

LORDS LB ASSET MANAGEMENT

ACTIVITY REPORT 2022 Q1-Q4



LORDS LB
Asset Management

LORDS LB ASSET

I. GENERAL INFORMATION

1. Main data of the Management Company:

1.1. Name:

UAB "LORDS LB ASSET MANAGEMENT"

1.2. Headquarters (address):

Registry address: **Jogailos str 4, 01116 Vilnius, Lithuania**
Visiting address: **Jogailos str 4, 01116 Vilnius, Lithuania**

1.3. Telephone, fax numbers, e-mail address, website address:

Telephone No.: **+ 370 5 261 9470**
E-mail: **info@lordslb.lt**
Website: **www.lordslb.lt**

1.4. Activity Licence No of the Management Company:

Management Company working under Undertakings in Collective Investment Law License No. VIK-016, issued on the 23rd of December 2008.
Management Company working under Management Companies of Alternative Collective Investment Entities Law License No. 1, issued on the 23rd of June 2015.

1.5. Date of registration of the Management Company at the Register of Legal Entities, legal entity code:

Registry date: **8th September, 2008**
Registry place: **State Enterprise Centre of Registers Vilnius Branch**
Company code: **301849625**

2. Reporting period for which the report was prepared:

January 1, 2022 - December 31, 2022

3. Audit company name, registered office (address), telephone and fax numbers:

Name: **UAB „KPMG Baltics“**
Address: **Lvivo str 101, Vilnius, Lithuania**
Telephone No: **+370 5 210 2600**
Fax No: **+370 5 210 2659**

4. The beginning and the end of Financial Year:

January 1, 2022 - December 31, 2022

5. Information about reports:

5.1. The address of the Management Company's website, where the Management Company's annual financial statements approved by the general meeting of shareholders, the auditor's report, the annual report and information on capital adequacy are published:

Website: **www.lordslb.lt**

5.2. Information about where and when to get acquainted with the Activity Report and the documentation it is based on:

UAB „LORDS LB ASSET MANAGEMENT“, Jogailos str 4, 01116 Vilnius, during working hours 9am-6pm.



II. INFORMATION OF THE CAPITAL OF THE MANAGEMENT COMPANY, ISSUED SECURITIES AND THE SHAREHOLDERS

6. The capital of the Management Company:

6.1. The amount of authorized capital, structure and its changes during the last three years and registry dates of the changes of the Statute at the State Enterprise Centre of Registers:

At the end of the reporting period the amount of authorized capital was EUR 318 560.

6.2. The amount of issued shares by the Management Company, par value and the granted rights:

11 000 ordinary registered shares with par value of EUR 28,96 each.

7. Borrowings (in percentage), over equity, purpose of borrowings, period, payable interest.

The Management Company didn't have any loans at the end of the reporting period.

8. The amount of equity invested in a diversified portfolio of investments:

The amount of equity invested in a diversified portfolio of investments – EUR 4 617 547 of which EUR 2 441 173 is cash and cash equivalents.

9. Shareholders:

9.1. The number of shareholders and its change over last three years:

Number of shareholders	December 31, 2020	6
Number of shareholders	December 31, 2021	6
Number of shareholders	December 31, 2022	6

9.2. Shareholders who own or control more than 10 percent of the management company's share capital: personal names, corporate names, type, location address, registry code, number of shares owned by the shareholders, share capital and voting percentages – voting percentages of the shares owned by each person and percentage of votes belonging to the person together with other participants.

Name:	UAB "Glera"
Company code:	302576414
Registry address:	Jogailos str 4, Vilnius, Lithuania
Owns:	5 170 shares and 47% votes

Name:	UAB „Aemulus“
Company code:	302578408
Registry address:	Jogailos str 9, Vilnius, Lithuania
Owns:	2 860 shares and 26% votes

9.3. Charged and paid dividends and period for which dividends were paid:

Dividends of EUR 5 000 000 were declared in 2022 for 2021. Dividends were paid out in April 2022.

