large-panel apartment building and their load-bearing capacity in the case of factory renovation.”
- Sander Jaaniste, Site Engineer at Merko Ehitus Eesti, won first place in the Estonian Digital Construction Cluster’s student competition and was recognized as “Rising Talent in Digital Construction 2025”. His master’s degree thesis in the field of structural engineering and construction management at the Tallinn University of Technology dealt with ways of using artificial intelligence and machine learning to manage safety on construction sites.
- Ranar Pügi, Site Engineer at Merko Ehitus Eesti, received the “Future Leaders 2025” scholarship from Riigi Kinnisvara. Ranar won the scholarship for his master’s thesis in building design and construction management at Tallinn University of Technology, entitled “Prototyping a construction-time data management application for automating carbon calculations”.

# Recognitions of objects

- The metal and light art installation “Nest”, installed in Noblessner district in Tallinn, received a special prize “Linnamuna 2025” (“City Egg 2025”) in the environmental design category at the the Estonian Golden Egg competition, Baltic region's largest and most prestigious creativity festival.
- The Arter quarter, built by Merko, was named “Tallinn Development Project 2025” and received the “Best Building Project 2025” title in the buildings category at the competition organised by the Estonian Association of Architectural and Consulting Engineering Companies.
- Elemental Business Centre office building was awarded as the most energy-efficient public building in the competition “Most Energy-Efficient Building in Latvia 2025” by the Latvian Ministry of Economics.





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