

Mainor Ülemiste AS

Consolidated Interim Report for the 6 month period ended 30 June 2023 (unaudited)

Beginning of financial period 01.01.2023

End of financial period: 30.06.2023

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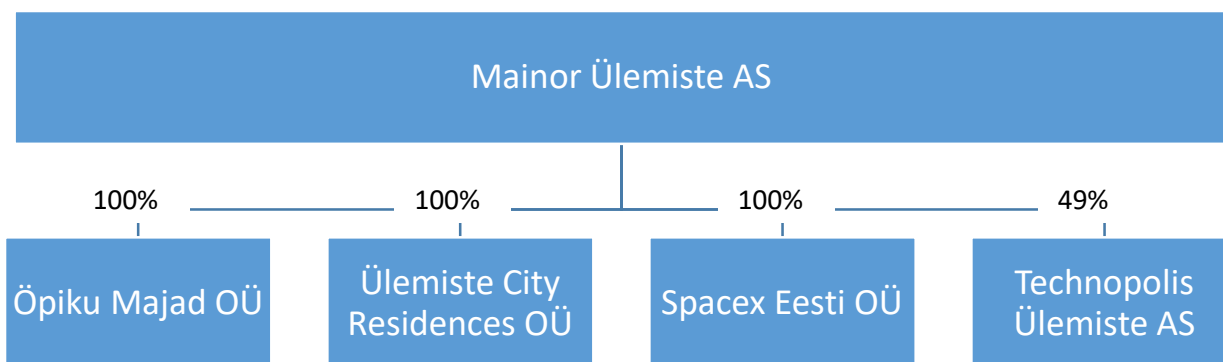
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Business Activity Compilation

Structure of consolidation group



In 2023, the entity was engaged in development of Ülemiste City office space, including construction of new buildings and renovation of existing buildings, renting premises, providing tenants with necessary services and developing these services, preparing new real estate projects.

Under construction is the new Health Center, project is planned to be complete by July 2024. New Health Center aims to create synergy through new services in the field of personal medicine, surgery, diagnostics and prevention and rehabilitation. The construction of the building was primarily based on its function - healing people, maintaining health and improving the quality of life.

In June 2023 started the construction of the first stage of the Ülemiste educational quarter, where the International School of Tallinn will start working in early 2025, and the Ülemiste community building will be opened. The new educational quarter brings even more international education to the campus, providing international and our talents with the most modern learning environment.

January – March 2023

On January 1, Rauno Mätas joined the Management Board of Mainor Ülemiste AS. He has worked in the company since 2020 as a Development Project Manager and Head of Development. Rauno Mätas has a longstanding international experience in the field of architecture and real estate development. Previously, he has been an architect at Swiss Property and led development projects at Nobe Partners and Endover. On the Management Board of Mainor Ülemiste AS, his area of responsibility will be the development and construction projects in cooperation with the other Ülemiste City developers. The Management Board of Mainor Ülemiste AS continues with three members – in addition to Mätas, the Chairman of the Management Board and CEO Ursel Velve and the Head of Customer Experience Julius Stokas.

Ülemiste City is investing more than 20 million euros in the construction of the second Health Centre and further expanding the range of healthcare services and opportunities offered. A construction permit was issued at the end of December for the seven-story building to be built at Sepapaja 12 in a year and a half. The main construction contractor is OÜ Fund Ehitus and the construction of the building began in January 2023. The project is planned to be complete by July 2024. The cost of the project is 20.5 million euros, of which 15.4 million euros are financed by the syndicate of SEB and Luminor banks.

Alma Tomingas office building continues tradition on the campus of securing LEED certification for every new office building, ensuring a more environmentally friendly and energy-efficient building with careful design and construction process, taking into account special requirements. The internationally known LEED (Leadership in Energy and Environmental Design) certificate recognizes buildings whose design, construction and use follow the principles of environmental protection and sustainable development.

Pursuant to the agreement signed between Mainor Ülemiste AS and the technology company R8 Technologies, artificial intelligence-based energy management will be introduced in all commercial buildings managed by Mainor Ülemiste, resulting in significant energy savings in a total of nearly 78,000 square metres of office space. R8 proactively responsive digital energy management system plays an important role in achieving environmentally sustainable solutions in commercial buildings, which helps the developer to save energy costs. For example, the digital operator helped to save more than 194,000 euros in total last year.

Mainor Ülemiste AS has completed the non-public offering of 4-year unsecured bonds, with initial offering amount of 10 million euros (with the right to increase up to 15 million euros). Investors subscribed the bonds in amount of 12,106,000 euros, i.e., 1.2 times more than the planned volume. The board of Mainor Ülemiste AS decided to satisfy all subscriptions and increase the issue to 12,106,000 euros. The offering price of the bond was equal to the nominal value, and the fixed interest rate of the bonds is 8.5% per annum. The completed offering was the first part of the company's unsecured bond program with a maximum total volume of 20 million euros; the proceeds are used for the development of new projects in Ülemiste City and to refinance the Mainor Ülemiste 05.04.2023 bonds issued in April 2018 (ISIN code: EE3300111343). The finished issue was successful in all three Baltic countries with total of 100 investors participating.

April- June 2023

Ülemiste City has grown into Estonia's third largest economy, but in ten years it hopes to surpass Estonia's second largest city, Tartu. The key to the success of Ülemiste City is proper and continuous growth (companies and the campus development and both local and foreign talents) and cooperation with researchers (in Estonia 20–25% of companies cooperate with universities, in Ülemiste this figure is 50%). In addition, it is significant that 20–30% of all Estonian IT sector exports are produced in Ülemiste City, and last year the campus employees paid 3.4% of Estonian labor taxes.

