

Mainor Ülemiste AS

Consolidated Interim Report for the 6 month period ended 30 June 2022 (unaudited)

Beginning of financial period 01.01.2022

End of financial period: 30.06.2022

Registry code: 10348595

Address: Valukoja 8/1 Tallinn 11415 Harju county

Phone: +372 53 04 6992

Main business activity: leased or owned real estate rent and operation

Email: info@mainorulemiste.ee

Website: www.mainorulemiste.ee

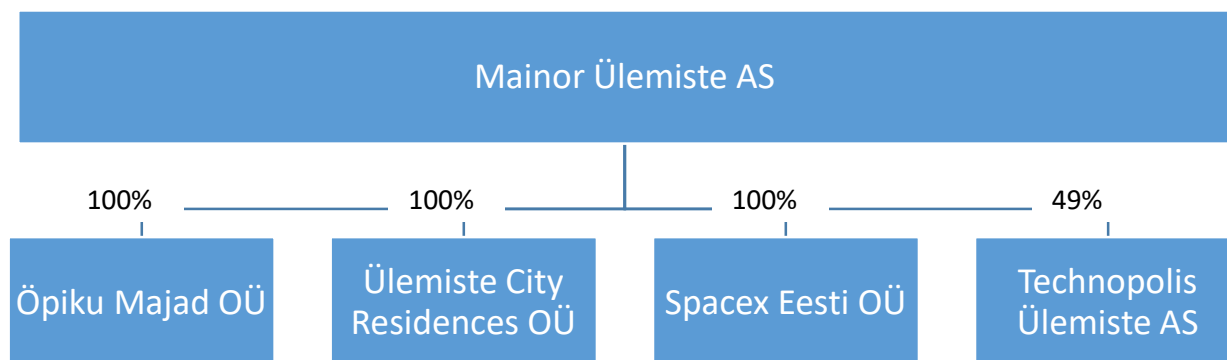
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Business Activity Compilation

Structure of consolidation group



In 2022, the entity was engaged in development of Ülemiste City office space, including construction of new buildings and renovation of existing buildings, renting premises, providing tenants with necessary services and developing these services, preparing new real estate projects.

Alma Tomingas office building with a leasable area of 16.5 thousand m² is under construction, the completion date of which is the end of 2022. This building will be next step on the way to the increasingly human-friendly Ülemiste City.

At the same time, we are designing a new educational complex with mobility and green areas for the growing school in the town - Tallinn International School. We are designing a new educational complex in cooperation with the architects of Kolm Pluss Üks OÜ. The development of an educational cluster from kindergarten to higher education is a prerequisite for attracting talent.

January – March 2022

Mainor Ülemiste will develop Estonia's first international education quarter covering the entire educational field in the heart of Ülemiste City. The new education quarter, which will be completed in two years, will host the students of Tallinn International School – from kindergarten and preschool to high school; also childcare and IT students of the Estonian Entrepreneurship University of Applied Sciences will also find home here. The development of more than 21 million euros will become Estonia's largest investment in international education.

Ülemiste City organized the event "Road Trip to Ülemiste City Hub" for the third time in February and took 15 companies to the University of Tartu career festival "Straight to the Future". The two events created to recruit new talent were attended by almost 1,500 students from 13 universities in Estonia as well as, for example, Turkey, Belgium, and Finland. The companies presenting Ülemiste City were Zone Media, Nordea, Rakett69 Teadusstudiod, Hitachi Energy, Helmes, Parallels, Devtailor, Health Founders, Ericsson Estonia, Kühne-Nagel IT Service Center, Cleveron, Estonian Quality Association, Tallinn Airport, ABB and Tele2. For similar cooperation projects, Ülemiste City has established a network of more than 20 Estonian and international universities, where hundreds of thousands of students study.

April- June 2022

An economic study shows that the companies in Ülemiste City provided an additional tax revenue of 26.7 million euros to the Republic of Estonia from the II quarter of 2020 until the IV quarter of 2021. The tax revenue growth exceeded that of the rest of the companies in Estonia by 15%. It is also remarkable that the additional value per employee is almost twice that of the rest of the Estonian companies (61,000 euros in the large companies in Ülemiste City vs 36,000 euros in the rest of Estonia).

Mainor AS will invest over a million euros in the knowledge-based development of Ülemiste City's talent environment. A contribution also goes to launching an innovative health management application Activate. The platform, to be created in collaboration with Estonian doctors, scientists, and health advisers, will give people the tools for independent health management and the best science-based practices and modern technological solutions. Activate app has great potential in developing Ülemiste City's community, Estonia, and those beyond the border.

