



MAINOR ÜLEMISTE

COMPANY DESCRIPTION
SECURITIES NOTE

OCTOBER 2015



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EXECUTIVE SUMMARY

- **Ülemiste City**, located in the heart of the most rapidly developing area of Tallinn, is the largest and the most prominent commercial real estate development project in the Baltics
 - The business campus, spread over 36 hectares of former industrial area, offers today **92,000 m² of office and 127,000 m² of industrial premises**
 - The current zoning grants **development rights for 708,000 m²** of office and mixed-use buildings
 - Ülemiste City and its unique **Smart City concept** stand out in Tallinn office market as the only complete business environment with a full range of value-added services for its tenants and their employees
 - The long term vision of Ülemiste City is to become a 24/7 city district with residential buildings, educational institutions, recreational and green areas and developed infrastructure
- The area is developed by **Mainor Ülemiste AS** and its joint-venture with a subsidiary of international real estate development company Technopolis plc
- Mainor Ülemiste, the lead developer of Ülemiste City, is raising debt capital through a bond issue („Notes“) to finance next stage of the project
- Key terms of the Notes:
 - Securities: unsecured notes
 - Use of proceeds: further development of Ülemiste City project
 - Maximum aggregate value of the Notes: 5 M EUR
 - Additional issue date: 17 November 2015
 - Maturity date: 26 November 2018
 - Coupon rate: 7% p.a., quarterly payments



KEY SUCCESS FACTORS

LOCATION	<ul style="list-style-type: none">Ülemiste City is located in the most dynamic and rapidly developing region of Tallinn within short distance from the central business district and the airportIts excellent accessibility by private and public transport will be further improved as a new tramline to the airport will run through Ülemiste City and the new Rail Baltic terminal of Tallinn will be located adjacent to the area
EXPERIENCE	<ul style="list-style-type: none">Business model of the project has successfully proven itself over the last 10 yearsÜlemiste City is developed by an experienced and motivated team, combining strong sales, real estate development and financial expertise
MARKET LEADERSHIP	<ul style="list-style-type: none">Ülemiste City is the largest office park in the Baltics, accommodating nearly 300 domestic and international high value-added enterprisesÜlemiste City is one of the most preferred business districts in Tallinn, especially among international corporations and knowledge-based businesses
AMPLE POTENTIAL	<ul style="list-style-type: none">Current zoning allows construction of 708,000 m² of new premisesOffice stock per capita in Tallinn is 4-5 times lower than in Nordic capitalsThe sales team of Ülemiste City has successful track record of attracting certain back-office functions of multinational companies to Estonia and Ülemiste City
SMART CITY CONCEPT	<ul style="list-style-type: none">„Smart City“ concept, a major competitive advantage of Ülemiste City, combines excellent infrastructure, synergetic tenant mix, research and educational institutions and a full range of business and personal servicesÜlemiste City is able to provide suitable premises regardless of development stage of the tenant, including possibility to easily adjust the space as the company grows





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KEY FACTS

- Ülemiste City was initiated in 2005 with a vision to transform the advantageously located former Dvigatel industrial territory into something exceptional. Today it is the largest and most prestigious new business district in the Baltics
- The district has been developed around „Smart City“ concept which aims to develop an inspiring campus for innovative businesses. This means that the campus does not offer only office space, but serves as a complete environment providing its tenants and their employees many additional corporate and personal services
 - Business services offered at Ülemiste City include conference rooms, office maintenance, electric car rental, receptionist etc.
 - Gym, school, university, kindergarten, major shopping centre, hotel are only few of the services located in the campus or within a walking distance. There are preparations for opening also a medical centre, with GP, optometrist, physiotherapist, dentist etc.
- Ülemiste City was an immediate success, recognized by numerous awards and becoming the favourite office location for many knowledge-intensive enterprises, especially from IT and medical industries
 - Today approximately 6,300 employees work in 300 enterprises located in Ülemiste City. In addition 2,200 pupils and students study in the educational institutions situated in the district
 - Last year Ülemiste City generated total of 13 M EUR of rental revenue, expected to double by 2018 as several new buildings are due to be completed in 2015-2017
 - The rental rates in Ülemiste City are similar to those of central business district and well above its competitors outside CBD, while the vacancy rates of office premises are around 1%. At least 2-4 new buildings have been built each year to keep up with the demand for office premises





