

# Mainor Ülemiste AS

Interim Report  
January – March 2018



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

## Main Events in the 1Q 2018

### **Peter Vesterbacka introduced the plan for tunnel to be built between Tallinn and Helsinki**

On January 19, Finnish businessman Peter Vesterbacka presented in Tallinn in Ülemiste City the plan of building the Tallinn-Helsinki tunnel, which he hopes will be ready just in five years and would be funded mostly by private capital. In his vision, the tunnel that would have stop in Ülemiste City would give an opportunity to get from Tallinn Airport to Vantaa Airport in 20 minutes, which is comparable or faster than reaching the London Heathrow Airport from one end to another. According to Vesterbacka, the project will cost 15 billion euros, of which 70% will come from Asian and 30% from local investors.

### **Former House of Directors of Dvigatel plant becomes a modern IT house**

The rafting party at Sepise 8 – the modern IT house to become – was held on February 2. After thorough renovation, the new anchor tenant for the modern IT building in the former Dvigatel House of Directors will be software development company Codeborne. Also, two new dining places will be opened on the first floor of the building. The renovation works will cost EUR 1.2 million euros and will be financed by Luminor Bank. The general contractor of construction is Embach Ehitus OÜ.

### **Nordea Group opens a Service Center in Ülemiste City and plans to recruit 100 employees**

The largest financial group in Northern Europe – Nordea Bank AB's Estonian branch opened a vast new service center in Ülemiste City on February 15. The center offers financial-, call center- and anti-money laundering services to its Nordic clients. According to the Head of Nordea Bank AB Estonian branch Jelena Trumm, nearly 180 employees have been hired to open the Nordea Estonia Service Center; in addition, the company wants to recruit 100 new employees in the new location in the near future.

### **Parking house in Lõõtsa Street 11 was opened in Ülemiste City**

A new parking house at Lõõtsa Street 11 was opened on February 15. The five-storey building has total area of 12,000 m<sup>2</sup> and parking space for 474 cars. Technopolis Ülemiste AS invested 4.2 million euros in the construction of the parking house that was constructed by Nordecon Betoon OÜ.

### **Enterprise Estonia will update the concept and appearance of e-Estonia showroom**

Enterprise Estonia will update the concept and appearance of e-Estonia showroom in response to multiple demand growth and introducing the opportunities of e-Estonia and ICT companies to more and more foreign public sector decision makers, private sector managers, international media and

investors. The new and more modern showroom is planned to be opened at the end of 2018 in Ülemiste City in the Öpik building, located 400 meters from the center's current location.

An agreement on the future location of the showroom was concluded with Mainor Ülemiste AS for a five year period on the condition of 0-lease. In the new location, the showroom will use around 500 m<sup>2</sup> of space for placement of displays, showrooms and office space for which utility bills will be paid.

### **The biggest parking house in Estonia to be built in Ülemiste City**

On March 23 a parking house in Ülemiste City at Sepise 8 got under the rafters. It will be the largest in Estonia with parking spaces nearly for thousand cars. The first stage of the parking house situates between the old factory walls and will be completed in August.

At the first stage of the parking house, the historic Dvigatel factory production building expands to a 5-storey and 14,000 m<sup>2</sup> car park that offers parking spaces for 436 cars. Cost of the project is nearly 4 million euros, contractor of construction is Nordecon Betoon OÜ.

### **The bonds of Mainor Ülemiste admitted to trading on alternative market**

Starting from February 1, the Mainor Ülemiste bonds maturing on 05.04.2023 have been admitted to trading on the multilateral trading facility (MTF) First North, operated by Nasdaq Baltic exchanges. In the first phase 26,500 bonds issued in November 2017 were brought to trading; the bonds hold nominal value 100 euros and coupon interest rate of 5.5%. More than two years have passed since the first bonds of Mainor Ülemiste began trading on First North and therefore the admittance to trading of the new issue was a logical development for the issuer. Mainor Ülemiste's advisor on the MTF First North is Redgate Capital AS.

### **Mainor Ülemiste bond issue in amount of 10 million euros was fully subscribed**

In March 2018 Mainor Ülemiste AS conducted another successful offering of bonds -- fourth in a row. To recall, Mainor Ülemiste AS entered the bond market first time three years ago. In the autumn of 2017 the company's first tranche of bonds maturing on 05.04.2023 was oversubscribed, totalling 2.65 million euros; the supplementary issue via non-public offering finished in the end of March gathered additional 7.35 million euros.

The proceeds from the bond issue are used for financing of the construction of the Öpik-house twin tower and the first apartment house of the campus and also for refinancing of the Mainor Ülemiste 26.11.2018 notes which bear higher interest rate and will be extraordinarily redeemed on May 26.

### **Ülemiste City Key Figures as of 31.03.2018**

Rented space	166,748 square meters
Occupancy Rate	98%

## Financial Performance

1Q 2018 – Net profit EUR 1,501 thousand

### Net Sales and Net Profit

- Net sales amounted to EUR 2,194 th in the 1<sup>st</sup> quarter, increase of 19.4% compared to the 1<sup>st</sup> quarter of 2017
- Net profit amounted to EUR 1,501 th, increase of 11.8% compared to 1<sup>st</sup> quarter of 2017

### Expenses

- Operating expenses increased from EUR 1,083 th (1<sup>st</sup> quarter 2017) to EUR 1,213 th in the 1<sup>st</sup> quarter of 2018
- Interest expense on loans and issued bonds amounted to EUR 509 th, increase of 26.6% compared to the 1<sup>st</sup> quarter in 2017 (EUR 402 th)

