

UAB „Tersetė“

COMPANY'S UNAUDITED FINANCIAL STATEMENTS
AS OF 30 JUNE 2021
PREPARED ACCORDING TO THE BUSINESS
ACCOUNTING STANDARDS

Balance sheet

	30 June 2021	31 December 2020
ASSETS		
A FIXED ASSETS	11.426.626	11.253.282
1. INTANGIBLE ASSETS	-	-
1.1. Development work	-	-
1.2. Goodwill	-	-
1.3. Software	-	-
1.4. Concessions, patents, licenses, trade marks and similar rights	-	-
1.5. Other intangible assets	-	-
1.6. Prepaid expenses	-	-
2. INTANGIBLE ASSETS	11.330.000	11.220.000
2.1. Land	-	-
2.2. Buildings and structures	-	-
2.3. Machinery and equipment	-	-
2.4. Vehicles	-	-
2.5. Other installations, devices and tools	-	-
2.6. Investment assets	11.330.000	11.220.000
2.6.1. Land	-	-
2.6.2. Buildings	11.330.000	11.220.000
2.7. Advance payments and tangible assets under construction	-	-
3. FINANCIAL ASSETS	-	-
3.1. Shares in companies of the group	-	-
3.2. Loans to companies of the group	-	-
3.3. Accounts receivable from entities of the entities group	-	-
3.4. Shares in associated companies	-	-
3.5. Loans to associated companies	-	-
3.6. Accounts receivable from associated entities	-	-
3.7. Long-term investments	-	-
3.8. Accounts receivable after one year	-	-
3.9. Other financial assets	-	-
4. OTHER FIXED ASSETS	96.626	33.282
4.1. Assets of the deferred tax on profit	96.626	33.282
4.2. Biological assets	-	-
4.3. Other assets	-	-
B CURRENT ASSETS	144.033	191.416
1. INVENTORIES	58.277	3.000
1.1. Raw materials, suppliers and consumables	-	-
1.2. Unfinished goods and work in progress	-	-
1.3. Goods	-	-
1.4. Purchased goods for resale	-	-
1.5. Biological assets	-	-
1.6. Fixed tangible assets held for sale	-	-
1.7. Prepaid expenses	58.277	3.000
2. ACCOUNTS RECEIVABLE WITHIN ONE YEAR	25.698	4.993
2.1. Trade debtors	6.823	-
2.2. Amounts owed by entities of the entities group	-	-
2.3. Amounts owed by associates entities	-	-
2.4. Other accounts receivable	18.875	4.993
3. SHORT-TERM INVESTMENTS	-	-
3.1. Shares in entities of the entities group	-	-
3.2. Other investments	-	-
4. CASH AND CASH EQUIVALENTS	60.058	183.423
5. DEFERRED EXPENSES AND ACCRUED INCOME	1.842	3.533
TOTAL ASSETS	11.572.501	11.448.231

Balance sheet (continued)

	30 June	31 December
Comments	2021	2020
EQUITY AND LIABILITIES		
D. EQUITY	514.225	(141.461)
1. EQUITY	1.002.500	2.500
1.1. Authorised (subscribed) or primary capital	1.002.500	2.500
1.2. Subscribed unpaid capital (-)	-	-
1.3. Own shares (-)	-	-
2. SHARE PREMIUM ACCOUNT	-	-
3. REVALUATION RESERVE	-	-
4. RESERVES	250	250
4.1. Compulsory reserve or emergency (reserve) capital	250	250
4.2. Reserve for acquiring own shares	-	-
4.3. Other reserves	-	-
5. UNDISTRIBUTED PROFIT (LOSS)	(488.525)	(144.211)
5.1. Profit (loss) of reporting year	(344.314)	(476.667)
5.2. Profit (loss) brought forward	(144.211)	332.456
E. GRANTS, SUBSIDIES	-	-
F. PROVISIONS	-	-
1. Provisions for pensions and similar liabilities	-	-
2. Provisions for taxes	-	-
3. Other provisions	-	-
G. ACCOUNTS PAYABLE AND OTHER LIABILITIES	11.054.363	11.581.109
1. ACCOUNTS PAYABLE AFTER ONE YEAR AND OTHER FIXED LIABILITIES	3.014.302	11.529.060
1.1. Debenture loans	-	8.000.000
1.2. Amounts owed to credit institutions	-	-
1.3. Prepayments received	2.550	2.898
1.4. Trade creditors	-	-
1.5. Amounts payable under the bills and checks	-	-
1.6. Amounts payable to the entities of the entities group	3.011.752	3.526.162
1.7. Amounts payable to the associated entities	-	-
1.8. Other amounts payable and long-term liabilities	-	-
2. ACCOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES	8.040.061	52.049
2.1. Debenture loans	8.030.667	29.333
2.2. Amounts owed to credit institutions	-	-
2.3. Prepayments received	-	-
2.4. Trade creditors	6.800	9.091
2.5. Amounts payable under the bills and checks	-	-
2.6. Amounts payable to the entities of the entities group	-	3.769
2.7. Amounts payable to the associated entities	-	-
2.8. Liabilities of tax on profit	-	-
2.9. Liabilities related to employment relations	569	121
2.10. Other amounts payable and short-term liabilities	2.025	9.735
H. ACCRUED EXPENSES AND DEFERRED INCOME	3.913	8.583
TOTAL EQUITY AND LIABILITIES	11.572.501	11.448.231