In May 10–11, the two-day Future Forum conference (Future Conference and EduFest) organized by Ülemiste City developers took place for the second time. This year, in addition to the three main themes of creating and implementing new business models, talent discovery and development, and green thinking as a new reality and business opportunity, the new theme was future trends. More than 50 performers took the stage, and altogether more than 500 people from nearly 15 countries participated. International and domestic companies, university lecturers, researchers and students, both start-ups and state representatives were involved. In addition, the NordPlus studytrip tour took place at the same time, which focused mainly on companies and universities to create a strong connection for future cooperation, this time focusing on fresh talents and their opportunities and careers in green business and digitalization.

Mainor Ülemiste and Elcogen have decided to extend the lease of the existing Valukoja 23 building. Over the past year, Elcogen has additionally invested in the building in order to increase production volumes, and the new Elcogen production building planned for the Suur-Sõjamäe 16 property will not be developed in this form.

Ülemiste City further expands the campus's health cluster and the range of health services with the second Health Center. On June 7, the corner stone of the 20 million euro building, which will be completed in a year at Sepapaja 12, was ceremoniously laid. The second building of the health center was designed in cooperation

with What If OÜ, the architectural solution of the building was prepared by Apex Arhitektuuribüroo OÜ, interior architecture by Studio Argus OÜ and landscape architectural solution by Tajuruum OÜ.

The Ülo Pärnits' scholarship was issued for the sixth year in a row, as seven students received the scholarship this year. During all these years, nearly 50 students have received the scholarship. Their innovative ideas and practical proposed solutions have been used both in the campus development and the wider area.

Mainor Ülemiste signed a contract with NOBE, a construction company belonging to the Nordecon Group, for the construction of the first stage of the Ülemiste educational quarter, where the International School of Tallinn will start working in early 2025, and the Ülemiste community building will be opened. NOBE won the new construction tender that was arranged for the changed project of the Ülemiste educational quarter, and in the first stage, they will construct the building of the International School of Tallinn with a gross area of nearly 6,000 square meters and the Ülemiste community building at Valukoja 9. The total cost of the construction is approximately 11.5 million euros without VAT. The new educational quarter brings even more international education to the campus, providing international and our talents with the most modern learning environment.

Intending to build a new carbon-neutral office and leading innovation center, Mainor Ülemiste AS signed a contract under the law of obligations with Ericsson Eesti AS for properties located on 52.5 thousand square meters in Ülemiste City in Tallinn. "Ericsson has been a client of our office building since 2017 and a cooperation partner in the Future City Professorship. Therefore, we are pleased that Ülemiste City was chosen as their new location with a diverse talent community and range of services. In our vision, the innovation and development center gathering more than 2,200 talents fits very well in Ülemiste City as a modern office, living and learning environment – it complements the multifunctional campus and with their ambition to become carbon neutral by 2030 is in line with our sustainability goals. By bringing Ericsson's innovation unit to the campus, the influence of the Ülemiste region on Estonian export will expand significantly as Ericsson develops and produces breakthrough network products for the whole world," commented Ursel Velve, Chairman of the Board of Mainor Ülemiste AS and Chief Innovation Officer of Ülemiste City.

As of 30.06.2023 Mainor Ülemiste AS had 22 employees, who received a total of 528 thousand euros (30.06.2022: 496 thousand euros) in remuneration, including remuneration calculated for the members of the supervisory and management boards in the amount of 152 thousand euros (30.06.2022: 147 thousand euros).

Key financial ratios	30.06.2023	30.06.2022
Return on equity- ROE (%)	1,7%	3,4%
Return on assets – ROA (%)	0,9%	1,7%
Operating margin (%)	68,1%	75,0%
Net Profit margin (%)	29,8%	55,2%
Revenue growth rate (%)	17,3%	24,2%

Formulas underlying the calculation of ratios:

Return on equity – ROE (%) = net profit / average equity for the reporting period x 100

Return on assets – ROA (%) = net profit / average assets for the reporting period x 100

Operating margin (%) = operating profit / revenue x 100

Net profit margin (%) = net profit / revenue x 100

Dividend payout ratio (%) = dividends paid / net profit for the previous year x 100

Revenue growth rate (%) = (revenue for the reporting period / revenue for the previous period – 1) x 100

Management confirmation and signatures

The financial and other additional information published in the 1H 2023 Interim Report 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.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

1H 2023 Consolidated financial statements in the report are not audited.



Urvel Velve

Member of the Management Board

Tallinn, 20.09.2023

Consolidated Financial Statements

Consolidated Statement of Financial Position

<i>(In thousands of euros)</i>	Notes	30.06.2023	31.12.2022	30.06.2022
ASSETS				
Investment property	2	200 870	196 780	176 874
Tangible assets	3	155	190	230
Intangible assets	4	43	49	59
Investment accounted for using the equity method	10	57 999*	58 855	47 318*
Prepayments	5	203	292	668
Trade and other receivables	6	10 890	11 220	10 647
Cash and cash equivalents	11	12 367	10 832	12 003
TOTAL ASSETS		282 527	278 218	247 799
EQUITY				
Share capital at nominal value	12	18 200	18 200	18 200
Legal reserve		1 920	1 920	1 920
Retained earnings		134 449	104 819	104 819
Profit for the financial period		2 637	30 400	4 170
TOTAL EQUITY		157 206	155 339	129 109
LIABILITIES				
Provisions		161	161	197
Borrowings		120 583	118 541	110 916
Derivatives	13	0	0	345
Trade and other payables		3 703	3 200	6 142
Prepayments received	14	874	977	1 090
TOTAL LIABILITIES	15	125 321	122 879	118 690
TOTAL LIABILITIES AND EQUITY		282 527	278 218	247 799

