Company	Hepsor AS
Type	Company Release
Category	Annual financial report
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Attachments:
- Hepsor_2022_ENG.pdf (http://oam.fi.ee/en/download?id=7333)
- Hepsor AS 2022 ESEF annual report ENG.zip (http://oam.fi.ee/en/download?id=7334)
- Hepsor_2022_EST.pdf (http://oam.fi.ee/en/download?id=7335)
- Hepsor AS 2022 ESEF aastaaruanne EST.zip (http://oam.fi.ee/en/download?id=7336)

Currency

Title Hepsor AS 2022 audited annual report

The Management Board of Hepsor AS has prepared the audited annual report for 2022. Compared to the unaudited interim report published on 15 February 2023, there are no material differences in the audited report.

The consolidated sales revenue of Hepsor for the 2022 financial year amounted to 12.9 million euros and the net profit was 1.3 million euros.

In 2022, the Group completed three residential and three commercial property projects. The sales revenue for the financial year has been mainly generated from the sale of completed residential development projects. As of the end of 2022, we have handed over 45 apartments to home buyers in Latvia, including 26 apartments in the 4b Str?lnieku, 18 apartments in the 9 Balozhu and 1 apartment in the 24 ?genskalna development projects, and 40 apartments in the Paevälja Hoovimajade development project in Estonia. The sale of 76 apartments and 1,487 sqm of commercial space in the Priisle Kodu development project is not reflected in the Group's sales revenue as the result of the project is recorded using equity method of accounting. In total, we handed over 161 new homes to home buyers in Estonia and Latvia in 2022.

At the end of the year, we handed over the Büroo113 commercial premises to a modern clinic using an innovative concept. This is the first time that green solutions (geothermal heating and cooling, rainwater use, energy-efficient architecture, excellent indoor climate, solar energy, etc.) have been applied in a city centre high-rise. In Riga, a stock office type commercial building was completed at 30 Ulbrokas 3,645 sqm of which are fully covered with lease agreements.

In total, we added approximately 171 apartments to our development portfolio in

2022, including 40 in Riga and 131 in Tallinn. Approximately 60 new apartments will be built on the 12 Manufaktuuri property in the Manufaktuuri Quarter together with our long-term cooperation partner Tolaram Grupp. We started the construction of the Lilleküla Kodud development project with 26 apartments already in December 2022. Up to 45 new homes can be built on the properties purchased at 1a Alvari and 5 Alvari. In Latvia, a property was added on J?rmala Gatve, where we are planning to build an energy class A three-storey residential building with 40 new homes.

Consolidated statement of financial position

in thousands of euros	31 December 2022	31 December 2021
Assets		
Current assets		
Cash and cash equivalents	3,754	10,889
Trade and other receivables	1,731	652
Current loan receivables	0	2,388
Inventories	69,760	37,237
Total current assets	75,245	51,166
Non-current assets		
Property, plant and equipment	232	229
Intangible assets	7	0
Financial investments	2	402
Investments in associates	1,086	0
Non-current loan receivables	1,766	3,408
Other non-current receivables	30	140
Total non-current assets	3,123	4,179
Total assets	78,368	55,345
Liabilities and equity		
Current liabilities		

Loans and borrowings	22,565	5,501
Current lease liabilities	46	123
Trade and other payables and prepayments	7,061	6,703
Total current liabilities	29,672	12,327
Non-current liabilities		
Loans and borrowings	26,015	22,862
Non-current lease liabilities	68	66
Other non-current liabilities	2,290	1,053
Total non-current liabilities	28,373	23,981
Total liabilities	58,045	36,308
Equity		
Share capital	3,855	3,855
Share premium	8,917	8,917
Retained earnings	7,551	6,265
Total equity	20,323	19,037
incl. total equity attributable to owners of the parent	19,866	18,904
incl. non-controlling interest	457	133
Total liabilities and equity	78,368	55,345

Consolidated statement of profit and loss and other comprehensive income

in thousands of euros	2022	2021
Revenue	12,870	14,961

Cost of sales (-)	-11,096	-11,902
Gross profit	1,774	3,059
Marketing expenses (-)	-446	-271
Administrative expenses (-)	-1,095	-942
Other operating income	70	83
Other operating expenses (-)	-68	-49
Operating profit (-loss) of the year	235	1,880
Financial income	1,889	321
Financial expenses (-)	-787	-512
Profit before tax	1,337	1,689
Current income tax	-6	-16
Deferred income tax	0	60
Net profit for the year	1,331	1,733
Attributable to owners of the parent	1,396	-22
Non-controlling interest	-65	1,755
Other comprehensive income (-loss)		
Changes related to change of ownership	-26	70
Change in value of embedded derivatives with minority shareholders	10	-1,815
Other comprehensive income (-loss) for the period	-16	-1,745
Attributable to owners of the parent	-434	68
Non-controlling interest	418	-1,813
Comprehensive income (-loss) for the period	1,315	-12
Attributable to owners of the parent	962	46
Non-controlling interest	353	-58

Earnings per share		
Basic (euros per share)	0.36	-0.01
Diluted (euros per share)	0.36	-0.01

The consolidated anual report 2022 of Hepsor AS has been attached to the current release and will be made available on Hepsor's webpage hepsor.ee/en/for-investors/stock/information-materials/ (https://hepsor.ee/en/for-investors/stock/information-materials/).

The annual report will be presented for approval to the General Meeting of Shareholders.

Henri Laks
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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).