The explanatory notes provided below constitute an integral part of these financial statements.

Director	Rytis Zaloga
Representative of the company providing accounting services	Viliūnė Cibulskaitė

Profit and loss statement

		2021.01.01 -	2020.01.01 -
	Comments	2021.06.30	2020.06.30
1. Net revenue	14	27.935	654.387
2. Cost of sales	15	(270.549)	(992.460)
3. Fair value adjustments of the biological assets		-	-
4. Gross profit (loss)		(242.614)	(338.073)
5. Selling expenses		-	-
6. General and administrative expenses	16	(28.120)	(147.017)
7. Other operating results		-	-
8. Income from investments in the shares of parent, subsidiaries and associated entities		-	-
9. Income from other long-term investments and loans		-	-
10. Other interest and similar income	16,17	150.000	-
11. The impairment of the financial assets and short-term investments		-	-
12. Interest and other similar expenses	17	(286.924)	(274.642)
13. PROFIT (LOSS) BEFORE TAXATION		(407.658)	(759.732)
14. Corporate income tax	19	63.344	118.603
15. NET PROFIT (LOSS)		(344.314)	(641.129)

The explanatory notes provided below constitute an integral part of these financial statements.

_____ Director		_____ Rytis Zaloga
_____ Representative of the company providing accounting services		_____ Viliūnė Cibulskaitė

Statement of changes in equity

	Paid-up authorised of primary capital	Share premiums account	Own shares (-)	Revaluation reserve		Legal reserve		Other reserves	Retained profit (loss)	Total
				Fixed tangible assets	Financial assets	Compulsory reserve of emergency (reserve) capital	Reserve for acquiring own shares			
1. Balance at the end of the reporting (yearly) period before previous	1 410 000	-	-	-	-	141 000	-	-	719 426	2 270 426
2. Result of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
3. Result of correcting material errors	-	-	-	-	-	-	-	-	-	-
4. Recalculated balance at the end of the reporting (yearly) period before previous	1 410 000	-	-	-	-	141 000	-	-	719 426	2 270 426
5. Increase (decrease) in value of fixed tangible assets	-	-	-	-	-	-	-	-	-	-
6. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
8. Profit (loss) not recognised in profit and loss statement	-	-	-	-	-	-	-	-	(386 970)	(386 970)
9. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(476 667)	(476 667)
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	(140 750)	-	-	-	(140 750)
14. Increase (decrease) of authorised capital or shareholders' contributions ('shares repayment)	-	-	-	-	-	-	-	-	-	-
15. Increase (decrease) of other authorised or primary capital	(1 407 500)	-	-	-	-	-	-	-	-	(1 407 500)
16. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
17. Balance at the end of the previous reporting (yearly) period	2 500	-	-	-	-	250	-	-	(144 211)	(141 461)
18. Increase (decrease) in the value of fixed tangible assets	-	-	-	-	-	-	-	-	-	-
19. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
20. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
21. Profit (loss) not recognised in the profit (loss) account	-	-	-	-	-	-	-	-	-	-
22. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(344 314)	(344 314)
23. Dividends	-	-	-	-	-	-	-	-	-	-
24. Other payments	-	-	-	-	-	-	-	-	-	-
25. Formed reserves	-	-	-	-	-	-	-	-	-	-
26. Used reserves	-	-	-	-	-	-	-	-	-	-
27. Increase (decrease) of authorised capital or shareholders' contributions ('shares repayment)	1 000 000	-	-	-	-	-	-	-	-	1 000 000
28. Increase (decrease) of other authorised or primary capital	-	-	-	-	-	-	-	-	-	-
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
30. Balance at the end of the reporting period	1 002 500	-	-	-	-	250	-	-	(488 525)	514 225

The explanatory notes provided below constitute an integral part of these financial statements.

