

Mainor Ülemiste AS

Interim Report
July – September 2018



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

Main Events in the 3Q 2018

Mainor Ülemiste's subsidiary concluded a loan agreement in amount of 10,7 million euros

Mainor Ülemiste AS' subsidiary Õpiku Majad OÜ concluded a loan agreement of 10.7 million euros with the Estonian branch of OP Corporate Bank Plc, which refinances the existing loan from Nordea Bank and finances the construction of Lurich houses.

The 13-floor Lurich quarter's rental apartment house and the 8-floor office tower on Valukoja 10 will be built between the old limestone walls of Dvigatel building. The proposed completion date of the building is in the first half of 2020, after which the modern district becomes active 24/7.

Simson at Ülemiste City: The terminal of Rail Baltic together with the airport has the potential of becoming a new gate to Estonia

Kadri Simson, the Minister of Economic Affairs and Infrastructure, who visited Ülemiste City, supported the idea to transform the terminal of Rail Baltic together with Tallinn Airport into a comprehensive gate to Estonia. Simson and the developers of Ülemiste City agreed that it is important to reach the acceptance of zoning plans and begin with designing as 2026 is not that far away. According to the plan, Ülemiste will become a transport node situated by the presentable European Square.

The parties also found, that the good connections around the Rail Baltic terminal are prerequisites for becoming the transport node. This includes the design of Rail Baltic intersections in Tallinn but also the connection of Rail Baltic terminal with the heart of the city.

The International School in Ülemiste received the status of a candidate school for IB learning

The International Baccalaureate Organisation gave the International School of Tallinn, which started operating in Tallinn at Ülemiste campus last year, the status of an IB candidate school for implementing the internationally recognised primary curricula.

According to the director of the International School of Tallinn, Olavi Otepalu, the IB, i.e. International Baccalaureate, is a known and trustworthy study programme for foreigners in Estonia, which enables the children to smoothly continue their education while moving from one country to another, since the entire philosophy of IB is strongly concentrated on the internationalisation of learning.

Decided: people's favourite project will be the new heart of Ülemiste City

The council of Mainor Ülemiste confirmed that the architectural competition, which was held for the design of the business building and which took place between four high-profile firms, was won by the architectural firm Pluss, which also received the majority of votes on the public vote on the campus'

Facebook page. The four high-profile firms, which participated in the architectural competition, submitted their designs for the modernisation and expansion of the 1899 factory building made from limestone, residing on the premises of Sepapaja 10, in the middle of Ülemiste City.

Technopolis Ülemiste plans the construction of the new office building, parking house and the city square

The developer of Ülemiste City Technopolis Ülemiste AS invests in coming future 25 million euros in construction of the new 12-floor office building, 5-floor parking house and the construction of the town square on the address Sepapaja 1. The parking house will be completed by the end of 2019 and the office building by 2020.

According to the estimation of the chairman of the management board of Technopolis Ülemiste AS Gert Jostov, the market situation favours the construction of new office buildings to the campus. "The occupancy rate of the rent spaces offered by Technopolis Ülemiste is much higher than the market average. The demand for new office spaces exists both from inside and outside of the campus, it since companies are constantly looking for expansion opportunities. This is a good prerequisite for the success of the project," said Jostov.

The visual appearance of Ülemiste City will change significantly with the construction of Sepapaja 1 buildings. Those are so-called "gate buildings" of the campus, which are located in the immediate vicinity of the important gateways of Suur-Sõjamäe and Lõõtsa streets, becoming an important landmark for all who approach the campus from Lasnamäe or the centre of the city.

Ülemiste City Key Figures as of 30.09.2018

Rented space	176,771 square meters
Occupancy Rate	97%

Financial Performance

3Q 2018 – Net profit EUR 1,668 thousand

Net Sales and Net Profit

- Net sales amounted to EUR 2,127 th in the 3rd quarter, increase of 11.7% compared to the 3rd quarter of 2017
- Net profit amounted to EUR 1,668 th, increase of 20.3% compared to 3rd quarter of 2017

Expenses

- Operating expenses increased from EUR 985 th (3rd quarter 2017) to EUR 1,083 th in the 3rd quarter of 2018
- Interest expense on loans and issued bonds amounted to EUR 518 th, increase of 2.4% compared to the 3rd quarter in 2017 (EUR 506 th)

Interest-bearing liabilities

- Mainor Ülemiste AS interest-bearing liabilities amounted to EUR 75,690 th. The Company's four largest creditors at the end of the period were Nordea Bank Abp, LHV Pank AS, OP Corporate Bank Plc and Luminor Bank AS
- At the end of the reporting period, Mainor Ülemiste had EUR 15,850 th in untapped credit facilities

Statement of the Management Board

The financial and other additional information published in the Interim Report July – September 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 July – September 2018 are not audited.