9.4. The number of shares owned, share capital and votes (in percentage) of the head managers, administration staff and other related persons of the Management Company:

The head managers and administration staff do not directly own any shares in the management company.

III. INFORMATION ABOUT THE ACTIVITY OF THE MANAGEMENT COMPANY

10. Membership in associated structures:

-

11. Clients of the Management Company:

11.1. Collective investment undertakings:

Type of collective investment undertaking	Name	Net asset value	Average net asset value	Number of participants	Annual management fee
CIU RE	Lords LB Baltic Fund III	-	21 635 947	-	311 022
CIUFII RE	Lords LB Baltic Fund IV	86 939 535	87 492 596	45	1 319 179
CIUFII RE	Lords LB Baltic Small Cap Fund	17 146 019	17 234 220	78	34 592
CIUFII RE	Lords LB Baltic Green Fund (V)	63 657 017	58 263 802	31	871 540
CIUFII RE	BGFV Inter Cap Fund	2 692 831	2 690 657	11	5 460
CIU PE	Lords LB Private Equity Fund I	2 340 512	7 789 041	13	21 904
CIUFII RE	Lords LB Special Fund I Subfund A	26 844 260	26 582 281	30	399 538
CIUFII RE	Lords LB Special Fund I Subfund B	-	21 896 346	-	2 690 941
CIUFII RE	Lords LB Special Fund III	6 422 022	7 749 299	16	57 851
CIUFII RE	Lords LB Special Fund IV	5 539 098	8 067 709	31	120 456
CIUFII RE	Lords LB Special Fund V	46 917 449	53 914 358	57	814 286
CIUFII INFRA	Energy and Infrastructure SME Fund	81 280 831	75 215 452	89	536 331
CIUFII RE	Central Development Fund	13 019 364	12 419 679	13	186 367
CIUFII INFRA	UTIISIB UAB Atsinaujinančios energetikos investicijos	103 538 263	82 396 519	64	1 064 339
CIU RE	SUT NT IB AB Tewox	29 478 041	28 338 238	30	437 057
CIUFII RE	Right Bank Development Fund	15 095 295	14 082 769	13	173 569
CIUFII RE	VIRITAWA Development Fund	-	-	-	-
Total:		500 910 537	525 768 913	521	9 044 432

11.2. Pension funds:

The company does not control pension funds.

11.3. Information about individual clients' portfolio:

The Company does not control individual clients' portfolio.

11.4. Information about custody and management of Collective investment undertaking units:

The Company does not custody nor manage Collective investment undertaking units.

12. Security public trading brokers with which the Management Company has been concluded management agreements for the benefit of its own and controlled undertakings:

The company has no management agreements with security public trading brokers.

13. The amount of fee paid to the security public trading brokers for the services:

-

14. Information about the delegation of functions:

Functions: **Accounting and tax compliance services**
 Name: **Ernst & Young Baltic, UAB**
 Address: **Aukštaičių str. 7, Vilnius, Lietuva**
 Amount paid: **EUR 37 123**

15. Description of the services of the management company during the last 3 financial years: list of services provided by the types of services listed in the license, income by types of services, amount of managed net assets, number of clients, other significant information about the services provided:

Key activities: **Establishment, consulting and management of real estate and private capital collective investment undertakings.**

	This period	1 year ago	2 years ago
CIU management income:	9 044 432	9 492 727	6 769 865
Managed net asset value:	500 910 537	509 167 793	411 388 601
Number of clients:	14	16	16
Fund consulting income:	60 237	-	-
Number of clients:	1	-	-

16. Real estate:

The company does not own real estate.

17. Risk factors, related to the Management Company:

- Economic and political situation in the Baltics and neighbouring countries
- Changes in global equity and real estate markets
- Currency exchange rate risk
- Changes in taxing environment
- Competetive risks

18. Juridical and arbitration proceedings:

-

19. Number of employees, education, average monthly salary; changes compared to the previous financial year, and their brief description:

Number of employees:	30
With higher education:	30
Average monthly salary:	EUR 5 810
Changes:	During the reporting period, 5 new employment contracts were concluded (9 in the previous reporting period) and 4 employment contracts were terminated (9 in the previous reporting period). The management company continues to look for the optimal number of employees.