Director	Rytis Zaloga
Representative of the company providing accounting services	Viliūnė Cibulskaitė

CASH FLOW STATEMENT

	2021.01.01 - 2021.06.30	2020.01.01 - 2020.06.30
1. Cash flows from operating activities		
1.1. Cash inflows of the reporting period (VAT included)	74.750	952.996
1.1.1. Inflows from customers	34.750	952.332
1.1.2. Other inflows	40.000	664
1.2. Cash outflows of the reporting period	(398.115)	(668.490)
1.2.1. Cash paid to suppliers of raw materials, goods and services (VAT included)	(350.212)	(479.945)
1.2.2. Outflows related to employment relations	(1.022)	(4.368)
1.2.3. Taxes paid into the budget	(40.952)	(183.431)
1.2.4. Other payments	(5.929)	(746)
Net cash flows from operating activities	(323.365)	284.506
2. Cash flows from investing activities		
2.1. Acquisition of non-current assets (excluding investments)	-	-
2.2. Disposal of non-current assets (excluding investments)	-	-
2.3. Acquisition of non-current investments	-	(955.200)
2.4. Disposal of non-current investments	-	-
2.5. Loans granted	-	-
2.6. Loans recovered	-	-
2.7. Dividends and interest received	-	-
2.8. Other increases in cash flows from investing activities	-	-
2.9. Other decreases in cash flows from investing activities	-	-
Net cash flows from investing activities	-	(955.200)
3. Cash flows from financing activities		
3.1. Cash flows related to entity owners	-	-
3.1.1. Issue of shares	-	-
3.1.2. Owners' contributions against losses	-	-
3.1.3. Purchase of own shares	-	-
3.1.4. Dividends paid	-	-
3.2. Cash flows arising from other financing sources	200.000	514.838
3.2.1. Increase in financial debts	440.000	956.000
3.2.1.1. Loans received	-	-
3.2.1.2. Issue of bonds	440.000	956.000
3.2.2. Decrease in financial debts	(240.000)	(441.162)
3.2.2.1. Loans returned	-	(267.700)
3.2.2.2. Redemption of bonds	-	-
3.2.2.3. Interest paid loans	-	(173.462)
3.2.2.4. Interest paid bonds	(240.000)	-
3.2.2.5. Payments of liabilities arising from finance leases	-	-
3.2.3. Increase in other liabilities of the entity	-	-
3.2.4. Decrease in other liabilities of the entity	-	-
3.2.5. Other increases in cash flows from financing activities	-	-
3.2.6. Other decreases in cash flows from financing activities	-	-
Net cash flows from financing activities	200.000	514.838
4. Changes in currency exchange rates	-	-
5. Net increase (decrease) in cash flows	(123.365)	(155.855)
6. Cash and cash equivalents at the beginning of the period	183.423	624.494
7. Cash and cash equivalents at the end of the period	60.058	468.639

Director

Rytis Zaloga

Representative of the company
providing accounting services

Viliūnė Cibulskaitė

Explanatory notes to financial statements

1 General information

UAB Terseta (hereinafter the Company) was registered with the Register of Companies on 28 January 2015; registered address: Jogailos g. 4, Vilnius, Lithuania. The Company was registered as a VAT payer on 18 July 2018. Information about the Company is collected by and stored at the Centre of Registers.

Main activity of the Company: management and lease of real estate.

* Split-off of the Company

On 25 November 2020, the split-off of the Company took place, separating the Company's activities related to the maintenance and lease of the real estate property located at A. Juozapavičiaus St. 13 and Žvejų str. 14, Vilnius, and the transfer of the buildings to the newly established company UAB J13 (company code 305663041). The Company continues to carry out its activity related to the maintenance and lease of its newly acquired property at Gedimino Ave. 7, Vilnius.

Shareholders of the Company on 30 June 2021 and 31 December 2020: the closed-end investment fund for informed investors Lords LB Baltic Fund IV.