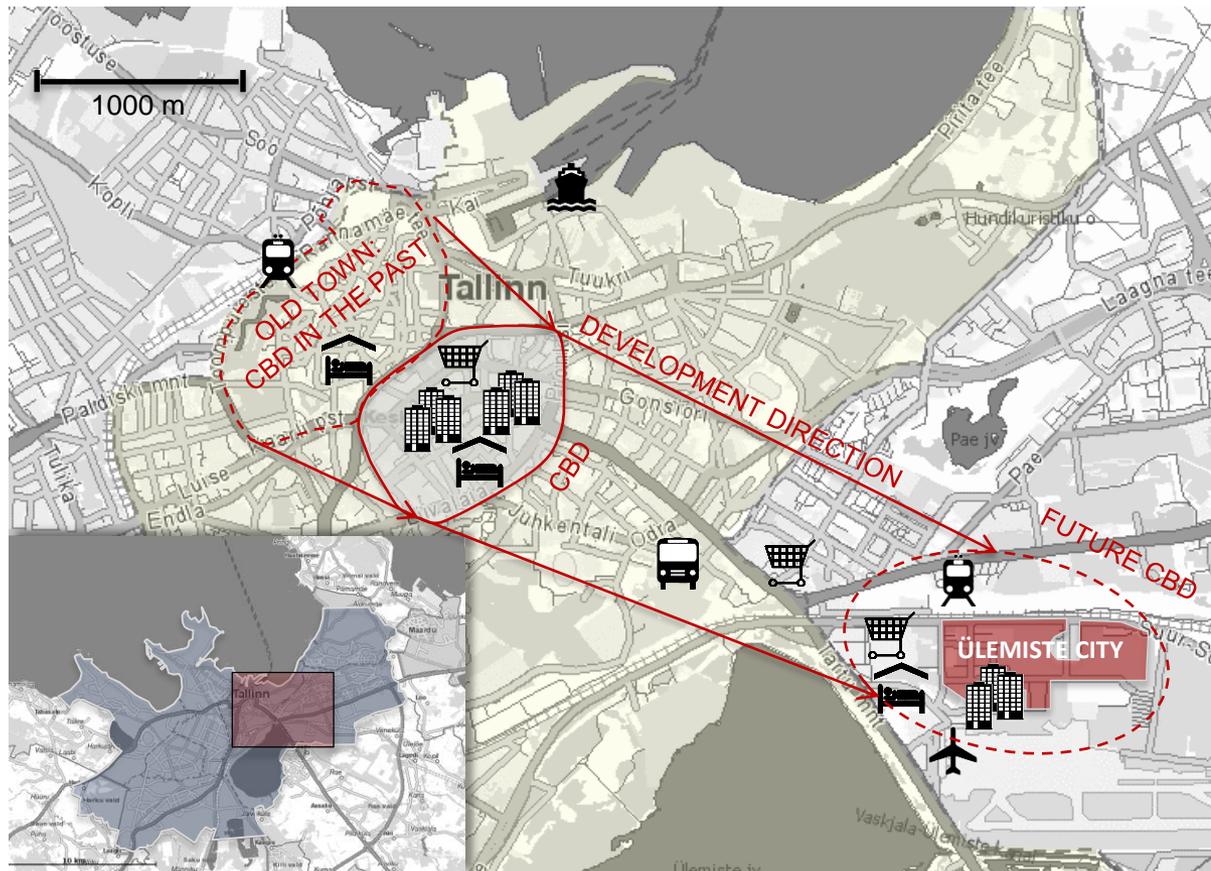
ÜLEMISTE CITY IN FIGURES

36	hectares of development area
708,200	square metres of building rights granted by current zoning
91,900	square metres of modern office premises
127,700	square metres of industrial and warehouse space
99	percent financial occupancy
13	million EUR of annual revenues in 2014
44	million EUR of investments in 2014 and 2015
169	million EUR evaluated Colliers to be the value of the project as of end of FY2014
300	tenants
6,300	employees working in Ülemiste City
2,200	students and pupils studying in educational institutions in Ülemiste City
2,000	parking spaces



LOCATION OF ÜLEMISTE CITY

Ülemiste City is located close to the city centre as well as the airport with easy access by car and public transport



EXCELLENT LOCATION

- International airport: 500 m
- Central business district: 2 km
- Old-town: 4 km
- Intercity bus terminal: 2 km
- Sea-port: 4 km
- Train-terminal: 100 m

EASY ACCESS

- The area is next to **Ülemiste intersection** - the main transport hub of Tallinn joining the three largest highways of Estonia
- **Several bus lines** run through the campus
- Ülemiste City is one hundred metres from the closest **train stop**, to be developed into Tallinn Rail Baltic terminal
- Extension to Tallinn **tram network** to the airport, to be completed in 2017, will go through Ülemiste City
- Ülemiste City is adjacent to planned **Ülemiste Public Transport Terminal** connecting intra-city, national and international transport lines
- Ample parking space

City Centre (municipal district)
 Central business district (CBD)
 Future CBD (forecast)
 Ülemiste City

Inter-city bus terminal

 Major shopping centre

 Key office area

 International airport

 Train terminal

 Hotel(s)

 Passengers' seaport



DYNAMIC DEVELOPMENT OF ÜLEMISTE AREA

Ülemiste area has become the most rapidly developing area in Tallinn in recent years, outlined by numerous large-scale infra-structure and real estate development projects

OBJECT: FAHLE MAJA
DEVELOPMENT: 2006, KOGER & PARTNERID

OBJECT: ÜLEMISTE TRAFFIC JUNCTION
DEVELOPMENT: 2011-2013, CITY OF TALLINN

OBJECT: CENTRAL PUBLIC TRANSPORT TERMINAL AND T1 SHOPPING CENTER
DEVELOPMENT: 2014-...

OBJECT: ÜLEMISTE CITY
DEVELOPMENT: 2005 -

OBJECT: AVALA KVARTAL
DEVELOPMENT: ZONING APPROVED, SCHEDULE UNKNOWN, KAAMOS KINNISVARA

OBJECT: ÜLEMISTE SHOPPING CENTER
DEVELOPMENT: 2004, ENLARGEMENT IN 2014

OBJECT: ÜLEMISTE HOTEL
DEVELOPMENT: 2004

OBJECT: TALLINN AIRPORT
DEVELOPMENT: PASSENGER TERMINAL 2006-2008, RUNWAY EXTENSION 2015-2017



ÜLEMISTE CITY 2025

- Objectives:
 - Ülemiste City, while still being developed, will be a multifunctional and vibrant international community for working, living and playing
 - Ülemiste City, then the central business district in Tallinn, will be the largest knowledge based economic district in the Northern Europe
 - There will be 18,000 employees working and 5,000 inhabitants living in Ülemiste City
 - The district comprises a total of 310,000 m² of office and residential premises
 - Ülemiste City provides full range of work and private life services including sports and entertainment facilities, parks and cafes within walking distance

- Ample potential
 - Current zoning allows construction of 708,000 m² of new premises
 - Tallinn office stock per capita is 4-5 times lower than in Nordic capitals. It takes additional 2 million square metres of office premises to reach that level
 - The market is not constrained by Estonian enterprises only as the sales team of Ülemiste City has successful track record of attracting certain functions of multinational companies to Estonia and Ülemiste City
 - Estonia has three times lower income level and two times lower rental fees than Helsinki
 - Currently there are 25 foreign companies in Ülemiste City that rent 16% of total current office space



ÜLEMISTE CITY 2025 IN PHOTOS



Master architectural concept of Ülemiste City has been developed by Tengbom Eriksson Architects, one of the largest architectural firms in Finland. The design is based on the values of community, energy efficiency, sustainability and a creative approach to building a modern urban environment



PROMINENT TENANT BASE

Ülemiste City has strong international tenant base of nearly 300 smart organisations. The tenant list includes all major IT and software companies of Estonia, number of local subsidiaries of international corporations as well as several public sector institutions. **Selected tenants:**

ICT	GLOBAL CORPORATIONS	BUSINESS SERVICES	OTHER



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MASTER PLAN OF THE DEVELOPMENT AREA



LONG-TERM VISION AND COMPLETED BUILDINGS



Buildings highlighted with blue on the plan have already been completed or are currently under construction



RECENT AND OUTSTANDING PROJECTS IN ÜLEMISTE CITY

Last few years have seen active development of Ülemiste City. A selection of recent and current projects is presented below



OFFICE BUILDING



Status: under construction
Address: Lõõtsa 5
Area: 10,700 m²
Investment: 14.0 MEUR



FITNESS CENTRE



Status: completed in 2014
Address: Suur-Sõjaäme 8a
Area: 670 m²
Investment: 0.5 MEUR



OFFICE BUILDING



Status: completed in 2014
Address: Lõõtsa 8a
Area: 25,100 m²
Investment: 30 MEUR



OFFICE BUILDING



Status: completed in 2015
Address: Valukoja 7
Area: 5,450 m²
Investment: 3.1 MEUR



PARKING HOUSE



Status: completed in 2015
Address: Valukoja 4c
Area: 8,700 m²
Number of parking places: 281
Investment: 2.8 MEUR



INDUSTRIAL BUILDING



Status: completed in 2014
Address: Valukoja 23
Area: 2,300 m²
Investment: 1.7 MEUR



OFFICE BUILDING



Status: under construction
Address: Sepise 9/ Valukoja 8
Area: 22,300 m² (Building I)
Investment: 19 MEUR



OFFICE BUILDING



Status: in the final stages of planning
Address: Lõõtsa 12
Area: 10,700 m²
Investment: 14.5 MEUR



ÕPIK PROJECT

- Proceeds of the issue will be partly used to finance the development of Õpik project, a complex of two 13-storey office buildings at Valukoja street and a fitness centre and a parking house at adjoining Sepise street as well as several other buildings
- Once completed, it will be the largest office building in Estonia
- The construction of the first stage, „Building 1“, is already underway and will be completed in 2016
- Process of finding the tenants for the building has been successful as approximately 20% of the premises of Building 1 are already covered with rental agreements

