



Mainor Ülemiste AS

Investor presentation

May 2021



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Executive summary

Mainor Ülemiste is developing modernised business hub in the Baltic region



Ülemiste City, located in the heart of the most rapidly developing area of Tallinn, is the largest and the most prominent commercial real estate development project in the Baltics. Spread over 36 hectares of a former industrial site, it currently offers 203,000 m² of office space, industrial premises, and 81 apartments. In total, the zoning allows approximately 700,000 m² of buildable area.

Ülemiste City and its unique concept stand out in the Tallinn office market as the only complete business environment with a full range of value-added services for its tenants and their employees.

The long-term vision of Ülemiste City is to become a 24/7 city district combining high-quality commercial premises, residential buildings, educational institutions, recreational, and developed infrastructure.

Ülemiste City developers are **Mainor Ülemiste AS** („Issuer“, “Mainor Ülemiste”) and **Technopolis Ülemiste AS** („Technopolis“). Technopolis Ülemiste AS is owned as a 49%/51% joint-venture („JV“) between Mainor Ülemiste AS and Technopolis OYj. Technopolis was formerly owned by a Finnish company Technopolis PLC, but the ownership of Technopolis PLC changed when a private limited company owned by Kildare Partners agreed to acquire Finnish flexible workspace provider in 2018.

Mainor Ülemiste AS is looking to attract debt capital in a total of EUR 10m (“Note Issue”) to finance the expansion of the Ülemiste City. The Issuer has an option to increase the total issue size 50% to EUR 15m. The Issuer has decided to issue the notes in separate tranches; in the first issue, the offered amount is EUR 5m with an upsize option.

Mainor Ülemiste has been **an active participant in the Baltic capital markets**. The issuer entered in the bond market for the first time in 2015 and has since made four successful offerings.

Summary of the terms

Issuer:	Mainor Ülemiste AS
LEI code	48510000BJ8T98H98V05
Type of security	Unsecured notes
Placement	Private placement in Estonia, Latvia, and Lithuania
Issue size:	EUR 10m with an upsize option of 50%
Issue date:	10.06.2021
Subscription period:	24.05-02.06.2021
Interest rate:	4.75%
Listing	Nasdaq First North; during 6 months from the Issue Date
Maturity date:	10.06.2026
Financial adviser:	Redgate Capital AS
Legal adviser:	Advokaadibüroo SORAINEN AS

Key investment highlights

Investment into future city where people can succeed



District favorably located and rapidly developing

Ülemiste City is located near Tallinn Airport, future Rail Baltic Ülemiste joint train terminal, and bus station, making the campus easily accessible. Over the years, Ülemiste City has developed at a dizzying speed. It now has more than 12,000 inhabitants and grown comparable to the 5th largest city in Estonia, accounting for 1/5 of the entire Estonian ICT sector.

Talented people, smart community, sustainable growth

Ülemiste City focuses on further developing „Smart City, “Green City, “and „Talent City“. The aim is to create an inspiring campus for innovative businesses. The emphasis is on the environment and comprehensive value proposition with an excellent infrastructure, where a wide range of services and synergies between tenants stimulate demand. As a result, thus far, Mainor Ülemiste’s revenues have almost doubled in the last five years.

Ample potential and focus on sustainability principles

Ülemiste City has a building potential of 700,000+ m², out of which 150,000+ m² of office space (total leasable area 203,000m²) has currently been developed, leaving much room for further development. As the campus grows, so will the ecological footprint when no actions are taken to prevent it. In order to keep the environmental footprint small, the Issuer puts much effort into achieving environmentally-friendly goals in its operations.

The proceeds of the Note Issue will be used to finance the development of Ülemiste City

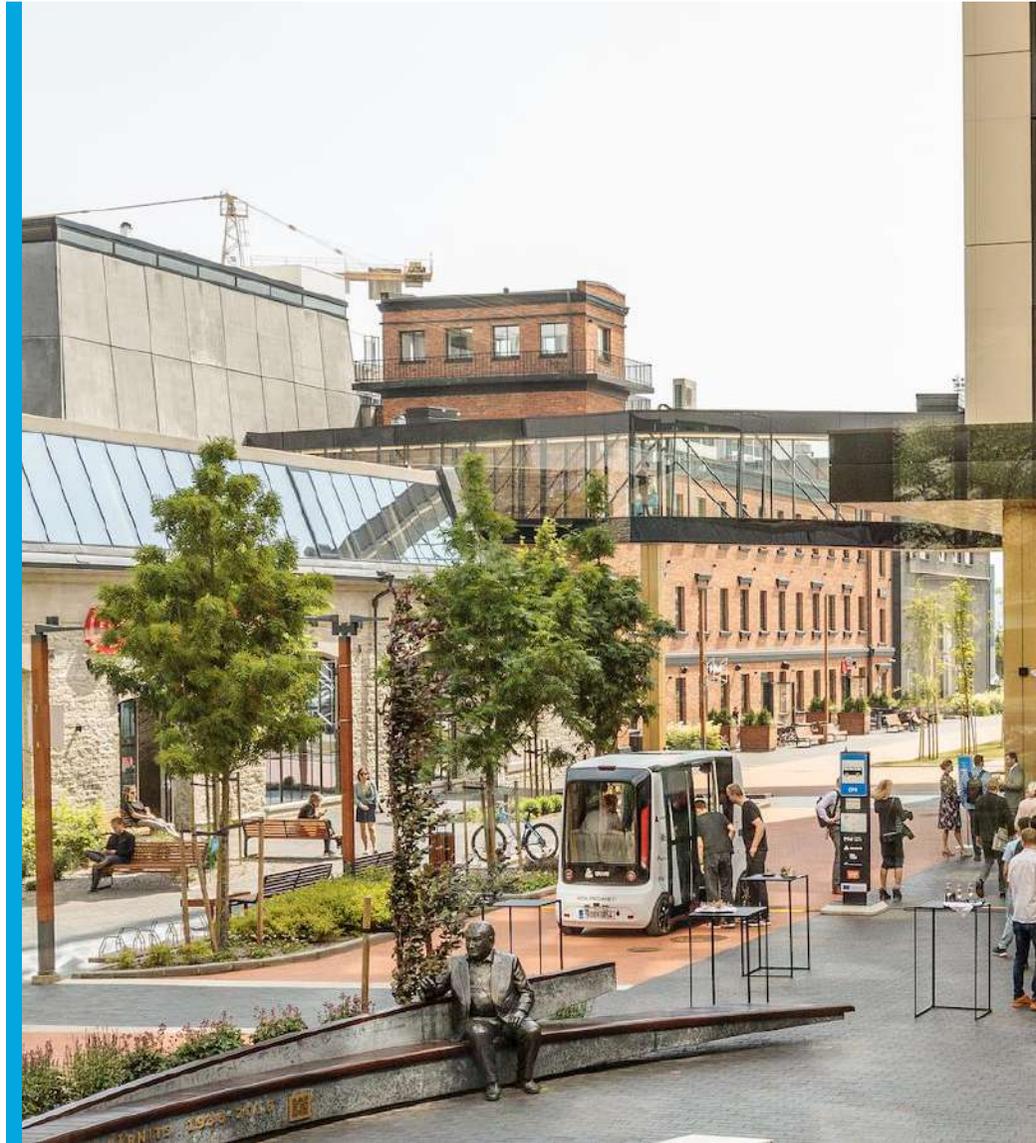




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Ülemiste City

The city of the future where talents can utilize their potential and succeed



Ülemiste City was initiated in 2005 with a vision to advantageously located former Dvigatel industrial territory into something exceptional. Today it is the largest and most prestigious new business district in the Baltic region. The once ruined plant complex has turned into a diverse and rapidly evolving campus with services, where value is created by more than 12,000 people who work, study, and live there daily.

To this point, Ülemiste City has been a great success, recognised by numerous awards. The campus has become the favorite location for many knowledge-intensive and forward-looking companies, especially companies operating in the technology and medical industries.

The mission of **Ülemiste City** is to create a knowledge-based environment with an international reach for working, living and development that would increase the competitiveness of people and businesses, attract talented people and inspire the creation of new business models.

The district has been developed around „Smart City“, „Green City“, and „Talent City“ principles that aim to create an inspiring campus for innovative businesses, which does not offer only premises, but also many additional corporate and personal services such as:

- Conference rooms, office maintenance, electric car rental, receptionist, etc.
- Health services, fitness center, gym, school, university, kindergarten, shopping centers, grocery stores, and hotel

Above mentioned perks are only a few services located in the Ülemiste City.

Ülemiste City development focus



Ülemiste City in numbers

Ülemiste city is a modern district located near Tallinn Airport. Ülemiste City houses many innovative enterprises and aims to develop the 36-hectare Smart City into the most extensive knowledge-based economic environment in Baltic countries.

