

CONSOLIDATED INTERIM REPORT

UPP & CO KAUNO 53 OÜ

Beginning of reporting period:	1 January 2024
End of reporting period:	30 June 2024

Registry code:	14194597
----------------	----------

Registered office:	Pärnu mnt 141 Tallinn 11314 Harju County
--------------------	---

Telephone:	+372 6616 450
------------	---------------

e-mail address:	property@unitedpartners.ee
website address:	www.unitedpartners.ee

MANAGEMENT REPORT

General information

UPP & CO Kauno 53 OÜ, the parent company of the consolidation group, was founded in order to acquire and manage investment property and involve additional capital for these transactions.

In 2017, the company acquired 100% holding in Promalita UAB, a company registered in the Republic of Lithuania, which owns a logistics centre near Vilnius. The net internal area of the centre is 21 224 m² and it is fully rented out. Rimi retail chain is the anchor tenant.

The commercial activities of the consolidation group constitute collecting income from rent, managing the real estate object, and servicing loan obligations. Loan obligations comprise bonds with a fixed interest rate and an investment loan. In terms of income, there is stable triple net lease income from lessees that is for the most part fixed with medium to long-term contracts and indexed according to inflation. Arising from the commercial activities of the consolidation group, its economic activities and financial results are generally not easily affected by various external factors. The activities of the company have no major environmental and social impacts.

The consolidation group considers the macroeconomic condition of the operating environment to be uncertain, mainly due increased interest rates and decline in economic activity. EURIBOR level in the reporting period related to the Group's bank loans was approximately 3,9%, leading to a 5.8% increase in interest expenses. Despite higher interest costs, the Group's loan servicing capability remained strong. The Group has accumulated sufficient reserves, and about two-thirds of the Group's loan cost is fixed. Therefore, the Group's ability to service loans is expected to remain strong also in 2024.

The consolidation group was created solely for managing the logistics centre and there are no planned structural changes in business operations.

The management is not in possession of any information concerning trends, uncertainties, claims, obligations or events that could likely have a significant impact on the prospects of the consolidation group in the period following the reporting period outside the regular commercial activities of the consolidation group.

Comment on 2Q and six months of 2025 economic performance

Sales revenue was 331 kEUR in 2Q 2025 (335 kEUR in 2Q 2024) and 669 kEUR for the six months of 2025 (682 kEUR for 6 months of 2023).

Operating profit was 283 kEUR in 2Q 2025 (312 kEUR in 2Q 2024) and 585 kEUR for the six months of 2025 (618 kEUR for 6 months of 2024). EBITDA was 283 kEUR in 2Q 2025 (312 kEUR in 2Q 2024) and 585 kEUR for the 6 months of 2025 (618 kEUR for 6 months of 2024).

Net income was 113 kEUR in 2Q 2025 (132 kEUR in 2Q 2024) and 236 kEUR for the six months of 2025 (249 kEUR for 6 months 2024).

Financial ratios of the Group	6 months 2025	6 months 2024
Debt to equity ratio	2,95	3,42
Debt ratio	0,79	0,81
Long-term debt ratio	0,74	0,66
Return on equity %	3,46%	7,61%
Equity ratio	0,21	0,19
Return on assets %	0,74%	1,48%

Formulas for ratios

Debt to equity ratio = interest bearing liabilities/equity

Debt ratio = liabilities/(liabilities+ equity)

Long-term debt ratio = long-term liabilities/(long-term liabilities+ equity)

Return on equity (ROE %)= (net profit/average equity for 12 months)*100

Equity ratio = equity/average assets (12 months)

Return on fixed assets (ROA %) = net profit/fixed assets*100

Management board

The management board of UPP & CO Kauno 53 OÜ consists of one member: Marko Tali, Chairman of the Management Board.

No remuneration or other benefits are provided to the members of the management board.

The management board of Promalita UAB has also one member: Siim Sild, who receives symbolic remuneration.

Other than the management board, the Company has no employees.

UPP & CO Kauno 53 OÜ and its subsidiary Promalita UAB are a going concern.