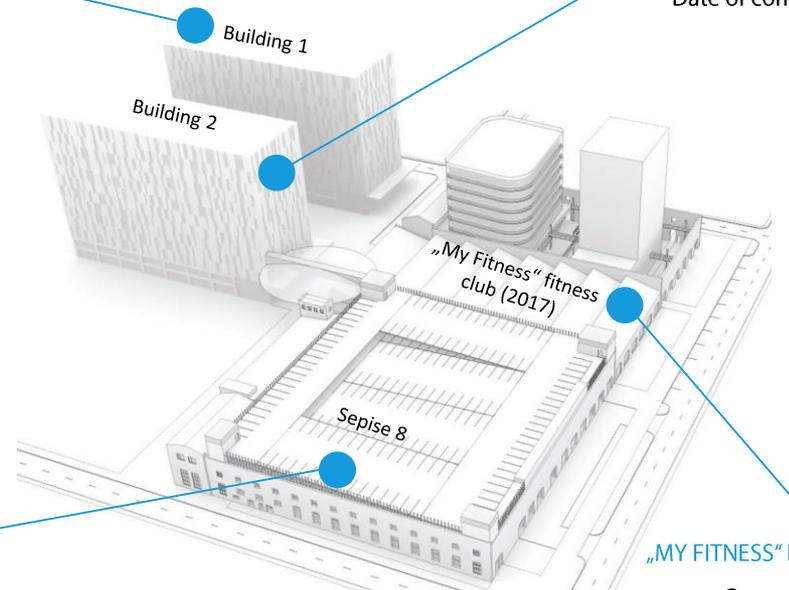
BUILDING 1 (UNDER CONSTRUCTION):

General contractor: Merko Ehitus Eesti AS
Gross area: 22,300 m²
Date of completion: H2-2016
Purpose: office, cafeteria, apartments, parking for 56 cars
Other: Energy consumption 120 kW/h/m²/a (B-energy class)



BUILDING 2

Same technical parameters as Building 2
Gross area: 22,300 m² (the building and 2+1-storey gallery of 1,600 m²)
Date of completion: 2017



SEPISE 8

6-storey parking house
Date of completion: 2017

„MY FITNESS“ FITNESS CLUB

Gross area: 1,600 m²
Date of completion: 2017



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COOPERATION WITH TECHNOPOLIS

- Development of Ülemiste City is carried out by two developers, Mainor Ülemiste and Technopolis Ülemiste jointly under a common concept and trademark
 - Mainor Ülemiste initiated the project in 2005, shaped the concept and developed first buildings of the district before inviting Technopolis plc to join forces in 2010
 - A joint venture was formed and one third of the whole project was transferred to the joint company, Technopolis Ülemiste AS. The shares of the joint company are split 49/51 between Mainor Ülemiste AS and Technopolis Baltic Holding OÜ
 - Remaining two thirds of the project is developed by Mainor Ülemiste alone

- Cooperation between Technopolis and Mainor Ülemiste has proven to be mutually beneficial as both parties pursue common goal and vision

- Parties coordinate their Development plan and share knowledge. The cooperation is regulated by a shareholder agreement



COOPERATION WITH TECHNOLIS (2)

DEVELOPER I: MAINOR ÜLEMISTE („MÜC“)

- Manages ca 150,000 m² portfolio of old and new office and industrial premises, which generates a healthy cash flow
- Holds two thirds of the total area with the development rights of 482,500 m²
- The focus has recently shifted from industrial buildings in towards office and residential development
- **Mainor Ülemiste holds 49% shareholding in Technopolis Ülemiste**
- **According to the shareholder agreement MÜC has a put option for its shares at fair value and it receives annual dividends from the joint venture (further details for the put option are presented on slide 38**

	31.12.2014	MÜC	TÜC	TOTAL
Development area (ha)		25	11	36
Building rights (m ²)		482,500	225,700	708,200*
Office space (m ²)		22,100	69,800	91,900
Industrial and warehouse (m ²)		125,100	2,600	127,700
Income, 2014 (M EUR)		3.3	9.7	13.0

DEVELOPER II: TECHNOLIS ÜLEMISTE AS („TÜC“)

- Manages ca 80,000 m² of modern office premises, most of which were previously owned and developed by Mainor Ülemiste
- Owns additional development rights for up to 225,000 m²
- Mainly active in the field of development of office environment



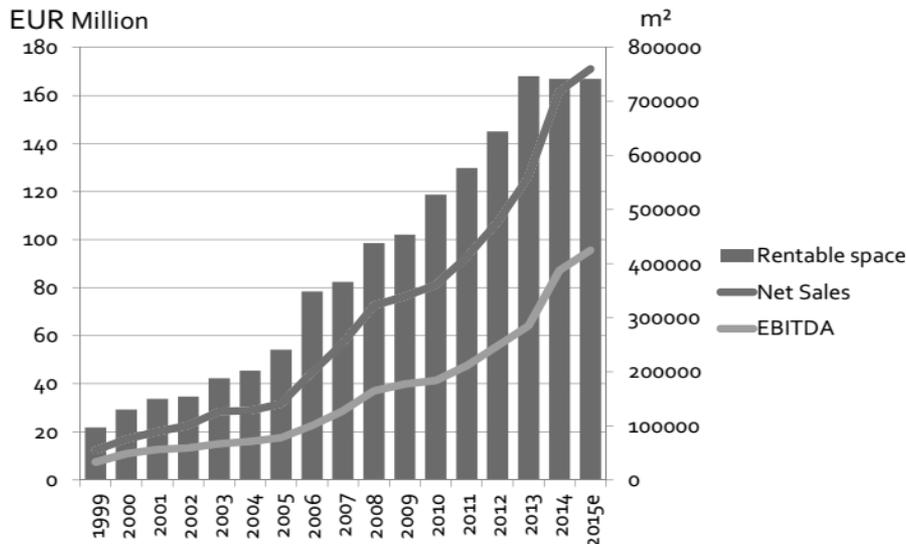
MASTER PLAN: DIVISION OF THE DEVELOPMENT AREA





