

Mainor Ülemiste AS

Interim Report
April – June 2016



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

Main Events in the 2Q 2016.

Major Cooperation to Boost Estonia as a Tech Country

On May 3rd five organizations signed a cooperation agreement to join forces in order to promote Estonia as a tech country, to increase R&D cooperation between universities and businesses and to help large international companies easily establish their subsidiaries in Estonia.

The cooperation agreement was signed by the heads of Tallinn University of Technology, Estonian Entrepreneurship University of Applied Sciences, Tallinn Science Park Tehnopol and Mainor Ülemiste and Technopolis Ülemiste – the developers of Ülemiste City business campus.

Finance Estonia „Baltic Capital Markets Forum“ International Conference

The important international conference was held in Ülemiste City's conference centre SpaceX on 12th of May, which hosted 400 top managers and specialists of the finance and investment field.

Industry 4.0 IN PRACTICE conference

Ülemiste City conference centre hosted Industry 4.0 conference on the 2nd of June. The participants of the conference visited Ülemiste campus, saw its developments, took a tour in the organizations in industrial production as well visited Helmes Ltd - one of the most influential company specializing in digitalization and e-solutions for the Estonian State organizations.

Renovation of Two Historical Buildings Took Off in Q2

Mainor Ülemiste started renovating two buildings situated on Valukoja street 10 and on Sepise street 8. Nordea Bank financed the project with 2.5 M EUR that enables the process of renovation of the two old production facilities for the needs of the sports club MyFitness and the Gourmet Coffee restaurant.

Ambassadors Visit Ülemiste campus

Mainor Ülemiste hosted ambassadors from many countries with whom to Ülemiste City expects more thorough cooperation in developing international network and relations. We were visited by the ambassadors of the US, Great Britain, German and Ukraine.

Ülemiste City Key Figures as of 30.06.2016

| | |
|----------------|-----------------------|
| Rented space | 147 000 square meters |
| Occupancy Rate | 98% |

Financial Performance

2Q 2016 – Net profit EUR 865 thousand

Net Sales and Net Profit

- Net Sales amounted to EUR 1,334 th in 2nd quarter, increase of 7.2 % compared to 2nd quarter of 2015
- Net Profit amounted to EUR 865 th, decrease of 12.5 % compared to 2nd quarter of 2015

Expenses

- Operating expenses increased from EUR 899 th (1Q 2016) to EUR 900 th in 2nd quarter of 2016
- Interest expense on loans and issued bonds amounted to EUR 334 th, increase of 20 % compared to 1st quarter in 2016 (EUR 279 th)

Net Sales and Net Profit – 1H 2016

- Net Sales amounted to EUR 2,701 th in 1st half-year, increase of 9.2 % compared to 1st half-year of 2015
- Net Profit amounted to EUR 2,017 th, increase of 8.3 % compared to 1st half-year of 2015

Interest-bearing liabilities

- Mainor Ülemiste AS interest-bearing liabilities amounted to EUR 35,798 th. The Company's three largest creditors at the end of the period were Nordea Bank AB, LHV Pank AS, SEB Pank AS.
- At the end of the reporting period, Mainor Ülemiste had EUR 17,000 th in untapped credit facilities

Statement of the Management Board

The financial and other additional information published in the Interim Report April – June 2016 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 April – June 2016 are not audited.



Margus Nõlvak
Member of the Management Board
Tallinn, 28.07.2016

Consolidated Income Statement

(according to IFRS)

In thousands Euros

| | 1Q 2015 | 2Q 2015 | 3Q 2015 | 4Q 2015 | 1Q 2016 | 2Q 2016 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 1 230 | 1 244 | 1 252 | 1 356 | 1 367 | 1 334 |
| Cost of Sales | -398 | -385 | -362 | -447 | -466 | -456 |
| Administrative expenses | -332 | -402 | -345 | -416 | -421 | -430 |
| Depreciation | -4 | -5 | -8 | -13 | -12 | -14 |
| Income from associate companies | 495 | 687 | 705 | 826 | 881 | 674 |
| Other operating income | 0 | 2 | 1 | 5 | 0 | 1 |
| Other operating expenses | -15 | -1 | -2 | 2 | -4 | -3 |
| Operating profit | 976 | 1 140 | 1 241 | 1 313 | 1 345 | 1 106 |
| Other finance income | 81 | 86 | 83 | 219 | 86 | 93 |
| Interest paid and fees | -182 | -227 | -249 | -258 | -279 | -334 |
| Income tax | 0 | -10 | 0 | 0 | 0 | 0 |
| Net profit* | 875 | 989 | 1 075 | 1 274 | 1 152 | 865 |