	2021		2020	
	Number of controlled shares	Ownership share	Number of controlled shares	Ownership share
Lords LB Baltic FUND IV	1 002 500	100,00%	2 500	100,00%
Total:	1 002 500	100,00%	2 500	100,00%

On 30 June 2021, the authorised capital of the Company amounted to EUR 1,002,500 (in 2020: EUR 2,500), and the number of shares amounted to 1,002,500 (in 2020: 2,500). All the shares are ordinary shares with the par value of EUR 1 per share; on 30 June 2021 and 31 December 2020, all the shares were paid up in full.

On 30 June 2021 and 31 December 2020, the Company did not have any branches or representative offices.

On 30 June 2021, the average number of employees of the Company was 3 (on 31 December 2020: 1).

The Company does not have any of its shares.

The financial year of the Company coincides with the calendar year.

2 Accounting principles

The main accounting principles used in the course of preparation of the financial statements of the Company for 2021 are as follows:

2.1 Form of financial statements

These financial statements were prepared according to legal acts of the Republic of Lithuania regulating financial accounting and preparation of financial statements that were enforced on 30 June 2021 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.

In the course of preparing the financial statements, the small company criteria were used, according to which a cash flow statement and an annual report must not be provided.

2.2 Currency of financial statements

In these financial statements, all amounts are indicated in the national currency of the Republic of Lithuania, the euro. At initial recognition, transactions in foreign currencies are accounted using the relevant exchange rate valid on the day of the respective

2.3 Investment assets

Investment assets include real property held for earning income and/or profit from an increase in the value of the assets and are accounted at fair value. Profit and loss due to changes in fair value of investment assets are included in the profit and loss statement of the period in which the changes occur.

Costs of repair of investment assets shown at fair value are recognised as expenses of the period in which they are incurred.

The Company uses the fair value method to account its investment assets. Depreciation for all investment assets that is accounted using the fair value method is only calculated for tax purposes and using the directly proportional (straight-line) method over 8-year useful life, except for land. Land and land lease rights are accounted at fair value together with the buildings accounted in the investment assets item.

Fair value of investment assets is determined based on reports of an independent property valuer. Valuation by an independent value is performed at least once yearly (if any significant changes occur, due to which the value of property can change significantly, valuations are performed more often).

2 Accounting principles (continued)

2.4. Financial assets

Financial assets include cash and cash equivalents and accounts receivable.

Financial assets are included in accounting records when the Company receives or, under a contract in progress, acquires the right to receive cash or other financial assets. Accounts receivable are measured at acquisition cost minus loss due to impairment. Cash and cash equivalents are measured at acquisition cost.

If it is likely that the Company will not be able to regain any accounts receivable, loss due to impairment is recognised, which is calculated as the difference between the book value of the relevant assets and the current value of future cash flows discounted using the calculated interest rate.

2.5. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash in transit and cash at bank, demand deposits and other short-term (up to three months from acquisition), very liquid investments, which are easily convertible into a known cash amount amounts and which are associated with minor value change risk.

2.6. Financial liabilities

Financial liabilities include accounts payable for received goods and services as well as liabilities under issued bonds agreements and loans.

Financial liabilities include accounts payable for received goods and services as well as liabilities under issued bonds agreements and loans.

Issued bonds are classified as financial liabilities redeemed for a single lump sum or in instalments according to an agreed redemption schedule. Issued bonds and received loans at first accounted at acquisition value, which equals the amount of received funds. Costs related to the conclusion of a transaction are recognised as expenses of financing activity. Financial liabilities are subsequently measured at amortised cost using the calculated interest rate method.

2.7. The calculated interest rate method

The calculated interest rate method is a method for calculating the amortised cost of financial assets and liabilities and allocating interest income and expenses over the relevant period. The calculated interest rate is an interest rate that accurately discounts, following measurement of future cash flows (including all paid or received fees, which constitute an integral part of the effective interest rate, transaction costs and other payments or discounts), to the net book value at initial recognition over the envisaged financial assets and liabilities period or (if appropriate) over a relevant shorter period.

2.8. Recognition of income

Income is recognised when it is likely that the Company will receive economic benefits related to the relevant transaction and when it is possible to reliably measure the amount of income. Sales are accounted minus VAT and provided discounts.

Where a service provision transaction is closed in the same period in which it was started, income is recognised in the same period and measured at the amount indicated in the contract. Where, under a service provision transaction, services are provided for a period longer than one reporting period, income is proportionately attributed to the periods in which the services were provided.