TECHNOPOLIS - A STRONG AND EXPERIENCED PARTNER

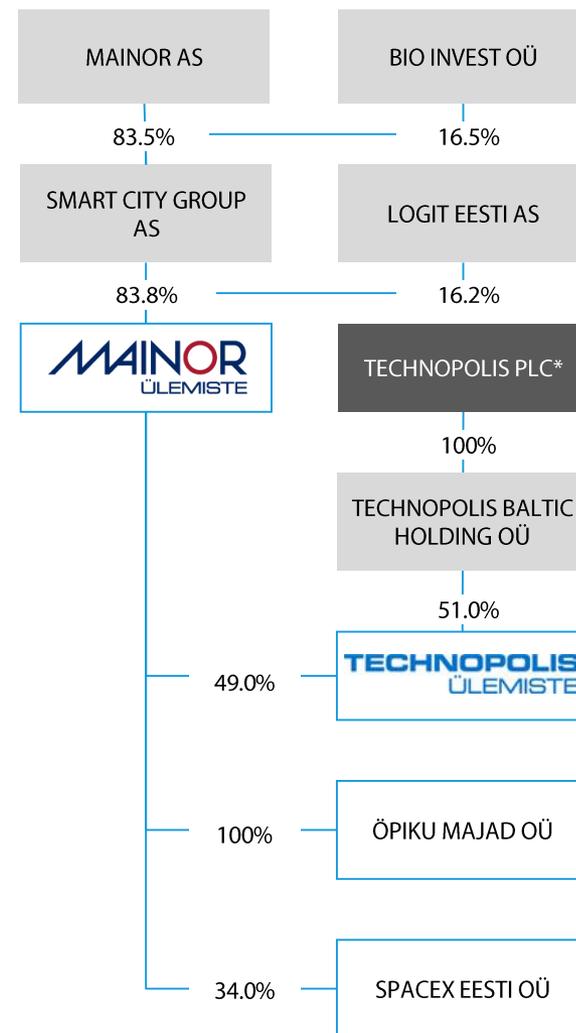
- Technopolis is a Finnish real estate company which owns, operates and develops offices in five countries - Finland, Norway, Estonia, Russia and Lithuania
- It has 20 smart business parks that combine services with flexible and modern office space and serve 1,700 companies and their 47,000 employees
- The aggregate area of its business parks, approximately 750,000 m², generates 170 M EUR of annual revenue
- Ülemiste City is an important project for Technopolis. Being its first project in the Baltics, it is currently its second-largest business park in terms of the building area and by far the largest when considering also the development potential
- The Technopolis share (TPS1V) is listed on NASDAQ OMX Helsinki stock exchange with the market capitalization of 399 M EUR (June 30, 2015)





LEGAL STRUCTURE

- Mainor Ülemiste AS** – the initiator of Ülemiste City project. Owns majority of the development area and 49% of the shares in the second developer of the area, **Technopolis Ülemiste AS**
- Technopolis Plc** – a leading commercial property developer in the Nordic countries focusing on knowledge-based businesses and provider of business services
- In March 2010, Mainor Ülemiste AS signed a partnership agreement with Technopolis Plc, whereby a joint venture **Technopolis Ülemiste AS** was created for further development of project. A strong shareholders' agreement gives both parties balanced position in the cooperation
- Mainor AS** – Estonian-based development company. In addition to real estate Mainor carries out projects in education, energy, timber, metal and environmental technologies industries. The Group employs more than 200 people
- Smart City Group AS** – a holding company for Mainor Ülemiste AS, which was established for legal reasons when part of the Ülemiste City project was transferred to Technopolis Ülemiste. It will likely be merged with Mainor Ülemiste in the future
- Bio Invest OÜ** – an investment company owned by Estonian private individuals
- LOGiE Eesti AS** – an investment company owned by German financial investor. Has been a passive minority shareholder of the project since 1995 when Mainor AS privatised former Dvigatel AS





MANAGEMENT STRUCTURE

SUPERVISORY BOARD

- Ülo Pärnits
- Guido Pärnits
- Raivo Vare
- Toomas Saal
- Ants Pilving
- Kristo Siig
- Andrus Kaldalu

MANAGEMENT BOARD

- Margus Nõlvak
- Rein Suurväli
- Ursel Velve



KEY MEMBERS OF THE TEAM



MARGUS NÕLVAK

Responsibilities: CEO of Mainor Ülemiste AS, general management and development of Ülemiste City area

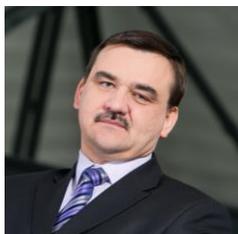
Experience: Margus worked as a member of management board and the CEO of Doranova Baltic, a successful environmental management company, for 4 years before taking the role of CEO in Mainor Ülemiste.



URSEL VELVE

Responsibilities: Member of the Management Board of Mainor Ülemiste, Sales Director

Experience: Ursel is a seasoned sales and management professional. Before joining Mainor Ülemiste in 2014 she worked 8 years as the country manager of Samsung Estonia.



ANDREY STRIZHALOV

Responsibilities: CFO of Mainor Ülemiste AS, financial management of Mainor Ülemiste AS

Experience: Andrey has extensive experience from various investment projects in Ülemiste City. He has been board member in several companies, such as Mainor Energy Solutions OÜ, Dvigatel Regital OÜ and others.



GERT JOSTOV

Responsibilities: CEO of Technopolis Ülemiste, general management and development of the ÜC area

Experience: Gert has extensive experience from various industrial and business services companies like KPMG Estonia, BLM Estonia, Põlva Külmoone etc.



REIN SUURVÄLGI

Responsibilities: Member of the Management Board of Mainor Ülemiste

Experience: Rein has held top management positions in several high value-added smart enterprises, including Doranova Baltic, Proxmaster, Nordic Payment Service, Dvigatel Energeetika and Salalux.



KRISTIAN KAHRE

Responsibilities: Sales Director

Experience: Kristian has developed profound expertise in both sales and real estate during his 15+ years' career. Prior to joining Mainor Ülemiste in 2015 he held the position of commercial director in a producer of construction chemicals in Brazil for 4 years, preceded by project manager role in various commercial real estate development projects.



AARE PALOOTS

Responsibilities: CFO of Mainor AS

Experience: Aare had a long and successful career in Tarmel AS, the largest producer of mattresses, couches and beds in Estonia. He worked his way up from deputy plant manager to CEO of the company, the position he held for 13 years until moving forward to the supervisory board in 2012.



ANTS PILVING

Responsibilities: Member of the Supervisory Board of Mainor Ülemiste, tenant relations, communication with the municipality

Experience: Ants has several decades of management experience from the top positions in one of the largest industrial groups of Estonia, AS Dvigatel, and business group AS Mainor. Member of City Council of Tallinn since 2009.



SUPERVISORY BOARD



ÜLO PÄRNITS

Ülo established Mainer back in 1971 and has been its majority shareholder and executive director since 1979.

He was also one of the founders of former government party Koonderakond and the chairman of its Economic Advisory Council, as well as President of the Estonian Chess Federation. Ülo was the first honoree of Estonian Entrepreneur Lifetime Achievement Award in 2010.



RAIVO VARE

Raivo, a former minister and respected economic expert, has held various top executive positions during his career - CEO in Pakterminal, Director in Tallinna Pank, Development Director in Eesti Raudtee, Minister of Transport and Communications, etc. His long list of council positions includes Estonian Business School, Estonian Cooperation Assembly, Estonian Development Fund, President's Academic Advisory Board etc.



ANTS PILVING

Please refer to the previous slide for the CV



ANDRUS KALDALU

Andrus has extensive management consulting track-record having advised leading Estonian and Scandinavian companies as a partner of his own consulting company and as a member McKinsey's Helsinki office. Andrus has also been a CEO of biotechnology company Asper Biotech and Mainer AS.



TOOMAS SAAL

Toomas has been at Mainer since 1990. He is a member of the supervisory board at Mainer AS, founder of Eesti Ettevõtluskõrgkool Mainer (Estonian Entrepreneurship University of Applied Sciences) and a professor in entrepreneurship.



