

Company Hepsor AS
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Title Hepsor corrects 2021 Annual Report misstatements in the 2022 Annual Report

The Group announces that the reference contained in note 1.5 "Accounting policies, changes in accounting estimates and errors" in the 2021 Annual Report "The accounting policies applied in the preparation of these financial statements are the same as those used by the Group as of 31 December in the consolidated financial statements for the year ended 31 December 2020, except as described below." was misleading. It would have been correct to refer to the consolidated special purpose financial statements not the consolidated annual report. For periods up to and including the year ended 31 December 2020, the Group prepared its statutory financial statements in accordance with Estonian Financial Reporting Standards (EFS). The Group prepared financial statements in accordance with IFRS 1 for the first time for consolidated special purpose financial report for the periods from 1 January 2018-31 December 2018, 1 January 2019-31 December 2019 and 1 January 2020-31 December 2020. The special purpose financial report is available at Hepsor's website <https://hepsor.ee/wp-content/uploads/2021/11/Hepsor-IFRS-2018-2020-audited.pdf> and the Website of Finantsinspektsioon https://www.fi.ee/sites/default/files/2021-11/hepsor_ifrs_2018-2020_audited.pdf. When preparing the Group's consolidated special purpose financial statements, the opening statement of the Group's financial position was prepared as of 1 January 2018, which is also considered the date of the Group's transition to IFRS (EU).

The group corrects the comparative data for 2021 in the 2022 Annual Report:

1. In the calculation of "Profit per share" in appendix 27 of the Annual Financial Statements of Hepsor AS for 2021, the number of ordinary shares as of the end of the reporting period on 31.12.2021 was used in the amount of 3,855 thousand shares instead of the weighted average number of shares as required according to the international accounting standard IAS 33 "Share profit". The correct number of shares should have been 3,124 thousand. Basic earnings per share and diluted earnings per share remain unchanged. The issuer corrected the data for the comparable period in Appendix 26 of the 2022 Annual Financial Statements.
2. Hepsor AS adjusted the consolidated cash flow statement for 2021 in the



Annual Report for 2022 by reclassifying 229 thousand euros from cash flows from financing activities to cash flows from operating activities.

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Hepsor AS (www.hepsor.ee) is one of the fastest growing residential and commercial real estate developers in Estonia and Latvia. Over the last twelve years Hepsor has developed more than 1,500 homes and 32,000 m(2) of commercial space. Hepsor has been the first real estate developer in the Baltic States to implement a number of innovative engineering solutions that make the buildings we construct more energy-efficient and thus more environmentally friendly. The company's portfolio is comprised of 26 development projects with a total sellable space of 176,000 m(2).

