

CLOSED-END INVESTMENT UNDERTAKING FOR INFORMED
INVESTORS CAPITALICA BALTIC REAL ESTATE FUND I UAB

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6-MONTH
PERIOD ENDED 30 JUNE 2021

Consolidated statement of financial position

	<u>As at 30 June 2021</u>	<u>As at 31 December 2020</u>
ASSETS		
Non-current assets		
Intangible assets	29	26
Tangible assets	1	-
Investment property	71.467	61.167
Right-of-use property	97	99
Total non-current assets	71.594	61.292
Current assets		
Receivables from contracts with customers	200	193
Other receivables	44	128
Prepaid income tax	-	24
Prepayments	105	119
Cash and cash equivalents	1.331	6.963
Total current assets	1.680	7.427
Total assets	73.274	68.719

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Consolidated statement of financial position (continued)

	30.06.2021	31.12.2021
EQUITY AND LIABILITIES		
Equity		
Share capital	18.362	18.362
Share premium	1.375	1.375
Legal reserve	698	604
Retained earnings	9.755	8.852
Total equity	30.190	29.193
Non-current liabilities		
Long-term loans	11.480	25.180
Bonds issued	4.999	7.999
Lease liabilities	93	95
Deferred tax liability	4.004	3.722
Other non-current liabilities	233	155
Total non-current liabilities	20.809	37.151
Current liabilities		
Current portion of long-term loans	15.752	1.104
Bonds issued	3.017	53
Lease liabilities	4	4
Trade payables	2.632	343
Contract liabilities	788	768
Other short-term liabilities	82	103
Total current liabilities	22.275	2.375
Total equity and liabilities	73.274	68.719

The accompanying notes are an integral part of these financial statements.

Director of management company CAPITALICA ASSET MANAGEMENT UAB	Andrius Barštys	29 September 2021
Senior Accountant of SBA Competence and Service Center UAB	Milda Kiaušinytė	29 September 2021

Consolidated statement of comprehensive income

	01.01.2021- 30.06.2021	01.01.2020- 30.06.2020
Revenue from contracts with customers	2.402	2.376
Cost of sales	(578)	(560)
Gross profit	1.824	1.816
Operating expenses	(592)	(291)
(Loss) gain on investment property at fair value	573	51
Operating profit	1.805	1.576
Finance expenses		
Interest expenses	(526)	(399)
Profit before tax	1.279	1.177
Income Tax	(282)	(214)
Net profit	997	963
Other comprehensive income		
Other comprehensive income	-	-
Total comprehensive income after tax	997	963

The accompanying notes are an integral part of these financial statements.

Director of management company
CAPITALICA ASSET MANAGEMENT
UAB

Andrius Barštys

29 September 2021

Senior Accountant of SBA
Competence and Service Center UAB

Milda Kiaušinytė

29 September 2021

Consolidated statement of changes in equity

	Equity	Share premium	Legal reserve	Retained earnings	Equity In total
Balance as at 1 January 2020	18.362	1.375	382	7.328	27.447
Net profit for the year	-	-	-	963	963
Total comprehensive income	-	-	-	963	963
Transfer to reserves	-	-	222	(222)	-
Balance as at 30 June 2020	18.362	1.375	604	8.069	28.410
Net profit for the year	-	-	-	783	783
Total comprehensive income	-	-	-	783	783
Transfer to reserves	-	-	-	-	-
Balance as at 31 December 2020	18.362	1.375	604	8.852	29.193
Net profit for the year	-	-	-	997	997
Total comprehensive income	-	-	-	997	997
Transfer to reserves	-	-	94	(94)	-
Balance as at 30 June 2021	18.362	1.375	698	9.755	30.190

The accompanying notes are an integral part of these financial statements.

Director of management company
CAPITALICA ASSET MANAGEMENT
UAB

Andrius Barštys

29 September 2021

Senior Accountant of SBA
Competence and Service Center UAB

Milda Kiaušinytė

29 September 2021

Consolidated statement of cash flows

	<u>01.01.2021-</u> <u>30.06.2021</u>	<u>01.01.2020-</u> <u>30.06.2020</u>
Cash flows from operating activities		
Net profit	997	963
Adjustments to non-cash items and financing and investing activities:		
Income tax expense	282	214
Depreciation and amortisation	6	4
Interest expense	1	1
Change in accrued expenses	(10)	(337)
Change in fair value	(573)	(51)
Elimination of other financing activity results	526	398
	<u>1.229</u>	<u>1.192</u>
Working capital changes:		
(Increase) in trade and other receivables	29	(80)
(Increase) in prepayments	35	22
Increase (decrease) in trade payables	3.213	178
Increase in contract liabilities and other current liabilities	103	(6)
Income tax (paid)	-	(10)
Net cash flows from operating activities	<u>4.609</u>	<u>1.296</u>
Cash flows used in investing activities		
(Acquisition) of non-current assets	<u>(10.659)</u>	<u>(1.338)</u>
Net cash flows used in investing activities	<u>(10.659)</u>	<u>(1.338)</u>
Cash flows from/used in financing activities		
Loans received	1.500	-
(Repayment) of loans	(552)	(552)
Lease (payments)	(2)	(2)
Interest (paid)	(528)	(400)
Net cash flow from/used in financing activities	<u>418</u>	<u>(954)</u>
Net increase (decrease) in cash flows	<u>(5.632)</u>	<u>(996)</u>
Cash and cash equivalents at the beginning of the period	<u>6.963</u>	<u>5.707</u>
Cash and cash equivalents at the end of the period	<u>1.331</u>	<u>4.711</u>