GUIDO PÄRNITS

Guido has been at Mainer since 1990. Besides being a Member of the Supervisory Board in Mainer, Technopolis Ülemiste and Mainer Ülemiste, he is also Chairman of the Board in Ülemiste Keskus AS, the largest shopping centre in Estonia.



KRISTO SIIG

Kristo Siig has been the Member of the Supervisory Board in Mainer Ülemiste since 2013.



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CONSOLIDATED FINANCIALS: MAINOR ÜLEMISTE

BALANCE SHEET

	th EUR	12.2011	12.2012	12.2013	12.2014	6.2015
Current assets		21,785	24,895	29,748	36,022	38,288
Cash		131	1,003	3,818	4,385	4,827
Receivables ¹		8,530	7,821	8,109	9,146	10,385
Financial assets ²		13,118	16,065	17,815	22,491	23,076
Inventory		6	6	6	0	0
Fixed assets		41,895	43,787	51,210	58,645	62,046
Property ³		41,830	43,730	50,930	58,110	61,456
Other		65	57	280	535	594
TOTAL ASSETS		63,680	68,682	80,958	94,667	100,334

		12.2011	12.2012	12.2013	12.2014	6.2015
Liabilities		2,140	4,679	13,269	20,777	25,201
Accounts payable		432	458	793	1,206	2,255
Short-term debt		110	144	1,967	785	413
Long term debt		1,060	3,588	10,441	18,349	22,098
Other liabilities		538	489	428	437	435
Owners' equity		61,540	64,003	67,329	73,890	75,133
Share capital		19,200	19,200	19,200	19,200	19,200
Mandatory reserves		426	821	1,000	1,920	1,920
Retained earnings		41,914	43,982	47,129	52,770	54,013
TOTAL LIABILITIES & OWNERS' EQUITY		63,680	68,682	80,958	94,667	100,334

INCOME STATEMENT

	th EUR	2011	2012	2013	2014	H1-15
Sales		1,553	2,183	2,731	3,317	1,806
Other operating income ⁴		3,747	234	56	444	0
Cost of sales		-214	-378	-228	-184	-115
Administrative expenses		-580	-834	-986	-1,335	-734
Depreciation		-11	-13	-15	-14	-9
Other operating expenses		-9	-19	-2	-10	-1
Operating profit		4,486	1,173	1,532	2,218	947
Financial income (-expenses) ⁵		984	1,290	2,470	5,037	1,045
Income tax ⁶		0	0	-64	-55	-10
Net profit		5,470	2,463	3,938	7,200	1,982

¹ Includes intra-group claim against Smart City Group (8.1 MEUR as of 31.12.2014).

² **Shares of Technopolis Ülemiste (49%) – a long term investment which can be regarded also as liquid financial investment due to the put option, stipulated in the shareholder agreement**

³ Valuation by Colliers International Advisors OÜ

⁴ Revaluation of assets

⁵ Includes revaluation of holding in Technopolis Ülemiste AS

⁶ Mainor Ülemiste has a dividend policy which stipulates that annual dividends equal 1% of the total net assets of the company



CONSOLIDATED FINANCIALS: TECHNOLIS ÜLEMISTE

Mainor Ülemiste holds 49% of shares of Technopolis Ülemiste AS

BALANCE SHEET

	th EUR	12.2011	12.2012	12.2013	12.2014
Current assets		1,399	3,910	3,142	942
Cash		1,092	2,233	2,306	129
Receivables		307	1,678	837	813
Fixed assets		66,168	72,503	96,315	110,860
Property		64,675	72,194	95,787	110,747
Other		1,494	309	569	113
TOTAL ASSETS		67,567	76,414	99,498	111,803
		12.2011	12.2012	12.2013	12.2014
Liabilities		40,797	43,628	63,139	65,903
Accounts payable		260	1,766	1,544	1,559
Short-term debt		1,066	1,166	1,719	17,420
Long term debt		39,109	40,149	59,348	46,334
Other liabilities		362	547	527	515
Owners' equity		26,771	32,786	36,358	45,900
Share capital		24,547	28,247	28,247	28,247
Mandatory reserves		0	269	385	600
Retained earnings		2,224	4,270	7,726	17,053
TOTAL LIABILITIES & OWNERS' EQUITY		67,567	76,414	99,498	111,803

INCOME STATEMENT

	th EUR	2011 ¹	2012	2013	2014
Sales		6,021	4,857	5,574	9,674
Other operating income ²		2,641	158	1,341	6,057
Cost of sales		-502	-332	-355	-2,200
Administrative expenses		-521	-666	-649	-952
Personnel expenses		-458	-382	-467	-514
Depreciation		-74	-72	-68	-60
Other operating expenses		-79	-151	0	0
Operating profit		7,027	3,412	5,378	12,006
Financial costs		-1,642	-1,096	-873	1,260
Income tax		0	0	-194	-253
Net profit		5,385	2,315	4,310	10,493

¹ 15.09.2010 – 31.12.2011

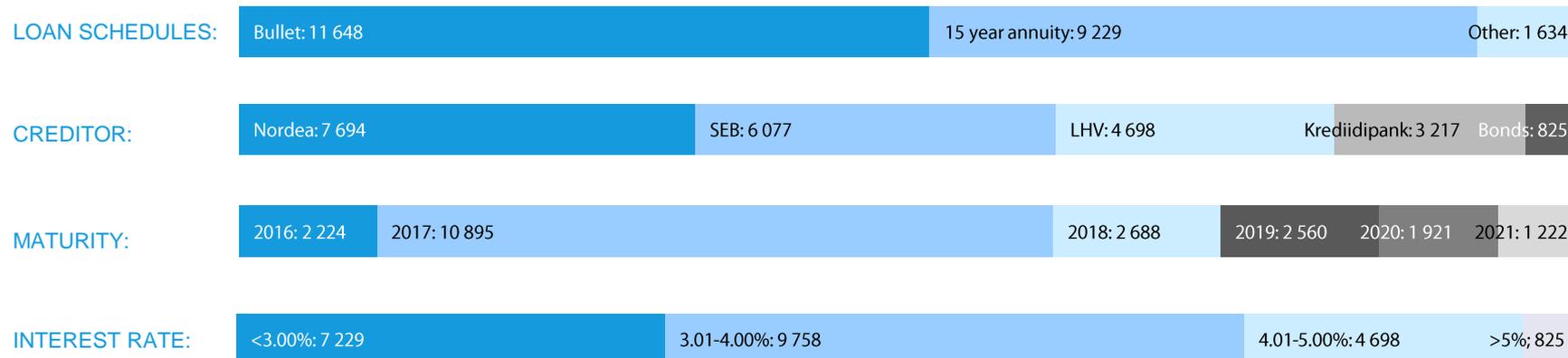
² Includes profit from revaluation of property



FINANCING: MAINOR ÜLEMISTE

- Mainor Ülemiste has financed development of Ülemiste City with equity and loan financing. Its book equity position was 75.1 M EUR and loan balance 22.5 M EUR as of 30.06.2015
- Mainor Ülemiste has developed diversified base of credit financing, characterised by involvement of multiple banks, different maturities, long payment schedules and low interest rates
- With the current notes issue the company intends to expand its financing base even further