Income of typical activity includes lease income and utility and operational costs income. In cases where the Company acts as an intermediary rather than the main service provider, income and expenses are offset.

Lease income is recognised throughout the lease term.

2.9. Recognition of expenses

Expenses are recognised according to accrual and comparison principles in the reporting period when income related to them is earned. Any expenses incurred during the reporting period, which are impossible to directly relate to the earning of specific income and which will not generate income in future reporting periods, are recognised as expenses of the period in which they were incurred. Expenses are measured at fair value.

2.10. Borrowing expenses

Interest on loans and under issued bonds agreements are recognised in the profit and loss statement according to the accrual principle.

2.11. Corporate income tax

In 2021 and 2020, the 15% corporate income tax rate applied according to tax laws of the Republic of Lithuania.

Corporate income tax expenses include expenses of current year corporate income tax and deferred corporate income tax.

Tax loss may be carried forward for an unlimited number of times, except for any loss that forms due to transfer of securities and/or derivatives. Such carrying forward is discontinued if the Company discontinues the operations due to which this loss formed, except in cases where the Company discontinues the operations for reasons beyond its control. Loss from transfer of securities and/or derivatives may be carried forward for 5 years and only covered using profit of transactions of the same type. According to the most recent amendments of the Law on Corporate Income Tax of the Republic of Lithuania, tax loss carried forward may be used to cover up to 70% of the taxable income of the current tax year.

2 Accounting principles (continued)

2.11. Corporate income tax (continued)

Deferred taxes are accounted using the balance sheet liability method. A deferred tax reflects the net tax effect of temporary differences between the book value of assets and liabilities and their tax base. Deferred tax assets and liabilities are measured using the tax rate, which is expected to be used in the period when an asset will be realised or a liability will be settled, with consideration of tax rates that were approved or essentially approved as at the date of the balance sheet.

Deferred tax assets are recognised in the balance sheet to the extent the management of the Company expects that they will be realised in the foreseeable future, with consideration of the taxable income forecast. If it is likely that a share of a deferred tax will not be realised, this share of the deferred tax is not recognised in financial statements.

2.12. Foreign currencies

In the balance sheet, all currency items are measured in euros using the exchange rate as at the date of the balance sheet. Any assets purchased for a foreign currency and accounted at acquisition value are measured in the balance sheet in euros using the exchange rate valid at the time of acquisition. Any assets the fair value of which is determined in a foreign currency is measured in the balance sheet in euros using the exchange rate valid on the day of determination of the fair value. Transactions in foreign currencies are measured in euros using the exchange rate valid on the day of the relevant transaction. Any differences that form following payment of amounts registered in foreign currency items using a different exchange rate are recognised as income or expenses of the reporting period.

2.13. Financial risk management policy

In the process of engaging in its operations, the Company encounters a variety of financial risks. The management is responsible for risk management. The following main financial risk management procedures are used in the operations of the Company:

Financial liability risk

There is a significant financial liability risk concentration in the Company. The risk that a party to a transaction will not fulfil its obligations is controlled using internal monitoring procedures.

Interest rate risk

The income and cash flows of the Company are essentially independent of changes in market interest rates. The Company does not have any major interest-bearing assets.

According to issued bond issues, all interest rates are fixed, and the Company has therefore not concluded any derivatives transactions in order to protect itself against the interest rate fluctuation risk.

Currency risk

There is no significant currency exchange risk concentration in the Company because most of settlements take place in euros.

Liquidity risk

The conservative management of the liquidity risk enables the Company to have the required quantity of cash and cash equivalents for covering planned expenses. It is the Company's policy to have a sufficient quantity of cash and cash equivalents or secure financing from credit institutions or through other borrowing methods, in order to fulfil its obligations according to strategic plans (see comment 20). The Company prepares short-term cash flow forecasts.

2.14. Use of estimates in preparing financial statements

When preparing financial statements according to the Business Accounting Standards, the management must make certain assumptions and estimates, which affect amounts of assets, liabilities, income and expenses and the disclosure of contingencies. Future events may change the assumptions used to make estimates. The result of changes in such estimates will be accounted in financial statements when it is identified.

2.15. Contingencies

Contingent liabilities are not recognised in financial statements. They are described in financial statements, except in cases where the probability that resources that provide economic benefits will be lost is very low.

