

# UPP & CO Kauno 53 OÜ

Interim Report

October – December 2017

## **Main Events of 4Q 2017**

### **UAB Rimi Lithuania leasable area increases**

In December 2017 it was decided together with UAB Cat Cargo Logistics to not prolong CAT Cargo Logistics lease agreement. Rimi Lithuania was interested in the ~2,000 m<sup>2</sup> previously occupied by CAT and as of today, the premises have been prepared and handed over to Rimi Lithuania. Lease terms for the additional premises are similar to Rimi Lithuania's existing lease terms.

### **Regular technical inspection of the premises**

In addition to the technical *due diligence* before the acquisition, at the end of every year we conduct a regular technical inspection over our premises. During the inspection a report is prepared which regulates the Lessor's and Tenants' obligations in commencing the maintenance works. The premises are in good technical condition and we commence regular maintenance works to preserve the premises in good condition.

### **Vacancy and tenant payment behaviour**

As of the end of 4<sup>th</sup> quarter of 2017 there is no vacancy in the premises and all rent and utilities payments by the Tenants haven been made in time.

### **United Partners Property continues to be active in the logistics centre market**

In the end of 2017 UPP & CO Kauno 53 OÜ's sister company UPP Olaines OÜ acquired Maxima Latvija logistics centre in Olaine, Riga. The transaction was financed similarly to Rimi LC acquisition, where a mixture of equity, bonds and bank financing was used. In 2018 United Partners Property will remain active in the market and intends to acquire similar properties to Rimi LC and Olaines Logistics Park. More information: <http://www.unitedpartners.ee/luminor-grants-21-28-million-euros-for-the-purchase-deal-of-olaine-logistics-park/>

# Financial Performance (consolidated)

4Q 2017 – Net profit EUR 130,856

## Net Sales and Net Profit

- Net Sales amounted to EUR 320,566 in 4<sup>th</sup> quarter
- Net Operating Income amounted to EUR 279,567 in 4<sup>th</sup> quarter

## Expenses

- Operating expenses amounted to EUR 40,999 in 4<sup>th</sup> quarter
- Interest expense on loans and bonds issued amounted to EUR 133,684

## Interest-bearing liabilities

- Bank loan repaid in 4<sup>th</sup> quarter EUR 115,000, loan outstanding EUR 8,893,335
- Bonds issued EUR 4,700,000

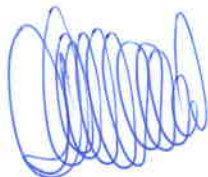
## DSCR

- Issuer consolidated 1.27

# Statement of the Management Board

The financial and other additional information published in the Interim Report October – December 2017 is true and complete. Consolidated financial statements give a true and fair view of the actual financial position, results of operations and cash flows of the Company. According to the Terms and Conditions of the Note Issue, the Company confirms that during the interim report period there has been non-occurrence of an Extraordinary Early Redemption Event and according to Clause 3.4.12 of the Terms the Collateral is properly insured at all times.

Consolidated financial statements in the report for the period October – December 2017 are not audited.



Hallar Loogma  
Member of the Management Board  
Tallinn, 02.02.2018

# Income Statement

(the Company, "Promalita" UAB and consolidated)

PROFIT/LOSS STATEMENT in euros	K53	Promalita 100%	Cons. 4Q2017	YTD	Cons. 3Q2017
Sales revenues	0	320,566	320,566	848,649	313,906
Other operating income	0	0	0	337	337
<b>Total revenues from operating activities</b>	<b>0</b>	<b>320,566</b>	<b>320,566</b>	<b>848,986</b>	<b>314,243</b>
Cost of goods sold	0	-28,477	-28,477	-53,852	-7,578
Administrative expenses	-1,500	-6,839	-8,339	-19,555	-6,475
Personnel expenses	0	-308	-308	-618	-310
Depreciation of fixed assets	0	-3,875	-3,875	-9,442	-5,567
<b>Total operating expenses</b>	<b>-1,500</b>	<b>-39,499</b>	<b>-40,999</b>	<b>-83,467</b>	<b>-19,930</b>
<b>Profit (loss) from operating activities</b>	<b>-1,500</b>	<b>281,067</b>	<b>279,567</b>	<b>765,519</b>	<b>294,313</b>
<b>Financial revenues (costs)</b>	<b>14,906</b>	<b>-159,296</b>	<b>-144,390</b>	<b>-402,162</b>	<b>-140,830</b>
<b>Net profit (loss) before taxation</b>	<b>13,406</b>	<b>121,771</b>	<b>135,177</b>	<b>363,357</b>	<b>153,483</b>
Corporate income tax	0	-4,321	-4,321	-44,933	-33,962
<b>Net profit (loss) of the period</b>	<b>13,406</b>	<b>117,450</b>	<b>130,856</b>	<b>318,424</b>	<b>119,521</b>