LOAN FINANCING STRUCTURE AS OF 30.06.2015 (TH EUR):





ASSUMPTIONS OF THE FORWARD-LOOKING STATEMENTS

- The next slide presents financial forecast of the Issuer for the next 5 financial years
- The forecast has been prepared by the management in accordance with the business plan of the Issuer
 - Development schedule includes only the buildings which are currently under construction or in immediate pipeline (e.g. Öpik project, both buildings + parking facilities)
 - Interest of loans guaranteed by Technopolis Ülemiste shares is included
 - Normalized EBITDA includes Technopolis Plc earn-out payments, dividends from Technopolis Ülemiste, Technopolis Ülemiste share value increase x 0.75

- Other key assumptions:
 - Assumptions on rent levels of new buildings are derived from other similar buildings in Ülemiste City
 - Revenues from existing buildings have been projected according to the outstanding rental agreements



FINANCIAL FORECAST: MAINOR ÜLEMISTE

TH EUR	2011	2012	2013	2014	2015E	2016E	2017E	2018E	2019E	2020E
Sales revenue	1,550	2,183	2,731	3,317	3,694	4,736	6,723	8,102	8,355	8,599
EBITDA	749	1,173	1,560	1,778	1,923	2,895	4,671	5,879	6,048	6,206
Operating profit	738	1,143	1,545	1,774	1,905	2,877	4,652	5,860	6,027	6,185
Net income	1,461	2,463	3,211	7,220	7,123	7,794	9,515	11,122	11,839	12,649
Loan repayments	242	422	717	1,416	2,022	2,802	4,095	4,490	4,347	4,255
DSCR	3.1	2.7	2.2	1.3	1.0	1.1	1.1	1.3	1.4	1.4
Debt/EBITDA	3.3	4.6	9.0	11.6	17.5	17.0	13.9	10.7	10.0	9.4
Normalized EBITDA*	1,372	2,244	3,231	5,755	6,509	7,973	10,166	11,792	12,403	12,979
DSCR normalised*	5.7	5.3	4.5	4.1	3.2	2.8	2.5	2.6	2.9	3.1
DEBT/EBITDA normalised*	1.8	2.4	4.3	3.6	5.2	6.2	6.4	5.3	4.9	4.5

* Normalized EBITDA includes Technopolis Plc earn-out payments, dividends from Technopolis Ülemiste and Technopolis Ülemiste share value increase x 0.75. This revenue has been taken into account as it is (i) recurring regular revenue and (ii) it forms significant part of the revenue of Mainor Ülemiste due to its specific business model and legal structure



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MOST SIGNIFICANT RISK FACTORS: ISSUER (1)

The Issuer's risk management focuses on the following main categories of risks, any of which could materially adversely affect the Issuer's business, results of operations and financial condition:

MACROECONOMIC RISK

Significant economic downturn may increase the level of vacancies, increase overdue rent receivables and set downward pressure on rental rates. Adverse change in economic conditions might also affect Issuer's ability to refinance its debt liabilities

DEPENDENCY ON CONSTRUCTION CONTRACTORS

the Issuer relies on contractors and subcontractors in the real estate development projects. Due to that the results of operations of the Issuer depend on the ability of the construction contractors and subcontractors to comply with the terms of the agreements executed with them. Delays in completing construction may result in additional costs and expenses for the Issuer, which may not be fully recoverable from contractors and subcontractors

HIGH CONCENTRATION RISK

The Issuer has focused on development of one large-scale real estate project, Ülemiste City, which results in a high concentration of business risks

APPRAISAL RISK

Colliers International Advisors OÜ has appraised market value of the Issuer's real estate portfolio. The appraisal report relies on numerous assumptions, which may turn out to be inaccurate, which in turn may have adverse effect on the financial results of the operations of the Issuer, including profitability. Furthermore, the market value of the real estate in the Issuer's portfolio may fluctuate in both directions in the future due to circumstances beyond the control of the Issuer

DEPENDENCY ON DISCRETIONARY DECISIONS OF PUBLIC AUTHORITIES

Real estate development and construction sectors are subject to extensive regulatory requirements and several administrative proceedings, which may be unpredictable due to discretionary decisions. Such dependency on the discretionary decisions of public authorities may result in material delays in the envisaged time schedule and overruns in the budget of a project or may cause changes to be made into the project



MOST SIGNIFICANT RISK FACTORS: ISSUER (2)

DEPENDENCY ON DISCRETIONARY DECISIONS OF PUBLIC AUTHORITIES

Real estate development and construction sectors are subject to extensive regulatory requirements and several administrative proceedings, which may be unpredictable due to discretionary decisions. Such dependency on the discretionary decisions of public authorities may result in material delays in the envisaged time schedule and overruns in the budget of a project or may cause changes to be made into the project

INTEREST RATE RISK

The interest rates on most of the loans taken by the Issuer are based on the EURIBOR base rate which is determined as of the quotation date occurring in each 3 or 6 months from the date of the relevant loan agreement. Therefore, increases in the EURIBOR base rate will lead to a corresponding increase in the financial costs of the Issuer

COMPETITIVE MARKET RISK

The Issuer operates in a highly competitive market. The highly competitive business environment of the real estate sector may have adverse effect on the results of operations and profitability of the Issuer

FINANCING RISK

The Issuer's future growth as well as its ability to duly serve its debt liabilities depends on its ability to attract financing. Poor investor relationships or failure to attract new sources of financing may damage growth prospects or lead to violation of its financial liabilities



TRANSACTIONS WITH RELATED PARTIES (2)

- Related Parties shall mean the following persons:
 - **Parent company:** Mainor AS
 - Other entities belonging to the same **consolidation group:** Eesti Ettevõtluskõrgkool Mainor AS, Dvigatel-Energeetika AS, Dvigatel Regital OÜ, Askala OÜ, Rekman OÜ, Doranova Baltic OÜ
 - **Senior management** of the Issuer and entities controlled by them: persons listed on slide 24 and Kristosten OÜ, Nets OÜ, OÜ RVVE Grupp OÜ, Disain Pluss OÜ, RS Büroo OÜ
 - **Shareholders with significant holding** in the Issuer and entities under their significant influence: Bioinvest OÜ, Nordic Financial Group OÜ, Logit Eesti AS
 - **Affiliated companies:** AS Technopolis Ülemiste
 - **Family members** of the senior management and the significant shareholders of the Issuer and entities under their significant influence: Flennert OÜ



TRANSACTIONS WITH RELATED PARTIES (1)

BALANCES

TH EUR	31.12.2014		31.12.2013	
	Receivables	Liabilities	Receivables	Liabilities
Parent company	8,077	0	7,659	0
Affiliated company	495	72	6	13
Consolidation group	579	140	352	212
Senior management	0	4	0	25
Shareholders	0	0	0	0
Family members	38	0	46	0

TRANSACTIONS

TH EUR	2014		2013	
	Purchases	Sales	Purchases	Sales
Affiliated company	99	36	172	0
Consolidation group	179	177	149	137
Senior management			206	0
Family members			0	63