Margus Nõlvak
Member of the Management Board
Tallinn, 31.10.2018

Consolidated Income Statement

(according to IFRS)

In thousands Euros

Mainor Ülemiste AS	3Q 2017	4Q 2017	1Q 2017	2Q 2018	3Q 2018
Sales	1 904	2 035	2 194	2 067	2 127
Cost of Sales	-520	-699	-732	-557	-649
Administrative expenses	-465	-649	-481	-506	-434
Depreciation	-16	-14	-12	-12	-11
Income from associate companies*	953	981	1 038	1 054	1 127
Other operating income	1	14	4	0	6
Other operating expenses	-1	-4	-2	-1	-5
Operating profit	1 856	1 664	2 009	2 045	2 161
Other finance income	36	117	1	2	25
Interest paid and fees	-506	-621	-509	-722	-518
Income tax	0	0	0	0	0
Net profit*	1 386	1 160	1 501	1 325	1 668

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

Consolidated Balance Sheet

(according to IFRS)

In thousands Euros

Mainor Ülemiste AS	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018
Tangible and intangible assets	93	83	72	66	101
Property	95 748	100 642	106 421	112 307	117 283
Other	9 679	9 511	9 320	9 332	9 352
Financial assets*	30 498	31 479	34 555	34 377	35 504
Receivables	1 673	1 602	1 533	2 389	1 621
Cash	8 234	9 400	8 693	9 049	10 798
Total assets	145 925	152 717	160 594	167 520	174 659
Owners' equity					
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*	66 374	67 844	72 318	72 410	74 079
Total equity	87 494	88 964	93 438	93 530	95 199
Liabilities					
Debt	55 217	59 823	62 777	68 692	75 690
Other liabilities	531	604	645	704	789
Accounts payable	2 683	3 326	3 734	4 594	2 981
Total liabilities	58 431	63 753	67 156	73 990	79 460
TOTAL LIABILITIES & OWNERS' EQUITY	145 925	152 717	160 594	167 520	174 659

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

Consolidated Cash Flow Statement

In thousands Euros

Mainor Ülemiste AS	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
Operating activities					
Net result for the period	1 386	1 160	1 501	1 325	1 668
Adjustment:					
Depreciation	16	14	12	12	11
Income from associate companies	-953	-981	-1 038	-1 054	-1 127
Financial income and expenses	470	504	508	681	493
Change in operating assets	-14	676	-329	-367	212
Change in operating liabilities	527	629	552	1 067	-1 265
Interest received	0	0	0	0	0
Dividends received	0	0	0	616	308
Interest paid and fees	-506	-621	-509	-722	-518
Income tax	-190	0	0	0	0
Net cash flow from operating activities	736	1 381	697	1 558	-218
Investing activities					
Investments in tangible and intangible assets	-32	0	0	0	-46
Proceeds from sale of tangible and intangible assets	0	0	0	0	0
Investments in investment properties	-4 162	-4 810	-4 338	-5 900	-4 976
Loans granted	0	0	0	0	0
Repayment of loans granted	0	0	0	0	0
Acquisition of associates	0	0	0	0	0
Cash flows from investing activities	-4 194	-4 810	-4 338	-5 900	-5 022
Financing activities					
Bond issue	0	2 620	14	1 204	1 162
Increase in long-term loans	3 755	2 344	3 284	5 056	6 167
Decrease in long-term loans	-358	-369	-364	-330	-340
Dividends paid	0	0	0	-1 232	0
Cash flows from financing activities	3 397	4 595	2 934	4 698	6 989
Total cash flow	-61	1 166	-707	356	1 749
Cash and cash equivalents at period-start	8 295	8 234	9 400	8 693	9 049
Change in cash and cash equivalents	-61	1 166	-707	356	1 749
Cash and cash equivalents at period-end	8 234	9 400	8 693	9 049	10 798

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