20. Information on the applicable salary policy:

20.1. The total amount of salaries paid to the employees of the management company during the financial year, divided into fixed and variable amounts, the number of beneficiaries and, if applicable, the amounts directly paid by the collective investment undertakings, including applicable success fees and other similar payments:

Fixed amount:	1 696 691 EUR
Variable amount:	385 941 EUR
Beneficiaries:	32

20.2. The total amount of salaries paid, divided according to the categories of company employees or other persons whose professional activities have a significant impact on the risk nature of the management company or the collective investment undertakings and pension funds managed by it, as determined in Article 12 of the Law on Collective Investment Undertakings:

Executives:	207 856 EUR
Other employees*:	1 255 300 EUR

* Employees of the Company, whose professional activities and/or the decisions may have a significant influence on the nature of the risks assumed by the Company, except the board members and executives.

20.3. Description of how salaries and other benefits are calculated:

Employee salaries may consist of fixed and variable amounts. In cases where one part of the employee's salary is a variable amount, the salary is determined in such a way that both the fixed and variable amounts are properly balanced. In any case, the fixed salary must be a sufficiently large part of the total salary (except for bonuses awarded to members of the Board of the Management Company). Variable amount (if it is decided to apply it to a specific employee) can be awarded and/or paid only in the case of a sustainable financial position of the Management Company and is linked to the performance of the Management Company, the relevant collective investment undertaking and the relevant employee.

The variable part of employee salaries is determined taking into account the individual performance results of the person and the performance results of the Management Company as a whole. The assessment of the performance takes into account the current and future risks associated with them and the costs of maintaining capital and liquidity.

Considering that the fixed part of the salary in the Management Company constitutes a sufficiently large part of the total salary, the size, organizational structure, nature, scope and complexity of the Management Company, the size of the managed collective investment undertakings, the Management Company does not apply a deferral period and postponement of the variable salary part.

When considering the performance of an individual Employee, it is taken into account whether the Employee acts in accordance with the requirements established in legal acts and the internal procedures and procedures of the Management Company, his non-financial contribution to the overall performance of the Management Company and a specific collective investment undertaking, and other relevant criteria.

20.4. Results of periodic salary policy reviews, including identified cases of violation of the applicable requirements:

There were no violations identified.

20.5. Information about significant changes in the salary determination policy:

There were no significant changes in the salary policy.

IV. MANAGEMENT OF THE COMPANY

21. Members of the company's bodies and employees performing important functions (supervisory board members, board members, company manager, deputy manager, chief accountant):

21.1. Positions, names, surnames of the persons of the Management Company, share capital and votes in percentage:

Jan Ake Gustaf Litborn	Chairman of the board	0%
Mindaugas Marcinkevičius	Board member	0%
Andrius Stonkus	Board member	0,1% (directly owned)
Antanas Vainauskas	Board member	0%
Giedrius Bernotas	Board member	0%
Vilma Tvaronavičienė	Managing director	0%
Tadas Pranckevičius	Chief accountant	0%

21.2. The additional information about the Chairman of the Board, Manager of the Company and the Chief Accountant: background, workplaces during last 10 years and positions there.

Jan Ake Gustaf Litborn	Chairman of the board
Education	MSc in Law at Stockholm university
Work experience:	Partner, "Levander Gawell"
	Partner, Sohlberg"
Current positions	Partner, PK Advokat AB
	Partner, Born Advokater KB
Vilma Tvaronavičienė	Managing director
Education:	BSc in Mechanical engineering, Kaunas University of Technology
	International management principles examination "Foundation Award in Management principles", Institute of Leadership and Management
Work experience:	UAB Koncernas „Achemos grupė" president's advisor
Current positions:	Managing director, UAB "Lords LB Asset Management"
Tadas Pranckevičius	Manager, UAB "Ernst & Young Baltic"
Education:	BSc in Economics at Vilnius University
	MSc in Business process management at Vilnius University
	"Association of Chartered Certified Accountants"
Current positions	Manager, UAB "Ernst & Young Baltic"

21.3.