SIGNIFICANT CONTRACTS

- Design and construction agreement with Merko Ehitus Eesti AS for Öpik building – 17.4 M EUR
- Technopolis Ülemiste Shareholders Agreement between Technopolis Baltic Holding OÜ and Mainor Ülemiste AS, stipulating governance principles for Technopolis Ülemiste AS, including dividend policy and put option for the shares owned by Mainor Ülemiste

PUT OPTION FOR THE SHARES IN TECHNOPSIS ÜLEMISTE

- Under the Shareholders Agreement Mainor Ülemiste has the right to demand that Technopolis plc. purchase the shares held by Mainor Ülemiste for fair price
- The agreement stipulates the exact procedure for determining the fair value of the shares while defining also the minimum level for such value, which is the highest of the following two values:
 - Book value of owners' equity as of 31.12.2014, adjusted for any profits and losses, dividends and share capital increases up to the date of valuation
 - The latest quarterly interim fair value of the Technopolis Ülemiste property under IAS
- **According to the latest annual valuation (31.12.2014) the fair value of 49% of the shares in Technopolis Ülemiste is 22.5 M EUR**

DIVIDEND POLICY OF TECHNOPSIS ÜLEMISTE

- Technopolis Ülemiste shall distribute pre-agreed share of its net profit (excluding profit or loss from property revaluation) as dividends
- Dividends will not be distributed if it is not permitted under applicable laws or credit agreements, the distribution would cause equity ratio to fall below 35% or if both parties agree to retain the amount of dividends for any investment



OTHER STATEMENTS

- **Legal proceedings**
 - The Issuer is involved as a defendant in three ongoing civil court proceedings. The issuer has won all the cases in the first instance of the court, but the opposing parties have contested the judgements
 - Eesti Entsüklopeediakirjastuse AS (bankrupt) requests payment of 1.8 M EUR for alleged unlawful use of right of security by Mainor Ülemiste in 2010
 - Merike Mäekuusk requests payment of 119 th EUR for compensation of movable property destroyed in a fire in Valukoja 13 building on 25.12.2010
 - TOP 3 OÜ disputes ownership of certain restaurant kitchen equipment
 - There are no insolvency applications nor instituted insolvency proceedings
 - Management of the Issuer is not aware of any legal proceedings in connection with fraud or other economic violations in which Management Board Members or Supervisory Board Members or other employees of the Issuer have been involved
- **Share incentive programmes**
 - There are no share-based incentive programmes or extraordinary bonus programs in place in the Issuer
- **Significant patents and subsidiaries**
 - The Issuer does not hold any patents
 - The Issuer does have any significant subsidiaries



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KEY TERMS OF THE NOTES*

ISSUER	Mainor Ülemiste AS
SECURITIES	Unsecured Notes
ISIN CODE	EE3300110691
INITIAL AND ADDITIONAL ISSUE DATES	16 June 2015; 17 November 2015
CURRENCY OF DENOMINATION	EUR
NOMINAL VALUE OF A NOTE	1,000 EUR
NOTES OUTSTANDING	2,000 (first tranche, issued in June 2015)
MAXIMUM NUMBER OF NOTES	5,000 (remaining 3,000 Notes will be issued in November 2015)
MAXIMUM AGGREGATE VALUE	5,000,000 EUR
INTEREST RATE	7% per annum, 30E/360
INTEREST PAYMENT DATES	Quarterly (26 August, 26 November, 26 February and 26 May every year)
NOMINAL VALUE OF A NOTE	1,000 EUR
MATURITY DATE	26 November 2018
EARLY REDEMPTION DATE (CALL)	26 May and 26 August 2018 (subject to one month notice)
REPAYMENT DATE OF PRINCIPAL	Maturity Date
COLLATERAL	None
USE OF PROCEEDS	Property development, different projects within Ülemiste City, including Öpik buildings
SUBSCRIPTION PERIOD	26 October - 13 November 2015

* For full overview please refer to the Terms and Conditions and Final Terms of the Notes Issue



INVESTOR RIGHTS IF THE ISSUER BREACHES ITS OBLIGATIONS*

Investor has the right to demand immediate redemption of the Notes upon occurrence of any of the following circumstances:

- the Issuer has not paid the interest payments in full amount for longer more than 5 (five) Banking Days from the respective Interest Payment Date;
- an insolvency claim has been submitted (in Estonian: pankrotiavaldus) by the Issuer or by a third party in respect of the Issuer to the competent court of Estonia or a claim in effect similar to insolvency claim has been submitted, which provides interim relieve procedure from the claims of Issuer's creditors, such as the application for the reorganisation of the Issuer (in Estonian: saneerimisavaldus) and such claim is not withdrawn or proceedings not terminated by the respective court within 45 (forty five) Banking Days;
- the Issuer breaches any of the covenants set forth in Section 3.4 unless the breach is not cured within 14 (fourteen) Banking Days and the Issuer provides clear proof to the Investors that the breach has been cured in due time;
- the Issuer has filed an application for liquidation with the Estonian Commercial Register (äriregister);
- The Issuer fails to fulfil any of its obligations under any loan, credit, guarantee or capital/finance lease agreement or under any bond, letter of credit or any other instrument issued by a bank or financial institution when due nor within any originally applicable grace period (cross-default clause);
- The Issuer has failed to provide a quarterly report or annual report to the Investors pursuant to the Terms and the breach is not cured within 7 (seven) Banking Days.

* The slide presents a short and fractional summary of certain sections of the Terms and Conditions of the bond issue. For full overview please refer to the Terms and Conditions



MOST SIGNIFICANT RISK FACTORS: NOTES

PRICE RISK	Losses stemming from adverse movement in the market price of the Notes
REGULATORY RISK	Losses stemming from changes in the current legislation, e.g. changes in tax rates or imposing extra costs to Investors, thus altering Investor's potential total returns
EARLY REDEMPTION RISK	Risk the Notes will be redeemed before maturity in a falling rate environment, as a result the Investors might have to reinvest the proceeds at a lower rate of return
LIQUIDITY RISK	The risk that the Investor will not be able to find a buyer for its bonds, or will have to sell it at a substantial discount to attract a buyer
INTEREST RATE RISK	Potential decrease in investment's value due to a change in the market level of interest rates
CREDIT RISK	Potential loss in case the Issuer is unable to make the required payments on its debt obligations



CERTIFIED ADVISER

Redgate Capital acts as the First North Certified Adviser for Mainor Ülemiste AS

- Official name: Redgate Capital AS
- Registration number: 11532616
- Main field of activity: financial advisory
- Address: Pärnu mnt 10, Tallinn 10148, Estonia
- Web page: www.redgatecapital.eu

Representatives:



Mr Aare Tammemäe
E-mail: aare.tammemae@redgatecapital.eu
Phone: +372 666 8200

Duration of the agreement with Certified Advisor: until 30.11.2018



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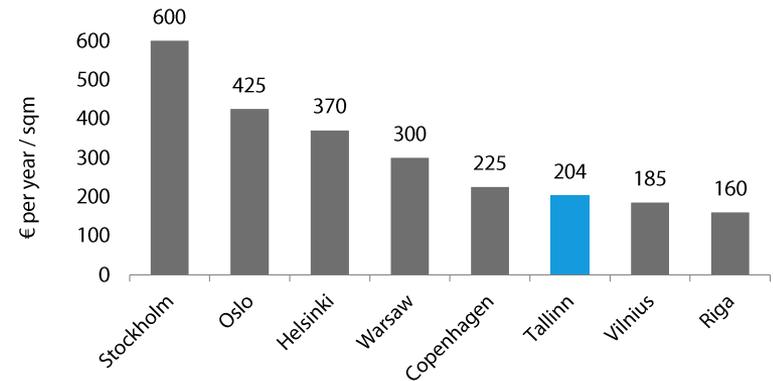
CONTACT INFORMATION



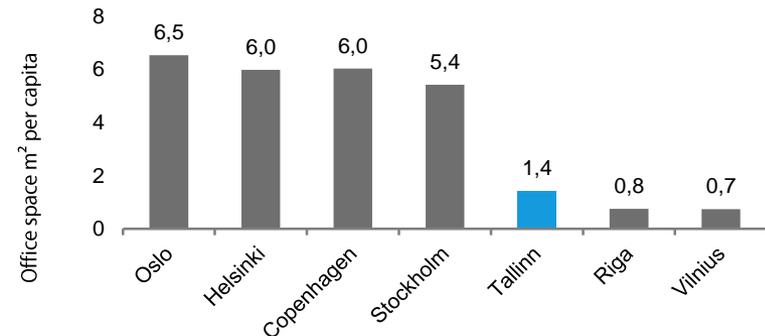
RENTS AND VACANCIES

- Most of the population and businesses concentrated in the capital City Tallinn:
 - 40% of Estonian population living in Tallinn area
 - Tallinn region is creating 60% of Estonia's GDP
- Tallinn office stock is still significantly lower than in the Nordics
 - Tallinn modern lettable office stock is estimated to be 600,000 m² as of end of 2014
 - Tallinn office stock per capita (1,4 m² per capita) is ca 4 times lower than in the Nordic capital cities
 - Most new office development activity is concentrated in the Ülemiste City and central city area
- Vacancies have decreased in recent 2-3 years
 - A class office buildings vacancies are in range 0-5%,
 - B class office building vacancies are between 5-15%
- Rent levels showing stable increase
 - Rent outlook is positive, with rents continued to increase in 2015, especially in CBD and best office areas (incl. Ülemiste City)
 - CBD office rents in Tallinn are between 12-17 EUR/m², while other high class offices rents in good locations range between 9-12 EUR/m²

PRIME OFFICE RENTAL PRICE



OFFICE SPACE PER CAPITA



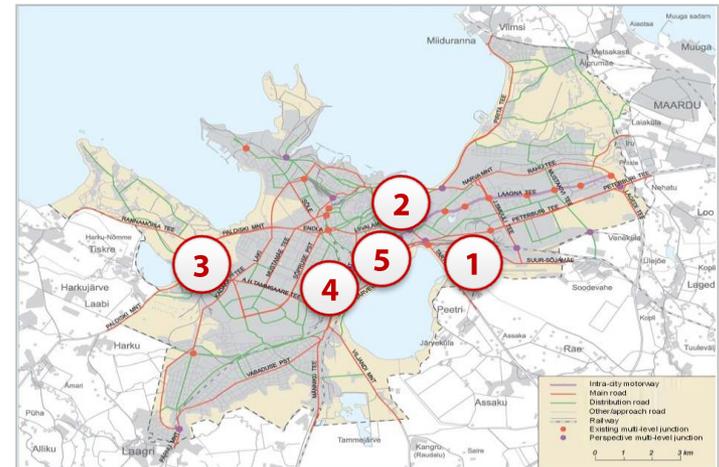
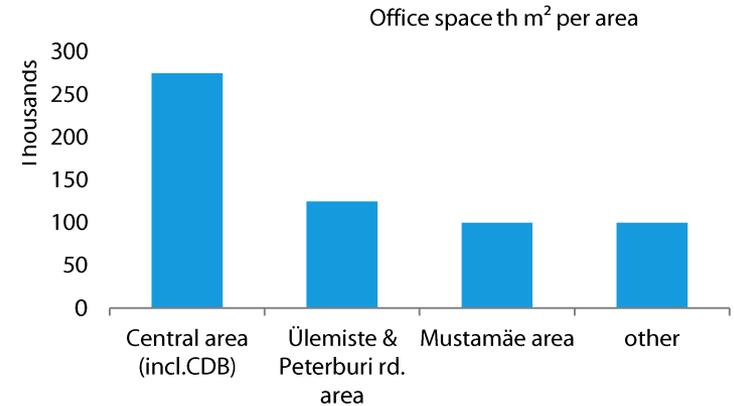
Source: Newsec, Jones Lang Lasalle, Colliers, Redgate Capital



MAJOR PROJECTS AND DEVELOPMENTS

- Office space is under developed in Baltic capitals
 - There are 4-5 times more office space per capita in Nordic capital cities compared to Tallinn
 - Annual office space supply in Tallinn during the next 3-5 years is estimated to be in a range of 25,000-50,000 m² and will reach 2 m² per capita (still 3-4 times lower than today in the Nordic capitals)
 - Trend is more towards multi-purpose business parks outside the current CBD area (e.g. enlargements in the Ülemiste City)
- Main large scale office park projects in Tallinn area
 1. Ülemiste City is the largest and most dominant office park area in Tallinn, with strong international tenant base, including many strong IT and software companies
 2. CBD area, new “skyscrapers” (20-30 floors office or mixed use buildings) are planned in area (Maakri and Rävalla street) close to present Radisson and Swissotel towers
 3. Tehnopol in Tallinn suburb area Mustamäe is considered the second largest office park in Tallinn with close vicinity to Tallinn Technical University campus with close to 50,000 m² office area. Further expansion possibility is limited due to lack of land resource
 4. Pärnu road-Järve-Tondi area. Development project in Pärnu road of ca 14,000 m² large office building, with anchor Eesti Energia
 5. Avala quarter is located close to Ülemiste (2 km), in between Filtri and Järvevana roads. Detail plan is approved for ca 100,000 m² mixed use spaces. Development plan are not clear yet

Main office areas in Tallinn



Source: Newsec, DTZ, Redgate Capital



CRE INVESTMENT MARKET

- There are still considerable yield spreads between the Nordic and the Baltics capitals offering attractive investment climate
- Increasing number of investors from Nordic countries and Russia are investing in region's property market
- The prime yield of the Estonian office and retail property market stands currently at 7.0-8.0%
 - The lowest yield levels were observed in the period from 2007 to 2008 (ca 6.5%)
 - Highest yields were witnessed during 2009 with 9-10%
 - Both yield decrease and rent growth are expected to contribute to the ongoing growth of the real estate valuations in the region
- The opportunities for financing of the property deals are good, with stable borrowing costs within the Eurozone and acceptable financing terms offered by local Nordic banks
- Solid investor groups
 - Nordic and local real estate funds are most active players
 - Local pension funds are increasingly active via real estate funds
 - Second major investor group is local, Russian and Nordic High Net Worth Individuals (HNWI)



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