June started with the Ülemiste City Health Conference, focusing on three main areas of health – a person's mental, physical and social health. More than 20 top health specialists spoke at the conference, and nearly 150 health enthusiasts participated. Speakers included, for example, Arne Holte, professor of psychology at the University of Oslo, who has published more than 200 scientific articles, and Andreas Taalas, head of the Mehiläinen OY business unit.

The Ülo Pärnitsa scholarship got given out for the fifth year in a row, and five students got the scholarship this year. During all these years, nearly 40 students have received the scholarship. Their innovative ideas and practical solutions proposed have been used both in the campus's development and the wider area. For example, one outstanding work has been Lisanna Remmelkoore's master's thesis, which created a structural plan for the "European Square" in the area between Tallinn Airport and RailBaltic's main building and Ülemiste City and the Ülemiste shopping centre.

Ülemiste City renounces using single-use packaging in its territory and begins cooperating with Ringo to reduce packaging waste generated by takeaway food. Ringo will install more than 30 return boxes in Ülemiste City parks, parking lots, lobbies and nearby food places. By autumn, a simple and understandable cooperation model with offices will be implemented, allowing all employees to eliminate repeated packaging in their offices.

As of 30.06.2022 a total of 21 people were employed by Mainor Ülemiste AS, with a total salary 496 thousand euros (30.06.2021: 406 thousand euros), of which salary expenses to members of the board and management consisted 147 thousand euros (30.06.2021: 122 thousand euros).

Key financial ratios	30.06.2022	30.06.2021
Return on equity- ROE (%)	3,4%	2,9%
Return on assets – ROA (%)	1,7%	1,7%
Operating margin (%)	75,0%	80,5%
Net Profit margin (%)	55,2%	56,9%
Increase in revenue (%)	24,2%	13,3%

Formulas underlying the calculation of ratios:

Return on equity – ROE (%) = net profit / average equity for the reporting period x 100

Return on assets – ROA (%) = net profit / average assets for the reporting period x 100

Operating margin (%) = operating profit / revenue x 100

Net profit margin (%) = net profit / revenue x 100

Dividend payout ratio (%) = dividends paid / net profit for the previous year x 100

Increase in revenue (%) = (revenue for the reporting period / revenue for the previous period – 1) x 100

Management confirmation and signatures

The financial and other additional information published in the 1H 2022 Interim Report 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.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

1H 2022 Consolidated financial statements in the report are not audited.



Ursel Velve

Member of the Management Board

Tallinn, 30.09.2022

Consolidated Financial Statements

Consolidated Statement of Financial Position

<i>(In thousands of euros)</i>	Notes	30.06.2022	31.12.2021	30.06.2021
ASSETS				
Investment property	2	176 874	166 960	155 949
Tangible assets	3	230	172	96
Intangible assets	4	59	92	115
Prepayments	5	668	473	171
Trade and other receivables	6	10 647	10 647	10 179
Investment recognized using the equity method	10	47 318*	46 490	43 391*
Cash and cash equivalents	11	12 003	12 927	14 131
TOTAL ASSETS		247 799	237 761	224 032
EQUITY				
Share capital at nominal value	12	18 200	18 200	18 200
Legal reserve		1 920	1 920	1 920
Retained earnings		104 819	96 132	96 131
Profit for the financial year		4 170	10 267	3 455
TOTAL EQUITY		129 109	126 519	119 706
LIABILITIES				
Provisions		197	197	262
Borrowings	13	110 916	104 070	98 619
Derivatives		345	345	345
Trade and other payables	14	6 142	5 599	4 101
Prepayments received	15	1 090	1 031	999
TOTAL LIABILITIES		118 690	111 242	104 326
TOTAL LIABILITIES AND EQUITY		247 799	237 761	224 032

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

Consolidated Statement of Comprehensive Income

<i>(In thousands of euros)</i>	Notes	01.01- 30.06.2022	01.01- 30.06.2021
Revenue	16	7 548	6 076
Cost of sales	18	-2 653	-1 688
Gross profit		4 895	4 388
Marketing expenses	19	-271	-105
Administrative expenses	20	-1 511	-1 589
Income from investments recognized using the equity method	10	2 323	2 182
Other operating income	17	230	26
Other operating expenses	22	-4	-9
Operating profit*		5 662	4 893
<i>Financial income and expenses</i>			
Interest income	23	41	34
Interest expenses	24	-1 482	-1 333
Other financial income and expenses	25	-34	-117
Total financial income and expenses		-1 475	-1 416
Profit before tax*		4 187	3 477
Income tax	27	-17	-22
Net profit for the year*		4 170	3 455