Contingent assets are not recognised in financial statements, but they are described in financial statements when it is likely that income or economic benefits will be received.

2.16. Set-offs

Set-offs of accounts receivable and payable with the same third party are performed when appropriate legal basis for such set-offs exists.

2.17. Related parties

Parties qualify as related when one party has an opportunity to control the other party or can exert a significant influence on the other party's financial and operational decisions.

2.18. Post balance sheet events

Post balance sheet events, which provide any additional information about the Company's position as at the date of the balance sheet (adjusting events), are reflected in financial statements. Post balance sheet events which are not adjusting events are described in comments, when deemed significant.

3 Investment assets

Indicators	Investment assets	Land	Construction in progress	Total
Fair value at the beginning of period	11 220 000	-	-	11 220 000
Changes of financial year:				
Increase (decrease) in value	110 000	-	-	110 000
Acquisition (sale) of assets	-	-	-	-
Fair value at the end of financial period	11 330 000	-	-	11 330 000

4 Prepaid expenses

	2021	2020
Prepayments to suppliers	58 277	3 000
	58 277	3 000

5 Accounts receivable withing one year

	2021	2020
Receivable purchase VAT	18 874	4 991
Trade debtors	6 823	-
Other accounts receivables	1	2
	25 698	4 993

6 Cash and cash equivalents

	2021	2020
Cash at bank	60 058	183 423
	60 058	183 423

7 Deferred expenses and accrued income

	2021	2020
Accrued utility and operational costs income	1 281	-
Deferred property insurance	263	-
Other deferred expenses	298	19
Accrued lease income	-	3 514
	1 842	3 533

8 Authorised capital

On 30 June 2021, the authorised capital of the Company amounted to EUR 1,002,500 (in 2020: EUR 2,500), and the number of shares amounted to 1,002,500 (in 2020: 2,500). All the shares are ordinary shares with the par value of EUR 1 per share; on 30 June 2021 and 31 December 2020, all the shares were paid up in full.

According to the Law on Companies of the Republic of Lithuania, the equity of a company may not be smaller than 1/2 of its share capital indicated in the Articles of Association of the company. On 31 December 2020, the Company did not satisfy this requirement. However, on 6 March 2021 the Company's authorised capital had been increased by 1,000,000 Eur to 1,002,500 Eur. Hence on 30 June 2021 the Company satisfied this requirement.

9 Reserves

The compulsory reserve is compulsory according to legal acts of the Republic of Lithuania. At least 5% of net profit, which is calculated according to Lithuanian accounting principles, must be transferred to this reserve annually until the reserve amounts to 10% of the authorised capital. On 30 June 2021, the Company did not satisfy this requirement.

10 Draft profit distribution

By the date these individual financial statements were prepared, a draft profit distribution has not been prepared.

UAB „Terseta“

COMPANY'S UNAUDITED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

Company Reg. No. 303556959, address: Jogailos st. 4, Vilnius

(In euros, unless indicated differently)

11 Debt liabilities

	2021	2020
Short term of Publically issued bonds with accrued interest	8 270 667	29 333
Long term of Publically issued bonds with accrued interest	-	8 000 000
Paid accrued interest	(240.000)	-
	8 030 667	8 029 333

The Publically issued bonds redemption date is 10 June 2022. The company paid first part of accrued interest on June 2021. Next interest date is on December 2021.

According to the publically issued bond agreement, the Company must comply with the following conditions:

Subordination of debt owing to the Related Parties

The Company undertakes to ensure that until full redemption of the bonds all and any debt owed by the Company to the Related Parties shall be subordinated to payment of bondholders' claims on terms and in a form acceptable to the trustee acting on behalf and for the benefit of the bondholders.

Mortgage over the Investment property

The Company undertakes to ensure that immediately takes all the necessary measures and performs all the required actions to ensure that Investment property is mortgaged in favour of the trustee acting on behalf and for the benefit of the bondholders to secure all the obligations of the Company to the bondholders, and first ranking maximum unconditional mortgage, with maximum mortgage amount at 130% of the aggregate Issue amount, is duly registered with the Mortgage Register of the Republic of Lithuania.

Additional obligations of the Issuer to the Bondholders

Until full redemption of the bonds the Company:

- shall ensure that the Company's loan to investment asset value ratio based on the quarterly financial statements of the Issuer drawn in accordance with BAS shall not be higher than 75%;
- shall not assume any financial indebtedness other than any debt from the Related Parties subordinated to payment of bondholders' claims.