# Balance Sheets

(the Company, "Promalita" UAB and consolidated)

<b>BALANCE SHEET</b>	<b>K53</b>	<b>Promalita</b>	<b>Cons.</b>	<b>Cons.</b>
<i>in euros</i>		<i>100%</i>	<i>31.12.2017</i>	<i>30.09.2017</i>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank	36,338	907	37,245	45,611
Accounts receivable and prepayments	34,000	11,344	9,544	45,251
Stock	0	0	0	10,233
<b>Total current assets</b>	<b>70,338</b>	<b>12,251</b>	<b>46,789</b>	<b>101,095</b>
<b>Non-current assets</b>				
Long-term financial investments	3,200	0	0	0
Log-term loans	5,463,700	0	0	0
Real Estate investments	0	15,350,000	15,350,000	15,350,000
Fixed assets	0	39,931	39,931	21,049
Goodwill	0	1,280,629	1,280,629	1,259,106
<b>Total non-current assets</b>	<b>5,466,900</b>	<b>16,670,560</b>	<b>16,670,560</b>	<b>16,630,155</b>
<b>TOTAL ASSETS</b>	<b>5,537,238</b>	<b>16,682,811</b>	<b>16,717,349</b>	<b>16,731,250</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Short-term loans	0	460,000	460,000	114,999
Accounts payables and other settlements	92,512	78,233	134,245	131,311
<b>Total current liabilities</b>	<b>92,512</b>	<b>538,233</b>	<b>594,245</b>	<b>246,310</b>
<b>Non-current liabilities</b>				
Long-term bank loan	0	8,433,335	8,433,335	8,893,335
Long-term bonds	4,700,000	0	4,700,000	4,700,000
Long-term shareholder's loan	721,750	5,463,700	721,750	763,700
Long-term provisions	0	1,994,866	1,994,866	1,937,839
<b>Total non-current liabilities</b>	<b>5,421,750</b>	<b>15,891,901</b>	<b>15,849,951</b>	<b>16,294,874</b>
<b>TOTAL LIABILITIES</b>	<b>5,514,262</b>	<b>16,430,134</b>	<b>16,444,196</b>	<b>16,541,184</b>
<b>EQUITY</b>				
Share capital	2,500	2,500	2,500	2,500
Retained earnings	20,476	250,177	270,653	187,566
<b>TOTAL EQUITY</b>	<b>22,976</b>	<b>252,677</b>	<b>273,153</b>	<b>190,066</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,537,238</b>	<b>16,682,811</b>	<b>16,717,349</b>	<b>16,731,250</b>

# Cash Flow Statement

(the Company, "Promalita" UAB and consolidated)

<b>CASH FLOW STATEMENT</b> in euros	K53	Promalita 100%	Cons. 4Q2017	Cons. 3Q2017
Profit from operating activities	-1,500	281,067	279,567	294,313
Corrections	0	3,875	3,875	-6,810
Change in operating receivables and prepayments	1,116	18,196	16,812	-23,928
Change in reserves	0	10,233	10,233	-10,233
Change in operating liabilities and advances	0	-1,604	896	-17,277
Paid interest	-94,000	-187,498	-133,684	-133,747
<b>Cash flows from operations</b>	<b>-94,384</b>	<b>124,269</b>	<b>177,699</b>	<b>102,318</b>
Acquisition of fixed assets	0	-29,115	-29,115	0
Received interest	147,814	0	0	0
<b>Cash flows from investments</b>	<b>147,814</b>	<b>-29,115</b>	<b>-29,115</b>	<b>0</b>
Loans received and bonds issued	50,050	0	50,050	44,200
Repayments of loans and redeemed bonds	-92,000	-115,000	-207,000	-115,000
<b>Cash flows from financing</b>	<b>-41,950</b>	<b>-115,000</b>	<b>-156,950</b>	<b>-70,800</b>
<b>Total cash flows</b>	<b>11,480</b>	<b>-19,846</b>	<b>-8,366</b>	<b>31,518</b>
<b>Cash at the beginning of period</b>	<b>24,858</b>	<b>20,753</b>	<b>45,611</b>	<b>14,093</b>
<b>Changes in cash</b>	<b>11,480</b>	<b>-19,846</b>	<b>-8,366</b>	<b>31,518</b>
<b>Cash at the end of period</b>	<b>36,338</b>	<b>907</b>	<b>37,245</b>	<b>45,611</b>

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