

Mainor Ülemiste AS

Interim Report
April – June 2019



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

Main Events in the 2Q 2019

APRIL

IT sector "Deed of the Year": International House of Estonia is bringing the entire country under one roof

International House of Estonia, which was launched by Mainor Ülemiste AS together with Enterprise Estonia and which has only been operating for five months, was awarded as the "Deed of the Year" 2018 by Estonian Association of Information Technology and Telecommunications (ITL). The service centre alleviates the labour shortage especially in the IT sector as well as in other fields, which lack professionals and skilled workers. In other words, the International House helps the employee from a foreign country to settle needed issues at one place in one day, which otherwise would take a month or two by visiting different institutions.

Ülemiste City is growing near the maximum speed

Mainor Ülemiste AS affiliated company Technopolis Ülemiste AS and Swedbank AS concluded an agreement of 110.5 million euros which refinances all the existing loans, and which also includes the financing for the construction of the new Sepapaja 1 office building and the parking facility. With the emergence of the office building at Sepapaja 1, the new and biggest phase of the development for Technopolis Ülemiste AS will commence, which creates value for the entire campus. Over the next 5–10 years, the goal is to build a complex of six buildings worth around 130–150 million euros.

Tallinn Airport is expanding and a new architecture competition will be organised for the Rail Baltic terminal in Ülemiste

The neighbour of Mainor Ülemiste AS, Tallinn Airport, is planning to double/triple its' activities within the next 5–10 years to service up to 8 million people per year. For servicing all the air passengers they plan to build up to 150,000 square meters of necessary business-, service- and accommodation premises.

The architecture competition of Rail Baltic passenger terminal will be organised again; Rail Baltica Estonia hopes to conclude the design contract with the winner of the competition already this year. The expected deadline of the completion of the terminal is 2025.

MAY

Ülemiste City is striving to be an independent city

Mainor Ülemiste AS set a cornerstone for the Lurich quarter's 13 floor residential building in the beginning of May in Ülemiste City, which has so far operated as a business campus, in order for the campus to become independent with permanent residents. "Ülemiste City aims to operate as a completely independent city. In addition to the first homes, the plan for the next five years is to open a health centre and complete a new education complex to ensure goods and services essential for

living and a diverse transport connection with the entire world," explained Margus Nõlvak, Member of the Board of Mainor Ülemiste. He added that by 2025, a person living and working in Ülemiste City will not even have a reason to leave the campus on daily basis. The investment volume of the Lurich building is 14.6 million euros, financed by OP Bank Plc Estonian branch; the rentable area of offices and rental apartments is altogether 9,000 m² and it will be completed in the first half of 2020.

JUNE

Ülemiste Health Centre opened its doors

In the beginning of June, Ülemiste Health Centre's first floor opened its doors, where general practitioners and Benu Pharmacy are located. In August, the second floor will be opened with Synlab and Medemis and in October, the third floor where Qvalitas will be operating. The investment volume of Mainor Ülemiste AS is over 3 million euros, financed by OP Bank Plc Estonian branch and the rentable area is over 5,000 m².

Ülemiste City will become a City of the Future

On the basis of the idea launched by Mainor Ülemiste AS, Tallinn University of Technology (TalTech) will open a professorship of the City of the Future in autumn, which will be financed by almost half a million euros in the next five years by the developers of Ülemiste City Mainor Ülemiste AS and Technopolis Ülemiste AS. Within the framework of the professorship, Ülemiste City will turn into a test bed of a sort, where data about the operation of a modern city is gathered, processed and synthesised, and innovative solutions are tested in the same setting in order to improve the environment. Innovation created here can be scaled over Tallinn, over Estonia and why not even further. The partners of the project include the developers of Ülemiste City Mainor Ülemiste AS and Technopolis Ülemiste AS, TalTech, the City of Tallinn, the technology giant Ericsson and a number of other private sector enterprises, mostly based in Ülemiste City.

A lavish green building will connect Ülemiste City and the airport

Mainor Ülemiste AS confirmed the work of the architectural bureau PLUS as the final winner of the new architecture competition, by which a modern up to 20,000 square metre business building will be constructed next to the planned terminal building of Tallinn Airport. The Sepise 7 building with 12 aboveground floors and one underground floor is expected to be built at the end of 2020 and the doors should be open in 2022.

Ülemiste City Key Figures as of 30.06.2019

Rented space	190,767 square meters
Occupancy Rate	98%

2Q Financial Performance

2Q 2019 – Net profit EUR 1,499 thousand

Net Sales and Net Profit

- Net sales amounted to EUR 2,628 th in the 2nd quarter, increase of 27.1% compared to the 2nd quarter of 2018
- Net profit amounted to EUR 1,499 th, increase of 13.1% compared to the 2nd quarter of 2018

Expenses

- Operating expenses increased from EUR 1,063 th (2nd quarter 2018) to EUR 1,286 th in the 2nd quarter of 2019
- Interest expense on loans and issued bonds amounted to EUR 604 th (2nd quarter 2018), decrease of 16.3% compared to the 2nd quarter in 2018 (EUR 722 th)

Interest-bearing liabilities

- Mainor Ülemiste AS interest-bearing liabilities amounted to EUR 82,807 th. The Company's four largest creditors at the end of the period were SEB Pank AS, OP Corporate Bank Plc, LHV Pank AS and Luminor Bank AS
- At the end of the reporting period, Mainor Ülemiste had EUR 13,200 th in untapped credit facilities

Statement of the Management Board

The financial and other additional information published in the Interim Report April – June 2019 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 2019 are not audited.