	2021		
	Financial obligations*	Investment asset value	LTV, %
Loan to asset value ratio	8 030 667	11 330 000	70,88%

*Excluding subordinated debt

As of 30 June 2021, the Company complied with all the abovementioned conditions.

12 Accounts payable within one year and other current liabilities

	2021	2020
Bonds and accrued interest payable	8 030 667	29 333
Trade creditors	6 800	9 091
Land lease tax	2 025	-
Liabilities related to employment relations	569	121
Other amounts payable	-	-
Debts to related parties	-	3 769
Real estate tax	-	9 735
	8 040 061	52 049

13 Accrued expenses and deferred income

	2021	2020
Accrued audit expenses	2 467	2 960
Deferred income	-	2 275
Accrued securities accounts handling expenses	73	73
Other accrued expenses	1 373	3 275
	3 913	8 583

14 Net revenue

	2021	2020
Lease income	27 368	524 276
Utility and operational costs income	5 632	188 858
Other income received from tenants	200	2 475
Utility and operational costs (reimbursed by tenants)	(5,265)	(61,222)
	27 935	654 387

On 25 November 2020, the split-off of the Company took place, separating the Company's activities related to the maintenance and lease of the real estate property located at A. Juozapavičiaus St. 13, Vilnius, and the transfer of the building to the newly established company UAB J13 (company code 305663041). The Company continues to carry out its activity related to the maintenance and lease of its newly acquired property at Gedimino Ave. 9, Vilnius. However, the Company is currently not fully operational, which has resulted a decrease in Company's net revenue.

15 Cost of sales

	2021	2020
Design and other expenses related to reconstruction	220 885	806 553
Operating tax expenses	32 485	32 653
Facility maintenance and repair expenses	8 347	128 370
Operating costs	7 746	7 305
Insurance expenses	921	1 758
Other expenses	165	15 821
	270 549	992 460

On 25 November 2020, the split-off of the Company took place, separating the Company's activities related to the maintenance and lease of the real estate property located at A. Juozapavičiaus St. 13, Vilnius, and the transfer of the building to the newly established company UAB J13 (company code 305663041). The Company continues to carry out its activity related to the maintenance and lease of its newly acquired property at Gedimino Ave. 9, Vilnius. However, the Company is currently not fully operational, which has resulted a decrease in Company's cost of sales.

16 General and administrative expenses

	2021	2020
Accounting and audit expenses	8 717	14 192
Professional services expenses	7 544	122 007
Employment related expenses	2 229	8 403
Bank commission fees	398	527
Other expenses	9 232	1 511
Communications and internet services	-	377
	28 120	147 017

On 25 November 2020, the split-off of the Company took place, separating the Company's activities related to the maintenance and lease of the real estate property located at A. Juozapavičiaus St. 13, Vilnius, and the transfer of the building to the newly established company UAB J13 (company code 305663041). The Company continues to carry out its activity related to the maintenance and lease of its newly acquired property at Gedimino Ave. 9, Vilnius. However, the Company is currently not fully operational, which has resulted a decrease in Company's general and administrative expenses.

17 Income (expenses) of financing and investing activity – net result

	2021	2020
Income from revaluation of Investment assets	110 000	-
Fines and penalties	40 000	-
Investment assets revaluation income	-	-
Other interest and similar income	150 000	-
Interest on bonds	286 924	120 627
Credit loan interest	-	119 922
Interest on other accounts payable	-	32 231
Investment assets revaluation expenses	-	-
Penalties and late charge expenses	-	1 862
Interest and other similar expenses	286 924	274 642
Result of financing and investing activity	(136 924)	(274.642)

18 Transactions of related parties

Parties qualify as related if one party has an opportunity to control the other party or can exert material influence on the other party's financial and operational decisions. The related parties of the Company and the transactions with them in 2021 and 2020 were as follows:

	Income of				
	Paid out dividends	Expenses of transactions of related parties	of related transactions of related parties	Accounts receivable	Accounts payable
2021					
Related party 1	-	45 591	-	-	3 011 752
	-	45 591	-	-	3 011 752
2020					
Related party 1	-	230 272	-	-	3 526 162
Related party 2	-	-	3 053	-	-
	-	230 272	3 053	-	3 526 162