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

Consolidated Statement of Comprehensive Income

<i>(In thousands of euros)</i>	Notes	01.01- 30.06.2023	01.01- 30.06.2022	01.01- 31.12.2022
Revenue	16	8 854	7 548	16 244
Cost of sales	18	-3 008	-2 653	-6 402
Gross profit		5 846	4 895	9 842
Marketing expenses	19	-95	-131	-285
Administrative expenses	20	-1 753	-1 651	-3 429
Income from investments accounted for using the equity method	10	2 028	2 323	13 860
Other operating income	17	14	230	13 198
Other operating expenses	22	-10	-4	-16
Operating profit		6 030	5 662	33 170
<i>Financial income and expenses</i>				
Interest income	23	207	41	613
Interest expenses	24	-3 268	-1 482	-3 299
Other financial income and expenses	25	-332	-34	-67
Total financial income and expenses		-3 393	-1 475	-2 753
Profit before tax		2 637	4 187	30 417
Income tax	27	0	-17	-17
Net profit for the period		2 637	4 170	30 400
Other comprehensive income for the financial year		0	0	0
Comprehensive income for the financial year		2 637*	4 170*	30 400
Attributable to owners of the parent company		2 637*	4 170*	30 400

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

Consolidated Statement of Cash Flows

<i>(In thousands of euros)</i>	Notes	01.01- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
<i>Cash flows from operating activities</i>				
Profit before tax		2 637	4 187	30 417
Adjustments:				
Depreciation, amortization and impairment	3,4	65	82	155
Change in the fair value of investment property	2	0	0	-12 961
Other adjustments		0	24	0
Profit (loss) from investment accounted for using the equity method	10	-2 028	-2 323	-13 860
Other financial income and other financial expenses	25	332	34	67
Interest income/-expenses	23,24	3 061	1 441	2 686
Changes in receivables and prepayments related to operating activities		141	46	-206
Changes in liabilities and prepayments related to operating activities		874	-194	-129
Net cash generated by operating activities		5 082	3 297	6 169
<i>Cash flows from investing activities</i>				
Acquisition of tangible and intangible assets	3,4	-25	-158	-162
Sale of assets accounted as investment property		28	0	0
Acquisition and improvement of investment property	2	-4 223	-9 062	-17 978
Interest received		50	52	82
Dividends received	10	924	1 495	1 495
Other cash inflows from investing activities		1 960	0	0
Net cash generated from investing activities		-1 286	-7 673	-16 563
<i>Cash flows from financing activities</i>				
Loans received	13	1 529	8 307	17 068
Bond issue	13	8 484	0	0
Repayment of loans received	13	-1 541	-1 441	-2 888
Redemption of bonds	13	-6 378	0	0
Lease payments		-51	-19	-108
Interest paid		-3 202	-1 780	-4 011
Other financial expenses	25	-332	-35	-165
Dividends paid	12	-770	-1 580	-1 580
Income tax on dividends		0	0	-17
Net cash generated from financing activities		-2 261	3 452	8 299
Total cash flows		-1 535	-924	-2 095
Cash and cash equivalents at the beginning of the financial year	11	10 832	12 927	12 927
Change in cash and cash equivalents		-1 535	-924	-2 095
Cash and cash equivalents at the end of the financial year	11	12 367	12 003	10 832

Consolidated Statement of Changes in Equity

<i>(In thousands of euros)</i>	Share capital	Legal reserve	Retained earnings	Total
Balance as at 31.12.2021	18 200	1 920	106 399	126 519
Dividends declared	0	0	-1 580	-1 580
Profit for period 01.01-30.06.2022	0	0	4 170	4 170
Total comprehensive income for the 01.01-30.06.2022	0	0	4 170	4 170
Balance as at 30.06.2022	18 200	1 920	108 989	129 109
Profit for period 01.07-31.12.2022	0	0	26 230	26 230
Total comprehensive income for the 01.07-31.12.2022	0	0	26 230	26 230
Balance as at 31.12.2022	18 200	1 920	135 219	155 339
Dividends declared	0	0	-770	-770
Profit for period 01.01-30.06.2023	0	0	2 637	2 637
Total comprehensive income for the 01.01-30.06.2023	0	0	2 637	2 637
Balance as at 30.06.2023	18 200	1 920	137 086	157 206

Detailed information on changes in equity disclosed in Note 12.

Notes to the consolidated financial statements

Note 1. Reporting entity

Mainor Ülemiste AS (hereafter also as „the Group“ or „the Entity“) is an entity registered in the Republic of Estonia the principal activity of which is the development of the Ülemiste City business campus located next to Tallinn Airport on the territory of former Dvigatel factory. The shareholders of Mainor Ülemiste AS are AS Smart City Group with an 83.84% holding and Logit Eesti AS with a 16.16% holding.

Note 2. Investment property

The Group's investment property consists of office and production buildings, which are rented out, and properties with development potential, for which their usage purpose is not yet clear. All investment property is located in Tallinn in the Ülemiste City business campus.