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

Consolidated Statement of Cash Flows

<i>(In thousands of euros)</i>		01.01.2022 30.06.2022	01.07.2021 31.12.2021	01.01.2021 30.06.2021
	Notes			
<i>Cash flows from operating activities</i>				
Profit before tax		4 187	6 812	3 477
Adjustments:				
Deprecation, amortization and impairment	3,4	82	69	68
Profit (loss) from disposal and write-off non-current assets		0	0	2
Change in the fair value of investment property	2	0	-2 204	0
Other adjustments		24	0	24
Profit (loss) from financial investments	10	-2 323	-3 099	-2 182
Other financial income and other financial expenses	25	34	131	117
Interest income/expenses	23,24	1 441	1 412	1 299
Income tax paid on dividends		0	-22	0
Changes in receivables from operating activities		46	-652	-309
Changes in payables from operating activities		-194	-2 045	2 253
Net cash generated by operating activities		3 297	402	4 749
<i>Cash flows from investing activities</i>				
Sales of tangible and intangible assets	3,4	0	0	2
Acquisition and improvement of investment property	3,4	-158	-37	-61
Acquisition and improvement of investment property	2	-9 062	-5 331	-4 107
Interest received		52	226	30
Dividends received	10	1 495	0	1 405
Other cash inflows from investing activities		0	0	1 960
Net cash generated from investing activities		-7 673	-5 142	-771
<i>Cash flows from financing activities</i>				
Loans received (incl. bonds)	13	8 307	6 931	11 125
Repayment of loans received	13	-1 441	-1 450	-7 577
Lease payments		-19	-28	-39
Interest paid		-1 780	-1 804	-1 395
Other financial expenses		-35	-113	-37
Dividends paid	12	-1 580	0	-1 500
Net cash generated from financing activities		3 452	3 536	577
Total cash flow		-924	-1 204	4 555
Cash and cash equivalents at the beginning of the period	11	12 927	14 131	9 576
Net change in cash and cash equivalents		-924	-1 204	4 555
Cash and cash equivalents at the end of the period	11	12 003	12 927	14 131

Consolidated Statement of Changes in Equity

<i>(In thousands of euros)</i>	Share capital	Legal reserve	Retained earnings	Total
Balance as at 31.12.2020	18 200	1 920	97 631	117 751
Dividends declared	0	0	-1 500	-1 500
Total comprehensive income 01.01-30.06.2021	0	0	3 455	3 455
Balance as at 30.06.2021	18 200	1 920	99 586	119 706
Total comprehensive income 01.07-31.12.2021	0	0	6 813	6 813
Balance as at 31.12.2021	18 200	1 920	106 399	126 519
Dividends declared	0	0	-1 580	-1 580
Total comprehensive income 01.01-30.06.2022	0	0	4 170	4 170
Balance as at 30.06.2022	18 200	1 920	108 989	129 109

Detailed information on changes in equity disclosed in Note 12.

Notes to the consolidated financial statements

Note 1. Reporting entity

Mainor Ülemiste AS (hereafter also as „the Group“ or „the Entity“) is an entity registered in the Republic of Estonia and its main activity is to develop Ülemiste City business area located next to Tallinn Airport at the territory of former Dvigatel factory. Mainor Ülemiste AS shareholders are Estonian registered entities Smart City Group AS with 83.84% of shares and Logit Eesti AS with 16.16% of shares.

Note 2. Investment property

(In thousands of euros)

The Group presents investments property as office and production building which are either rented out or real estate with development potential but without defined exact future purpose. All the property investments are located in Tallinn in a business district Ülemiste City.

<i>(In thousands of euros)</i>	Investment property
Balance as at 31.12.2020	151 700
Acquisitions and additions 01.01-30.06.2021	4 249
Balance as at 30.06.2021	155 949
Acquisitions and additions 01.07-31.12.2021	8 807
Profit from change in fair value	2 204
Balance as at 31.12.2021	166 960
Acquisitions and additions 01.01-30.06.2022	9 914
Balance as at 30.06.2022	176 874

A total of 9 914 thousands euros was invested in investment property during the report period (including capitalized loan interests in the amount of 239 thousand euros and capitalized salary expenses and services in the amount 104 thousand euros).

