

# NOVIRA PLAZA

RIGA

## Interim report

Marijas 2 SIA



Reporting period October-December 2023

February 2024  
Riga

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## Highlights of the period

Marijas 2 SIA has successfully carried out a third public bond issue raising 5,28 MEUR with the eighth tranche of the secured bond program. Total raised amount equals 37,28 MEUR. Remaining amount of up to 7,72 MEUR will be raised in quarterly tranches until commissioning of the building. In addition to the public issue, bonds have been admitted to trading on the alternative market Baltic First North, a Multilateral Trading Facility (MTF) operated by AS Nasdaq Riga.

Financial advisors of the bond issue were Evernord UAB FMĻ and Redgate Capital AS, legal advice was provided by Law firm TGS Baltic ZAB SIA, issuing agent and escrow account agent was Šiaulių bankas AB. ZAB Vilgerts SIA is acting as Collateral agent.

The whole property consists legally of two separate buildings that will be united after commissioning – Marijas 2A and Marijas 2. Approximate proportion of two buildings is 80% and 20% respectively. The larger property, Marijas 2A, has been commissioned in mid-February 2024 and tenants have started to move in. The commissioning of smaller Marijas 2 building has been slightly postponed due to delays in façade installation and is planned to be executed by the end of Q1 2024.

Construction works of the first stage are nearly done with mainly cleaning the premises, minor repairs on the rented-out premises and adjusting building management systems remain to be done. Construction works on the second stage are ongoing with premises expected to be handed over to the tenants in March and April. Vacant premises will be completed in grey finishing, final finishing will be done according to tenants' needs after leasing out the premises. Due to commissioning of vacant premises in grey finishing and high inflation over last couple of years, the budget for aboveground construction works and completion of fitout has been increased by 5% to 41.5 MEUR. Since the beginning of the project, construction works in amount of 37 MEUR out of 49.5 MEUR have been performed (75% of total construction agreement value).

Negotiations with banks to refinance bonds at maturity have been started. The negotiations have been very positive and non-binding indicative offers have been received. The timeline suggests that internal committees to approve binding terms will

be held in the end of Q1 2024 or beginning of Q2 2024. Signing of the loan agreement is expected by May 2024.

The agreements covering nearly 45% of the building have been signed with very reputable tenants. Interest towards building remains high, advanced negotiations with several sizeable tenants are on-going. First rental agreement to cover retail premises on the ground floor has been signed early January. After the construction fence was removed and the building opened to the public, we have experienced a spike in the interest in the ground floor premises.

Total investment into project as of 31.12.2023 is ca 60 MEUR.

## Confirmation of the management board

The management board of Marijas 2 SIA gives their assurance that the Q4 2023 interim report provides a fair and accurate view of the Company`s operations, financial position and earnings.

The management board of Marijas 2 SIA confirms that Property is mortgaged and Escrow account is pledged in favour of the Collateral agent, collaterals remain in place and no other pledge or mortgage over company`s assets have been established; no assets have been alienated; no change of control has taken place; no unsubordinated liabilities other than shareholders` loan have been assumed; LTC ratio of development costs does not exceed 75%.

Q4 2023 interim financial report is unaudited.

Jolanta Jurga  
Nikolay Kryzhanovskiy

Members of the board of Marijas 2 SIA

## Statement of financial position

Balance sheet, EUR	31.12.2023	31.12.2022
<b>Assets</b>		
Cash and cash equivalents	5 623 908	9 932 144
Fixed assets*	60 332 188	35 311 699
Intangible assets	5 006	10 013
Deferred expenses	332 883	436 154
Other assets	371 888	113 847
<b>Total assets</b>	<b>66 665 873</b>	<b>45 803 857</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	14 502 800	14 502 800
Retained earnings	-157 447	-173 021
<b>Total equity</b>	<b>14 345 353</b>	<b>14 329 779</b>
<b>Liabilities</b>		
Trade payables	110 197	46 339
Tenants' security deposits	464 446	84 620
Other short-term liabilities	1 673 253	61 403
Bonds	37 275 000	19 500 000
Bonds' interest	208 908	109 146
Amounts due to related companies	12 588 716	11 672 570
<b>Total liabilities</b>	<b>52 320 520</b>	<b>31 474 078</b>
<b>Total equity and liabilities</b>	<b>66 665 873</b>	<b>45 803 857</b>

\*Fixed assets do not reflect real estate re-evaluations made as of 30.11.2022 and 30.11.2023

## Income statement

Income statement, EUR	Q4 2023	Q4 2022	2023	2022
Other income	24 701	0	109 124	0
Selling expenses	-17 416	0	-26 291	-30 164
Administrative expenses	-24 980	-26 912	-67 257	-88 167
Other operating expenses	0	-40	0	-213
<b>Profit/loss before corporate income tax</b>	<b>-17 695</b>	<b>-26 952</b>	<b>15 576</b>	<b>-118 544</b>
Corporate income tax	0	0	0	0
<b>Current period's profit/loss</b>	<b>-17 695</b>	<b>-26 952</b>	<b>15 576</b>	<b>-118 544</b>

Current loss is common in active development projects because not all costs can be capitalized according to GAAP standard. Financing related costs include among other things the full difference between the bonds' issue and face values resulting in a higher accounting period's loss. Marijas 2 SIA board members have decided not to reflect the revaluation of real estate in the books so that the assets would match the invested amount and free cash.

## Financial LTC ratio

LTC calculation, EUR	As of 31.12.2023
Project valuation as of 31.12.2021	22 650 000
Construction from 01.01.2022	29 928 164
Utilities tax from 01.01.2022	126 241
Technical design from 01.01.2022	926 162
Construction supervision from 01.01.2022	152 850
Utilities connections from 01.01.2022	57 405
Property tax from 01.01.2022	103 141
<b>TOTAL</b>	<b>53 943 963</b>
<b>TOTAL nominal amount of outstanding secured Bonds less money on the Escrow Account</b>	<b>37 275 000</b>
<b>LTC</b>	<b>69,10%</b>

## Construction costs for the project

Construction works, EUR	As of 31.12.2023	Total contract	Completion
Underground	7 929 760	7 940 000	99,87%
Aboveground	29 047 281	41 500 000	69,99%
<b>TOTAL</b>	<b>36 977 041</b>	<b>49 440 000</b>	<b>74,79%</b>

## Novira Plaza construction site as of 29.02.2024