Information about participation in activity of other companies, institutions, organizations (titles, positions) and capital (company, institution, organization, the percentage of capital and votes if more than 10%):

Jan Ake Gustaf Litborn	Law Firm	Managing partner	44%
	PK Advokat AB		
	Varakani AB	Shareholder	100%
	Atlant Ocean Racing AB	Shareholder	19%
	Donap Advokat AB	Shareholder	100%
	Backastad AB	Shareholder	15%
	Born Advokater AB	Managing partner	36%
Mindaugas Marcinkevičius	UAB "Glera"	Shareholder, managing director	100%
	UAB "Taikos projektas"	Shareholder, managing director	100%
	UAB "Biruliškių projektas"	Shareholder	100%
	OU Attexo	Shareholder, board member	100%
	UAB "Ordeta"	Board member	-
	AS "PN Project"	Member of the supervisory board	-
Andrius Stonkus	UAB "Aemulus"	Shareholder	100%
	Starlynx investment OU	Shareholder, board member	100%
	UAB "Parkdema"	Board member	-
	UAB "Cogito Invest"	Shareholder, managing director	-
	UAB "Humitas"	Shareholder (via Starlynx Investment OU)	50%
	AB Sparta	Member of the supervisory board	-
	UAB "Konversijos projektai"	Shareholder (via Starlynx Investment OU)	100%
Antanas Vainauskas	UAB "Serenus"	Shareholder	100%
	UAB "INVESTI LT"	Managing director	-
	Law firm "Vainauskas ir partneriai"	Partner, lawyer	100%
	UAB "LL investicijos"	Board member	-
	UAB "TAN Oil"	Board member	-
	UAB "Diseta"	Board member	-
Giedrius Bernotas	UAB "Ariport business Park"	Shareholder	10%
	AS "PN Project"	Board member	-
	SIA "PN Management"	Board member	-
	UAB "Matuda"	Managing director	-

21.4. Information about the Board of the company at the beginning and at the end of the term:

Board members	
Jan Ake Gustaf Litborn	2019 06 20 – 2023 06 19
Andrius Stonkus	2019 06 20 – 2023 06 19
Mindaugas Marcinkevičius	2019 06 20 – 2023 06 19
Antanas Vainauskas	2019 06 20 – 2023 06 19
Giedrius Bernotas	2021 12 20 – 2023 06 19

22. The names, surnames, phone numbers, education, the title and number of qualification certificate of the Management Company's managers and employees who have experience in finance or other qualification:

Artūras Šilinis, 1970, Jogailos 4 Vilnius, Higher education, +370 5 261 94 70
Financial brokerage license no. A173

Rasa Bartusevičienė, 1977, Jogailos 4 Vilnius, Higher education, +370 5 261 94 70,
Financial brokerage license no. S053

Jelena Šamenko, 1979, Jogailos 4 Vilnius, Higher education +370 5 261 94 70,
Financial brokerage license no. S150

23. Information about payments or loans to the corporate bodies of the Company (supervisory board members, board members, manager of the company, manager's deputy, chief accountant):

23.1. Information about bonuses and other payments from the profits of the average values per one person paid to the leadership of the Company during the reporting period:

Board members -	EUR 77 761
Executives -	EUR 207 856

23.2. Salaries, bonuses and other payments of the amount of the profit received from the companies in which the management company's share capital consists of more than 20 percent paid to the Management Company's supervisory board, the board and administration during the reporting period:

-

23.3. Loans, guaranties and sureties of their obligations allotted to the members of the corporate bodies during the reporting period:

-

24. Indicate the members associated with the Management Company:

24.1. The entities which control the Management Company or are under control of the Management Company:

Controlled entities	Country	Registration code	Acquisition date	Equity share	Number of shares	Value of one share
Lords LB European Property GP SARL	LU	B269758	2022-06-30	100%	12 000,00	1,00
Lords LB Baltic Residential Property GP SARL	LU	B267933	2022-05-20	100%	12 000,00	1,00

24.2. If the entity under control or controls is a legal person, indicate it's leadership:

Lords LB European Property GP SARL manager

**Franck Caramelle, Vilma Tvaronavičianė,
Marius Žemaitis**

Lords LB Baltic Residential Property GP SARL manager

**Franck Caramelle, Vilma Tvaronavičianė,
Rytis Zaloga**

25. The concluded transactions on the asset of CIU funds, managed by the Management Company, by the individuals associated with the Management Company; the part of CIU portfolio managed by that individuals:

CIU Fund	Acquired investment units during the period	Sold investment units during the period	Total investment units at the reporting date	% of the Fund
Investor no. 1012				
Right Bank Development Fund	14 868	-	14 868	0,10%
Investor no. 1044				
Right Bank Development Fund	15 227	-	15 227	0,10%
Investor no. 1059				
Atsinaujinančios energetikos investicijos	-	-	341 064	0,62%
Central Development Fund	-	-	250 000	1,96%
Energy and Infrastructure SME Fund	-	-	396 505	0,64%
Lords LB Baltic Fund III	-	(1 530 004)	-	0,00%
Lords LB Baltic Fund IV	-	(37 409)	3 324 530	6,31%
Lords LB Private Equity Fund I	-	(6 153 496)	-	0,00%
Lords LB Special Fund I Subfund A	-	-	1 374 625	5,50%
Lords LB Special Fund I Subfund B	-	(225 375)	-	0,00%
Lords LB Special Fund V	-	-	322 917	0,83%
Investor no. 1064				
Lords LB Private Equity Fund I	-	(8 488)	154 373	0,79%

CIU Fund	Acquired investment units during the period	Sold investment units during the period	Total investment units at the reporting date	% of the Fund
Investor no. 1082				
Lords LB Baltic Fund III	-	(591 076)	-	0,00%
Lords LB Baltic Green Fund (V)	73 246	-	1 045 908	1,60%
Lords LB Private Equity Fund I	-	(2 258 909)	-	0,00%
Lords LB Special Fund III	-	-	600 000	4,94%
Lords LB Special Fund I Subfund A	-	-	1 707 000	6,83%
Lords LB Special Fund IV	-	-	1 400 000	10,14%
Lords LB Special Fund V	-	-	177 083	0,46%
Atsinaujinančios energetikos investicijos	1 831 166	-	1 831 166	3,34%
Right Bank Development Fund	341 082	-	341 082	2,27%
Investor no. 1094				
Lords LB Private Equity Fund I	-	(60 948)	1 108 409	5,65%
Investor no. 1141				
Energy and Infrastructure SME Fund	401 443	-	401 443	0,65%
Lords LB Private Equity Fund I	7 973 943	-	7 973 943	40,64%
Lords LB Special Fund III	8 500 000	-	8 500 000	69,96%
Lords LB Special Fund V	2 849 842	-	2 849 842	7,32%
SUT NT IB AB "Tewox"	5 000 000	-	5 000 000	15,91%
Investor no. 1253				
Lords LB Special Fund V	-	-	177 083	0,46%
Investor no. 1372				
Lords LB Special Fund V	-	-	12 518	0,03%
Investor no. 1403				
Lords LB Baltic Fund III	-	(50 177)	-	0,00%
Lords LB Baltic Small Cap Fund	-	(1 012)	180 437	1,67%
Lords LB Special Fund I Subfund A	-	-	200 000	0,80%
Investor no. 1440				
Energy and Infrastructure SME Fund	107 278	-	107 278	0,17%
SUT NT IB AB "Tewox"	125 000	-	125 000	0,40%

