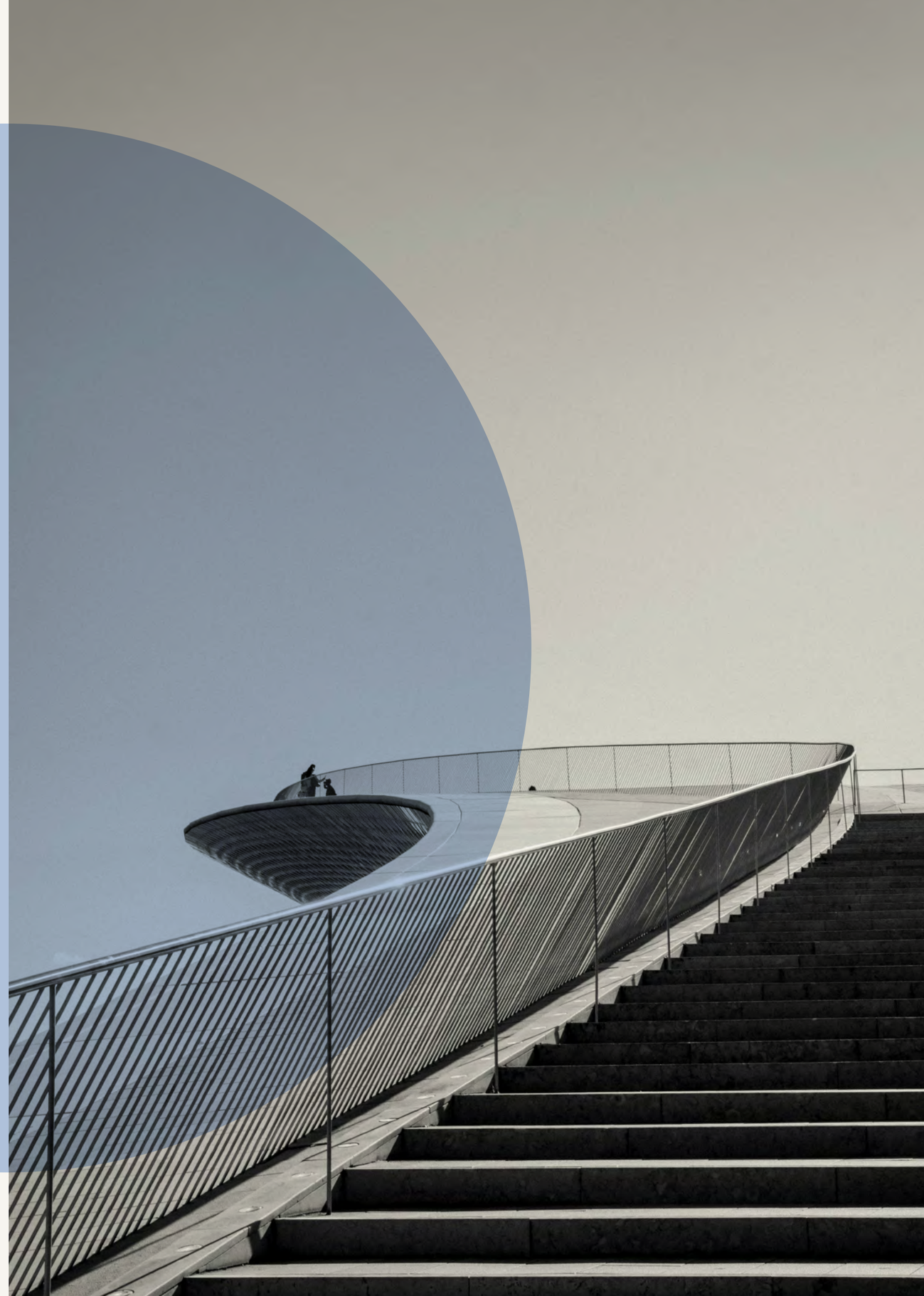
Find niche.
Invest.
Grow.

Annual Report 2023

Asset Management





Alius Jakubėlis
1 Asset Management I CEO

Active development in Europe and new markets in North America

During the last few years, 1 Asset Management has grown extremely in the volume of managed assets, currently over 280 million EUR as well as in competencies. Presently, the development of funds managed by us is actively underway, investing in Poland and looking for investment opportunities in Italy, Spain, and Canada.