<i>(In thousands of euros)</i>	Investment property
Balance as at 31.12.2021	166 960
Acquisitions and additions 01.01-30.06.2022	9 914
Balance as at 30.06.2022	176 874
Acquisitions and additions 01.07-31.12.2022	6 945
Profit from change in fair value	12 961
Balance as at 31.12.2022	196 780
Acquisitions and additions 01.01-30.06.2023	4 309
Sale of assets accounted as investment property 01.01-30.06.2023	-219
Balance as at 30.06.2023	200 870

A total of 4 309 thousand euros was invested in investment property during the reporting period 01.01-30.06.2023 (including capitalized loan interests in the amount of 86 thousand euros, capitalized loan fees 45 thousand euros and capitalized project management fees in the amount of 95 thousand euros). In the previous

reporting period 01.01-30.06.2022, these investments amounted to 9 914 thousand euros (including capitalized loan interests in the amount of 239 thousand euros and capitalized project management fees in the amount of 104 thousand euros).

Note 3. Tangible assets

<i>(In thousands of euros)</i>	Machinery and equipment	Inventories and fittings	Pre- payments	Total
Carrying amount as at 31.12.2021	31	59	82	172
Incl. acquisition cost	38	278	82	398
Incl. accumulated depreciation	-7	-219	0	-226
01.01.2022-30.06.2022				
Acquisitions and additions	0	56	46	102
Reclassification from prepayments to tangible assets	0	76	-76	0
Write-offs	0	-61	0	-61
Depreciation of assets disposed and written off	0	61	0	61
Depreciation for the financial year	-4	-40	0	-44
Carrying amount as at 30.06.2022	27	151	52	230
Incl. acquisition cost	38	349	52	439
Incl. accumulated depreciation	-11	-198	0	-209
01.07.2022-31.12.2022				
Acquisitions and additions	0	9	0	9
Reclassification from prepayments to tangible assets	0	52	-52	0
Write-offs	0	-10	0	-10
Depreciation of assets disposed and written off	0	10	0	10
Depreciation for the financial year	-5	-44	0	-49
Carrying amount as at 31.12.2022	22	168	0	190
Incl. acquisition cost	38	400	0	438
Incl. accumulated depreciation	-16	-232	0	-248
01.01.2023-30.06.2023				
Acquisitions and additions	0	11	0	11
Write-offs	0	0	0	0
Depreciation of assets disposed and written off	0	0	0	0
Depreciation for the financial year	-3	-43	0	-46
Carrying amount as at 30.06.2023	19	136	0	155
Incl. acquisition cost	38	411	0	449
Incl. accumulated depreciation	-19	-275	0	-294

Note 4. Intangible assets

<i>(In thousands of euros)</i>	Intangible assets
Carrying amount as at 31.12.2021	92
Incl. acquisition cost	253
Incl. accumulated amortization	-161
01.01.2022-30.06.2022	
Acquisition of intangible assets	6
Amortization for the financial period	-39

Carrying amount as at 30.06.2022	59
Incl. acquisition cost	259
Incl. accumulated amortization	-200
01.07.2022-31.12.2022	
Acquisition of intangible assets	13
Write-off of intangible assets	-157
Amortization of intangible assets written off	157
Amortization for the financial period	-23
Carrying amount as at 31.12.2022	49
Incl. acquisition cost	115
Incl. accumulated amortization	-66
01.01.2023-30.06.2023	
Acquisition of intangible assets	13
Amortization for the financial period	-19
Carrying amount as at 30.06.2023	43
Incl. acquisition cost	128
Incl. accumulated amortization	-85

Intangible assets include computer software, website development and licenses.

Note 5. Prepayments

Non-financial assets

<i>(In thousands of euros)</i>	Notes	30.06.2023	Due within 1 year
Prepaid taxes	8	42	42
Other receivables and prepayments		161	161
Total non-financial assets		203	203

<i>(In thousands of euros)</i>	Notes	31.12.2022	Due within 1 year
Prepaid taxes	8	197	197
Other receivables and prepayments		95	95
Total non-financial assets		292	292

<i>(In thousands of euros)</i>	Notes	30.06.2022	Due within 1 year
Prepaid taxes	8	333	333
Other receivables and prepayments		335	335
Total non-financial assets		668	668

Note 6. Receivables and other receivables

<i>(In thousands of euros)</i>	Notes	30.06.2023	Due within 1 year
Financial assets			
Trade receivables	7	2 029	2 029
Expected credit losses	7	-492	-492
Interest receivable		170	170
Receivables from other entities in the Mainor AS consolidation group	28	9 183	9 183
Total financial assets		10 890	10 890

<i>(In thousands of euros)</i>	Notes	31.12.2022	Due within 1 year
Financial assets			
Trade receivables	7	2 412	1 815
Expected credit losses	7	-431	-194
Interest receivable		11	11
Receivables from other entities in the Mainor AS consolidation group	28	9 228	9 228
Total financial assets		11 220	11 220

<i>(In thousands of euros)</i>	Notes	30.06.2022	Due within 1 year
Financial assets			
Trade receivables	7	1 859	1 859
Expected credit losses	7	-219	-219
Receivables from other entities in the Mainor AS consolidation group	28	9 007	9 007
Total financial assets		10 647	10 647

Note 7. Trade receivables

<i>(In thousands of euros)</i>	Notes	01.01. - 30.06.2023	01.07.- 31.12.2022	01.01. - 30.06.2022
Trade receivables	6	2 029	2 412	1 859
Expected credit losses	6	-492	-431	-219
Total		1 537	1 981	1 640

Doubtful receivables

Doubtful receivables at the beginning of the period		-431	-219	-194
Collection of doubtful receivables		0	7	0
Increase in doubtful receivables		-61	-256	-25
Doubtful receivables classified as uncollectible		0	44	0
Doubtful receivables at the end of the period	6	-492	-431	-219

Note 8. Prepaid taxes and taxes payable

<i>(In thousands of euros)</i>		30.06.2023		31.12.2022		30.06.2022	
	Notes	Prepayment	Payable	Prepayment	Payable	Prepayment	Payable
Value added tax		42	50	197	0	333	1
Personal income tax		0	36	0	36	0	34
Social tax		0	58	0	57	0	52
Other taxes		0	44	0	8	0	61
Total	5,14	42	188	197	101	333	148

Note 9. Investments in subsidiaries

The information about investments in subsidiaries disclosed in this note is relevant only as an addition to the unconsolidated statement of financial position of the parent company disclosed in the notes to the

consolidated financial statements of Mainor Ülemiste AS. In the consolidated financial statements, the financial information of all subsidiaries has been combined line by line.

