

# UPP & CO Kauno 53 OÜ

Interim Report

January – March 2018

# Main Events of 1Q 2018

## **Maintenance works on UAB Rimi Lithuania new premises have been completed**

The premises where UAB CAT Cargo Logistics used to operate have been leased to Rimi already since January. The premises needed some light maintenance works which were completed in February. These light works included installing fast-opening-system doors and other regular maintenance and repair works.

## **Regular technical maintenance of the premises**

A regular technical evaluation of the property was commenced at the end of 2017, where a list of ordinary maintenance works was created. During the first quarter of the year we have been mainly commencing the in-doors maintenance. Due to the cold February and March the outside maintenance works have been postponed into the second quarter of the year. The report evaluated the general technical condition of the property as good and regular maintenance is required to retain this condition.

## **Vacancy, payment behaviour and indexation**

As of 31. March 2018 there is no vacancy in the building and all rental and utilities payments are received in time from all tenants. In January, rent indexation was implemented on all tenants.

## **Quarterly interest payment**

Interest for UPP & CO Kauno 53 OÜ bonds was paid on January 17<sup>th</sup>, 2018. Interest was paid to the investors who held the notes as of January 12<sup>th</sup>, 2018.

## **2017 trends in warehouse space in Lithuania**

In 2017, The logistics market was supported by lively industrial production growth and positive export dynamics. Over a third of demand for modern speculative warehouse space was generated by companies engaged in logistics, followed by companies from the retail and manufacturing sectors. At the same time there is sufficient new supply of speculative warehouse space, which keeps the rental levels stable or has put slight downwards pressure in 2017. The average rental level in modern warehouse has increased very marginally since 2013, in 2017 the average fell back to the 2014 levels. Vacancy in modern warehouse space is 2% on average and in 2018 the vacancy is expected to remain at this level or increase slightly due to the new speculative warehouse space that is added to the market. In conclusion, the situation in Lithuanian warehouse space has been stable over the last 4-5 years and this trend is expected to continue in 2018. *(Source: Colliers report – 2018 Baltic Real Estate Overview)*

# Financial Performance (consolidated)

1Q 2018 – Net profit EUR 113,023

## Net Sales and Net Profit

- Net Sales amounted to EUR 309,346 in 1<sup>st</sup> quarter
- Net Operating Income amounted to EUR 296,240 in 1<sup>st</sup> quarter

## Expenses

- Operating expenses amounted to EUR 13,106 in 1<sup>st</sup> quarter
- Interest expense on loans and bonds issued amounted to EUR 143,669

## Interest-bearing liabilities

- Bank loan repaid in 1<sup>st</sup> quarter EUR 115,000, loan outstanding EUR 8,778,335
- Bonds issued EUR 4,700,000

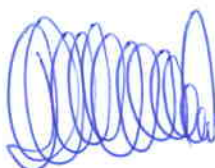
## DSCR

- Issuer consolidated 1.2

# Statement of the Management Board

The financial and other additional information published in the Interim Report January – March 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 Company. According to the Terms and Conditions of the Note Issue, the Company confirms that during the interim report period there has been non-occurrence of an Extraordinary Early Redemption Event and according to Clause 3.4.12 of the Terms the Collateral is properly insured at all times.

Consolidated financial statements in the report for the period January – March 2018 are not audited.



Hallar Loogma  
Member of the Management Board  
Tallinn, 30.04.2018

# Income Statement

(the Company, "Promalita" UAB and consolidated)

<b>PROFIT/LOSS STATEMENT</b> in euros	<b>K53</b>	<b>Promalita</b> 100%	<b>Cons.</b> 1Q2018	<b>YTD</b>	<b>Cons.</b> 4Q2017
Sales revenues	0	309,346	309,346	309,346	320,566
Other operating income	0	0	0	0	0
<b>Total revenues from operating activities</b>	<b>0</b>	<b>309,346</b>	<b>309,346</b>	<b>309,346</b>	<b>320,566</b>
Cost of goods sold	0	0	0	0	-21,770
Administrative expenses	-2,060	-6,095	-8,155	-8,155	-26,711
Personnel expenses	0	-438	-438	-438	-308
Depreciation of fixed assets	0	-4,513	-4,513	-4,513	-3,875
<b>Total operating expenses</b>	<b>-2,060</b>	<b>-11,046</b>	<b>-13,106</b>	<b>-13,106</b>	<b>-52,664</b>
<b>Profit (loss) from operating activities</b>	<b>-2,060</b>	<b>298,300</b>	<b>296,240</b>	<b>296,240</b>	<b>267,902</b>
<b>Financial revenues (costs)</b>	<b>4,678</b>	<b>-148,347</b>	<b>-143,669</b>	<b>-143,669</b>	<b>-138,222</b>
<b>Net profit (loss) before taxation</b>	<b>2,618</b>	<b>149,953</b>	<b>152,571</b>	<b>152,571</b>	<b>129,680</b>
Corporate income tax	0	-39,548	-39,548	-39,548	-4,321
<b>Net profit (loss) of the period</b>	<b>2,618</b>	<b>110,405</b>	<b>113,023</b>	<b>113,023</b>	<b>125,359</b>