We see the company as one big family where all stakeholders, including shareholders, team members, and investors are partners. Our asset management business is based on six strategic directions: hotels, modern student housing, private debt, natural resources (forest fund), capital markets, and private equity (veterinary clinic) funds. Naturally, the first investments ▶

were made in the home market, the Baltic countries. In the new stage of the company's growth, we are actively expanding to the CEE region and North America. We do this together with reliable partners and with clear investor mandates. The contribution of the whole team is essential and appreciated. We are already making a lot of strategic investments in both Canada and Central Europe.

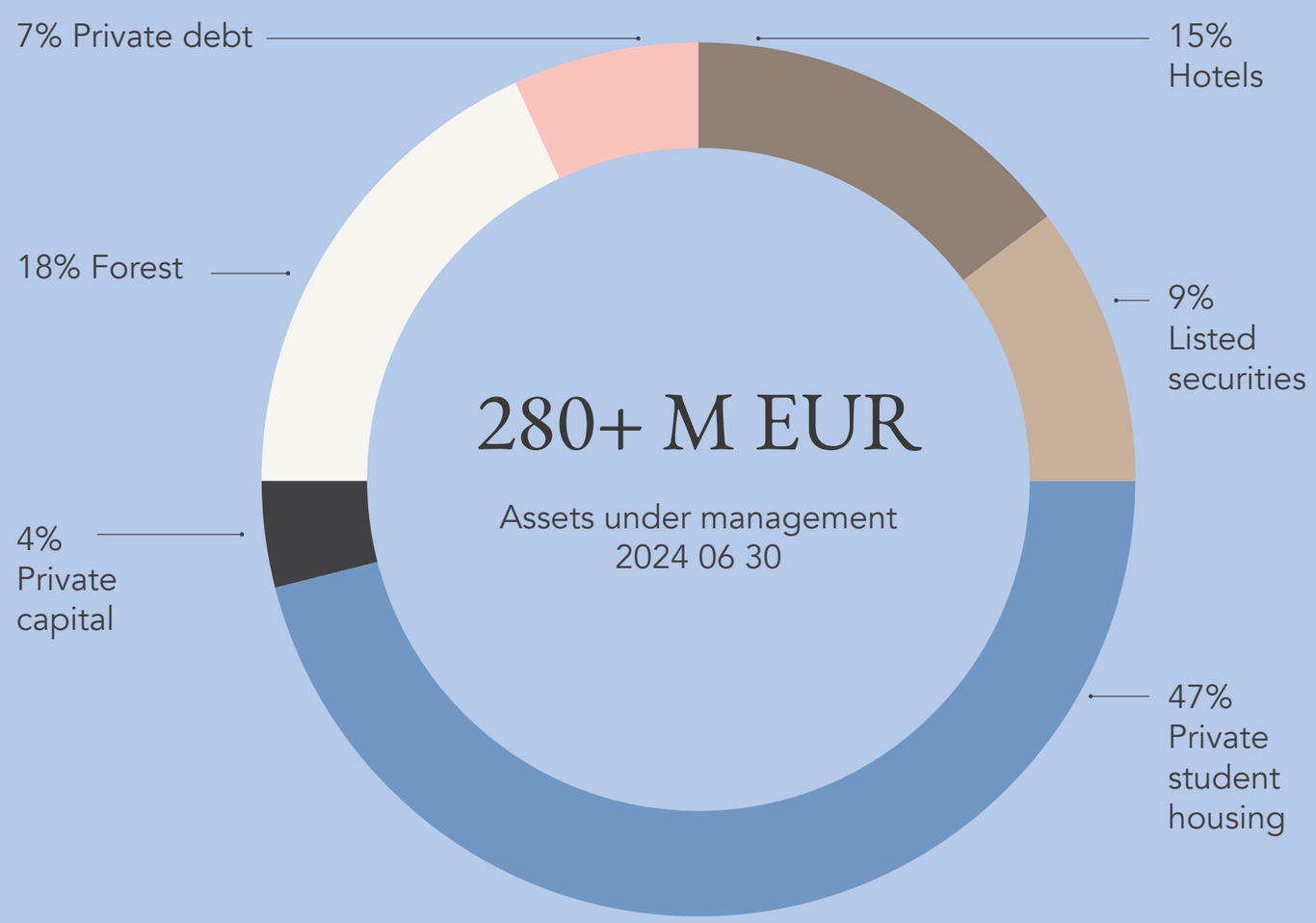
The successful development of the student housing project in Poland last year and the attraction of institutional investors opened new opportunities for us and added confidence to investors. We are looking at Canada as one of the fund's latest investment destinations. This market has a lot of potential and is far from the current geopolitical hotspots of the world, so we believe it can provide excellent diversification opportunities for Lithuanian investors.■