Registry code	Name	Principal activity	Ownership interest as at 30.06.2023 (%)	Ownership interest as at 31.12.2022 (%)	Ownership interest as at 30.06.2022 (%)
12804904	Öpiku Majad OÜ	Real estate activities	100%	100%	100%
14578228	Ülemiste City Residences OÜ	Provision of accommodation services	100%	100%	100%
12783421	Spacex Eesti OÜ	Real estate activities	100%	100%	100%

Shares in subsidiaries using the cost method:

(In thousands of euros)	30.06.2022	31.12.2022	Acquisition	30.06.2023
Öpiku Majad OÜ	10 250	10 250	0	10 250
Ülemiste City Residences OÜ	432	432	100	532
Total	10 682	10 682	100	10 782

In the first quarter of 2023, the parent company Mainor Ülemiste AS made a contribution to the voluntary reserve of the subsidiary Ülemiste City Residences OÜ in the amount of 100 thousand euros, and in the first quarter of 2022, in the amount of 430 thousand euros, to bring its equity into compliance with the requirements of the Commercial Code of the Republic of Estonia. The Management Board has decided not to consolidate Spacex Eesti OÜ in the consolidated report because the company has not had any economic activity since June 2018.

Note 10. Investment accounted for using the equity method

Shares, general information

Registry code	Name	Principal activity	Ownership interest as at 30.06.2022 (%)	Ownership interest as at 31.12.2022 (%)	Ownership interest as at 30.06.2023 (%)
11978111	Technopolis Ülemiste AS	Real estate activities	49%	49%	49%

Shares, detailed information

(In thousands of euros)

Name	30.06.2022	Profit under the equity method	31.12.2022	Dividends	Sale of shares	Profit under the equity method	30.06.2023
Technopolis Ülemiste AS	47 318*	11 537	58 855	-924	-1 960	2 028	57 999*
Total	47 318*	11 537	58 855	-924	-1 960	2 028	57 999*

*Without real estate investment revaluations

According to the shareholders' agreement of AS Technopolis Ülemiste, Mainor Ülemiste AS has been granted a put option under which Mainor Ülemiste AS has the right to require Technopolis Holding OYJ to purchase the shares of AS Technopolis Ülemiste held by Mainor Ülemiste AS and to pay for the shares within six months. An annex to the shareholders' agreement stipulates that the selling price of these shares shall be their net asset value, which should not be less than their carrying amount at the end of the previous quarter.

In February 2023, AS Technopolis Ülemiste purchased shares in the amount of 4 000 thousand euros to be held as treasury shares, of which 1 960 thousand euros was paid to Mainor Ülemiste AS.

Note 11. Cash and cash equivalents

<i>(In thousands of euros)</i>	30.06.2023	31.12.2022	30.06.2022
Current accounts in banks	12 365	10 830	12 003
Cash in hand	2	2	0
Total	12 367	10 832	12 003

The table below provides information on the credit exposure of the Group's cash and short-term deposits according to the classification of the Group's counterparties by Moody's Investors Service credit ratings:

<i>(In thousands of euros)</i>	30.06.2023	31.12.2022	30.06.2022
Banks with credit rating A	12 229	10 614	11 925
Banks with credit rating B	136	216	78

Note 12. Share capital

	30.06.2023	31.12.2022	30.06.2022
Number of shares issued and fully paid for	30 333 333	30 333 333	30 333 333
Nominal value of shares (in euros)	0,6	0,6	0,6
Share capital (in thousands of euros)	18 200	18 200	18 200

The share capital of Mainor Ülemiste AS consists 30 333 333 ordinary shares with nominal value of 0,60 euros, divided as follows:

- Smart City Group: 25 430 311 shares
- LOGiT Eesti AS: 4 903 022 shares

In 2023 the shareholders were paid dividends in amount of 770 thousand euros (2022: 1 580 thousand euros), which means that dividend per share was 2,5 eurocents (in 2022 it was 5,2 eurocents per share).

Note 13. Borrowings

		Allocation by remaining maturity		
(In thousands of euros)	30.06.2023	Within 12 months	Within 1-5 years	Over 5 year
Bank loans	103 156	13 844	89 312	0
Bonds	17 106	0	17 106	0
Lease liability	321	73	248	0
Total	120 583	13 917	106 666	0

(In thousands of euros)	31.12.2022	Within 12 months	Within 1-5 years	Over 5 year
Bank loans	103 169	12 489	90 680	0
Bonds	15 000	10 000	5 000	0
Lease liability	372	88	284	0
Total	118 541	22 577	95 964	0

(In thousands of euros)	30.06.2022	Within 12 months	Within 1-5 years	Over 5 year
Bank loans	95 854	24 390	71 464	0
Bonds	15 000	10 000	5 000	0
Lease liability	62	37	25	0
Total	110 916	34 427	76 489	0

Interest rates on bank loans range from euribor + 1,8%- euribor + 4,95%. Repayment dates for loans are 2023-2028.