19 Corporate income tax

	2021	2020
Corporate income tax components		
Profit (loss) before tax	(407.658)	(759.732)
Non-taxable income	(150 000)	-
Unallowable deductions	220 885	810 032
Additionally allowable deductions	-	(659 095)
Taxable profit (tax loss)	(336 773)	(608 795)
Use of accrued tax loss of preceding year	-	-
Taxable profit (tax loss) after use of loss	(336 773)	(608 795)
Corporate income tax of reporting period	-	-
	2021	2020
Corporate income tax income (expenses) components		
(Expenses) of corporate income tax of reporting period	-	-
Deferred corporate income tax income (expenses)	63 344	118 603
Corporate income tax income (expenses) accounted in profit and loss statement	63 344	118 603

19 Corporate income tax (continued)

	2021	2020
Deferred corporate income tax assets		
Accruals	1	4
Tax loss carried forward	79 917	148 366
Deferred corporate income tax assets before decrease in realisable value	79 918	148 370
Minus: decrease in realisable value	-	-
Deferred tax assets at net value	79 918	148 370
Deferred corporate income tax liability		
Difference of fixed tangible assets depreciation between financial and tax values	16 708	(244 445)
Unrecognised deferred corporate income tax assets	-	-
Deferred tax asset (liability)	16 708	(244 445)
Deferred tax, at net value	96 626	(96 075)

	2021	Additionally formed	Difference between financial and tax values	2020
Accruals	4	2	-	2
Accrued tax loss	532 781	311 400	-	221 381
Tax loss transferred to other companies of the group	-	-	-	-
Difference of fixed tangible assets depreciation between financial and tax values	111 385	-	110 885	500
Provision for doubtful debts	-	-	-	-
Total temporary differences before decrease in realisable value	644 170	311 402	110 885	221 883
Minus: decrease in realisable value	-	-	-	-
Temporary differences at net value	644 170	311 402	-	221 883

	2021	2020
Profit before tax	(407 658)	(759 732)
Corporate income tax (expenses) calculated using the statutory tax rate in Lithuania	61 149	113 959
Permanent differences	6 000	(521)
Unrecognised deferred corporate income tax assets	(3 806)	5 165
Total corporate income tax income (expenses)	63 344	118 603

20 Rights and liabilities of the Company not indicated in the balance sheetTaxes

The tax administrator has not conducted any comprehensive tax audits of the Company. The tax administrator may at any time audit accounting, transaction and other documents, accounting records and tax returns for the current and three preceding calendar years, and in certain cases for the current and preceding 5 or 10 calendar years and impose additional taxes and penalties. The management of the Company is not aware of any circumstances by reason of which there may arise a significant liability related to unpaid taxes.

Other liabilities

The Company's investment asset (Gedimino 7, Vilnius) is located on a state land (0.2297 hectares). The company has entered into a long-term land lease agreement with the National Land Service until 29 January 2069. Annual land rental price is 0.5% from the land's tax value.

21 Liquidity

On 30 June 2021, current liabilities of the Company exceeded its current assets by EUR 7 898 099 (on 30 June 2021, current assets and deferred expenses and accrued income: EUR 145 875; current liabilities and accrued expenses and deferred income: EUR 8 043 974). The main current liabilities of the Company included liabilities to related and other parties under issued issues of bonds. The Company's liquidity will be ensured by cash injections of the sole shareholder.

22 Important accounting estimates

By reason of the global COVID-19 pandemic, including the lockdown restrictions which were made more stringent and mitigated in the Republic of Lithuania with consideration of the COVID-19 cases statistics, the approval and use of vaccines for preventing COVID-19, the Company's management has assessed the potential COVID-19 pandemic's impact on the Company's investment assets and believes that the COVID-19 pandemic do not pose a material threat to the Company's possibility to continue its operations, because the Company's shareholder has a long-term plans related to the Company's investment assets and plans to support the Company's activities to meet the Company's liabilities.

UAB „Terseta“

COMPANY'S UNAUDITED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

Company Reg. No. 303556959, address: Jogailos st. 4, Vilnius

(In euros, unless indicated differently)

23 Post balance sheet events

After the end of the financial quarter, no other post balance sheet events, which may affect the financial statements or should be disclosed, have occurred.

_____ Director	_____ Rytis Zaloga	_____
_____ Representative of the company providing accounting services	_____ Vilijūnė Cibulskaitė	_____