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Consolidated statement of cash flows (continued)

	<u>01.01.2021-</u> <u>30.06.2021</u>	<u>01.01.2020-</u> <u>30.06.2020</u>
Additional information on cash flows:		
Non-cash investing activities:		
Acquisition of non-current assets not paid for in cash	923	305

he accompanying notes are an integral part of these financial statements.

Director of management company CAPITALICA ASSET MANAGEMENT UAB	Andrius Barštys		29 September 2021
Senior Accountant of SBA Competence and Service Center UAB	Milda Kiaušinytė		29 September 2021

Notes to the consolidated financial statements

1 General

The closed-end investment undertaking for informed investors CAPITALICA BALTIC REAL ESTATE FUND I UAB (hereinafter – the Company) is a limited liability company registered in the Republic of Lithuania on 5 October 2016. Its registered office address is Upės st. 21-1, Vilnius.

The main activity of the Company – collective investment of informed investor assets in the real estate market in order to spread risks and earn profit for the Company’s shareholders. On 22 October 2016, the Bank of Lithuania issued a licence No 03-202 to the Company to operate as an investment company under the Republic of Lithuania Law on Collective Investment Undertakings for Informed Investors. Before the issue of the licence, the Company operated as a private limited liability company and its shareholders had all the rights and obligations determined by the Law on Companies of the Republic of Lithuania.

The goal of the Company is to ensure a long-term growth of return to the shareholders by investing in the real estate market of the Baltic States, focusing on investing in commercial real estate. Investments in residential real estate are also possible. The Company invests in real estate objects which are in their early stages of development i.e. under construction, as well as in already completed real estate objects.

The Company is able to operate not longer than 10 years from the day on which the Bank of Lithuania issued the licence to operate as an investment company. This term can be extended by 2 years.

The Company is managed by CAPITALICA ASSET MANAGEMENT UAB (hereinafter “the Management Company”), registered as of 4 May 2016, company code 304234719, registered office address Laisvės ave. 3, Vilnius. On 17 August 2016, license No 03-118 was issued to the Management Company by the Bank of Lithuania, enabling it to manage collective investment undertakings intended for informed investors operating under the Republic of Lithuania Law on Collective Investment Undertakings for Informed Investors.

As at 30 June 2021 and 2020, the shareholders of the Company were:

Shareholder	Ownership interest as at 30 June 2021, %	Ownership interest as at 30 June 2020, %
SBA Grupė UAB (former Koncernas SBA UAB)	16,07	25,79
Minority shareholders	83,93	74,21
In total:	100,00	100,00

As at 30 June 2021 and 2020, the shared capital amounted to EUR 18,362,432, split into 18,362,432 units of ordinary registered shares, the nominal value of each was EUR 1. All the shares were fully paid.

The securities accounts of the investment company are managed by AB Swedbank, company code 112029651, registered office address Konstitucijos Ave. 20A, Vilnius, which is a direct participant of the Lithuanian Central Securities Depository, code No. 962, and AB SEB bankas, company code 112021238, registered office address Gedimino Ave. 12, Vilnius.

The structure of the Group

As at 30 June 2021 and 2020, the Group of Closed-End Investment Undertaking Intended For Informed Investors CAPITALICA BALTIC REAL ESTATE FUND I UAB consisted of the Company and the following directly controlled subsidiaries (hereinafter “the Group”):

Company	Country	Part of shares held by the Group (%) 30 June 2021	Part of shares held by the Group (%) 30 June 2020	Main activities
PC Luizė UAB	Lithuania	100	100	Lease of real estate
Žaliakalnio Parkas UAB	Lithuania	100	100	Development and lease of real estate
Verslo Centras 135 UAB	Lithuania	100	100	Lease of real estate
SIA Hanza 14	Latvia	100	100	Development and lease of real estate

In 2021 and 2020, there was 1 employee (Director) working in all the Group companies.

2 Summary of accounting principles

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 31 December 2020.