The maturity of the Bonds is in 2026 (5,000 thousand euros, interest 4,75%) and in 2027 (12 106 thousand euros, interest 8,5%).

Note 14. Trade and other payables

		Allocation by remaining maturity		
(In thousands of euros)	Notes	30.06.2023	Within 12 months	Within 1-5 years
Financial liabilities				
Trade payables		2 469	2 469	0
Other payables		399	399	0
Incl. interest payables		399	399	0
Liabilities to other entities in the Mainor AS consolidation group	28	337	337	0
Total financial liabilities		3 205	3 205	0
Non-financial liabilities				
Employee payables		194	194	0
Tax payables	8	188	188	0
Deferred income		116	116	0
Total non-financial liabilities		498	498	0
Total trade and other payables		3 703	3 703	0

		Allocation by remaining maturity		
(In thousands of euros)	Notes	30.06.2023	Within 12 months	Within 1-5 years
Financial liabilities				
Trade payables		2 004	2 004	0
Other payables		248	248	0
Incl. interest payables		248	248	0
Liabilities to other entities in the Mainor AS consolidation group	28	528	528	0
Total financial liabilities		2 780	2 780	0
Non-financial liabilities				
Employee payables		224	224	0
Tax payables	8	101	101	0
Deferred income		95	95	0
Total non-financial liabilities		420	420	0
Total trade and other payables		3 200	3 200	0

		Allocation by remaining maturity		
(In thousands of euros)	Notes	30.06.2023	Within 12 months	Within 1-5 years
Financial liabilities				
Trade payables		5 274	5 274	0
Other payables		209	209	0
Incl. interest payables		209	209	0
Liabilities to other entities in the Mainor AS consolidation group	28	236	233	3
Total financial liabilities		5 719	5 716	3
Non-financial liabilities				
Employee payables		180	180	0
Tax payables	8	148	148	0
Deferred income		95	95	0
Total non-financial liabilities		423	423	0
Total trade and other payables		6 142	6 139	3

Note 15. Prepayments received

		Allocation by remaining maturity		
(In thousands of euros)		30.06.2023	Within 12 months	Within 1-5 years
Prepayments received		874	373	501

		Allocation by remaining maturity		
(In thousands of euros)		31.12.2022	Within 12 months	Within 1-5 years
Prepayments received		977	567	410

		Allocation by remaining maturity		
(In thousands of euros)		30.06.2022	Within 12 months	Within 1-5 years
Prepayments received		1 090	420	670

Prepayments received include deposits from tenants in accordance with the concluded rental agreements.

Note 16. Revenue

(In thousands of euros)	Notes	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Revenue from contracts with customers				
Other revenue		1 012	843	1 849
Revenue from administrative services		2 272	2 025	4 891
Total revenue from contracts with customers		3 284	2 868	6 740
Lease income				
Operating lease income		5 570	4 680	9 504
Total lease income	26	5 570	4 680	9 504
Total revenue		8 854	7 548	16 244

(In thousands of euros)	Notes	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Revenue from contracts with customers				
Revenue from administrative services		2 272	2 025	4 891
Revenue from conference services		61	50	102
Revenue from accommodation services		414	385	869
Revenue from parking		287	204	450
Revenue from illuminated advertisements		16	15	31
Revenue from one-time services		234	189	397
Total revenue from contracts with customers		3 284	2 868	6 740
Lease income				
Shared office rent		82	168	287
Office rent		3 886	2 937	6 077
Industrial premises rent		707	779	1 498
Other rent		828	749	1 546
Parking house rent		67	47	96
Total lease income	26	5 570	4 680	9 504
Total revenue		8 854	7 548	16 244

Note 17. Other operating income

(In thousands of euros)	Notes	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Profit from revaluation of investment property	6	0	0	12 961
Penalties received	6	13	225	232
Other operating income	6	1	5	5
Total other operating income		14	230	13 198

Note 18. Costs of sales

(In thousands of euros)	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Electricity	-845	-879	-2 531
Heating	-692	-586	-1 283
Water and sewage	-94	-84	-171

Cleaning	-606	-454	-965
State and local taxes	-38	-36	-72
Property maintenance	-419	-359	-757
Other	-314	-255	-623
Total cost of sales	-3 008	-2 653	-6 402

Note 19. Marketing expenses

<i>(In thousands of euros)</i>	Notes	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Personnel expenses	21	-50	-44	-91
Advertisement, PR		-45	-87	-194
Total marketing expenses		-95	-131	-285

Note 20. Administrative expenses

<i>(In thousands of euros)</i>	Notes	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Personnel expenses	21	-560	-513	-1 029
Compensation for incapacity for work		-18	-19	-1
Expected credit losses		-60	-25	-274
Depreciation and amortization	3,4	-66	-82	-155
Legal, development, consultation and other expenses		-1 049	-1 012	-1 970
Total administrative expenses		-1 753	-1 651	-3 429

Note 21. Personnel expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Wages and salaries	-457	-414	-828
Other payments	0	-4	-15
Social and unemployment insurance taxes	-153	-139	-277
Total personnel expenses	-610	-557	-1120
Average number of full-time employees	21,4	18	20

Note 22. Other operating expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Other operating expenses	-10	-4	-16
Total other operating expenses	-10	-4	-16

Note 23. Interest income

<i>(In thousands of euros)</i>	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Interest income	6	0	0
Interest income from Mainor group receivables	30	41	257
Income from derivatives	171	0	356

Total interest income	207	41	613
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Note 24. Interest expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Interest expense from loans	-2 631	-1 087	-2 409
Interest expense from lease liabilities	-8	-1	-2
Interest expense from bonds	-629	-394	-788
Interest expenses from derivatives	0	-90	-100
Total interest expenses	-3 268	-1 482	-3 299

Note 25. Other financial income and expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Other financial expenses related to Mainor group	-116	-34	-67
Other financial expenses	-216	0	0
Total other financial expenses	-332	-34	-67

Note 26. Operating leaseGroup as lessor

The group has rented out office and production premises.

