

CONSOLIDATED INTERIM REPORT

UPP & CO KAUNO 53 OÜ

Beginning of reporting period: January 1st, 2021
End of reporting period: December 31st, 2021

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MANAGEMENT REPORT

General information

UPP & CO Kauno 53 OÜ, the parent company of the consolidation group, was founded in order to acquire and manage investment property and involve additional capital for these transactions.

In 2017, the company acquired 100% holding in Promalita UAB, a company registered in the Republic of Lithuania, which owns a logistics centre near Vilnius. The net internal area of the centre is 21,232 m² and it is fully rented out. Rimi retail chain is the anchor tenant.

Important events

On February 21st 2022 Promalita UAB, a subsidiary of the consolidation group, prolonged the lease contract with Hakonlita UAB until 2031. Hakonlita UAB is the anchor tenant in the logistics centre owned by Promalita UAB, making up 93% of the total property income.

On March 30th 2022 Promalita UAB, a subsidiary of the consolidation group, prolonged the loan agreement with OP Corporate Bank plc Lithuania Branch bank until 2027. Outstanding loan amount remains unchanged for now, risk premium was increased from 1.75% to 1.91% due to bank's increased lending costs.

Comment on economic performance and management report

Net rental income was 327 766 euros for the third quarter of 2021 (2020 third quarter: 325 693). Operating profit was 234 093 euros for the third quarter of 2021 (2020 third quarter: 254 848). Net income was 94 693 euros for the third quarter of 2021 (2020 third quarter: 99 323).

No other significant events other than regular operating activities, including the timely receipt of rent and utility charges, took place in the third quarter of 2021.

After the reporting period the real estate investment was revaluated. Investment property value was estimated 16 150 000 euros. The new value of the investment property will be reflected in the 1st quarter of 2022 report.

Financial ratios of the Group	2021 12 months**	2020 12 months*
Debt to equity ratio	7,66	9,97
Debt ratio	0,89	0,88
Long-term debt ratio	0,72	0,32
Return on equity %	23%	25%
Equity ratio	0,12	0,09
Return on assets %	2,37%	2,04%

* From audited report

** From unaudited report

Formulas for ratios

Debt to equity ratio = interest bearing liabilities/equity

Debt ratio = liabilities/(liabilities+ equity)

Long-term debt ratio = long-term liabilities/(long-term liabilities+ equity)

Return on equity (ROE %) = (net profit/average equity for 12 months)*100

Equity ratio = equity/average assets (12 months)
Return on assets (ROA %) = net profit/assets*100

Management board and Supervisory board

The management board of UPP & CO Kauno 53 OÜ consists of one member: Marko Tali, Chairman of the Management Board.

The supervisory board of UPP & CO Kauno 53 OÜ consists of three members: Mart Tooming, Tarmo Rooteman, Hallar Loogma.

No remuneration or other benefits are provided to the members of the management board and the supervisory board.

Other than the management board and the supervisory board, the Company has no employees.

Member of Management Board
Marko Tali

CONSOLIDATED INTERIM ANNUAL ACCOUNTS

CONSOLIDATED BALANCE SHEET

(EUR)

	<u>31.12.2021**</u>	<u>31.12.2020*</u>
Cash	597 244	477 621
Receivables and prepayments	12 197	6 482
Total current assets	<u>609 441</u>	<u>484 103</u>
Investment properties	15 750 000	15 750 000
Tangible fixed assets	2 941	7 707
Goodwill	426 944	640 412
Total fixed assets	<u>16 179 885</u>	<u>16 398 119</u>
TOTAL ASSETS	<u>16 789 326</u>	<u>16 882 222</u>
Short-term loans payable	7 053 334	460 000
Payables and prepayments	152 337	165 474
Total current liabilities	<u>7 205 671</u>	<u>625 474</u>
Long-term loans payable	5 371 850	12 425 184
Long-term provisions	2 273 216	2 292 428
Total non-current liabilities	<u>7 645 066</u>	<u>14 717 612</u>
TOTAL LIABILITIES	<u>14 850 737</u>	<u>15 343 086</u>
Share capital	2 500	2 500
Retained earnings	1 936 089	1 536 636
TOTAL EQUITY	<u>1 938 589</u>	<u>1 539 136</u>
TOTAL LIABILITIES AND EQUITY	<u>16 789 326</u>	<u>16 882 222</u>

* From audited report

** From unaudited report

CONSOLIDATED INCOME STATEMENT

(EUR)

	<u>2021</u> <u>Q4**</u>	<u>2021 12</u> <u>months**</u>	<u>2020</u> <u>Q4*</u>	<u>2020 12</u> <u>months*</u>
Sales revenue	372 301	1 312 370	325 237	1 304 850
Other operating expenses	-19 871	-107 550	-37 905	-94 379
Staff costs	-100	-390	-22	-264
Depreciation of fixed assets	-54 482	-218 234	-54 597	-219 810
Operating profit	252 848	986 196	232 713	990 497
Financial income (expenses)	-113 901	-514 552	-193 380	-609 764
Profit before income tax	138 947	471 644	39 333	380 736
Income tax	-18 112	-72 191	4 507	-35 527
Net profit for financial year	120 835	399 453	43 840	345 219
including the share of the owners of the parent company in net profit	120 835	399 453	43 840	345 219

* From audited report

** From unaudited report

CONSOLIDATED CASH FLOW STATEMENT

(EUR)

	<u>2021</u> <u>Q4**</u>	<u>2021 12</u> <u>months**</u>	<u>2020</u> <u>Q4*</u>	<u>2020 12</u> <u>months*</u>
Operating profit (loss)	252 848	986 196	232 713	990 497
Adjustments (depreciation of fixed assets)	54 482	218 234	54 597	219 810
Change in receivables and prepayments related to operating activities	-2 880	-5 714	136 158	1 730
Change in payables and prepayments related to operating activities	-2 864	-85 229	5 835	-24 216
Total cash flow from operating activities	301 586	1 113 487	429 303	1 187 821
Repayments of loans received and redemption of bonds	-115 000	-460 000	-115 000	-460 000
Interest paid	-122 861	-533 868	-196 740	-613 122
Total cash flow from financing activities	-237 861	-993 868	-311 740	-1 073 122
Total cash flow	63 725	119 623	117 563	114 702
Cash at beginning of period	533 519	477 621	360 058	362 919
Change in cash	63 725	119 623	117 563	114 702
Cash at end of period	597 244	597 244	477 621	477 621

Statement of the Management Board

The financial and other additional information published in the Interim Report July – September 2021 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 2021 are not audited.

Marko Tali
Member of the Management Board
Tallinn, 31.03.2022