500+
tenants

10,000
employees

700,000+ m²
of total building potential

203,000+ m²
total space currently offered

150,000 m²
leasable office space offered

81
apartments offered

Source: Company's information.

Transformation

From a railway plant to the city of the future

The Soviet Union collapses, and the plant loses its market potential. A few years later, the state-owned limited company Dvigatel is privatised by Mairor AS.

1991

Under the leadership of Ülo Pärnits, the leader and visionary of Mairor, an idea is born to create a smart city on the ruins of Dvigatel and give a boost to the development of the society and economy of Estonia. Ülemiste City is founded.

2005

Technopolis PLC joins the development of Ülemiste City. Ülemiste City becomes part of the biggest business campus network in the Northern and Baltic States.

2010

Ülemiste City has grown into the biggest business campus in the Baltic States. The once ruined plant complex has turned into a diverse and rapidly evolving campus with ample services. Where value is created by more than 12,000 people.

2020

Ülemiste City has grown into a 24/7 operating multifunctional city of the future where more than 12,000 people live, study, and work. This is an international community of smart businesses and talents, where new bold ideas take off.

2025

2005
Revenue: EUR 0.4m¹

2010
Revenue: EUR 1.6m

2015
Revenue: EUR 16.1m

2020
Revenue: EUR 29.5m

¹Ülemiste City revenue = AS Technopolis Ülemiste revenue + Mairor Ülemiste AS revenue.

Ülemiste City = Smart City (1/2)

Wisdom as ideology will generate innovation as a result



Ülo Pärnits', founder of the Ülemiste City, the vision was to create an intelligent business city from Ülemiste City where talents could utilize their potential, grow, and thus succeed.

Today, the smart city has turned into the most significant and fastest-growing innovative business center in the Baltics that prioritizes talent and is developed consciously and based on data in four main ways – knowledge, services, environment, and community.



Cooperation is development. Knowledge and personal development are the basis for everything. Ülemiste City is in close cooperation with more than 20 universities for nine different countries. The district's environment is perfect for testing new products and services – a micro-city model with 12,000 people from kindergarten children to retirement-aged talents working, studying, and living there.

Key facts about the smart city concept

6,000+

..free of charge training course hours per year

20+

..cooperating universities from 9 countries

67%

..of employees graduated from higher education

120

..cooperation project per year

Source: Company's information.

Ülemiste City = Smart City (2/2)

Ülemiste City Radar

The economy of Ülemiste City as a smart business campus has been studied consistently since 2014. Every year Ülemiste City get a survey on the production and service volume, added value and main fields of activity of companies on the campus. Additionally, it gives an evaluation about in which branch of economy the impact of Ülemiste City on the Estonian economic environment is the highest in terms of taxes, export, and salaries. The Radar help describe the main trends of economic activities in Ülemiste City.

Ülemiste City Radar

A new development is an additional survey called the Ülemiste City Radar. In addition to the economic indicators, it enables to evaluate the environment of Ülemiste City and its community, including services offered on the campus and the capability to grow. It gives a profound review of all other important factors in the development environment, such as the environment, services, knowledge and community. The strategic goal of Ülemiste City is to create an environment for the talents to succeed that is versatile, green and enables fast growth, be part of an international logistics junction and move towards offering services 24/7 on the campus.

The Radar consists of five categories and 40 variables that help to understand the environment better and draw conclusions about that.

Developing a model gives a chance for this “tool” to be used by all other cities and campuses around the world to evaluate and develop the attractiveness, sustainability and human-friendliness of its environment.

The Radar helps to envision a city of the future and make it real.



Ülemiste City Radar five main categories under study



Source: Company's information.

Ülemiste City = green city

Think of tomorrow but act today



100% green energy

Conscious resource management

Sustainable development

Objective is to minimise carbon footprint and become carbon neutral by 2030

A movement towards a car-free future

Global urbanisation is affecting everybody. Cities grow bigger, the population is getting denser, and mobility is becoming the number one keyword to deal with. Ülemiste City is supporting the usage of public transport, walking, cycling instead of a car.

Therefore, the objective is to have fewer cars per person by 2025 and have a car-free campus center in 2030.

Green lab for green initiatives

Together with the Green Tiger, a cooperation platform that bears a goal to raise environmental awareness and lay the foundation for balanced economy, and leading partners from the private and public sector, Ülemiste City aims to take a green leap to raise environmental awareness. Ülemiste City has agreed to be the testbed for new ideas and initiatives, create a basis for the green economy, and drive force for change in society.

Highest standards in sustainable development

Ülemiste City developments wear a proud badge of LEED¹ certificate from Silver to Platinum, marking the highest standards for sustainable development. Currently, the City has 3 LEED Platinum buildings, 5 LEED Gold buildings, and 4 LEED Silver buildings.

Ülemiste City developers, together with the energy group Utilitas, invest EUR 11m to Connect campus to an efficient district heating and cooling network and give up fossil gas completely. At the end of 2022, the entire City will be ready for connection.



Source: Company's information.

¹LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system globally.

Ülemiste City = talent city

A community that supports, inspires, and unites



Environment as a synergistic whole

Whether it is developing the environment, creating services, or organising an event, Ülemiste City has set their talents into the center of every activity – the goal is to ensure a synergistic whole that would bring out the best.

100+

Community events per year

30,000

Participants in community events per year

Growth - a conscious choice

When developing the environment, Ülemiste City has created all the conditions for the talents to utilize their potential, and thus grow and succeed.

6,000

free of charge course hours per year

150+

Free of charge different training courses per year

Diverse talent in the Ülemiste district

Ülemiste City makes sure that everyone can be a part of the diverse community – 12,000 talents from more than 70 countries. There are approximately 500 companies and services (e.g., gyms, health and beauty services, restaurants, cafes, shopping centers full of Entertainment), and all services are provided near the City area.

12,000

Talents from 79 different countries



Source: Company's information.

Development led by well thought out concept = benefits

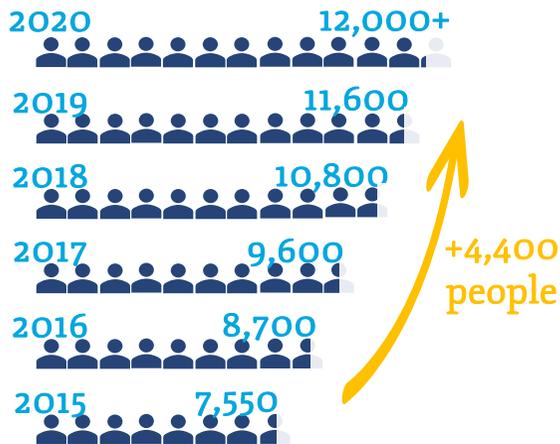


Environment driving growth

Centering the development of **Ülemiste City** around the aim to create an environment where smart people want to be has brought measurable benefits to **broader economy** as well as to **Mainor Ülemiste**

Attracting growing number of people

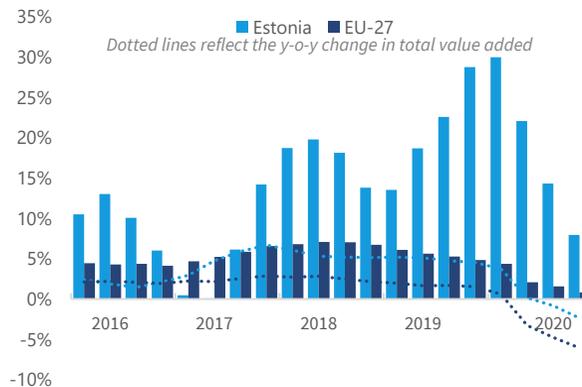
The campus has been developing fast. Between 2015 and 2020 number of people who work, study, and live there daily has grown over 59%, from 7,550 to 12,000. This means that, on average, the campus has increased to over 700 people per year. What has driven the impressive growth is the idea underpinning the development of the district. It was never about just building an office landscape but rather about creating a working and living environment to thrive and succeed by using the methods of smart city planning.



Campus standing out for high value-added jobs

Estonia has become a world-renowned ICT hub that stands at the forefront in developing various IT technologies. IT is a value driver in all industries and a critical tool to increase competitiveness and drive growth. While the ICT sector is still relatively small in Estonia, it is contributing significantly to the growth. The share in the economy is increasing fast, whereby the ICT companies headquartered in Ülemiste City create over one-fifth of value-added in the Estonian ICT sector and 23% of the total income of the Issuer.