Note 3. Tangible assets

<i>(In thousands of euros)</i>	Machinery and equipment	Equipment and fixtures	Prepayments	Total
Carrying amount as at 01.01.2021	30	70	10	110
Incl. acquisition costs	41	250	10	301
Incl. accumulated depreciation	-11	-180	0	-191
01.01.2021-30.06.2021				
Acquisitions and additions	37	18	0	55
Sales	-35	-1	0	-36
Reclassifications from prepayments to intangible assets	0	0	-10	-10
Write-off	0	-13	0	-13
Depreciation of assets disposed and written off	8	13	0	21
Depreciation	-5	-26	0	-31
Carrying amount as at 30.06.2021	35	61	0	96
Incl. acquisition costs	43	254	0	297
Incl. accumulated depreciation	-8	-193	0	-201
01.07.2021-31.12.2021				
Acquisitions and additions	0	24	82	106
Sales	-5	0	0	-5
Depreciation of assets disposed and written off	5	1	0	6
Depreciation	-4	-27	0	-31
Carrying amount as at 31.12.2021	31	59	82	172
Incl. acquisition costs	38	278	82	398
Incl. accumulated depreciation	-7	-219	0	-226
01.01.2022-30.06.2022				
Acquisitions and additions	0	56	46	102
Sales	0	0	0	0
Reclassifications from prepayment	0	76	-76	0
Write-off	0	-61	0	-61
Depreciation of assets disposed and written off	0	61	0	61
Depreciation	-4	-40	0	-44
Carrying amount as at 30.06.2022	27	151	52	230
Incl. acquisition costs	38	349	52	439
Incl. accumulated depreciation	-11	-198	0	-209

Note 4. Intangible assets

<i>(In thousands of euros)</i>	Notes	Computer software	Total
Carrying amount as at 01.01.2021		136	136
Incl. acquisition costs		222	222
Incl. accumulated depreciation 01.01.2021-30.06.2021		-86	-86
Acquisitions and additions		6	6
Reclassifications from prepayments to intangible assets	3	10	10
Deprecation		-37	-37
Carrying amount as at 30.06.2021		115	115
Incl. acquisition costs		238	238
Incl. accumulated depreciation 01.07.2021-31.12.2021		-123	-123
Acquisitions and additions		15	15
Deprecation		-38	-38
Carrying amount as at 31.12.2021		92	92
Incl. acquisition costs		253	253
Incl. accumulated depreciation 01.01.2022-30.06.2022		-161	-161
Acquisitions and additions		6	6
Deprecation		-39	-39
Carrying amount as at 30.06.2022		59	59
Incl. acquisition costs		259	259
Incl. accumulated depreciation		-200	-200

Note 5. Prepayments**Non-financial assets**

<i>(In thousands of euros)</i>	Notes	30.06.2022	Due within 1 year
Prepaid taxes	8	333	333
Other receivables and prepayments		335	335
Total non-financial assets		668	668
	Notes	31.12.2021	Due within 1 year
Prepaid taxes	8	299	299
Other receivables and prepayments		174	174
Total non-financial assets		473	473
	Notes	30.06.2021	Due within 1 year
Prepaid taxes	8	100	100
Other receivables and prepayments		71	71
Total non-financial assets		171	171

Note 6. Receivables and other receivables

<i>(In thousands of euros)</i>	Notes	30.06.2022	Due within 1 year
Financial assets			
Trade receivables	7	1 859	1 859
Expected credit losses	7	-219	-219
Receivables from other entities in the Mainor consolidation group	28	9 007	9 007
Total financial assets		10 647	10 647
	Notes	31.12.2021	Due within 1 year
Financial assets			
Trade receivables	7	1 815	1 815
Expected credit losses	7	-194	-194
Receivables from other entities in the Mainor consolidation group	28	9 026	9 026
Total financial assets		10 647	10 647
	Notes	30.06.2021	Due within 1 year
Financial assets			
Trade receivables	7	1 436	1 436
Expected credit losses	7	-87	-87
Receivables from other entities in the Mainor AS consolidation group	28	8 830	8 830
Total financial assets		10 179	10 179

Note 7. Trade receivables

<i>(In thousands of euros)</i>	Notes	01.01.2022- 30.06.2022	01.07.2021- 31.12.2021	01.01.2021- 30.06.2021
Trade receivables	6	1 859	1 815	1 436
Expected credit losses	6	-219	-194	-87
Total		1 640	1 621	1 349
Doubtful receivables				
Doubtful receivables at the beginning of the period		-194	-87	-68
Received receivables recognized as doubtful		0	0	4
Doubtful receivables classified as uncollectible		-25	-107	-23
Doubtful receivables at the end of the period	6	-219	-194	-87

Note 8. Prepaid taxes and taxes payable*(In thousands of euros)*

	Notes	30.06.2022		31.12.2021		30.06.2021	
		Prepayment	Payable	Prepayment	Payable	Prepayment	Payable
Value added tax		333	1	299	0	100	0
Personal income tax		0	34	0	29	0	27
Social tax		0	52	0	46	0	45
Other taxes		0	61	0	6	0	67
Total	5,14	333	148	299	81	100	139

Note 9. Investments in subsidiaries*(In thousands of euros)*

The information about investments in subsidiaries disclosed in this note is relevant only as an addition to the unconsolidated statement of financial position of the parent company disclosed in the notes to the consolidated financial statements of Mainor Ülemiste AS. In the consolidated financial statements, the financial information of all subsidiaries has been combined line by line.