Member of Management Board

Marko Tali

CONSOLIDATED INTERIM ANNUAL ACCOUNTS**CONSOLIDATED BALANCE SHEET**

(EUR)

	<u>30.06.2025</u>	<u>30.06.2024</u>
Cash	296 672	644 408
Receivables and prepayments	19 128	17 704
Total current assets	315 800	662 112
Investment properties	16 300 000	16 150 000
Tangible fixed assets	0	12
Goodwill	16 300 000	16 150 012
Total fixed assets		
	16 615 800	16 812 124
TOTAL ASSETS		
	460 000	5 160 000
Short-term loans payable	81 208	71 178
Payables and prepayments	541 208	5 231 178
Total current liabilities		
	9 915 184	6 015 184
Long-term loans payable	2 492 273	2 301 197
Long-term provisions	12 407 457	8 316 381
Total non-current liabilities		
	12 948 665	13 547 559
TOTAL LIABILITIES		
	2 500	2 500
Share capital	3 664 635	3 262 065
Retained earnings	3 667 135	3 264 565
TOTAL EQUITY		
TOTAL LIABILITIES AND EQUITY	16 615 800	16 812 124

CONSOLIDATED INCOME STATEMENT

(EUR)

	<u>2025</u> <u>Q2</u>	<u>2025</u> <u>6 months</u>	<u>2024</u> <u>Q2</u>	<u>2024</u> <u>6 months</u>
Sales revenue	330 942	668 607	344 900	682 195
Total revenues from operating activities	330 942	668 607	344 900	682 195
Cost of goods sold	-23 648	-25 507	-1 617	-12 568
Other operating expenses	-23 832	-57 365	-31 189	-51 484
Staff costs	-171	-342	-129	-258
Depreciation of fixed assets				
	<u>283 291</u>	<u>585 393</u>	<u>311 965</u>	<u>617 885</u>
Operating profit	<u>-149 665</u>	<u>-304 624</u>	<u>-159 550</u>	<u>-331 409</u>
Financial income (expenses)				
	113 626	280 769	152 415	286 476
Profit before income tax	-20 476	-44 805	-20 843	-37 911
Income tax	113 150	235 964	131 572	248 565
Net profit for financial year	<u>113 150</u>	<u>235 964</u>	<u>131 572</u>	<u>248 565</u>
incl. net profit share of the owners of the parent company	<u>113 150</u>	<u>235 964</u>	<u>131 572</u>	<u>248 565</u>

CONSOLIDATED CASH FLOW STATEMENT

(EUR)

	2025	2025	2024	2024
	Q2	6 months	Q2	6 months
Operating profit (loss)	283 291	585 393	311 965	617 885
Adjustments (depreciation of fixed assets)	-8 512	-255	-13 348	-3 251
Change in receivables and prepayments related to operating activities	7 107	-6 323	3 404	-35 244
Change in payables and prepayments related to operating activities	-16 376	-32 752	0	-20 638
Paid corporate tax	265 510	546 063	302 021	558 752
Total cash flow from operating activities				
	453	751	10 356	10 356
Interest received	453	751	10 356	10 356
Total cash flow from investing activities				
	-115 000	-230 000	-115 000	-230 000
Repayments of loans received and redemption of bonds	-184 555	-305 383	-181 337	-341 760
Interest paid	-299 555	-535 383	-296 337	-571 760
Total cash flow from financing activities				
	-33 592	11 431	16 040	-2 652
Total cash flow				
	330 264	285 241	628 368	647 060
Cash at beginning of period	-33 592	11 431	16 040	-2 652
Change in cash	296 672	296 672	644 408	644 408
Cash at end of period	283 291	585 393	311 965	617 885

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(EUR)

	Share capital	Retained earnings	Total equity
As of 31.12.2024	2 500	3 428 671	3 431 171
Change during the reporting period	0	235 964	235 964
As of 30.06.2025	2 500	3 664 635	3 667 135
As of 31.12.2023	2 500	3 013 500	3 016 000
Change during the reporting period	0	415 171	415 171
As of 31.12.2024	2 500	3 428 671	3 431 171

Statement of the Management Board

The financial and other additional information published in the Interim Report January – June 2025 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 – June 2025 are not audited.

Marko Tali
Member of the Management Board
Tallinn, 31.07.2025