

# Mainor Ülemiste AS

Interim Report  
April – June 2018



<http://mainorulemiste.ee/opiku/>

## Main Events in the 2Q 2018

### **In April Mainor Ülemiste announced an architectural competition for the modernization and expansion of the limestone factory building from 1899**

The mentioned renovation project of former factory building on Sepapaja 10 is the largest renovation project in Ülemiste City. According to the existing zoning plan, the plot owned by Mainor Ülemiste AS offers construction right of nearly 50,000 square meters. As the building is located in the heart of the campus, Mainor Ülemiste intends to bring together all important services and functions for the people: the traditional offices will be accompanied by co-working spaces, rental apartments and restaurants. The top architectural bureaus of Estonia were invited to participate in the targeted architecture competition: Alliance Architects, KOKO Architects, Architectural Bureau Pluss and HG Architecture. The Council of Mainor Ülemiste AS announces the winning project in the middle of August. The company's desire is to complete the designing of the building by the spring of 2019, to obtain the building permit by the end of 2019 and to start construction in 2021.

### **On April 18, the financial results of AS Technopolis Ülemiste, the co-developer of Ülemiste City, were published**

AS Technopolis Ülemiste's net profit increased by 68% in 2017 reaching 12 million euros and the revenue by 5% reaching 13.6 million euros, which are the best results ever achieved by the company. The equity capital of Technopolis Ülemiste amounted to EUR 68.4 million at the end of the reporting period. Technopolis Ülemiste offers approximately 72,000 square meters of office space for rent, making it the largest office building owner in Tallinn.

### **Mainor Ülemiste signed rental agreements with two international companies in May**

In May Mainor Ülemiste AS signed the rental agreements of office premises with two new international companies, who will move to the Öpik II building in autumn this year. The total value of contracts covering the office space of 4,500 square meters is estimated at 4 million euros. According to the confidentiality agreement, the names of companies expanding to Ülemiste City will be published in the autumn when new offices in the Öpik house are opened.

### **On June 20, the newest building with the total area of 10,000 square meters was opened in Ülemiste City**

At Lõõtsa Street 11 near the airport, a 13-storey office building named after Alexandre Liwentaal was opened in June. The main contractor of the building was Nordecon AS. Technopolis Ülemiste invested a total of 13 million euros in Liwentaal House with a total area of 10,000 square meters. The newest building meets the requirements of LEED Platinum level – the highest environmental certification.

**On June 25, the statue of the founder of the Ülemiste City and the great visionary Ülo Pärnits was opened**

The statue of Ülo Pärnits – the founder of Ülemiste City, the long-time leader of Mainor AS and the pioneer of modern education – was opened in front of Estonia’s largest office building, the Öpik house. At the opening ceremony the memorandum between the developers of Ülemiste City, Tallinn University of Technology and Mainor AS was signed. As a result, the University of Technology will open a new professorship and will work with the Ülemiste City to develop smart city solutions.

**Ülemiste City Key Figures as of 30.06.2018**

Rented space	168,159 square meters
Occupancy Rate	99%

## Financial Performance

2Q 2018 – Net profit EUR 1,325 thousand

### Net Sales and Net Profit

- Net sales amounted to EUR 2,067 th in the 2<sup>nd</sup> quarter, increase of 8.2% compared to the 2<sup>nd</sup> quarter of 2017
- Net profit amounted to EUR 1,325 th, increase of 13.3% compared to 2<sup>nd</sup> quarter of 2017

### Expenses

- Operating expenses increased from EUR 1,057 th (2<sup>nd</sup> quarter 2017) to EUR 1,063 th in the 2<sup>nd</sup> quarter of 2018
- Interest expense on loans and issued bonds amounted to EUR 722 th, increase of 50.1% compared to the 2<sup>nd</sup> quarter in 2017 (EUR 481 th)

### Interest-bearing liabilities

- Mainor Ülemiste AS interest-bearing liabilities amounted to EUR 68,692 th. The Company's four largest creditors at the end of the period were Nordea Bank AB, LHV Pank AS and OP Corporate Bank Plc, Luminor Bank AS
- At the end of the reporting period, Mainor Ülemiste had EUR 13,000 th in untapped credit facilities

## Statement of the Management Board

The financial and other additional information published in the Interim Report April – June 2018 is true and complete. Consolidated financial statements give a true and fair view of the actual financial position, results of operations and cash flows of the group.

Consolidated financial statements in the report for the period April – June 2018 are not audited.