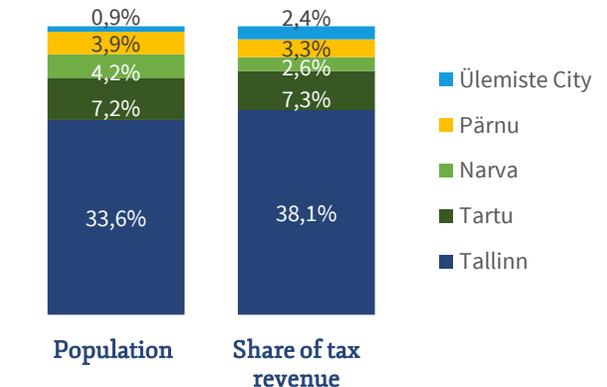
Value added in ICT sector, annual %-change



Growing to fifth largest city in Estonia

With high-value-added jobs as the bloodstream of the campus, Ülemiste City has become the fifth-largest city in Estonia measured by tax revenue. Moreover, on average, the employees in companies in Ülemiste City earn 1.5 times the Estonian average wage and develop faster than businesses elsewhere in Estonia. This, in turn, translates into a strong tenant base and numerous growth opportunities for the Issuer. For an overview of the financial development of the Issuer, please see pp. 24-26.

Share of population and local government tax revenue by residency



Mainor Ülemiste tenant base

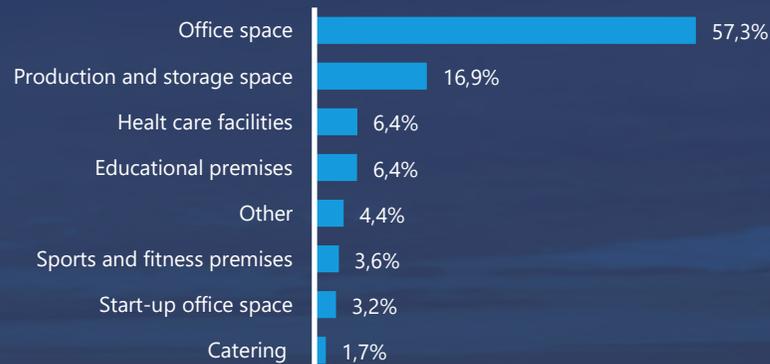
Strong international tenant-base, including major IT companies from Estonia



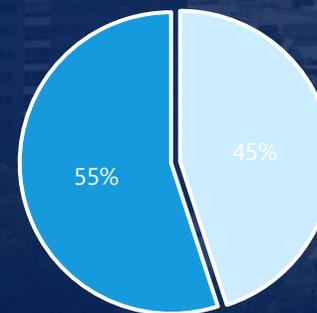
Selected references



Distribution of the rental revenue



Top 12 tenants generate 45% of the total rental revenues



■ Top 12 tenants ■ Other

Source: Company's information.

Location

Located close to the city centre with easy access by different transport means



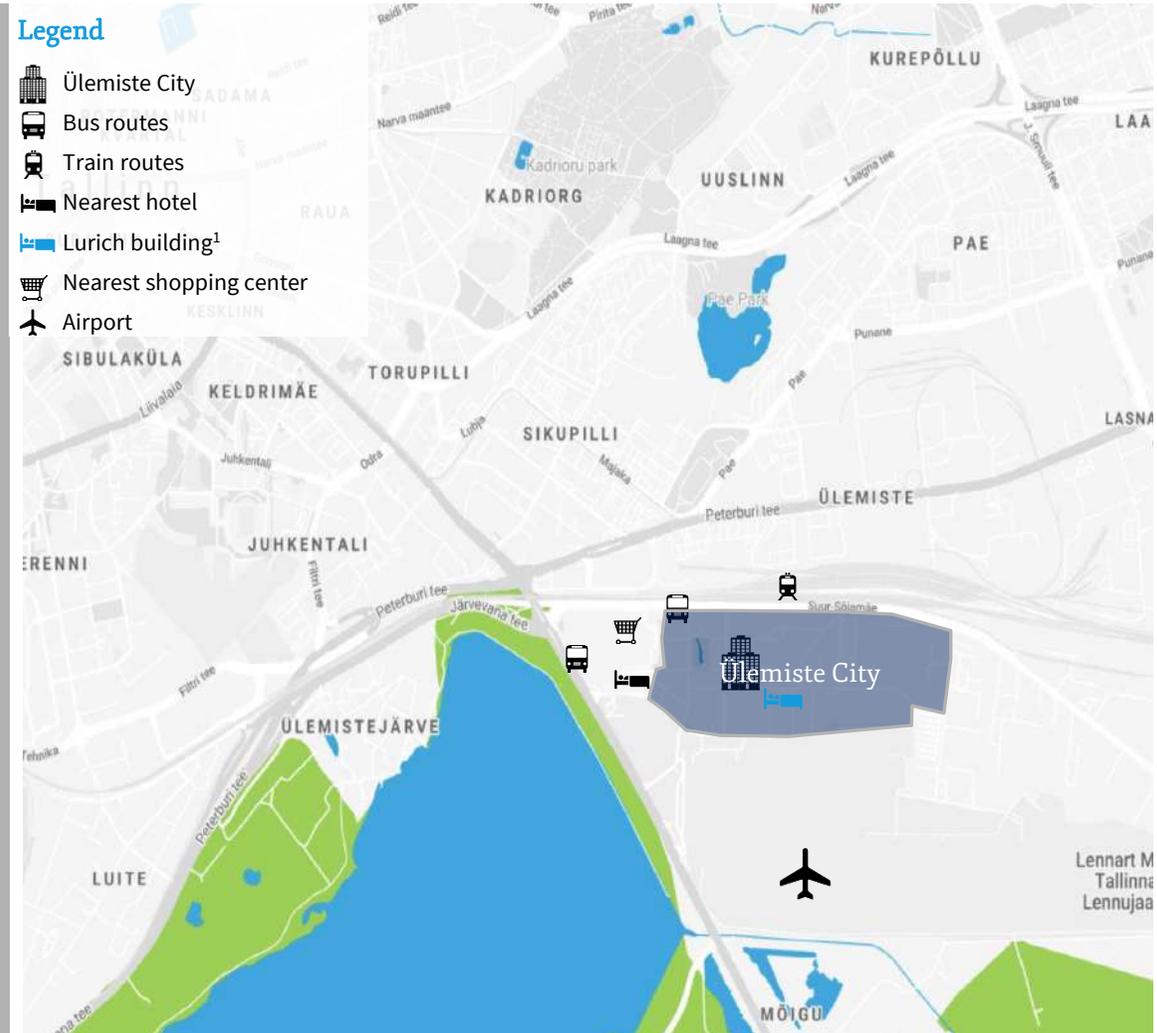
Excellent location

- International airport: 500 m
 - CBD: 2 km
 - Old-town: 4 km
 - Intercity bus terminal: 2 km
 - Sea-port: 4 km
 - Train-terminal: 100 m
- Tallinn Downtown
 - Tallinn City Centre (CBD)
 - Tallinn Old Town



Legend

- 🏢 Ülemiste City
- 🚌 Bus routes
- 🚆 Train routes
- 🏨 Nearest hotel
- 🏠 Lurich building¹
- 🛒 Nearest shopping center
- ✈️ Airport



¹Lurich building is providing accommodation services in the center of the campus for people visiting Ülemiste City.

Recent developments of the area

Developments completed in 2020



Lurich building



Ülemiste Health Centre



Development pipeline (1/3)

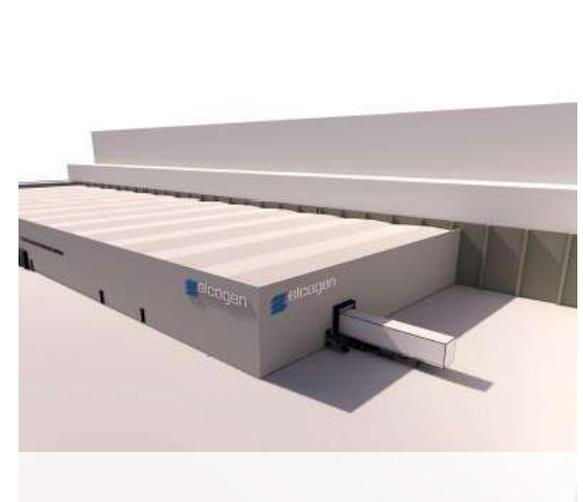
Developments expected to be completed beyond 2021



Educational complex; Q1 2023



Elcogen production; Q3 2022



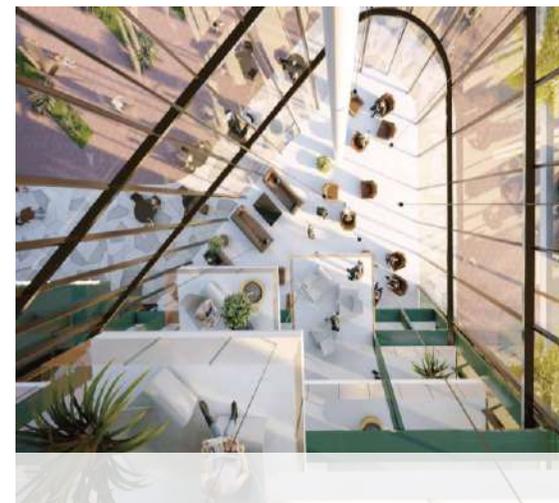
Educational complex and Elcogen production facility are part of the current financing program, more information in the section „Terms and conditions“.