<i>(In thousands of euros)</i>	Notes	01.01.- 30.06.2023	01.01.- 30.06.2022	01.01.- 31.12.2022
Operating lease income	16	5 570	4 680	9 504
Carrying amount of leased assets	2	200 870	176 874	196 780

The Group usually concludes rental agreements for a period of 1–5 years. In some exceptional cases, when it comes to large-scale contracts, the lease period is 10–15 years

Note 27. Income tax

As at 30.06.2023 the retained earnings of the Group amounted to 137 086 thousand euros (31.12.2022: 135 215 thousand euros and 30.06.2022: 108 989 thousand euros).

In 2021, the company will be able to tax the dividend at a lower tax rate of 14/86 to the extent of the average taxable dividend payment of the previous three years.

The maximum income tax liability that would arise all of the undistributed profits were distributed would be 27 417 thousand euros (31.12.2022: 27 044 thousand euros and 30.06.2022 21 798 thousand euros), therefore the net dividend that could be paid out is 109 669 thousand euros (31.12.2022: 108 175 thousand euros and 30.06.2022 87 191 thousand euros). Mainor Ülemiste AS accounted for an additional income tax of 17 thousand euros on dividends paid in first half of 2022.

Note 28. Related party transactions

The related parties of Mainor Ülemiste AS include:

- The ultimate parent of the Group Mainor AS through the parent company AS Smart City Group
- Owners of the Company: AS Smart City Group AS (83.84%), Logit Eesti AS (16.16%)
- AS Technopolis Ülemiste
- Other entities in the Mainor AS consolidation group
- Companies related to members of the management and supervisory boards
- Close family members and companies under the control or significant influence of the above persons

Balances with related parties (In thousands of euros)	Receivables as at 30.06.2023	Liabilities as at 30.06.2023	Receivables as at 31.12.2022	Liabilities as at 31.12.2022	Receivables as at 30.06.2022	Liabilities as at 30.06.2022
Parent company	9 154	0	9 154	0	8 967	0
Other entities in the Mainor AS consolidation group	29	337	74	528	40	236
AS Technopolis Ülemiste	13	98	16	103	24	55
Companies associated with executive and senior management and their family members	0	1	0	2	0	1

Transactions with related parties in period 01.01.2023-30.06.2023	Purchases	Sales	Loans granted	Repayment of loans granted
Technopolis Ülemiste AS	521	70	0	0
Other entities in the Mainor AS consolidation group	1 495	650	0	0
Companies associated with executive and senior management and their family members	50	0	0	0

Transactions with related parties in period 01.01.2022-30.06.2022	Purchases	Sales	Loans granted	Repayment of loans granted
Technopolis Ülemiste AS	363	80	0	0
Other entities in the Mainor AS consolidation group	1 625	539	0	0
Companies associated with executive and senior management and their family members	36	83	0	0

In 01.01-30.06.2023, transactions with the following entities in the Mainor AS consolidation group were conducted: AS Eesti Ettevõtluskõrgkool Mainor, AS Dvigatel - Energeetika, OÜ Mairenestal, Tallinn International School OÜ and Mainor AS.

In 01.01-30.06.2023, transactions with the following companies associated with executive and senior management and their family members were conducted: OÜ Nets, OÜ Ülemiste Center, OÜ RVVE Grupp, OÜ Tooma Energia, OÜ Disain Pluss, OÜ, Nordic Financial Partners OÜ, Guide2Industry OÜ and AS Ekast.

Mainor AS is the company controlling the parent company Smart City Group AS with a holding of 83.84%.

Investments that form an integral part of investment property were acquired from group companies in the amount of 124 thousand euros in the reporting period (01.01-30.06.2022: 47 thousand euros).

Interest income of 30 thousand euros (2022: 40 thousand euros) was calculated on the receivable from the parent company and the use of mortgages provided to secure loans and other financial expenses of 116 thousand euros (2022: 34 thousand euros).

AS Technopolis Ülemiste paid dividends of 924 thousand euros in the reporting period (2022: 1 495 thousand euros).

Remuneration calculated for the members of the supervisory and management boards amounted to 152 thousand euros in the reporting year (2022 1H: 147 thousand euros).