Registry code	Name	Principal activity	Ownership interest as at 30.06.2022 (%)	Ownership interest as at 31.12.2021 (%)	Ownership interest as at 30.06.2021 (%)
12804904	Öpiku Majad OÜ	Real estate activities	100 %	100 %	100 %
14578228	Ülemiste City Residences OÜ	Accommodation services	100 %	100 %	100 %
12783421	Spacex Eesti OÜ	Real estate activities	100 %	100 %	100 %

Shares in subsidiaries using the cost method:

Name	30.06.2021	31.12.2021	Acquisition	30.06.2022
Öpiku Majad OÜ	10 250	10 250	0	10 250
Ülemiste City Residences OÜ	2	2	430	432
Total	10 252	10 252	430	10 682

The Management Board has decided not to consolidate Spacex Eesti OÜ in the consolidated report because the company has not had any economic activity since June 2018.

Note 10. Investment recognized using the equity method

Shares, general information

(In thousands of euros)

Registry code	Name	Principal activity	Ownership interest as at 30.06.2021 (%)	Ownership interest as at 31.12.2021 (%)	Ownership interest as at 30.06.2022 (%)
11978111	Technopolis Ülemiste AS	Real estate activities	49 %	49 %	49 %

Shares, detailed information

(In thousands of euros)

Name	30.06.2021	Profit under the equity method	31.12.2021	Dividends	Profit under the equity method	30.06.2022
Technopolis Ülemiste AS	43 391	3 099	46 490	-1 495	2 323	47 318*
Total	43 391	3 099	46 490	-1 495	2 323	47 318*

*Without real estate investment revaluations

According to the shareholders' agreement of AS Technopolis Ülemiste, Mainor Ülemiste AS has been granted a put option under which Mainor Ülemiste AS has the right to require Technopolis Holding OYJ to purchase the shares of AS Technopolis Ülemiste held by Mainor Ülemiste AS and to pay for the shares within six months. An annex to the shareholders' agreement stipulates that the selling price of these shares shall be their net asset value, which should not be less than their carrying amount at the end of the previous quarter.

Note 11. Cash and cash equivalents*(In thousands of euros)*

	30.06.2022	31.12.2021	30.06.2021
Current accounts in banks	12 003	12 927	14 131
Total	12 003	12 927	14 131

The table below provides information on the credit exposure of the Group's cash and short-term deposits according to the classification of the Group's counterparties by Moody's Investors Service credit ratings :

(In thousands of euros)

	30.06.2022	31.12.2021	30.06.2021
Banks with credit rating A	11 925	12 827	14 049
Banks with credit rating B	78	100	82

Mainor Ülemiste AS belongs to the consolidation group Mainor AS.

Note 12. Share capital

	30.06.2022	31.12.2021	30.06.2021
Number of shares issued and fully paid for	30 333 333	30 333 333	30 333 333
Nominal value of shares (in euros)	0,60	0,60	0,60
Share capital (in thousands of euros)	18 200	18 200	18 200

The share capital of Mainor Ülemiste AS consists 30 333 333 ordinary shares with nominal value of 0,60 euros, divided as follows:

- Smart City Group: 25 430 311 shares
- LOGiT Eesti AS: 4 903 022 shares

In 2022 the shareholders were paid dividends amount 1 580 thousand euros (2021: 1 500 thousands euros), which means that dividend per share was 5,2 eurocents (in 2021 it was 4,9 eurocents per share).

Note 13. Borrowings

<i>(In thousands of euros)</i>	30.06.2022	Allocation by remaining maturity		
		Within 12 months	Within 1-5 years	Over 5 years
Bank loans	95 854	24 390	71 464	0
Bonds	15 000	10 000	5 000	0
Lease liability	62	37	25	0
Total	110 916	34 427	76 489	0
	31.12.2021			
Bank loans	88 989	31 577	57 412	0
Bonds	15 000	0	15 000	0
Lease liability	81	37	44	0
Total	104 070	31 614	72 456	0
	30.06.2021			
Bank loans	83 541	2 952	80 589	0
Bonds	15 000	0	15 000	0
Lease liability	78	15	63	0
Kokku	98 619	2 967	95 652	0

Interest rates on bank loans range from 1,8%-4,5%. Repayment dates for loans are 2022-2026.

The maturity of the Bonds is in 2023 (10,000 thousand euros, interest 5,5%) and in 2026 (5,000 thousand euros, interest 4,75%).