Development pipeline (2/3)

Developments expected to be completed beyond 2021



Alma Tomingas building; Q4 2022



Sepamaja str. 10; 2025



Alma Tomingas building is part of the current financing program, more information in the section „Terms and conditions“.
Source: Company's information.

Development pipeline (3/3)

Developments expected to be completed beyond 2021





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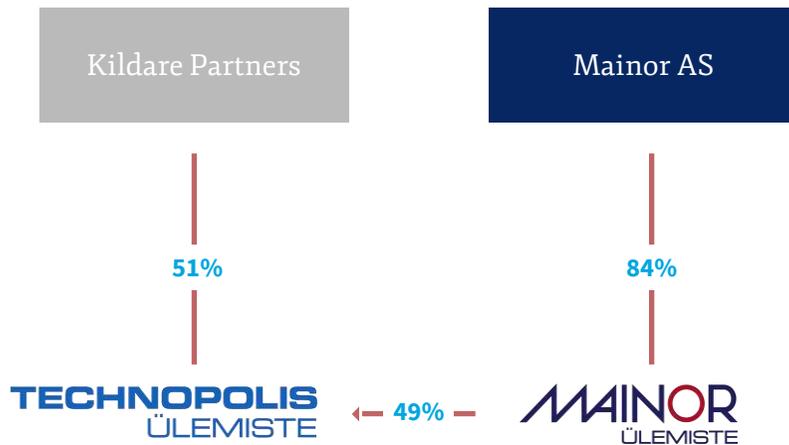


Ülemiste City developers

Joint venture between Kildare Partners and Mainor AS



Ülemiste City development is carried out by two developers, Mainor Ülemiste AS and Technopolis Ülemiste AS, under a common concept and trademark. Parties coordinate their plans and share knowledge; a shareholder agreement regulates the cooperation.



Mainor Ülemiste AS shaped the concept and developed the first buildings. Currently owns 2/3 of the land and 49% share in Technopolis Ülemiste AS (Joint-Venture).

Mainor Ülemiste AS invited Technopolis PLC to join in the process of development of the area in 2010. In the JV agreement, a 49%/51% structure between Mainor Ülemiste and Technopolis PLCs was agreed, where Technopolis PLC got rights to 1/3 of the land. In 2018, a private limited company owned by **Kildare European Partners II LP** agreed to acquire Finnish flexible workspace provider Technopolis PLC.



Mainor Ülemiste legal structure

Overview of the structure and beneficiaries of the Issuer



Mainor Ülemiste AS

100% — 100% — 100% — 49%

Öpiku Majad OÜ

OÜ Ülemiste City
Residences

Spacex Eesti OÜ

Technopolis
Ülemiste AS

Mainor Ülemiste has two shareholders

AS Logit Eesti - 16.16%

Smart City Group AS - 83.84%

The largest beneficiaries of the Issuer are

Guido Pärnits – 12.92%

Toomas Saal – 7.9%

Andrus Kaldalu - 6.9%

Heldur Meerits – 6.9%

None of the other beneficiaries has more than 5.0% of the indirect shareholding of the Issuer.



Source: Company's information

Key members of the team

An experienced team working together to achieve sustainable development of Ülemiste City in accordance with set objectives and strategy



Guido Pärnits

Chairman of the Supervisory Board at Mainer Ülemiste AS and member of the Supervisory Board at Technopolis Ülemiste AS



Kadi Pärnits

CEO and member of the Management Board at Mainer AS



Raivo Vare

Member of the Supervisory Board at Mainer Ülemiste AS



Sten Pärnits

Member of the Supervisory Board at Mainer Ülemiste AS



Ursel Velve

CEO and member of the Management Board at Mainer Ülemiste AS and member of the Supervisory Board at Technopolis Ülemiste AS

Ursel is a seasoned sales and management professional. Before joining Mainer Ülemiste in 2014 she worked 8 years as the Country Manager of Samsung Estonia.



Teet Raudsep

COO and member of the Management Board at Mainer Ülemiste AS

With 16 years of sales and management experience from telecom industry in Telia and Telefonica(NL) Teet knows international (tech) companies, the most important target segment of Mainer Ülemiste, inside out. Joined Mainer Ülemiste in 2015.



Rein Suurväli

CTO and member of the Management Board at Mainer Ülemiste AS

Rein has held top management positions in several high value-added smart enterprises, including Doranova Baltic, Proxmaster, Nordic Payment Service, Dvigatel Energeetika, and Salalux.



Aare Paloots

CFO at Mainer AS and member of the Supervisory Board at Technopolis Ülemiste AS

Aare had a successful career in Tarmel, the largest producer of mattresses, couches and beds in Estonia. Worked his way up from Deputy Plant Manager to the CEO, the position he held for 13 years before moving to the Management Board of Mainer AS in 2011.



Andrey Strizhalov

CFO at Mainer Ülemiste AS

Andrey has extensive experience from various investment projects in Ülemiste City. He has been a board member in several companies, such as Mairenestal, Doranova Baltic and others.



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Key financial highlights (1/3)

Increasing leasable area and low vacancy have translated into high revenue growth for Ülemiste City



Total leasable area

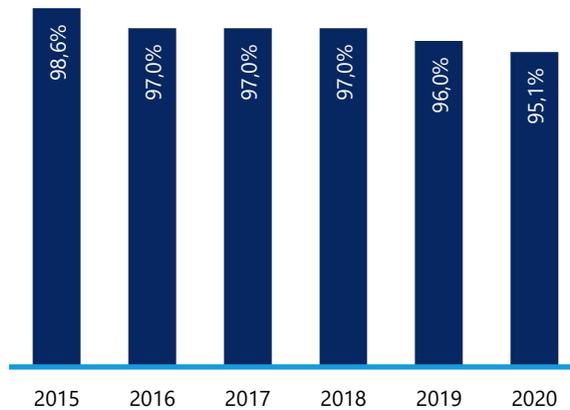
The Issuer is eager to develop the Ülemiste City to become a 24/7 city district combining high-quality commercial premises, residential buildings, educational institutions, and recreational facilities. Ülemiste City has been working towards a highly-developed infrastructure, and it is reflected in the y-o-y leasable area offered to the potential tenants.

The area has expanded 34.6% from 153,200m² in 2015 to 203,300m² in 2020. There is still room for additional developments as only 29% of the building area has been developed thus far as the zoning allows Ülemiste City to develop in a total of 700,000m².



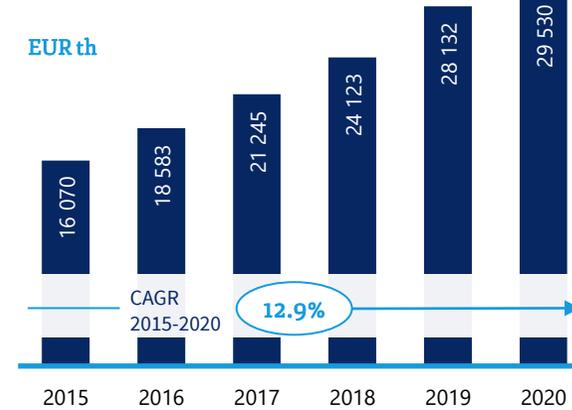
Occupancy levels

The occupancy levels have slightly decreased during the last year, but the absolute numbers of people working and living in the area have increased. In 2015 only 7,550 people lived, worked, and studied in Ülemiste City daily. The number of people increased by 60% to 12,000 in 2020. During the same period Ülemiste City created 1,320 new jobs for the talents.



Revenue

With the campus rapidly evolving, a growing number of local and foreign corporations, public institutions and service providers have moved in. As a result, the revenue numbers have been in an upward trend. In 2020, the revenue reached EUR 29,050 thousand, growing at the CAGR of 12.9% for the period 2015-2020.



