

Company AS MERKO EHITUS
Type Company Release
Category Annual financial report
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Attachments:

- 2022 Merko Ehitus annual report.pdf (<http://oam.fi.ee/en/download?id=7209>)
- AS Merko Ehitus 2022 majandusaasta konsolideeritud ja auditeeritud aruanne.zip (<http://oam.fi.ee/en/download?id=7210>)
- 2022 Merko Ehitus aastaaruanne.pdf (<http://oam.fi.ee/en/download?id=7211>)

Currency

Title Audited annual report 2022

AS Merko Ehitus consolidated audited financial results for 2022 remain unchanged compared to the preliminary disclosure on 9 February 2023.

STATEMENT OF THE CHAIRMAN OF THE MANAGEMENT BOARD

2022 was a year of good financial results for Merko. Revenue broke the 400-million-euro mark, half of it coming from outside Estonia. Profit grew 19 per cent and return on equity was 20.4 per cent. Considering the rapid rise in interest rates and the worsening of the investment climate, I'm glad that our figures managed to keep pace with high inflation.

Merko's operating activity rests on two foundations - residential real estate development and provision of construction service. The group's results for 2022 reflect the growth of our past investments into apartment development, and successful apartment sales on all three Baltic markets. We're also pleased that our construction service business area succeeded in managing risks extremely well in a turbulent operating environment.

The war in Ukraine rages on. The transition to the green economy continues. Government intervention in the economy, the number of regulations and the compliance burden on companies are all growing. The apartment market, which was frozen in spring 2022, is still in a waiting phase. The economy's momentum has dissipated for now, and high inflation and rising interest rates continue.

We are also determined to stay the course: to create a better living environment and new homes, build modern buildings and good infrastructure. In recent years, we have learned not to be overly surprised by the big changes around us and rapidly adapt to them, without forgetting the long-range perspective. We do our



work, attend to our business, and cherish our employees and partners. We value the trust placed in Merko and learn from our mistakes. Wherever we are able to, we try to give back to society.

I would like to thank all of Merko's employees and partners for coping well in these challenging conditions.

Thanks to the buyers of the homes we build and our construction service customers for their trust. Our gratitude goes out to our shareholders for believing in Merko in tough times.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
in thousand euros

	2022	2021
Revenue	409,633	339,375
Cost of goods sold	(355,975)	(292,563)
Gross profit	53,658	46,812
Marketing expenses	(4,077)	(3,611)
General and administrative expenses	(15,860)	(13,925)
Other operating income	3,144	3,508
Other operating expenses	(1,834)	(582)
Operating profit	35,031	32,202
Finance income	1	12
Finance costs	(1,450)	(886)
Profit (loss) from associates and joint ventures	3,516	799
Profit before tax	37,098	32,127
Corporate income tax expense	(2,995)	(3,104)



Net profit for financial year	34,103	29,023
incl. net profit attributable to equity holders of the parent	34,640	29,140
net profit attributable to non-controlling interest	(537)	(117)
Other comprehensive income (loss), which can subsequently be classified in the income statement		
Currency translation differences of foreign entities	30	33
Comprehensive income for the period	34,133	29,056
incl. attributable to equity holders of the parent	34,648	29,163
attributable to non-controlling interest	(515)	(107)
Earnings per share for profit attributable to equity holders of the parent (basic and diluted, in EUR)	1.96	1.65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
in thousand euros

31.12.2022 31.12.2021

ASSETS

Current assets

Cash and cash equivalents	17,665	44,930
Trade and other receivables	77,959	55,484
Prepaid corporate income tax	38	114
Inventories	225,661	160,593
	321,323	261,121

Non-current assets

Investments in associates and joint ventures	12,895	7,703
Other long-term loans and receivables	22,982	24,079



Deferred income tax assets	693	622
Investment property	11,485	13,828
Property, plant and equipment	17,452	16,350
Intangible assets	582	669
	66,089	63,251
 TOTAL ASSETS	 387,412	 324,372
 LIABILITIES		
Current liabilities		
Borrowings	49,687	11,636
Payables and prepayments	96,248	90,054
Income tax liability	1,241	681
Short-term provisions	9,820	7,976
	156,996	110,347
Non-current liabilities		
Long-term borrowings	42,236	41,001
Deferred income tax liability	2,355	3,112
Other long-term payables	2,133	2,900
	46,724	47,013
 TOTAL LIABILITIES	 203,720	 157,360
 EQUITY		
Non-controlling interests	(495)	(227)



Equity attributable to equity holders of the parent		
Share capital	7,929	7,929
Statutory reserve capital	793	793
Currency translation differences	(783)	(791)
Retained earnings	176,248	159,308
	184,187	167,239
TOTAL EQUITY	183,692	167,012
TOTAL LIABILITIES AND EQUITY	387,412	324,372

A copy of AS Merko Ehitus audited annual report for 2022 is attached to the announcement and is also published on NASDAQ Tallinn and Merko's web page (group.merko.ee (<https://group.merko.ee/en/>)). The ESEF-compliant machine-readable annual report is generated only in Estonian language.

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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, Lithuania and Norway. As at the end of 2022, the group employed 661 people, and the group's revenue for 2022 was EUR 410 million.