# Balance Sheets

(the Company, "Promalita" UAB and consolidated)

BALANCE SHEET	K53	Promalita	Cons.	Cons.
in euros		100%	31.03.2018	21.12.2017
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank	43,709	24,786	68,495	39,745
Accounts receivable and prepayments	900	9,831	10,731	8,844
Stock	0	0	0	0
<b>Total current assets</b>	<b>44,609</b>	<b>34,617</b>	<b>79,226</b>	<b>48,589</b>
<b>Non-current assets</b>				
Long-term financial investments	3,200	0	0	0
Log-term loans	5,488,700	0	0	0
Real Estate investments	0	15,350,000	15,350,000	15,350,000
Fixed assets	0	33,796	33,796	38,309
Goodwill	0	1,280,818	1,280,818	1,280,818
<b>Total non-current assets</b>	<b>5,491,900</b>	<b>16,664,614</b>	<b>16,664,614</b>	<b>16,669,127</b>
<b>TOTAL ASSETS</b>	<b>5,536,509</b>	<b>16,699,231</b>	<b>16,743,840</b>	<b>16,717,716</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Short-term loans	0	345,000	345,000	460,000
Accounts payables and other settlements	78,114	40,836	118,950	152,398
<b>Total current liabilities</b>	<b>78,114</b>	<b>385,836</b>	<b>463,950</b>	<b>612,398</b>
<b>Non-current liabilities</b>				
Long-term bank loan	0	8,433,333	8,433,333	8,433,333
Long-term bonds	4,700,000	0	4,700,000	4,700,000
Long-term shareholder's loan	743,750	5,488,700	743,750	721,750
Long-term provisions	0	2,051,297	2,051,297	2,011,748
<b>Total non-current liabilities</b>	<b>5,443,750</b>	<b>15,973,330</b>	<b>15,928,380</b>	<b>15,866,831</b>
<b>TOTAL LIABILITIES</b>	<b>5,521,864</b>	<b>16,359,166</b>	<b>16,392,330</b>	<b>16,479,229</b>
<b>EQUITY</b>				
Share capital	2,500	2,500	2,500	2,500
Retained earning	12,145	337,565	349,010	235,987
Retained earning from previous periods	9,527	227,160	235,987	-2
Retained earnings from current period	2,618	110,405	113,023	235,989
<b>TOTAL EQUITY</b>	<b>14,645</b>	<b>340,065</b>	<b>351,510</b>	<b>238,487</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,536,509</b>	<b>16,699,231</b>	<b>16,743,840</b>	<b>16,717,716</b>

# Cash Flow Statement

(the Company, "Promalita" UAB and consolidated)

CASH FLOW STATEMENT in euros	K53	Promalita 100%	Cons. 1Q2018	Cons. 4Q2017
Profit from operating activities	-2,060	298,300	296,240	267,902
Amortization	0	4,513	4,513	0
Corrections	0	0	0	3,875
Change in operating receivables and prepayments	-900	-987	-1,887	28,477
Change in reserves	0	0	0	12,733
Change in operating liabilities and advances	825	-10,600	-9,775	896
<b>Cash flows from operations</b>	<b>-2,135</b>	<b>291,226</b>	<b>289,091</b>	<b>313,883</b>
Acquisition of material assets	0	0	0	-29,115
Loans issued and bonds purchased	-27,500	0	0	0
Received interest	143,596	0	0	0
<b>Cash flows from investments</b>	<b>116,096</b>	<b>0</b>	<b>0</b>	<b>-29,115</b>
Loans received and bonds issued	22,000	27,500	22,000	50,050
Repayments of loans and redeemed bonds	0	-115,000	-115,000	-207,000
Paid interest	-128,590	-182,347	-167,341	-133,684
<b>Cash flows from financing</b>	<b>-106,590</b>	<b>-269,847</b>	<b>-260,341</b>	<b>-290,634</b>
<b>Total cash flows</b>	<b>7,371</b>	<b>21,379</b>	<b>28,750</b>	<b>-5,866</b>
<b>Cash at the beginning of period</b>	<b>36,338</b>	<b>3,407</b>	<b>39,745</b>	<b>45,611</b>
<b>Changes in cash</b>	<b>7,371</b>	<b>21,379</b>	<b>28,750</b>	<b>-5,866</b>
<b>Cash at the end of period</b>	<b>43,709</b>	<b>24,786</b>	<b>68,495</b>	<b>39,745</b>

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