

UPP & CO Kauno 53 OÜ

Interim Report

October – December 2018

Main Events of 4Q 2018

Regular technical maintenance of the premises

Promalita UAB team has created a list of the findings from technical audit which was conducted by Cityservice in the 3rd quarter of 2018. The list includes the maintenance works and regulates the Lessor's and Tenants' obligations in commencing the maintenance works. The list has been sent to the tenants in December, 2018. A discussion between the tenants and Promalita UAB team will be held in February, 2019 where the parties will discuss further the procedure and timeline regarding commencing the maintenance works. Majority of the deficiencies discovered are caused by a small impact with a truck or a forklift and are easily repairable. In general the premises are in good technical condition and we are continuing regular maintenance works to preserve the premises in good condition.

Vacancy, payment behaviour and indexation

As of 31th of December 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 will be implemented on all tenants.

Quarterly interest payment

Interest for UPP & CO Kauno 53 OÜ bonds was paid on January 17th, 2019. Interest was paid to the investors who held the notes as of January 14th, 2019.

“Investor Desk” service

Silver Kalmus is a new person responsible for the “Investor Desk” service in the Group company United Partners Advisory OÜ. “Investor Desk” was established in 2017 with the aim to further improve investor relations. Silver can be contacted on all matters regarding UPP & CO Kauno 53 OÜ, including if the investor wishes to buy or sell their Notes. Following are his contacts:

Silver Kalmus

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Financial Performance (consolidated)

4Q 2018 – Net profit **EUR 124 228**

Net Sales and Net Profit

- Net Sales amounted to **EUR 314 561** in 4th quarter
- Net Operating Income amounted to **EUR 307 891** in 4th quarter

Expenses

- Operating expenses amounted to **EUR 6 670** in 4th quarter
- Interest expense on loans and bonds issued amounted to **EUR 143 019**

Interest-bearing liabilities

- Bank loan repaid in 4th quarter **EUR 115 000**, loan outstanding **EUR 8 433 333**
- Issued bonds outstanding **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 October – December 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 October – December 2018 are not audited.

Marko Tali
Member of the Management Board
Tallinn, 30.01.2019

Income Statement

(the Company, "Promalita" UAB and consolidated)

PROFIT/LOSS STATEMENT in euros	K53	Promalita 100%	Cons. 4Q2018	YTD	Cons. 3Q2018
Sales revenues	0	309,130	309,130	1,236,734	309,129
Other operating income	0	5,431	5,431	12,147	3,795
Total revenues from operating activities	0	314,561	314,561	1,248,881	312,924
Administrative expenses	-2,014	-695	-2,709	-19,119	-3,466
Personnel expenses	0	-79	-79	-1,036	-81
Depreciation of fixed assets	0	-3,882	-3,882	-16,198	-3,895
Total operating expenses	-2,014	-4,656	-6,670	-36,353	-7,442
Profit (loss) from operating activities	-2,014	309,905	307,891	1,212,528	305,482
Financial revenues (costs)	5,378	-148,397	-143,019	-573,728	-142,074
Net profit (loss) before taxation	3,364	161,508	164,872	638,800	163,408
Corporate income tax	0	-40,644	-40,644	-160,584	-40,498
Net profit (loss) of the period	3,364	120,864	124,228	478,216	122,910

Balance Sheets

(the Company, "Promalita" UAB and consolidated)

BALANCE SHEET	K53	Promalita	Cons.	Cons.
in euros		100%	31.12.2018	30.09.2018
ASSETS				
Current assets				
Cash and bank	81,271	78,413	159,684	56,741
Accounts receivable and prepayments	36,905	49,740	49,746	117,776
Stock	0	0	0	0
Total current assets	118,176	128,153	209,430	174,517
Non-current assets				
Long-term financial investments	3,200	0	0	0
Log-term loans	5,396,350	0	0	0
Real Estate investments	0	15,350,000	15,350,000	15,350,000
Fixed assets	0	22,113	22,113	25,995
Goodwill	0	1,280,818	1,280,818	1,280,818
Total non-current assets	5,399,550	16,652,931	16,652,931	16,656,813
TOTAL ASSETS	5,517,726	16,781,084	16,862,361	16,831,330
LIABILITIES AND EQUITY				
Current liabilities				
Short-term loans	0	460,000	460,000	115,000
Accounts payables and other settlements	80,644	84,643	128,143	122,483
Total current liabilities	80,644	544,643	588,143	237,483
Non-current liabilities				
Long-term bank loan	0	7,973,333	7,973,333	8,433,333
Long-term bonds	4,700,000	0	4,700,000	4,700,000
Long-term shareholder's loan	711,850	5,396,350	711,850	736,350
Long-term provisions	0	2,172,332	2,172,332	2,131,689
Total non-current liabilities	5,411,850	15,542,015	15,557,515	16,001,372
TOTAL LIABILITIES	5,492,494	16,086,658	16,145,658	16,238,855
EQUITY				
Share capital	2,500	2,500	2,500	2,500
Retained earning	22,732	691,926	714,203	589,975
Retained earning from previous periods	9,527	224,660	235,987	235,987
Retained earnings from current period	13,205	467,266	4,798,216	353,988
TOTAL EQUITY	25,232	694,426	716,703	592,475
TOTAL LIABILITIES AND EQUITY	5,517,726	16,781,084	16,862,361	16,831,330

Cash Flow Statement

(the Company, "Promalita" UAB and consolidated)

CASH FLOW STATEMENT in euros	K53	Promalita 100%	Cons. 4Q2018	Cons. 3Q2018
Profit from operating activities	-2,014	309,905	307,891	305,482
Amortization	0	3,882	3,882	3,895
Corrections	0	0	0	0
Change in operating receivables and prepayments	300	67,731	68,031	-103,081
Change in reserves	0	0	0	0
Change in operating liabilities and advances	0	4,871	4,871	4,606
Cash flows from operations	-1,714	386,389	384,675	210,902
Repayment of loans issued	64,500	0	0	0
Received interest	108,319	0	2	0
Cash flows from investments	172,819	0	2	0
Loans received and bonds issued	60,000	0	60,000	2,000
Repayments of loans and redeemed bonds	-84,500	-179,500	-199,500	-117,000
Paid interest	-103,344	-147,207	-142,234	-139,909
Cash flows from financing	-127,844	-326,707	-281,734	-254,909
Total cash flows	43,261	59,682	102,943	-44,007
Cash at the beginning of period	38,010	18,731	56,741	100,748
Changes in cash	43,261	59,682	102,943	-44,007
Cash at the end of period	81,271	78,413	159,684	56,741

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