

Company                    Hepsor AS  
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## Currency

Title                      Hepsor signed a contract worth EUR 5.2 million for the sale of a commercial building in Riga

On May 10, 2023, Hepsor Latvia OÜ, a subsidiary of Hepsor AS, signed a sales agreement for shares of Hepsor U30 SIA with the real estate fund East Capital Real Estate IV. The debt-free value of the company agreed upon in the transaction is 5.2 million euros, from which the company's debt obligations, including bank loans and owner loans, are to be deducted. Hepsor U30 SIA owns a property located at Ulbrokas iela 30 in Riga, on which a stock-office type commercial building called StokOfiss U30 with a rental area of 3,642 m<sup>2</sup> has been developed by Hepsor. StokOfiss U30 is a multifunctional commercial building with a three-in-one solution, which allows a company to have a sales premises, office space and a warehouse all in one leased space.

StokOfiss U30 has been 100% leased since the building's completion in October 2022, and the anchor tenant of the commercial building is the international cosmetics retailer Douglas. The sale of Hepsor U30 SIA shares is Hepsor group's first commercial development sale in Latvia and also the group's first commercial building development in the country.

Hepsor AS management board member Henri Laks said: "The transaction activity of the commercial real estate market in the Baltics is relatively low as of today, which gives us all the more reason to be proud that we have succeeded in developing an attractive commercial building that offers good returns both to us as sellers and to the East Capital group as an experienced commercial real estate manager. We are satisfied that the expansion of the group's activities in the Latvian market is going well - as a result of the rapid growth in recent years, the group's development volumes in Latvia already reach 71,100 m<sup>2</sup> and will soon reach the volumes of the Estonian development portfolio, which stands at 90,400 m<sup>2</sup>).

We shall continue the development of stock-office type commercial buildings with the StokOfiss U34 project located on a neighboring property in Riga at Ulbroka iela 34. StokOfiss U34 has a planned leasable area of 8,690 m<sup>2</sup> and the design of the development project is currently underway. Similar to the previous project, StokOfiss U34 also follows a concept that includes both retail spaces



and office space, and a green thinking concept. In Estonia, we have used the green thinking approach in four office buildings, and we believe that it has proven itself well, and therefore we see a great potential for this approach in Latvia as well. We are happy that the StokOfiss 30 commercial building completed in the first stage of development has been well received by tenants and has attracted the interest of reputable companies."

Henri Laks

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Hepsor AS ([www.hepsor.ee](http://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 24 development projects with a total sellable space of 161,000 m(2).

