

MANAGEMENT REPORT

30th of April, 2021

The Management provides the following report about UAB „Terseta“, registration code 303556959, registration address Jogailos str. 4, Vilnius (hereinafter – Company), sole shareholder of which is closed ended real estate investment fund for informed investors Lords LB Baltic Fund IV (hereinafter – Fund) who controls 100% of Company shares. Company has been registered on the 28th of January, 2015, Company has been registered as a VAT payer on the 18th of July, 2018.

Main activity of the Company: management and lease of real estate. A spin-off of the Company was completed on the 25th of November, 2020, by separating a part of the activities of the Company, related to management and lease of real estate located on the Juozapavičiaus str. 13, Vilnius, by transferring this activity into a newly established company – UAB „J13“, registration code 305663041, 100% of shares of UAB „J13“ are owned by the Fund.

Net revenue of the Company were equal to 1,477,986 EUR in 2020 (2,172,471 EUR in 2019). Net revenue were lower compared to 2019 due to the transferred activities according to spin-off terms and lower occupancy of the Investment assets during 2019. Company had 1 employee on the 31st of December, 2020 (4 employees on the 31st of December, 2019). Employment related expenses were equal to 14,312 EUR in 2020. (20,236 EUR in 2019).

On 31st of December, 2020 and on 31st of December 2019, Company did not have any branches or representative offices.

Company continues its activities of management and lease of the newly acquired (December, 2020) real estate property, located on the Gedimino avenue 7, Vilnius (former Vilnius Post Office building) and no structural changes in the Company's operations are planned. Company is seeking to prepare all necessary documents to receive a building permit and carry out major repair works of the newly acquired real estate property on Gedimino avenue 7, by preparing and adapting the building to new tenants in 2021.

From the 25th of February, 2021, bonds of the Company (8 million EUR issue) are listed on the alternative market First North, operated by Nasdaq Vilnius AB.

Management, after evaluation that the equity of the Company was negative on the 31st of December, 2020 and equal to (141,461 EUR), increased the authorized capital of the Company on the 26th of March, by issuing 1,000,000 units of shares, with a value of 1 EUR each. Following this action, the authorized capital of the Company is equal to 1,002,500 EUR and the number of shares amounts to 1,002,500 units.

Due to the global pandemic of Covid-19, including lockdown restrictions which were made more stringent and mitigated in Republic of Lithuania according to the statistics of Covid-19 cases, the approval and use of vaccines in order to contain Covid-19, the Management of the Company has assessed the potential impact on the Company's investment assets and believes that the restrictions caused by Covid-19 does not pose a material threat to the Company's possibility to continue its operations, because the Fund has long term plans related to the Company's investment assets and plans to support Company's activities to meet the Company's liabilities. Liquidity of the Company during 2021 will be ensured by the cashflows of the Company's activities and, when needed, cash injections from the Fund.

UAB „Terseta“

Registracijos adresas: Jogailos g. 4, LT- 01116 Vilnius
Buveinės adresas: Jogailos g. 4, LT- 01116 Vilnius
Įmonės kodas: 303556959 | PVM mokėtojo kodas: LT100011755610
Telefonas: +370 5 261 94 70 | E-paštas: info@lordslb.lt
A/s LT71 7300 0101 4494 9176 | Swedbank
E-paštas: info@lordslb.lt



LORDS LB
Asset Management

The 2020 audit of the Company was performed on the basis of financial statements, prepared according to legal acts of the Republic of Lithuania regulating financial accounting and preparation of financial statements and according to the then enforced Business Accounting Standards (BAS), which include standards and methodological recommendations drafted and approved by the Authority of Audit, Accounting, Property Valuation and Insolvency. The financial statements are based on historical cost, except for investment assets and derivatives, which are accounted at fair value. The financial statements were prepared based on the assumption, that the Company will be able to ensure a going concern in the foreseeable future.

Post balance sheet events:

On the 26th of March, 2021, the authorized capital of the Company was increased, by issuing 1,000,000 units of shares, with a value of 1 EUR each. Following this action, the authorized capital of the Company is equal to 1,002,500 EUR and the number of shares amounts to 1,002,500 units.

On the 2nd of April, 2021, Company performed an issue of bonds, worth 100,000 EUR, in order to finance major repairs of the investment property. The whole issue was acquired by the Fund and these bonds are subordinated to the publicly traded bond issue of 8 million EUR. The redemption date of this issue is 14th of July, 2024. After the end of the financial year till the confirmation of these financial statements no other post balance sheet events, which may affect the financial statements or should be disclosed, have occurred.

UAB Terseta Director
Rytis Zaloga

Signed with e-signature



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