Margus Nõlvak
Member of the Management Board
Tallinn, 31.07.2019

Consolidated Income Statement

(according to IFRS)

In thousands Euros

Mainor Ülemiste AS	2Q 2018	3Q 2018	4Q 2018	1Q 2018	2Q 2019
Sales	2 067	2 127	2 410	2 693	2 628
Cost of Sales	-557	-649	-756	-864	-743
Administrative expenses	-506	-434	-539	-612	-543
Depreciation	-12	-11	-11	-15	-14
Income from associate companies*	1 054	1 127	1 191	1 253	760
Other operating income	0	6	25	1	1
Other operating expenses	-1	-5	-7	-4	-3
Operating profit*	2 045	2 161	2 313	2 452	2 086
Other finance income	2	25	75	13	17
Interest paid and fees	-722	-518	-724	-501	-604
Income tax	0	0	0	-15	0
Net profit*	1 325	1 668	1 664	1 949	1 499

* 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	30.06.2018	30.09.2018	31.12.2018	31.03.2019	30.06.2019
Tangible and intangible assets	66	101	153	160	162
Property	112 307	117 283	122 630	124 176	129 631
Other	9 332	9 352	9 606	9 417	8 659
Financial assets	34 377	35 504	37 748	39 001	38 420 *
Receivables	2 389	1 621	991	1 137	1 591
Cash	9 049	10 798	9 620	9 646	11 988
Total assets	167 520	174 659	180 748	183 537	190 451
Owners' equity					
Share capital	19 200	19 200	19 200	19 200	18 200
Mandatory reserves	1 920	1 920	1 920	1 920	1 920
Retained earnings	72 410	74 079	78 919	80 869	80 968 *
Total equity	93 530	95 199	100 039	101 989	101 088
Liabilities					
Debt	68 692	75 690	77 807	78 791	82 807
Other liabilities	704	789	749	765	765
Accounts payable	4 594	2 981	2 153	1 992	5 791
Total liabilities	73 990	79 460	80 709	81 548	89 363
TOTAL LIABILITIES & OWNERS' EQUITY	167 520	174 659	180 748	183 537	190 451

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

Consolidated Statement of Changes in Equity

In thousands of euros

	Share capital	Statutory reserve	Retained earnings	Total Equity
Balance at 31.12.2017	19 200	1 920	70 817	91 937
Dividends declared			-1 232	-1 232
Total comprehensive income for the year			9 334	9 334
Balance at 31.12.2018	19 200	1 920	78 919	100 039
Dividends declared			0	0
Total comprehensive income for the year			1 949	1 949
Balance at 31.03.2019	19 200	1 920	80 869	101 989
Payments to shareholders	-1 000			-1 000
Dividends declared			-1 400	-1 400
Total comprehensive income for the year			1 499	1 499
Balance at 30.06.2019	18 200	1 920	80 968	101 088

Consolidated Cash Flow Statement

In thousands Euros

Mainor Ülemiste AS	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019
Operating activities					
Net result for the period	1 325	1 668	1 664	1 949	1 499
Adjustment:					
Depreciation	12	11	11	15	14
Income from associate companies	-1 054	-1 127	-1 191	-1 253	-760
Financial income and expenses	681	493	649	488	587
Change in operating assets	-367	212	-366	89	-416
Change in operating liabilities	1 067	-1 265	-1 044	-157	3 817
Interest received	0	0	0	0	0
Dividends received	616	308	308	0	1 341
Interest paid and fees	-722	-518	-724	-501	-604
Income tax	0	0	0	15	0
Net cash flow from operating activities	1 558	-218	-693	645	5 478
Investing activities					
Investments in tangible and intangible assets	0	-46	-52	-7	-7
Proceeds from sale of tangible and intangible assets	0	0	0	0	0
Investments in investment properties	-5 900	-4 976	-2 548	-1 544	-5 463
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	-4 338	-5 022	-2 603	-1 551	-5 470
Financing activities					
Bond issue	1 204	1 162	0	0	0
Increase in long-term loans	5 056	6 167	2 452	1 381	4 320
Decrease in long-term loans	-330	-340	-335	-449	-586
Dividends paid	-1 232	0	0	0	-1 400
Cash flows from financing activities	4 698	6 989	2 117	932	2 334
Total cash flow	356	1 749	-1 178	26	2 342
Cash and cash equivalents at period-start	8 693	9 049	10 798	9 620	9 646
Change in cash and cash equivalents	356	1 749	-1 178	26	2 342
Cash and cash equivalents at period-end	9 049	10 798	9 620	9 646	11 988

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