

Company AS MERKO EHITUS
Type Company Release
Category Other corporate action
Disclosure time 02 Aug 2024 17:00:00 +0300

Currency

Title Adjustments to the structure of the group

AS Merko Ehitus adjusts the structure of the group with the aim of making the country-based management more effective and strengthening the focus on core activities, i.e. the provision of construction services and real estate development.

On 1 August 2024 the Management Board of AS Merko Ehitus, in coordination with the Supervisory Board, decided to stop providing construction services and making further investments in Norway. After fulfilling the existing construction contracts, the 100% subsidiary AS Peritus Entreprenør will be sold or liquidated.

The Management Board of the group also decided that the ownership of the 50% stake in AS Connecto Eesti will be transferred to AS Merko Ehitus from the group's subsidiary AS Merko Ehitus Eesti. AS Merko Ehitus creates a subsidiary to hold the stake.

On 1 August 2024 entered into force the sale and purchase agreement with which OÜ Merko Investments, part of the AS Merko Ehitus group, sold the Latvian construction company SIA Merks. Upon agreement with the buyer, the parties will not disclose the price of the transaction. The contract portfolio of SIA Merks has been exhausted and the company has no business activity, the company is left with only legal disputes and the fulfilment of warranty obligations guaranteed by AS Merko Ehitus.

After the reorganization of the structure, the home markets of AS Merko Ehitus are Estonia, Latvia and Lithuania. Construction services are provided by AS Merko Ehitus Eesti in Estonia, SIA Merko B?ve in Latvia and UAB Merko Statyba in Lithuania. Real estate development is carried out by OÜ Merko Kodud in Estonia, SIA Merks M?jas in Latvia and UAB Merko B?stas in Lithuania. Tallinna Teede AS is active in the construction and maintenance of roads and facilities in Estonia. AS Connecto Eesti, a 50%-owned joint venture, designs, builds and maintains electricity, telecommunications and gas networks in Estonia and its subsidiaries are active in electricity construction in Latvia and Lithuania.



The changes set out in the notice have negligible effect on the activities of AS Merko Ehitus, neither are the transactions regarded as transaction with related parties within the meaning of the section "Requirements for Issuers" of the rules of the stock exchange organised by NASDAQ OMX Tallinn AS. Members of the board and supervisory board of AS Merko Ehitus have no economic interest in the transactions.

Urmas Somelar
Head of Group Finance Unit
AS Merko Ehitus
+372 650 1250
urmas.somelar@merko.ee (<mailto:urmas.somelar@merko.ee>)

AS Merko Ehitus (group.merko.ee (<https://group.merko.ee/en/>)) group companies develop real estate and construct buildings and infrastructure. We create a better living environment and build the future. We operate in Estonia, Latvia, and Lithuania . As at the end of 2023, the group employed 635 people, and the group's revenue for 2023 was EUR 466 million.