Margus Nõlvak  
Member of the Management Board  
Tallinn, 31.07.2018

# Consolidated Income Statement

(according to IFRS)

*In thousands Euros*

<b>Mainor Ülemiste AS</b>	<b>2Q 2017</b>	<b>3Q 2017</b>	<b>4Q 2017</b>	<b>1Q 2018</b>	<b>2Q 2018</b>
<b>Sales</b>	<b>1 910</b>	<b>1 904</b>	<b>2 035</b>	<b>2 194</b>	<b>2 067</b>
Cost of Sales	-572	-520	-699	-732	-557
Administrative expenses	-485	-465	-649	-481	-506
Depreciation	-14	-16	-14	-12	-12
Income from associate companies*	966	953	981	1 038	1 054
Other operating income	0	1	14	4	0
Other operating expenses	-2	-1	-4	-2	-1
<b>Operating profit</b>	<b>1 803</b>	<b>1 856</b>	<b>1 664</b>	<b>2 009</b>	<b>2 045</b>
Other finance income	37	36	117	1	2
Interest paid and fees	-481	-506	-621	-509	-722
Income tax	-190	0	0	0	0
<b>Net profit*</b>	<b>1 169</b>	<b>1 386</b>	<b>1 160</b>	<b>1 501</b>	<b>1 325</b>

\* Without change of valuation of Mainor Ülemiste AS's and associate companies' investments properties.

# Consolidated Balance Sheet

(according to IFRS)

In thousands Euros

<b>Mainor Ülemiste AS</b>	<b>30.06.2017</b>	<b>30.09.2017</b>	<b>31.12.2017</b>	<b>31.03.2018</b>	<b>30.06.2018</b>
Tangible and intangible assets	76	93	83	72	66
Property	91 539	95 748	100 642	106 421	112 307
Other	9 667	9 679	9 511	9 320	9 332
Financial assets*	29 545	30 498	31 479	34 555	34 377
Receivables	1 585	1 673	1 602	1 533	2 389
Cash	8 295	8 234	9 400	8 693	9 049
<b>Total assets</b>	<b>140 707</b>	<b>145 925</b>	<b>152 717</b>	<b>160 594</b>	<b>167 520</b>
<b>Owners' equity</b>					
Share capital	19 200	19 200	19 200	19 200	19 200
Mandatory reserves	1 920	1 920	1 920	1 920	1 920
Retained earnings*	64 905	66 374	67 844	72 318	72 410
<b>Total equity</b>	<b>86 025</b>	<b>87 494</b>	<b>88 964</b>	<b>93 438</b>	<b>93 530</b>
<b>Liabilities</b>					
Debt	51 789	55 217	59 823	62 777	68 692
Other liabilities	527	531	604	645	704
Accounts payable	2 366	2 683	3 326	3 734	4 594
<b>Total liabilities</b>	<b>54 682</b>	<b>58 431</b>	<b>63 753</b>	<b>67 156</b>	<b>73 990</b>
<b>TOTAL LIABILITIES &amp; OWNERS' EQUITY</b>	<b>140 707</b>	<b>145 925</b>	<b>152 717</b>	<b>160 594</b>	<b>167 520</b>

\* Without change of valuation of Mainor Ülemiste AS's and associate companies' investments properties.

# Consolidated Cash Flow Statement

In thousands Euros

Mainor Ülemiste AS	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
<b>Operating activities</b>					
Net result for the period	1 169	1 386	1 160	1 501	1 325
Adjustment:					
Depreciation	14	16	14	12	12
Income from associate companies	-966	-953	-981	-1 038	-1 054
Financial income and expenses	444	470	504	508	681
Change in operating assets	-371	-14	676	-329	-367
Change in operating liabilities	295	527	629	552	1 067
Interest received	18	0	0	0	0
Dividends received	0	0	0	0	616
Interest paid and fees	-481	-506	-621	-509	-722
Income tax	0	-190	0	0	0
<b>Net cash flow from operating activities</b>	<b>122</b>	<b>736</b>	<b>1 381</b>	<b>697</b>	<b>1 558</b>
<b>Investing activities</b>					
Investments in tangible and intangible assets	-3	-32	0	0	0
Proceeds from sale of tangible and intangible assets	0	0	0	0	0
Investments in investment properties	-2 969	-4 162	-4 810	-4 338	-5 900
Loans granted	0	0	0	0	0
Repayment of loans granted	0	0	0	0	0
Acquisition of associates	0	0	0	0	0
<b>Cash flows from investing activities</b>	<b>-2 972</b>	<b>-4 194</b>	<b>-4 810</b>	<b>-4 338</b>	<b>-5 900</b>
<b>Financing activities</b>					
Bond issue	0	0	2 620	14	1 204
Increase in long-term loans	2 804	3 755	2 344	3 284	5 056
Decrease in long-term loans	-362	-358	-369	-364	-330
Dividends paid	-840	0	0	0	-1 232
<b>Cash flows from financing activities</b>	<b>1 602</b>	<b>3 397</b>	<b>4 595</b>	<b>2 934</b>	<b>4 698</b>
<b>Total cash flow</b>	<b>-1 248</b>	<b>-61</b>	<b>1 166</b>	<b>-707</b>	<b>356</b>
<b>Cash and cash equivalents at period-start</b>	<b>9 543</b>	<b>8 295</b>	<b>8 234</b>	<b>9 400</b>	<b>8 693</b>
Change in cash and cash equivalents	-1 248	-61	1 166	-707	356
<b>Cash and cash equivalents at period-end</b>	<b>8 295</b>	<b>8 234</b>	<b>9 400</b>	<b>8 693</b>	<b>9 049</b>

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