GENERAL INFORMATION

Closed-end investment undertaking intended for informed investors CAPITALICA BALTIC REAL ESTATE FUND I UAB (hereinafter – the Company) was incorporated on 5 October 2016. The Company's issued capital as of 31 December 2021 amounted to EUR 18.362.432, split into 18.362.432 units of ordinary registered shares, the nominal value of each was EUR 1. 16.07% of the Company was controlled by SBA Koncernas UAB. The remaining shares are controlled by minority shareholders, each holding less than 10% of all shares.

The main activity of the Company – collective investment of informed investor assets in the real estate market in order to spread risks and earn profit for the Company's shareholders. On 22 December 2016, the Bank of Lithuania issued a licence to the Company to operate as an investment company. Before the issue of the licence, the Company operated as a private limited liability company.

The Company is managed by CAPITALICA ASSET MANAGEMENT UAB (hereinafter – Management company), which on 17 September 2016 gained a permit to act as a management company of collective investment subjects for informed investors, issued by the Bank of Lithuania.

As at 30 June 2021, the Company had control over the following subsidiaries: PC Luizė UAB, Žaliakalnio parkas UAB, Verslo centras 135 UAB and SIA Hanza 14.

I. Objective overview of the Group position, operations and development, description of the key risks and contingencies faced by the Group.

Consolidated revenue of the group during 2021 for six months amounted to EUR 2,402 thousand, consolidated gross profit – EUR 1,824 thousand. After estimating operating expenses and loss on financial and investment activities, the consolidated profit before tax amounted to EUR 1,279 thousand.

The group during first six months of 2021 earned EUR 997 thousand net profit.

2021 June 30 d. The consolidated assets of the Group amounted to EUR 73,274 thousand.

2021 There was 1 employee in the Group companies.

II. The Company and the Group companies did not hold any shares of the Company in 2021

III. Significant events after the end of the financial year.

No significant events took place after the end of the financial period.

IV. Plans and forecasts of operations of the Group.

In 2021, the Group will continue to develop the controlled businesses, pursuing sustainable and profitable growth.

V. Other managing positions of the Company's manager and members of the Board

The head of the Company Andrius Barštys is the chairman of Investment committee of Koinvesticinis Fondas KŪB, company code 304537659, address: Konstitucijos ave. 7, Vilnius. He also holds managerial positions in the following companies: Fox Holdings UAB, company code 303016870, address Šiaulių st. 97, Bajorų village. Vilnius city municipality, PC Luizė UAB, company code 302761548, address Šiaurės ave. 15-1, Klaipėda, Žaliakalnio parkas UAB, company code 304287223, address K. Donelaičio st. 62-1, Kaunas, Verslo Centras 135 UAB, company code 301733282, address: Žalgirio st. 135, Vilnius, SIA Hanza 14, company code 40203157541, address Valdemara st. 33-19, Riga.

The member of the Board Jolanta Grašienė is also the member of the Boards of SBA Baldų Kompanija UAB, company code 242131620, address Joniškės st. 21, Klaipėda, SBA Urban UAB (former Urban Inventors UAB), company code 302675889, address Upės st. 21-1, Vilnius, SBA Modular UAB, company code 305283904, address Upės st. 23, Vilnius, and the chair of Board of SBA Competence and Service Center UAB, company code 304960328, address Upės st. 23, Vilnius. The main position of Jolanta Grašienė is the vice-president of SBA Grupė UAB (former Koncernas SBA UAB), company code 132206739, address Upės st. 21-1, Vilnius.

The chair of the Board Ignas Mačeika also is also the member of the Board of SBA Urban UAB (former Urban Inventors UAB), company code 302675889, address Upės st. 21-1, Vilnius.

The member of the Board Adam Saulius Vaina is also the member of the Board of SBA Grupė UAB (former Koncernas SBA UAB), company code 132206739, address Upės st. 21-1, Vilnius, GAUMINA UAB, company code 224497630, address Gedimino ave. 27 Vilnius, Mobilios Aplikacijos UAB, company code 303105746, address Gedimino ave. 27, Vilnius, Mediapark Grupė UAB, company code 304050320, address Gedimino ave. 27, Vilnius, ME investicija UAB, company code 302489393,

**Closed-end investment undertaking intended for informed investors CAPITALICA BALTIC REAL ESTATE
FUND I UAB, 304407861, Upės st. 21-1, Vilnius
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

address Račių st. 1, Vilnius, OU Civitta International, company code 12241708, address Ria tn 24a, Tartu. Adam Saulius Vaina is also a partner of CIVITTA UAB, company code 302477747, address Gedimino ave. 27, Vilnius, he is also the head of Civitta foundation VŠĮ, company code 303363287, address Gedimino ave. 27, Vilnius, Kavija UAB, company code 303091773, address Gedimino ave. 27, Vilnius, Mediapark Grupė UAB, company code 304050320, address Gedimino ave. 27, Vilnius, Entra holdings UAB, company code 302790286, address Gedimino ave. 27, Vilnius.

Director of management company CAPITALICA ASSET MANAGEMENT UAB

Andrius Barštys

29 September 2021