Note 14. Trade and other payables

<i>(In thousands of euros)</i>		Allocation by remaining maturity		
	Notes	30.06.2022	12 month	1-5 years
Financial liabilities				
Trade payables		5 274	5 274	0
Other payables		209	209	0
<i>Incl .interest payables</i>		209	209	0
Liabilities to other entities in the Mainor AS consolidation group	28	236	233	3
Total financial liabilities		5 719	5 716	3
Non-financial liabilities				
Employee payables		180	180	0
Tax payables	8	148	148	0
Deferred income		95	95	0
Total non-financial liabilities		423	423	0
Total		6 142	6 139	3
		Allocation by remaining maturity		
	Notes	31.12.2021	12 month	1-5 years
Financial liabilities				
Trade payables		4 529	4 529	0
Other payables		274	274	0
<i>Inc. interest payables</i>		274	274	0
Liabilities to other entities in the Mainor AS consolidation group	28	412	409	3
Total financial liabilities		5 215	5 212	3
Non-financial liabilities				
Employee payables		205	205	0
Tax payables	8	81	81	0
Deferred income		98	98	0
Total non-financial liabilities		384	384	0
Total		5 599	5 596	3
		Allocation by remaining maturity		
	Notes	30.06.2021	12 month	1-5 years
Financial liabilities				
Trade payables		3 054	3 054	0
Other payables		197	197	0
<i>Inc. Interest payables</i>		197	197	0
Liabilities to other entities in the Mainor consolidated group	28	450	447	3
Total financial liabilities		3 701	3 698	3

Non-financial liabilities				
Employee payables		154	154	0
Tax payables	8	139	139	0
Deferred income		107	107	0
Total non-financial liabilities		400	400	0
Total		4 101	4 098	3

Note 15. Prepayments received

<i>(In thousands of euros)</i>		Allocation by remaining maturity	
	30.06.2022	12 month	1-5 years
Prepayments received	1 090	420	670
	31.12.2021	12 month	1-5 years
Prepayments received	1 031	422	609
	30.06.2021	12 month	1-5 years
Prepayments received	999	191	808

Deposits received from the lessees in accordance with the lease agreements are shown as advances.

Note 16. Revenue

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Revenue from contracts with customers		
Other revenue	323	413
Revenue from administrative services	1 997	1 096
Total revenue from contracts with customers	2 320	1 509
Lease income		
Operating lease income	5 228	4 567
Total lease income	5 228	4 567
Total revenue	7 548	6 076
<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Revenue from contracts with customers		
Fixed accessory expenses	89	99
Accessory expenses	1 774	997
Conference room services	50	18
Parking	42	40
Illuminated advertisements	15	17
One-time services	350	338
Total revenue from contracts with customers	2 320	1 509

Lease income

Shared office rent	168	133
Office rent	2 628	2 487
Industrial premises rent	779	797
Accommodation services	385	223
Other rent	1 268	927
Total lease income	5 228	4 567
Total revenue	7 548	6 076

Note 17. Other operating income

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Contractual fines received	224	0
Other operating income	6	26
Total	230	26

Note 18. Costs of sales

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Electricity	-879	-536
Heating	-586	-171
Water and sewage	-84	-58
Security	-16	-13
State and local taxes	-36	-37
Property maintenance	-775	-584
Other	-277	-289
Total	-2 653	-1 688

Note 19. Marketing expenses

<i>(In thousands of euros)</i>	Notes	01.01.- 30.06.2022	01.01.- 30.06.2021
Personnel expenses	21	-44	-33
Advertisement, PR		-227	-72
Total		-271	-105

Note 20. Administrative expenses

<i>(In thousands of euros)</i>	Notes	01.01.- 30.06.2022	01.01.- 30.06.2021
Personnel expenses	21	-618	-590
Compensation for incapacity for work		-19	-19
Expected credit losses		-25	-24
Deprecation and amortization	3,4	-82	-68
Other expenses		-767	-888
Total		-1 511	-1 589

Note 21. Personnel expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Wages and salaries	-493	-406
Other payments	-4	-51
Social and unemployment insurance taxes	-165	-154
Pension expenses	0	-9
Social tax on pensions	0	-3
Total	-662	-623
Average number of full-time employees	18	18

Note 22. Other operating expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Loss on disposal of fixed assets	0	-2
Other operating expenses	-4	-6
Total	-4	-8

Note 23. Interest income

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Interest income from Mainor group receivables	41	34
Total	41	34

Note 24. Interest expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2022	01.01.- 30.06.2021
Interest expense from loans	-1 087	-1 055
Interest expense from lease liabilities	-1	-3
Interest expense from bonds	-394	-275
Total	-1 482	-1 333

Note 25. Other financial income and expenses

<i>(In thousands of euros)</i>	01.01.- 30.06.2021	01.01.- 30.06.2021
Other financial expenses from Mainor group liabilities	-34	-34
Other financial expenses	0	-83
Total	-34	-117

Note 26. Operating lease

(In thousands of euros)

Group as lessor

The group has rented out office and production premises.	Notes	30.06.2022	30.06.2021
Operating lease income	16	5 228	4 567
Future operating lease income from non-cancellable lease agreements:			
Within 12 months		9 570	7 587
Within 1-5 years		16 121	17 635
Over 5 years		3 155	4 529
Carrying amount of leased assets	2	176 874	155 949

Mainor Ülemiste AS has rented out office and production premises.