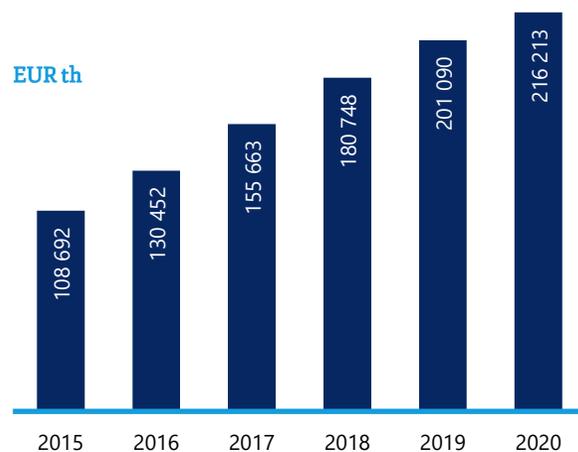
Key financial highlights (2/3)

Continuous investments into the development lay ground for further improving profits of Mairor Ülemiste AS



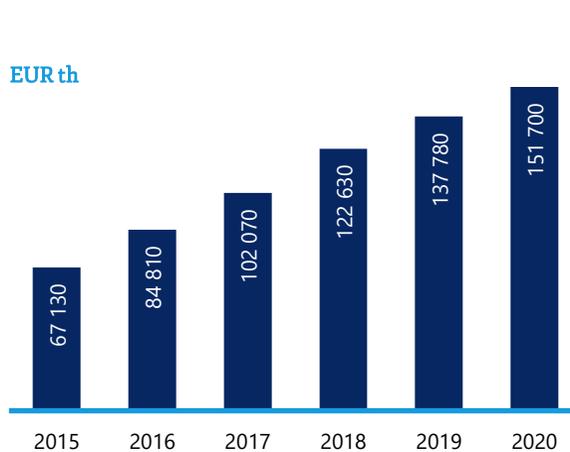
Total assets

The transformation of the industrial territory into the largest business hub in the Baltics has only been possible thanks to large investments. The asset base had grown 99% from 2015 to EUR 216,213 thousand in 2020.



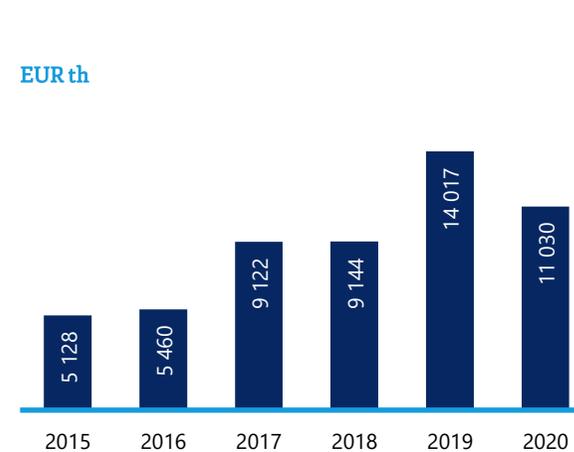
Investment property

Mairor Ülemiste forms a remarkable investment property portfolio. In addition to business premises, the campus offers a wide range of services for a variety of service providers. During recent years, the Issuer has opened several new developments, including a 44,000m² twin tower Öpiku, Lurich building with 13-storey apartment tower and 8-storey office building in total of 12,000m², a health care center, and an Ülemiste Beach House, Rakett69 science studio. The total investment property portfolio had increased 55.7% from 2015 to EUR 151,700 thousand in 2020.



EBITDA

The sudden outbreak of the pandemic in 2020 affected more or less all sectors of the economy, including the real estate sector and Ülemiste City. While EBITDA of the Issuer decreased, the mapping of the risk levels led to the conclusion that only a small part of the portfolio is at high risk due to the unprecedented times. The occupancy rate stayed at a relatively high level. Therefore, the Issuer decided to continue with the development plans.



Source: Audited annual reports (2015-2020).

Key financial highlights (3/3)

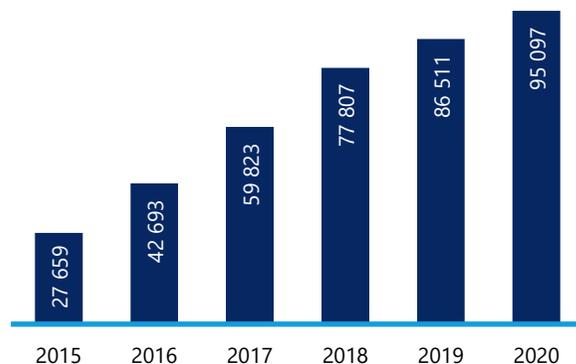
Despite Mairor Ülemiste's rapid growth in assets, the capital structure has remained conservative



Interest bearing liabilities

For the development of the business campus, the Issuer has used external financing along with own capital. As of the end of 2020, the total interest-bearing liabilities amounted to EUR 95m, i.e., to 44% of the total assets. It was comprised of 89% of bank loans and 11% of bonds. Mairor Ülemiste is not only aiming to ensure appropriate level of diversity in debt instruments but also in lenders. While the bonds are in nature syndicated instruments, the multiplicity of banks among creditors reduces the dependance on single financial partner.

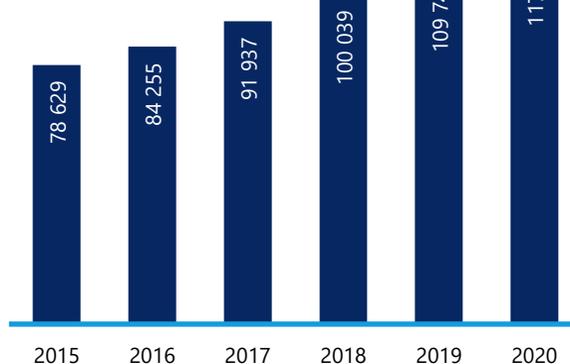
EUR th



Total equity

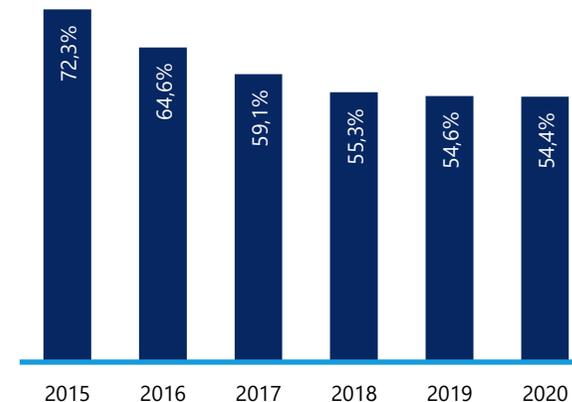
Mairor Ülemiste has been managed profitably over 15 years. While during the recent years, ca 15% of the preceding year's net profit has been paid out as dividends, most of the generated net profit has been reinvested into the company to support its further growth. As of 31 December 2020, the equity amounted to EUR 118m.

EUR th



Equity ratio

In the way of becoming a more mature company, the capital structure of the Issuer has somewhat changed. While in 2015 the Company was financed over 70% via equity, the share of equity in total assets has decreased. Nevertheless, the Issuer has still a conservative capital structure as the equity ratio reaches over 50%.



Mainor Ülemiste AS financials

Balance sheet and income statement



Balance sheet	th EUR	12.2018	12.2019	12.2020	Q1 2021
Current assets		57,965	63,052	64,267	64,355
Cash and equivalents		9,620	12,937	9,576	10,510
Receivables and prepayments ¹		10,597	9,801	10,117	10,019
Financial investments in equity method ²		37,748	40,314	44,574	43,826 ³
Inventory		-	-	-	-
Non-current assets		122,783	138,038	151,946	153,472
Investment property ⁴		122,630	137,780	151,700	153,243
Other		153	258	246	229
Total assets		180,748	201,090	216,213	217,827
Liabilities		80,709	91,348	98,461	98,210
Payables and prepayments		2,513	4,228	2,195	2,461
Borrowings		77,807	86,511	95,097	94,357
Other liabilities		263	264	1,169	1,392
Equity		100,039	109,742	117,752	119,617
Share capital		19,200	18,200	18,200	18,200
Reserves		1,920	1,920	1,920	1,920
Retained earnings		78,919	89,622	97,632	99,497
Total equity and liabilities		180,748	201,090	216,213	217,827

Asset base

Real Estate portfolio	89%	89%	91%	91%
Cash & cash receivables	11%	11%	9%	9%
Other	0.1%	0.1%	0.1%	0.1%

Liabilities

Debt	43%	43%	44%	43%
Equity	55%	55%	54%	55%
Other	2%	2%	2%	2%

Income statement	th EUR	01.01- 31.12.2018	01.01- 31.12.2019	01.01- 31.12.2020	01.01- 31.03.2021
Sales revenue		8,798	10,564	11,257	3,033
Other operating income ⁵		2,811	947	1,039	-
Cost of sales		-2,697	-2,946	-2,739	-850
Administrative expenses		-2,257	-2,208	-2,947	-855
Depreciation		-45	-73	-115	-34
Income from affiliates ⁶		5,463	8,807	5,644	1,212
Other operating expenses		-200	-202	-238	-3
Operating profit		11,873	14,889	11,901	2,503
Financial income (-expenses)		-2,539	-2,772	-2,507	-638
Income tax		-	-15	0	-
Net profit		9,334	12,102	9,394	1,865

Commentary regarding Mainor Ülemiste AS financials

¹ Includes intra-group claim against Smart City Group.