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

Consolidated Balance Sheet

(according to IFRS)

In thousands Euros

| Mainor Ülemiste AS | 31.03.2015 | 30.06.2015 | 30.09.2015 | 31.12.2015 | 31.03.2016 | 30.06.2016 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Tangible and intangible assets | 54 | 81 | 118 | 106 | 120 | 121 |
| Property | 59 212 | 61 452 | 63 498 | 67 130 | 70 812 | 75 148 |
| Other | 9 773 | 10 591 | 9 738 | 9 817 | 9 895 | 10 240 |
| Financial assets* | 22 986 | 22 996 | 23 676 | 24 995 | 25 876 | 25 681 |
| Receivables | 702 | 1 009 | 902 | 766 | 953 | 1 428 |
| Cash | 4 288 | 4 827 | 5 499 | 5 878 | 6 188 | 6 096 |
| Total assets | 97 015 | 100 956 | 103 431 | 108 692 | 113 844 | 118 714 |
| Owners' equity | | | | | | |
| Share capital | 19 200 | 19 200 | 19 200 | 19 200 | 19 200 | 19 200 |
| Mandatory reserves | 1 920 | 1 920 | 1 920 | 1 920 | 1 920 | 1 920 |
| Retained earnings* | 53 645 | 54 634 | 54 969 | 57 509 | 58 661 | 58 733 |
| Total equity | 74 765 | 75 754 | 76 089 | 78 629 | 79 781 | 79 853 |
| Liabilities | | | | | | |
| Debt | 20 285 | 22 511 | 24 606 | 27 659 | 31 213 | 35 798 |
| Other liabilities | 392 | 389 | 414 | 497 | 682 | 672 |
| Accounts payable | 1 573 | 2 301 | 2 321 | 1 907 | 2 168 | 2 391 |
| Total liabilities | 22 250 | 25 201 | 27 341 | 30 063 | 34 063 | 38 861 |
| TOTAL LIABILITIES & OWNERS' EQUITY | 97 015 | 100 955 | 103 430 | 108 692 | 113 844 | 118 714 |

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

Consolidated Cash Flow Statement

In thousands Euros

| Mainor Ülemiste AS | 3Q 2015 | 4Q 2015 | 1Q 2016 | 2Q 2016 |
|--|---------------|---------------|---------------|---------------|
| Operating activities | | | | |
| Net result for the period | 1 075 | 1 274 | 1 152 | 865 |
| Adjustment: | | | | |
| Depreciation | 8 | 8 | 12 | 14 |
| Income from associate companies | -705 | -826 | -881 | -674 |
| Financial income and expenses | 166 | 39 | 86 | 93 |
| Change in operating assets | -148 | -300 | -210 | -185 |
| Change in operating liabilities | 281 | 80 | 517 | 223 |
| Interest received | 4 | 1 | 9 | 9 |
| Dividends received | 176 | 350 | 0 | 434 |
| Interest paid and fees | -249 | -212 | -279 | -319 |
| Income tax | 0 | 0 | 0 | 0 |
| Net cash flow from operating activities | 608 | 414 | 406 | 460 |
| Investing activities | | | | |
| Investments in tangible and intangible assets | -59 | -1 | -15 | -10 |
| Proceeds from sale of tangible and intangible assets | 0 | 0 | 0 | 0 |
| Investments in investment properties | -1 929 | -3 052 | -3 506 | -4 336 |
| Loans granted | -39 | -39 | -10 | 0 |
| Repayment of loans granted | 0 | 0 | 0 | 0 |
| Acquisition of associates | -1 | 0 | 0 | 0 |
| Cash flows from investing activities | -2 028 | -3 092 | -3 531 | -4 346 |
| Financing activities | | | | |
| Bond issue | 461 | 2 865 | 538 | 311 |
| Increase in long-term loans | 1 837 | 400 | 3 226 | 4 479 |
| Decrease in long-term loans | -206 | -208 | -209 | -206 |
| Dividends paid | 0 | 0 | -120 | -790 |
| Cash flows from financing activities | 2 092 | 3 057 | 3 435 | 3 794 |
| Total cash flow | 672 | 379 | 310 | -92 |
| Cash and cash equivalents at period-start | 4 827 | 5 499 | 5 878 | 6 188 |
| Change in cash and cash equivalents | 672 | 379 | 310 | -92 |
| Cash and cash equivalents at period-end | 5 499 | 5 878 | 6 188 | 6 096 |

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