### Interest-bearing liabilities

- Mainor Ülemiste AS interest-bearing liabilities amounted to EUR 62,777 th. The Company's four largest creditors at the end of the period were Nordea Bank AB, LHV Pank AS and OP Corporate Bank Plc, Luminor Bank AS
- At the end of the reporting period, Mainor Ülemiste had EUR 16,900 th in untapped credit facilities

## 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 group.

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



Margus Nõlvak  
Member of the Management Board  
Tallinn, 30.04.2018

# Consolidated Income Statement

(according to IFRS)

*In thousands Euros*

<b>Mainor Ülemiste AS</b>	<b>1Q 2017</b>	<b>2Q 2017</b>	<b>3Q 2017</b>	<b>4Q 2017</b>	<b>1Q 2018</b>
<b>Sales</b>	<b>1 837</b>	<b>1 910</b>	<b>1 904</b>	<b>2 035</b>	<b>2 194</b>
Cost of Sales	-651	-572	-520	-699	-732
Administrative expenses	-432	-485	-465	-649	-481
Depreciation	-15	-14	-16	-14	-12
Income from associate companies*	950	966	953	981	1 038
Other operating income	15	0	1	14	4
Other operating expenses	-2	-2	-1	-4	-2
<b>Operating profit</b>	<b>1702</b>	<b>1803</b>	<b>1856</b>	<b>1664</b>	<b>2009</b>
Other finance income	43	37	36	117	1
Interest paid and fees	-402	-481	-506	-621	-509
Income tax	0	-190	0	0	0
<b>Net profit*</b>	<b>1 343</b>	<b>1 169</b>	<b>1 386</b>	<b>1 160</b>	<b>1 501</b>

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

# Consolidated Balance Sheet

(according to IFRS)

*In thousands Euros*

<b>Mainor Ülemiste AS</b>	<b>31.03.2017</b>	<b>30.06.2017</b>	<b>30.09.2017</b>	<b>31.12.2017</b>	<b>31.03.2018</b>
Tangible and intangible assets	99	76	93	83	72
Property	88 656	91 539	95 748	100 642	106 421
Other	9 668	9 667	9 679	9 511	9 320
Financial assets*	28 579	29 545	30 498	31 479	34 555
Receivables	1 267	1 585	1 673	1 602	1 533
Cash	9 543	8 295	8 234	9 400	8 693
<b>Total assets</b>	<b>137 812</b>	<b>140 707</b>	<b>145 925</b>	<b>152 717</b>	<b>160 594</b>
<b>Owners' equity</b>					
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*	64 526	64 905	66 374	67 844	72 318
<b>Total equity</b>	<b>85 646</b>	<b>86 025</b>	<b>87 494</b>	<b>88 964</b>	<b>93 438</b>
<b>Liabilities</b>					
Debt	49 390	51 789	55 217	59 823	62 777
Other liabilities	561	527	531	604	645
Accounts payable	2 215	2 366	2 683	3 326	3 734
<b>Total liabilities</b>	<b>52 166</b>	<b>54 682</b>	<b>58 431</b>	<b>63 753</b>	<b>67 156</b>
<b>TOTAL LIABILITIES &amp; OWNERS' EQUITY</b>	<b>137 812</b>	<b>140 707</b>	<b>145 925</b>	<b>152 717</b>	<b>160 594</b>

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

# Consolidated Cash Flow Statement

In thousands Euros

Mainor Ülemiste AS	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018
<b>Operating activities</b>					
Net result for the period	1 343	1 169	1 386	1 160	1 501
Adjustment:					
Depreciation	15	14	16	14	12
Income from associate companies	-950	-966	-953	-981	-1 038
Financial income and expenses	359	444	470	504	508
Change in operating assets	240	-371	-14	676	-329
Change in operating liabilities	-909	295	527	629	552
Interest received	5	18	0	0	0
Dividends received	0	0	0	0	0
Interest paid and fees	-402	-481	-506	-621	-509
Income tax	0	0	-190	0	0
<b>Net cash flow from operating activities</b>	<b>-299</b>	<b>122</b>	<b>736</b>	<b>1 381</b>	<b>697</b>
<b>Investing activities</b>					
Investments in tangible and intangible assets	-1	-3	-32	0	0
Proceeds from sale of tangible and intangible assets	0	0	0	0	0
Investments in investment properties	-3 844	-2 969	-4 162	-4 810	-4 338
Loans granted	0	0	0	0	0
Repayment of loans granted	0	0	0	0	0
Acquisition of associates	0	0	0	0	0
<b>Cash flows from investing activities</b>	<b>-3 845</b>	<b>-2 972</b>	<b>-4 194</b>	<b>-4 810</b>	<b>-4 338</b>
<b>Financing activities</b>					
Bond issue	0	0	0	2 620	14
Increase in long-term loans	7 037	2 804	3 755	2 344	3 284
Decrease in long-term loans	-339	-362	-358	-369	-364
Dividends paid	0	-840	0	0	0
<b>Cash flows from financing activities</b>	<b>6 698</b>	<b>1 602</b>	<b>3 397</b>	<b>4 595</b>	<b>2 934</b>
<b>Total cash flow</b>	<b>2 554</b>	<b>-1 248</b>	<b>-61</b>	<b>1 166</b>	<b>-707</b>
<b>Cash and cash equivalents at period-start</b>	<b>6 989</b>	<b>9 543</b>	<b>8 295</b>	<b>8 234</b>	<b>9 400</b>
Change in cash and cash equivalents	2 554	-1 248	-61	1 166	-707
<b>Cash and cash equivalents at period-end</b>	<b>9 543</b>	<b>8 295</b>	<b>8 234</b>	<b>9 400</b>	<b>8 693</b>

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