² Shares of Technopolis Ülemiste (49%) – a long term investment which can be regarded also as liquid financial investment due to the put option, stipulated in the shareholder agreement.

³ AS Technopolis Ülemiste bought back its own shares from the owners on a pro-rata basis, and in turn, Mainor Ülemiste AS received EUR 1.96m in cash.

⁴ Valuation by Colliers International Advisors OÜ.

⁵ Revaluation of property.

⁶ Includes revaluation of holding in Technopolis Ülemiste AS.

AS Technopolis Ülemiste financials

Balance sheet and income statement



Balance sheet	th EUR	12.2018	12.2019	12.2020
Current assets		3,191	3,201	8,014
Cash and equivalents		2,221	1,925	6,931
Receivables and prepayments		970	1,276	1,083
Non-current assets		154,449	182,406	194,091
Investment property		154,444	180,343	192,478
Other		5	2,063	1,613
Total assets		157,640	185,608	202,106
Liabilities		80,604	103,335	111,140
Payables and prepayments		1,478	1,869	959
Borrowings		76,872	98,199	106,162
Other liabilities		2,254	3,267	4,019
Equity²		77,036	82,273	90,966
Share capital		25,647	25,647	15,647
Transactions with own shares		0	-10,000	0
Share Premium		2,600	2,600	2,600
Reserves		2,410	2,565	2,565
Retained earnings		35,231	43,487	66,037
Profit for the year		11,148	17,974	4,118
Total equity and liabilities		157,640	185,608	202,106
Asset base				
Real Estate portfolio		98%	97%	95%
Cash & cash receivables		2%	2%	4%
Other		0.1%	1%	1%
Liabilities				
Debt		49%	53%	53%
Equity		49%	44%	45%
Other		2%	3%	2%

Income statement	th EUR	2018	2019	2020
Sales revenue		15,325	17,568	18,273
Other operating income ³		2,787	9,532	3,146
Cost of sales		-4,022	-4,814	-4,945
Administrative expenses		-476	-646	-862
Personnel expenses		-803	-936	-925
Depreciation		-8	-186	-450
Other operating expenses		-8	-11	-
Operating profit		12,795	20,505	14,237
Financial income (-expenses)		-1,019	-1,919	-2,166
Income tax		-629	-611	-553
Net profit		11,148	17,974	11,518

Commentary regarding AS Technopolis Ülemiste financials

¹ Interim reports not disclosed as Technopolis Ülemiste is a subsidiary of a public (i.e. stock-exchange listed) company Technopolis OYj.

² Mainor Ülemiste owns 49% of share in AS Technopolis Ülemiste.

³ Includes profit from re-evaluation of property (EUR 3.1m in 31.12.2020).



Financing



Mainor Ülemiste's well diversified debt financing base

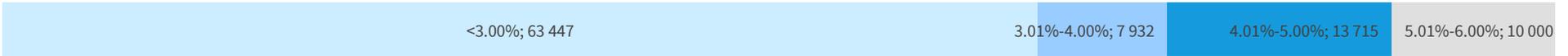
Mainor Ülemiste has financed development of Ülemiste City with equity and loan financing. Its book equity position was EUR 118m and loan balance EUR 95m as of 31.12.2020. The weighted average interest rate of the loans was 2.75%

The debt financing base is well diversified with multiple banks, instruments, maturities, long payment schedules and low interest rates.

Loan financing structure via creditor as of 31.12.2020, EUR th



Loan financing structure via interest rate as of 31.12.2020, EUR th



Loan maturity structure as of 31.12.2020, EUR th

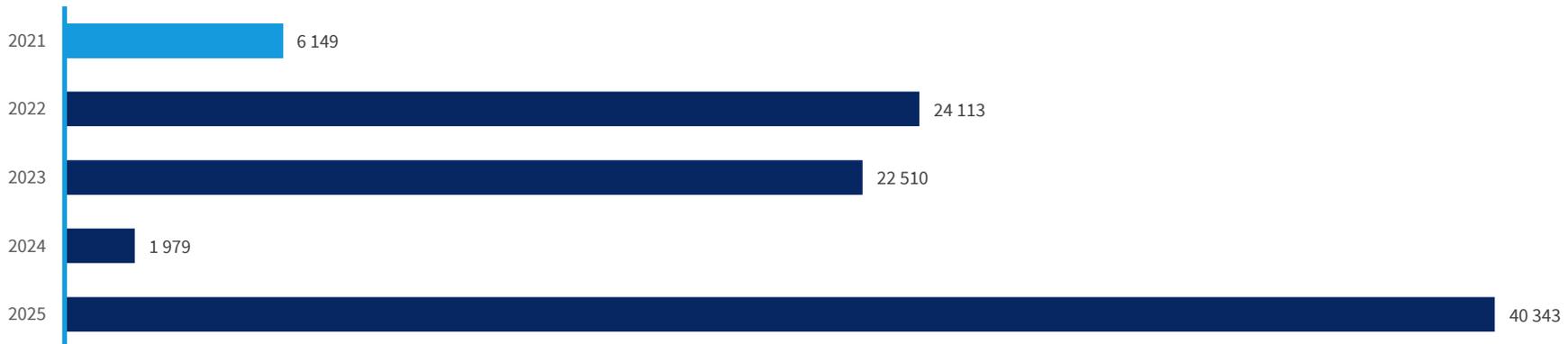




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Terms and conditions (1/2)

Issue date 10.06.2021; subscription period 24 May - 2 June 2021



Issuer

Name of security	TBD
Issuer	Mainor Ülemiste AS
Incorporation country	Estonia
Co. Reg nr.	10348595
Company's web page	www.mainorulemiste.ee/
Accounting standard	IFRS or Estonian GAAP
LEI code of the Issuer	48510000BJ8T98H98V05

Involved parties

Arranger	Mainor Ülemiste AS
Financial adviser	Redgate Capital AS
Legal adviser	Advokaadibüroo SORAINEN AS
Collateral agent	N/A
Registrar	Nasdaq CSD SE

Offering

Issue date	10.06.2021
Subscription period	24.05-02.06.2021
Type of placement	Private placement in Estonia, Latvia, and Lithuania

Use of proceeds
Financing of the development of Ülemiste City; major part of the proceeds will be used to develop Alma Tomingas building, Educational complex, and Elcogen production facility.



Terms and conditions (2/2)

Issuer is looking for EUR 10m to refinance the development of Ülemiste City



Security

Type	Unsecured notes
ISIN code	[●]
Currency	EUR
Nominal	EUR 100.00
Issue size	EUR 10m (upsized option 50%; can be issued in several tranches); initial issue EUR 5m with the upsized possibility

Collateral	N/A
Admission to trading	Nasdaq First North, during 6 months from the Issue Date
Governing Law	Estonian
Documentation language	English

Maturity

Maturity date	10.06.2026
Redemption method	Bullet
Early redemption (call) dates	Non call during the first three years. Full or partial call on every 10.06 and 10.12 starting from 10.06.2024 with prior 30 calendar days' notice

Early redemption (call) price	Nominal value + accrued and unpaid interest + Call Premium. Call Premium is equal to: 1% on 10.06.2024; 0.75% on 10.12.2024; 0.5% on 10.06.2025; 0.25% on 10.12.2025
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Put option	6 months after the Issue Date, if the Securities are not admitted to trading on the First North; put price EUR 101 + accrued and unpaid interest
------------	--

Interest payments

Coupon rate	4.75%
Coupon payment frequency	Semi-annual
Coupon payment dates	10 June and 10 December, the first coupon payment date is 10 December 2021
Coupon payment amount	EUR 2.375 per each note on every coupon payment
Ex-coupon date	T-4 (end of the settlement day)

List of covenants included in the financing process

- Cross default clause
- Minimum equity ratio 35%, not less than EUR 75m
- Debt service coverage ratio 1.0 or greater
- Dividend payments per financial year are allowed up to 40% of the preceding year's net profit
- Share repurchases are allowed up to 20% of the outstanding shares
- Restriction to sell or transfer to any person more than 50% of the shares owned in Technopolis Ülemiste
- Restrictions on loans to related parties:
 - allowed EUR 1m per year
 - loans to subsidiaries controlled by the issuer are allowed
 - loans to Technopolis Ülemiste are allowed
- Business activity restriction (can operate mainly in real estate development, renting out real estate and offering associated services)
- Permission to encumber land plots only for purpose of real estate related activities
- Disposal of assets, including also the assets belonging to SPVs controlled by the issuer, to any person not being the issuer or the SPVs controlled by the issuer (except when the aggregate value of assets disposed does not exceed 15% of the total assets per year)

Use of proceeds

Alma Tomingas building



A place where the new terminal of Tallinn Airport and Ülemiste City meet

A 22,400m² office building was designed by Inderk Allmann and Gunnar Kurusk. The construction of the building located at Sepise 7 started at the end of 2020 and it is expected to be finalised at the end of 2022. The office building will have one floor below ground and 12 floors above ground.