Note 29. Parent company's financial information

<i>(In thousands of euros)</i>	30.06.2023	31.12.2022	30.06.2022
ASSETS			
Investment property	60 025*	60 230	58 878*
Tangible assets	153	189	230
Intangible assets	36	38	49
Investments in subsidiaries	10 782	10 682	10 682
Investment accounted for using the equity method	57 999*	58 855	47 318*
Prepayments	101	55	77
Trade and other receivables	26 704	26 552	26 317
Cash and cash equivalents	11 870	7 538	9 358
TOTAL ASSETS	167 670	164 139	152 909
EQUITY			
Share capital at nominal value	18 200	18 200	18 200
Legal reserve	1 920	1 920	1 920
Retained earnings	94 216	81 723	81 723
Profit for the financial period	141	13 263	1 416
TOTAL EQUITY	114 477	115 106	103 259
LIABILITIES			
Provisions	161	161	197
Borrowings	50 307	47 464	48 031
Trade and other payables	1 003	995	893
Prepayments received	1 722	413	529
TOTAL LIABILITIES	53 193	49 033	49 650
TOTAL LIABILITIES AND EQUITY	167 670	164 139	152 909

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

Note 30. Income statement and statement of comprehensive income

<i>(In thousands of euros)</i>	01.01- 30.06.2023	01.01- 30.06.2022	01.01- 31.12.2022
Revenue	3 111	3 050	6 433
Cost of sales	-1 212	-1 186	-2 770
Gross profit	1 899	1 864	3 663
Marketing expenses	-93	-115	-282
Administrative expenses	-1 767	-1 695	-3 505
Income from investments accounted for using the equity method	2 028	2 323	13 860
Other operating income	13	38	555
Other operating expenses	-10	-4	-16
Operating profit	2 070	2 411	14 275
<i>Financial income and expenses</i>			
Interest income	34	40	1 271
Interest expenses	-1 631	-984	-2 199
Other financial income and expenses	-332	-34	-67
Total financial income and expenses	-1 929	-978	-995
Profit before tax	141	1 433	13 280
Income tax	0	-17	-17
Net profit for the period	141	1 416	13 263
Other comprehensive income for the financial year	0	0	0
Comprehensive income for the financial year	141*	1 416*	13 263

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

Note 31. Statement of cash flows

<i>(In thousands of euros)</i>	01.01- 30.06.2023	01.01.- 30.06.2022	01.01- 31.12.2022
<i>Cash flows from operating activities</i>			
Profit before tax	141	1 433	13 280
Adjustments:			
Deprecation, amortization and impairment	59	77	145
Change in the fair value of investment property	0	0	-510
Profit (loss) from investment accounted for using the equity method	-2 028	-2 323	-13 860
Other financial income and other financial expenses	332	34	67
Interest income	-34	-40	-1 271
Interest expenses	1 631	984	2 199
Changes in receivables and prepayments related to operating activities	-198	497	1 487
Changes in liabilities and prepayments related to operating activities	1 317	-145	0
Net cash generated by operating activities	1 220	517	1 537
<i>Cash flows from investing activities</i>			
Acquisition of tangible and intangible assets	-21	-158	-157
Sale of assets accounted as investment property	475	0	0
Acquisition and improvement of investment property	-420	-687	-1 656
Contribution to the equity of a subsidiary	-100	-430	-430
Repayment of loans granted	0	185	185
Interest received	35	57	86
Dividends received	924	1 495	1 495
Other cash inflows from investing activities	1 960	0	0
Net cash generated from investing activities	2 853	462	-477
<i>Cash flows from financing activities</i>			
Loans received	1 228	0	0
Bond issue	8 484	0	0
Repayment of loans received	-483	-550	-1 109
Redemption of bonds	-6 378	0	0
Lease payments	-8	-8	-15
Interest paid	-1 482	-1 071	-2 258
Other financial expenses	-332	-34	-165
Dividends paid	-770	-1 580	-1 580
Income tax on dividends	0	0	-17
Net cash generated from financing activities	259	-3 243	-5 144
Total cash flows	4 332	-2 264	-4 084
Cash and cash equivalents at the beginning of the financial year	7 538	11 622	11 622
Change in cash and cash equivalents	4 332	-2 264	-4 084
Cash and cash equivalents at the end of the financial year	11 870	9 358	7 538

Note 32. Statement of changes in equity

<i>(In thousands of euros)</i>	Share capital	Legal reserve	Retained earnings	Total
Balance as at 31.12.2021	18 200	1 920	83 303	103 423
Value of holdings under dominant or significant influence under the equity method	0	0	33 746	33 746
Carrying amount of holdings under dominant or significant influence	0	0	-10 252	-10 252
Adjusted unconsolidated equity as at 31.12.2021	18 200	1 920	106 797	126 917
Dividends paid	0	0	-1 580	-1 580
Profit for the period 01.01-30.06.2022	0	0	1 416	1 416
Other comprehensive income for the financial year	0	0	0	0
Balance as at 30.06.2022	18 200	1 920	83 139	103 259
Value of holdings under dominant or significant influence under the equity method	0	0	36 558	36 558
Carrying amount of holdings under dominant or significant influence	0	0	-10 682	-10 682
Adjusted unconsolidated equity as at 30.06.2022	18 200	1 920	109 015	129 135
Profit for the period 01.07-31.12.2022	0	0	11 847	1 416
Other comprehensive income for the financial year	0	0	0	0
Balance as at 31.12.2022	18 200	1 920	94 986	115 106
Value of holdings under dominant or significant influence under the equity method	0	0	50 980	36 558
Carrying amount of holdings under dominant or significant influence	0	0	-10 682	-10 682
Adjusted unconsolidated equity as at 31.12.2022	18 200	1 920	147 095	129 135
Dividends paid	0	0	-770	-770
Profit for the period 01.01.-30.06.2023	0	0	141	141
Other comprehensive income for the financial year	0	0	0	0
Balance as at 30.06.2023	18 200	1 920	94 357	114 477
Value of holdings under dominant or significant influence under the equity method	0	0	53 521	53 521
Carrying amount of holdings under dominant or significant influence	0	0	-10 782	-10 782
Adjusted unconsolidated equity as at 30.06.2023	18 200	1 920	137 096	157 216

The difference between consolidated and unconsolidated equity comes from the losses of Ülemiste City Residences OÜ.