The Group usually concludes rental agreements for a period of 1–5 years. In some exceptional cases, when it comes to large-scale contracts, the lease period is 10–15 years.

Note 27. Income tax

As at 30.06.2022 the retained earnings of the Group amounted to 108 989 thousand euros (31.12.2021: 106 399 thousand euros and 30.06.2021: 99 586 thousand euros).

In 2021, the company will be able to tax the dividend at a lower tax rate of 14/86 to the extent of the average taxable dividend payment of the previous three years.

The maximum income tax liability that would arise all of the undistributed profits were distributed would be 21 798 thousand euros (31.12.2021: 21 280 thousand euros and 30.06.2021 19 917 thousand euros), therefore the net dividend that could be paid out is 87 191 thousand euros (31.12.2021: 85 119 thousand euros and 30.06.2021 79 669 thousand euros). Mainor Ülemiste AS accounted for an additional income tax of 17 thousand euros on dividends paid in first half of 2022 (22 thousand euros on dividends paid in first half of 2021).

Note 28. Related party transactions

The related parties of Mainor Ülemiste AS include:

- The ultimate parent of the Group Mainor AS through the parent company AS Smart City Group
- Owners of the Company: AS Smart City Group AS (83.84%), Logit Eesti AS (16.16%)
- Associate
- Other entities in the Mainor AS consolidation group
- Companies related to members of the management and supervisory boards
- Close family members and companies under the control or significant influence of the above persons

<i>(In thousands of euros)</i>	Receivables as at 30.06.2022	Liabilities as at 30.06.2022	Receivables as at 31.12.2021	Liabilities as at 31.12.2021	Receivables as at 30.06.2021	Liabilities as at 30.06.2021
Parent company	8 967	0	8 967	0	8 771	0
Other entities in the Mainor AS consolidation group	40	236	59	412	59	450
Associate Companies associated with executive and senior management and their family members	24	55	8	77	10	55
	0	1	77	1	13	3

Transactions with related parties in period 01.01.2022-30.06.2022.	Purchases	Sales	Granted loans	Loan repayment
Associate	363	80	0	0
Other entities in the Mainor as consolidation group	1 625	539	0	0
Companies associated with executive and senior management and their family members	36	83	0	0

Transactions with related parties in period 01.01.2021-30.06.2021.	Purchases	Sales	Granted loans	Loan repayment
Associate	310	28	0	0
Other entities in the Mainor AS consolidated group	1 132	423	0	0
Companies associated with executive and senior management and their family members	38	123	0	0

Companies, who belongs to Mainor AS consolidation group and with whom has made transaction in 2022 are follows: Eesti Ettevõtluskõrgkool Mainor AS, Dvigatel-Energeetika AS, Mairenestal OÜ, Tallinn International School OÜ and Mainor AS.

Companies related to Supervisory Council and the Management Board, their intermediate families and the companies in which they hold Control or have significant influence, and with whom has made transaction in first half 2022 : Nets OÜ, Ülemiste Center OÜ, RVVE Grupp OÜ, RS Büroo OÜ, Flennert OÜ, Lasteharidus OÜ, Emili Kool SA, Tooma Energia OÜ, Disain Pluss OÜ and Nordic Financial Services OÜ.

Mainor AS is the company controlling the parent Smart City Group AS with a participation rate of 83.84%.

The associate with whom transaction were conducted in the half 2022 was Technopolis Ülemiste AS.

Investments that form an integral part of investment property were acquired from group companies in the amount 47 thousand euros in the reporting period. In the previous reporting period, such investments were acquired from group companies in the amount 75 thousand euros.

Interest income of 40 thousand euros (2021: 25 thousand euros) was calculated on the receivable from the parent company, the parent company's group account and the use of mortgages provided to secure loans.

The associate Technopolis Ülemiste AS paid dividends of 1 495 thousand euros in the reporting period (2021: 1 405 thousand euros).