The new development has a special significance to Ülemiste City because the new terminal of Tallinn Airport is expected to be built right next to the Alma Tomingas building. That, in turn, can increase the interest of Ülemiste City either professionally or as a landmark for tourists.

Õpiku Majad OÜ, a subsidiary of Mainor Ülemiste, has entered into a contract with AS Nordecon to construct Alma Tomingas office building. The total investment is expected to amount up to EUR 30m. The new building will meet the requirements of the LEED Gold Certificate.

Alma Tomingas

Alma Tomingas, who is to lend her name to the building, was an Estonian pharmacist, Doctor of Pharmacy, Head of the Chair of Pharmacognosy, and later Dean of the Medical Faculty at the University of Tartu.

Alma Tomingas was the first woman to become a professor. Therefore, it was considered a great tribute that the first building to bear a woman's name in the Ülemiste City will be the first Estonian female professor.

Source: Company's information; announcement on Nasdaq CSD - <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=964684&messageId=1215525>



Source: Company's information.

Use of proceeds

Educational complex



Mainor Ülemiste is to build two school buildings and a kindergarten on Valukoja Str., in the heart of Ülemiste City hub.

The Educational complex will be tailor-made just for Ülemiste City, and it is expected to accommodate educational institutions currently operating in the area. Estonian Entrepreneurship University of Applied Sciences, International School of Tallinn, Emili School, and Kalli-Kalli kindergarten are expected to move into the complex once the building's construction has commenced. The complex is expected to accommodate up to 850 people.

A house to make children move

In addition to the school and kindergarten premises, Mainor Ülemiste is eager to develop a community house with a sports hall and workshop rooms. The new complex is built following the principles of a school that would encourage student movement. The outdoor areas are designed in cooperation with Tartu University's research group of Physical Activity For Health to create an environment where children can enjoy physical activities in the fresh air.

The construction period is planned from August 2021 to January 2023

Located in Valukoja 7a, the total investment of the Educational complex is expected to be up to EUR 17m. The A energy class building with a total buildable area of 15,922m² is expected to add value to the people living, working, and studying in the Ülemiste City.



Source: Company's information.

Use of proceeds

Elcogen production facility



Elcogen signs agreement with Ülemiste City to develop 50MW solid oxide fuel cell and stack manufacturing facility

Elcogen, a leading European solid oxide fuel cell manufacturer located in Estonia, has signed an agreement with Mainor Ülemiste to develop a 50MW solid oxide fuel cell and stack production facility with a 200MW solid oxide electrolysis cell. Mainor Ülemiste will build the new production facility in the Ülemiste City business campus. The new headquarters and production facility of Elcogen, a total buildable area of 8,770m², will be constructed to Suur-Sõjamäe 16 in the summer of 2021. Development is scheduled over 12 months at an estimated cost of EUR 6.3m. Furthermore, Elcogen is expected to invest approximately EUR 20m in the production equipment.

About Elcogen

Founded in 2001 and headquartered in Estonia, Elcogen is a clean technology company that develops and manufactures the world's most efficient Solid Oxide Fuel Cell (SOFC) and Solid Oxide Electrolyser Cell (SOEC) technology for residential, commercial, and industrial applications.

Solid Oxide Cell (SOC) technology is an enabler of efficient and emission-free distributed power generation. SOC's are the most efficient converters of fuel to power and heat and are particularly suited for distributed power generation. SOC's also hold great promise for enabling the hydrogen economy through their use in electrolyzers to store wind and solar electricity and produce green hydrogen and synthetic fuels.

Currently, Elcogen supplies to more than 60 commercial customers worldwide and aims to become the world's leading producer of commercial SOFC/SOEC cells and stacks.



Source: Company's information and Elcogen website.

Other information

Investor rights if the Issuer breaches its obligations



An Investor shall have the right, but not the obligation, to demand immediate redemption of the Notes held by the Investor upon occurrence of any of the following circumstances:

- the Issuer has not paid the interest payments in full amount for more than 5 (five) Banking Days from the respective interest payment date;
- an insolvency claim has been submitted (in Estonian: pankrotiavaldus) by the Issuer or by a third party in respect of the Issuer to the competent court of Estonia or a claim in effect similar to insolvency claim has been submitted, which provides interim relieve procedure from the claims of Issuer's creditors, such as the application for the reorganisation of the Issuer (in Estonian: saneerimisavaldus) and such claim is not withdrawn or proceedings not terminated by the respective court within 45 (forty five) Banking Days;
- the Issuer breaches any of the covenants set forth in terms and condition, unless the breach is not corrected within 14 (fourteen) Banking Days and the Issuer provides clear proof to the Investors that the breach has been cured in due time;
- the Issuer has filed an application for liquidation with the Estonian Commercial Register (äriregister);
- The Issuer fails to fulfil any of its obligations under any loan, credit, guarantee or capital/finance lease agreement or under any Bond, letter of credit or any other instrument issued by a bank or financial institution when due nor within any originally applicable grace period (cross-default clause);

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Other information

Risks related to the operations of the Issuer



Macroeconomic risk

Significant economic downturn may increase the level of vacancies, increase overdue rent receivables and set downward pressure on rental rates. Adverse change in economic conditions might also affect Issuer's ability to refinance its debt liabilities.

Dependency on construction contractors

The Issuer relies on contractors and subcontractors in the real estate development projects. Due to that the results of operations of the Issuer depend on the ability of the construction contractors and subcontractors to comply with the terms of the agreements executed with them. Delays in completing construction may result in additional costs and expenses for the Issuer, which may not be fully recoverable from contractors and subcontractors.

Concentration risk

The Issuer has focused on development of one large-scale real estate project, Ülemiste City, which results in a high concentration of business risks.

Appraisal risk

The appraisal report relies on numerous assumptions, which may turn out to be inaccurate, which in turn may have adverse effect on the financial results of the operations of the Issuer, including profitability. Furthermore, the market value of the real estate in the Issuer's portfolio may fluctuate in both directions in the future due to circumstances beyond the control of the Issuer.

Dependency on discretionary decisions of public authorities

Real estate development and construction sectors are subject to extensive regulatory requirements and several administrative proceedings, which may be unpredictable due to discretionary decisions. Such dependency on the discretionary decisions of public authorities may result in material delays in the envisaged time schedule and overruns in the budget of a project or may cause changes to be made into the project.

Interest rate risk

The interest rates on most of the loans taken by the Issuer are based on the EURIBOR base rate which is determined as of the quotation date occurring in each 3 or 6 months from the date of the relevant loan agreement. Therefore, increases in the EURIBOR base rate will lead to a corresponding increase in the financial costs of the Issuer.

Competitive market risk

The Issuer operates in a highly competitive market. The highly competitive business environment of the real estate sector may have adverse effect on the results of operations and profitability of the Issuer.

Financing risk

The Issuer's future growth as well as its ability to duly serve its debt liabilities depends on its ability to attract financing. Poor investor relationships or failure to attract new sources of financing may damage growth prospects or lead to violation of its financial liabilities.

Dispute risk

The Issuer may be involved in legal disputes due to its activities. If a dispute is resolved in the manner unfavorable to the Issuer, this could adversely affect its operations and financial condition, and reputation. All of this can have an impact on the Issuer's ability to properly perform its obligations to the Noteholders, and on the attractiveness and liquidity of the Notes.

Management and human resources risk

The Issuer's results largely depend on the Issuer's employees' and their decisions, and on the competence and experience of the team members. The loss of important team members, their possible employment with the Issuer's competitors, and the inability to attract other qualified professionals may have a material adverse effect on the Issuer's management, operations, results and financial condition.

Other information

Risks related to the Note Issue



Regulatory and tax risks

Any changes to the laws and other legal acts applicable in Estonia and/or the Noteholder's domicile, or the implementation of any new laws or other legal acts may cause additional expenses or taxes and/or reduce return on investment for the Noteholders.

Furthermore, tax assessment and withholding procedures applicable to the tax residents and non-residents of Estonia may change. From the Investors perspective, risk of alterations in tax regime could affect the value of the interest income. The issuer shall not compensate Investors for any losses related to changes in tax regime.