V. RECENT AND ESSENTIAL EVENTS OF THE ACTIVITY OF THE MANAGEMENT COMPANY, IT'S PROSPECTIVE

26. Recent and essential events of the activity of the Management Company (definition of the recent and essential events of the reporting period, the date (period):

- In March 2022, the approval from Bank of Lithuania was received for the rules of the VIRITAWA Development Fund, a closed-end real estate investment fund for informed investors;
- In June and July 2022, the Management Company established companies Lords LB Baltic Residential GP SARL and Lords LB European Property GP SARL in the Grand Duchy of Luxembourg and invested EUR 12,000 in each of their 100 % authorized capital;
- On 19 July 2022 the issue of green bonds of UTISIIB UAB Atsinaujinancios energetikos investicijos (hereinafter - AEI) has been added to the Nasdaq Baltic Debt securities list. The amount of green bonds issued by AEI at the end of 2022 is EUR 52 million;
- In August 2022, Lords LB Baltic Fund III, a closed-end real estate investment fund, closed its operations;
- In September 2022, Lords LB Special Fund I Subfund B closed its operations;
- In September 2022, Lords LB European Property Fund SCA SICAV-RAIF successfully made its first investment in Lithuania.

27. The strategy of the activity and prospective changes of it during the forthcoming financial years:

The main objectives of the Managing Company in 2023 are:

- To continue the investment management of the Lords LB Baltic Green Fund (V);
- To continue the development of the Central Development Fund asset;
- To continue the investment management of the Lords LB Baltic Fund IV;
- To continue the investment management of the fund Energy and Infrastructure SME Fund;
- Lords LB Private Equity Fund I looking for opportunities to realise managed assets under acceptable terms and to discontinue operations in Belarus as soon as possible;
- To find new investment opportunities and continue the existing investment management of the Investment company AB "Tewox";
- To continue the development of the fund's Lords LB Special Fund I Subfund A, Lords LB Special Fund III, Lords LB Special Fund IV and Lords LB Special Fund V assets;
- To find new investment opportunities and continue the existing investment management of the Investment company UAB "Atsinaujinancios energetikos investicijos";
- To continue the development of the Right Bank Development Fund asset;
- To continue Lords LB European Property Fund SCA SICAV-RAIF management of existing and finding new investments;
- To finalise Lords LB Baltic Residential Fund SCA SICAF-RAIF liquidation.

VI. PERSONS IN CHARGE

28. The persons in charge for the information presented in the Report:

28.1. The members of the company's management bodies, employees and the company's manager which are responsible for the report (indicate names, surnames, positions, telephone and fax numbers):

Managing director	Vilma Tvaronavičienė
Telephone No:	(8 5) 261 9470
E-mail:	info@lordslb.lt

Chief financial officer	Kirilas Kundušas
Telephone No:	(8 5) 261 9470
E-mail:	info@lordslb.lt

28.2. If the management company's report is prepared by consultants or is assisted by consultants, the report must include the names, surnames, telephone and fax numbers of those consultants (if the consultant is a legal entity, its name, telephone and fax numbers, and the name and address of the consultant's representative(s) surname; it is noted which specific parts of the report were prepared by consultants or which parts of the report were prepared with the help of consultants, and the limits of responsibility of the consultants are indicated):

Chief accountant:	Tadas Pranckevičius
Name of the company:	Ernst & Young Baltic, UAB
Telephone No:	(8 5) 219 9807
E-mail:	Tadas.Pranckevicius@lt.ey.com

29. Confirmation by the members of the management company's management bodies, employees and the company's manager and consultants responsible for the preparation of the report that the information provided in the report corresponds to the truth and there are no hidden facts that could affect the activities of the management company or collective investment entities (pension funds) managed by it. This confirmation must be accompanied by the original signatures of the persons mentioned in this point.

Members responsible for the preparation of the report confirm that the information provided in the report corresponds to the truth and there are no hidden facts that could affect the activities of the management company or collective investment undertakings.