

Company UPP Olaines OÜ
Type Company Release
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Attachments:

- UPPOlaines-10001962321-en.pdf (<http://oam.fi.ee/en/download?id=3961>)
- UPPOlaines-10001962323-et.pdf (<http://oam.fi.ee/en/download?id=3962>)

Currency

Title Correction: UPP Olaines OÜ 1st quarter 2019 unaudited financial results

Following is a correction for UPP Olaines OÜ 1st quarter 2019 unaudited financial results published on 4th June 2019. A commentary for the interim period financial results has been added and the wording for 2018 audited annual report delay reasoning has been modified.

MANAGEMENT REPORT FOR 3 MONTHS 2019

General information

UPP Olaines OÜ (hereafter 'the company') was established for the purpose of funding, acquiring and managing the real estate investment of Olaines Logistics Park: (buildings and land) located at "Sharlotes", Olaines county, Olaines parish, Latvia, cadastre number 8080 003 0029, registered in the Land Register compartment No.5439 of the city of Olaine parish. The company was established in 24.08.2017 and had no economic activity until 15.12.2018, when it acquired the cold storage warehouse Olaines Logistics Park.

To finance the acquisition of the property, the company issued secured subordinated bonds in the total nominal value of 6.215 million euros. The bonds were listed and admitted to trading on Nasdaq Tallinn Bond List on 29.11.2018.

The business performance is not affected by seasonal factors. The activities of the company have no environmental or social impact.

As the company has been established solely for the purpose funding, acquiring and managing the property, no strategic changes in the business are planned.

The management board is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the company's



prospects for the period after the reporting period of this interim financial statement outside the course of its regular business activities.

UPP Olaines OÜ is a going concern.

Management commentary for the first quarter of 2019 ('Q1 2019')

Delayed audited annual report for 2018

Publishing of audited annual report for 2018 UPP Olaines OÜ has been delayed because completing UPP Olaines OÜ audited annual report has not yet been finalised.

The delay in the completion of the audited annual report for 2018 is due to the annual reports of the Latvian subsidiaries Olaines Logistics SIA and Olaines Logistics Park SIA being prepared according to IFRS accounting principles and audited for the first time, and the preparation and auditing of the first consolidated annual report of UPP Olaines OÜ. These processes have taken longer than initially expected.

The management of UPP Olaines OÜ confirms that the delay in publishing audited annual report for 2018 is not intentional. The management of UPP Olaines OÜ confirms the delay is not caused by economic, financial or business activities of UPP Olaines OÜ, or its subsidiaries.

Commentary on interim period financial results

In Q1 2019 the company made 644 147 EUR operating income, which has increased by 27% compared to Q1 2018. The increase in operating income was due to the reduced administrative expenses which amounted to EUR 5 566 in Q1 2019. The high administrative expenses in Q1 2018 were related to the transaction costs which were compensated to United Partners group. Investment loan assignment price, the cost of establishing mortgages for the investment loan and the bond investors, and the legal fees related to bond issue and transaction documents constituted majority of the transaction costs.

In Q1 2019 the company's financial expenses amounted to 376 674 EUR, which has increased by 29% compared to Q1 2018. By the time Q1 2018 interim report was published, the company's subsidiary Olaines Logistics SIA had not yet entered into a SWAP agreement with the investment loan provider. Unlike the current interim report, the interim report published in Q1 2018 did not account for the SWAP market value, which has caused the increase in financial expenses across interim reports.

Company's other financial results are comparable to the Q1 2018 results. During the interim period the company did not receive or pay any extraordinary, or one-off nature revenues or expenses.



The company's sole business activity is to collect rental revenue, manage the Olaine property and service its liabilities to lenders and investors. Liabilities include the subordinated bonds with a fixed interest rate, and the investment loan which rate is also fixed with a SWAP agreement. On the revenue side the company earns stable rental income from reputable tenants, which is fixed with medium-term agreements but is subject to indexation. During the interim period there has been no cases, except for the ones stated above, which would have had a noticeable effect on the company's business activities or its financial results. Due to the previously explained economically stable nature of the company, there needs to be major event in the overall economy in order for it to have effect on the company's business activity or financial results.

No other significant events occurred in Q1 2019 and all regular operations of the premise are running smoothly, including duly and timely collection of rental and utilities payments from the tenants.

As of the end of Q1 2019, there is no vacancy in the premises.

Management board and supervisory board

The management board of UPP Olaines OÜ has one member: Marko Tali, the chairman of the management board.

The supervisory board of UPP Olaines OÜ has three members: Mart Tooming, Tarmo Rooteman, Hallar Loogma.

No remuneration or other benefits have been allotted to the members of the management board and supervisory board.

There are no employees in the company besides the members of the management and supervisory board.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated interim statement of comprehensive income

(in EUR)	Note	Q1 2019	Q1 2018
Sales revenue	4	649,713	624,518
Net rental income		649,713	624,518
Administrative expenses	5	(5,566)	(118,605)



Operating profit		644,147	505,913
Financial income / (cost)	6	(376,674)	(291,198)
Profit before income tax		267,473	214,715
Profit for the period		267,473	214,715
Total comprehensive income for the period		267,473	214,715

Condensed consolidated interim statement of financial position

(in EUR)	Note	31.03.2019	31.12.2018
Cash and cash equivalents	7	523,170	426,691
Accounts receivable and prepayments	8	281,913	300,576
Total current assets		805,083	727,267
Investment property	9	30,762,000	30,762,000
Total non-current assets		30,762,000	30,762,000
TOTAL ASSETS		31,567,083	31,489,267
Accounts payable and other settlements	10	939,259	862,915
Loans and borrowings	11	1,064,000	1,064,004
Total current liabilities		2,003,259	1,926,919
Loans and borrowings	11	28,326,632	28,592,629
Total non-current liabilities		28,326,632	28,592,629



TOTAL LIABILITIES	30,329,891	30,519,548
Share capital	2,500	2,500
Retained earnings	1,234,692	967,219
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TOTAL EQUITY	1,237,192	969,719
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TOTAL EQUITY AND LIABILITIES	31,567,083	31,489,267
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