Liquidity risk

The Notes will be distributed through private placement and although the issuer intends to apply for the listing of the Notes in the First North of Nasdaq Tallinn alternative market, there is no guarantee that such listing shall be approved, and the Notes will be listed. Even if the Notes are listed, and even more so in case they are not listed, a liquid secondary market for the Notes is not guaranteed. Noteholders might bear a loss due to not being able to sell the Notes on the secondary market or having to have to sell them at an unfavorable price.

Price risk

The Notes will be offered by the issuer at the price equal to their nominal value with a certain fixed coupon rate. However, in the secondary market the price of the Note may decrease due to market situation or events related to the issuer. Besides the activities of the issuer, the value of the Notes may be affected by the developments in financial markets and when the interest rates are rising, the value of existing Notes may fall.

Interest rate risk

The Notes bear interest on its outstanding Nominal value at a fixed interest rate. Investors are exposed to the risk that the value of the Notes falls as a result of changes in the market interest rate. While the nominal interest rate of the Note is fixed until its redemption, the prevailing capital market rates change on a daily basis. If the market interest rate increases, the market value of the Note may fall.

Credit risk

An investment into the Notes is subject to credit risk, i.e. the issuer may fail to meet its obligations arising from the Notes in a duly and timely manner. The issuer's ability to meet its obligations arising from the Notes and the ability of the Noteholders to receive payments arising from the Notes depends on the financial position and the results of operations of the issuer.

Early redemption risk

According to the terms of the Notes, the Notes may be redeemed prematurely on the initiative of the issuer. If this early redemption right is exercised by the issuer, the rate of return from an investment into the Notes may be lower than initially anticipated. Also, the Noteholders might not have an option to invest in financial instruments offering the similar risk/return characteristics at the time of the early redemption or could face additional costs in selecting a new investment.

Inflation risk

Inflation reduces the purchasing power of a Notes future coupons and principal. Inflation may lead to higher interest rates which could negatively affect the Notes price.

Refinancing risk

The Issuer may be required to refinance certain or all its outstanding debt, including the Notes. The Issuer's ability to successfully refinance its debt depends on the conditions of the debt capital markets and its financial state at such time. Even if the debt capital markets improve, the Issuer's access to financing sources at a particular time may not be available on favorable terms, or at all. Thus, it could have a negative impact on the Group's operations, financial condition, earnings and on the Noteholders' recovery under the Notes.

Other information



Transactions with related parties and other significant information

Transactions with related parties

Related Parties shall mean the followings persons:

- The ultimate parent of the Group Mainor AS through the parent company AS Smart City Group;
- Owners of the Mainor Ülemiste AS: Smart City Group AS (83.84%); Logit Eesti AS (16.16%);
- Affiliated entities: AS Technopolis Ülemiste ;
- Other entities belonging to the same consolidation group
- Companies related to the members of the management and supervisory board;
- Family members of the senior management and the significant shareholders of the Issuer and entities under their significant influence.

Balances/ transactions EUR thousands	31.12.2020		31.12.2019	
	Receivables/purchases	Liabilities/sales	Receivables/purchases	Liabilities/sales
Parent company	8,771/0	0/0	8,574/0	0/0
Consolidation group	192/1,978	174/176	307/0	2019/0
Affiliated company	83/0	58/0	22/0	63/0
Senior management and family members	18/82	2/219	56/0	2/0

Significant contracts

Technopolis Ülemiste Shareholder Agreement between Technopolis Holding OYj and Mainor Ülemiste AS, stipulating governance principles for Technopolis Ülemiste AS, including dividend policy and put option for the shares owned by Mainor Ülemiste. Mainor Ülemiste AS has been granted a put option, on the basis of which Mainor Ülemiste AS has the right to demand that Technopolis Holding OYj purchases the shares of Technopolis Ülemiste AS owned by Mainor Ülemiste AS and pay for the shares no later than within six months. There is also an agreement attached to the shareholders' agreement that the sale price of the shares is their net asset value, but not less than their book value at the end of the last quarter.

Other statements

- **Legal proceedings**; Management of the Issuer is not aware of any ongoing legal proceedings or legal proceedings during previous reporting periods against the Issuer, any insolvency applications, instituted insolvency proceedings, as well as any legal proceedings in connection with fraud or other economic violations in which Management Board Members or Supervisory Board Members or other employees of the Issuer have been involved.
- **Share incentive programmes**; There are no share-based incentive or extraordinary bonus programmes in place.
- **Significant patents**; The issuer does not hold any noticeable patents.

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Contact information



Management board message

We declare that, to the best of our knowledge, the information provided in this document is accurate and that the document is not subject to any omissions that may serve to distort the picture of the document provided.



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Redgate Capital

Redgate Capital acts as the First North Certified Adviser for Mainor Ülemiste AS. Redgate Capital is an investment firm operating under license 4.1-1/32 issued by the Estonian Financial Supervision Authority on 12.02.2018.

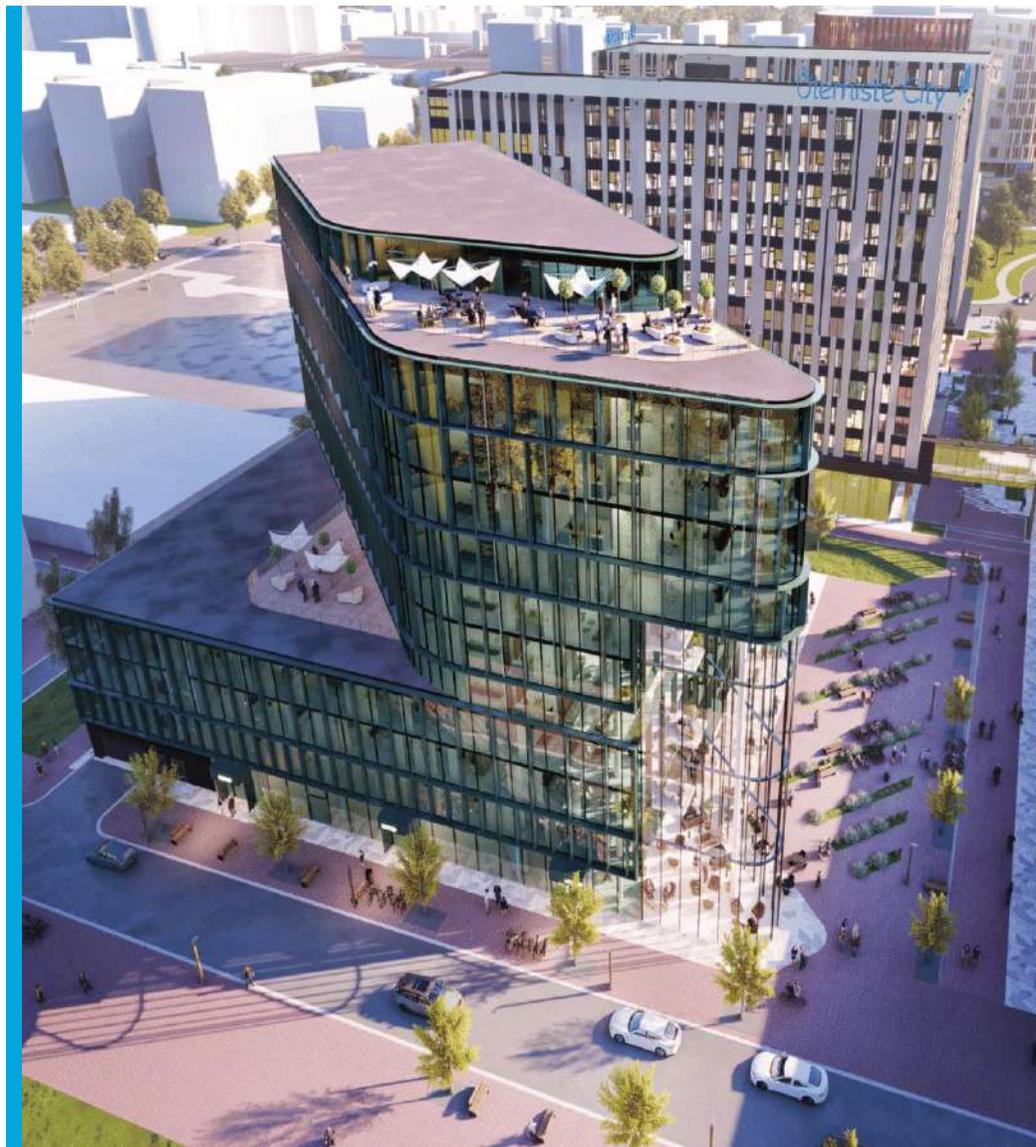
Duration of the agreement with a Certified Adviser is valid until the redemption of the notes presented in this memorandum.

Official name Redgate Capital AS
Registration no. 11532616
Field of activity Financial advisory
Address Pärnu rd. 10, Tallinn 10148
Web page www.redgatecapital.eu



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Ülemiste City