Note 29. Parent company s financial information

<i>(In thousands of euros)</i>	30.06.2022	31.12.2021	30.06.2021
ASSETS			
Investment property	58 878	58 020	58 272
Tangible assets	230	171	95
Intangible assets	49	77	96
Investments in subsidiaries	10 682	10 252	10 252
Investment recognized using the equity method	47 318	46 490	43 391
Prepayment	77	39	171
Trade and other receivables	26 317	27 054	25 233
Cash and cash equivalents	9 358	11 622	13 815
TOTAL ASSETS	152 909	153 725	151 325
EQUITY			
Share capital at nominal value	18 200	18 200	18 200
Legal reserve	1 920	1 920	1 920
Retained earnings	81 723	79 276	79 276
Profit for the financial period	1 416	4 027	1 316
Total equity	103 259	103 423	100 712
LIABILITIES			
Provisions	197	197	262
Borrowings	48 031	48 589	49 159
Trade and other payables	893	1 014	1 001
Prepayments received	529	502	191
TOTAL LIABILITIES	49 650	50 302	50 613
TOTAL LIABILITIES AND EQUITY	152 909	153 725	151 325

Note 30. Income statement and statement of comprehensive income

<i>(In thousands of euros)</i>	01.01- 30.06.2022	01.01- 30.06.2021
Revenue	3 050	2 546
Cost of sales	-1 186	-814
Gross profit	1 864	1 732
Marketing expenses	-255	-53
Administrative expenses	-1 555	-1 618
Income from investments recognized using the equity method	2 323	2 182
Other operating income	38	26
Other operating expenses	-4	-6
Operating profit	2 411	2 263
<i>Financial income and expenses</i>		
Interest income	40	34
Interest expenses	-984	-842
Other financial income and expenses	-34	-117
Total financial income and expenses	-978	-925
Profit before tax	1 433	1 338
Income tax	-17	-22
Net profit for the period	1 416	1 316

Note 31. Statement of cash flows

<i>(In thousands of euros)</i>	01.01-30.06.2022	01.07- 31.12.2021	01.01- 30.06.2021
<i>Cash flows from operating activities</i>			
Profit before tax	1 433	2 711	1 338
Adjustments:			
Deprecation, amortization and impairment	77	64	63
Loss from disposal and write-off of non-current assets	0	0	2
Change in the fair value of investment property	0	782	0
Profit (loss) from investments recognized using the equity method	-2 323	-3 099	-2 182
Other financial income and expenses	34	131	117
Interest income	-40	-1 286	-34
Interest expenses	984	1 094	842
Change in receivables and prepayments related to operating activities	497	-628	-269
Change in liabilities and prepayments related operating activities	-145	109	-331
Net cash generated from operating activities	517	-122	-454
<i>Cash flow from investing activities</i>			
Disposal of tangible and intangible assets	0	0	2
Acquisition of tangible and intangible assets	-158	-37	-60
Acquisition and improvement of investment property	-687	-449	-622
Acquisition of a subsidiary	-430	0	0
Granted loans	0	0	0
Repayments of given loans	185	0	0
Interest received	57	227	30
Dividends received	1 495	0	1 405
Other cash inflows from investing activities	0	0	1 960
Net cash generated from investing activities	462	-259	2 715
<i>Cash flow from financing activities</i>			
Loans received (incl. bonds)	0	0	11 125
Repayment of loans received	-550	-586	-6 665
Lease principal payments	-8	-6	-15
Interest paid	-1 071	-1 085	-885
Other cash outflows from financial activities	-34	-113	-37
Dividends paid	-1 580	0	-1 500
Income tax on dividends	0	-22	0
Net cash generated from financing activities	-3 243	-1 812	2 023
Total cash flow	-2 264	-2 193	4 284
<i>Cash and cash equivalents at the beginning of the financial period</i>			
	11 622	13 815	9 531
Change in cash and cash equivalents	-2 264	-2 193	4 284
<i>Cash and cash equivalents at the end on financial period</i>	9 358	11 622	13 815

Note 32. Statement of changes in equity

<i>(In thousands of euros)</i>	Share capital	Legal reserve	Retained earnings	Total
Balance as at 30.06.2021	18 200	1 920	80 592	100 712
Adjusted unconsolidated equity as at 30.06.2021	18 200	1 920	91 627	111 747
Balance as at 31.12.2021	18 200	1 920	83 303	103 423
Value of holdings under dominant or significant influence under the equity method	0	0	33 746	33 746
Carrying amount of holdings under dominant or significant influence	0	0	-10 252	-10 252
Adjusted unconsolidated equity as at 31.12.2021	18 200	1 920	106 797	126 917
Dividends paid	0	0	-1 580	-1 580
Carrying amount of holdings under dominant or significant influence	0	0	1 416	1 416
Balance as at 30.06.2022	18 200	1 920	83 139	103 259
Value of holdings under dominant or significant influence under the equity method	0	0	36 558	36 558
Carrying amount of holdings under dominant or significant influence	0	0	-10 682	-10 682
Adjusted unconsolidated equity as at 30.06.2022	18 200	1 920	109 015	129 135