– Alius Jakubėlis



1 billion EUR The target size of AUM in 2029

Niche investment strategies

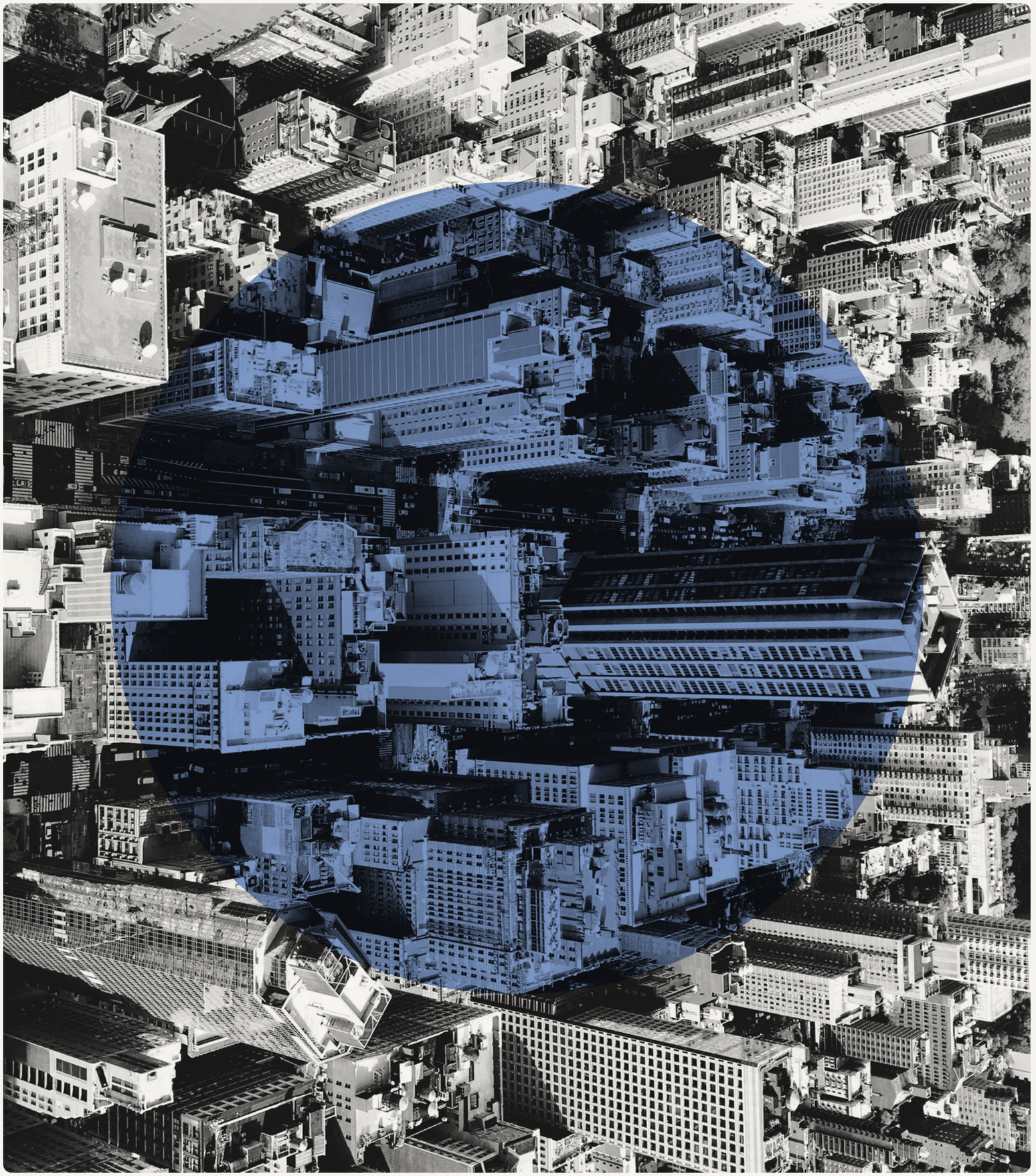


Institutional investors:

SEB Swedbank Vilniaus universiteto fondas

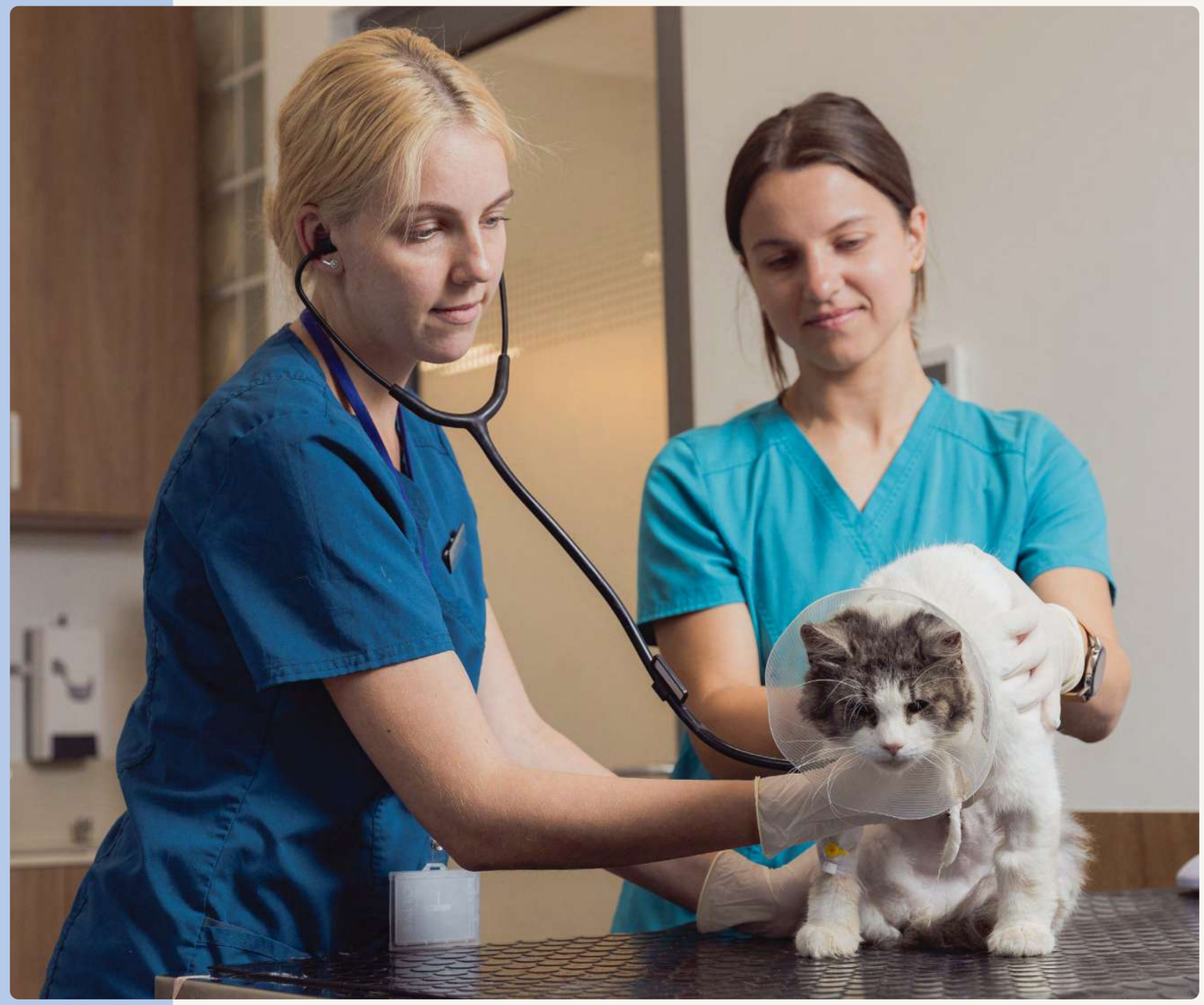
Regulated by:

LIETUVOS BANKAS EUROSISTEMA



Insights

How can cooperation with the fund help veterinary clinics grow?



After the Baltic countries regained their independence, private veterinary clinics began to be established in Latvia, Lithuania, and Estonia along with many other businesses. Most of them were founded by highly qualified veterinarians who have dedicated their work to improving animal health. Over the years, these doctors gathered other good specialists around them and improved the clinic equipment, expanded the team, and invested in the assimilation of the latest trends in treatment. Some even managed to build large clinics with an impeccable reputation.

However, as the business grows, many veterinarian-founders (who also usually act as CEOs) face the need to devote more and more time to the administrative affairs of the clinic and ▶

#PetCare



Rapolas Markevičius | Fund manager



Aušra Rubė | Vet Ventures | CEO

supervise financial flows to ensure that the clinic has funds to invest in new equipment. This, of course, diverts their attention from their main vocation - to treat animals.

Recently, society's attitude towards animal care and the needs of pets have been rapidly changing, and demands for specialists are growing. The concept of humanization of animals has appeared - people are increasingly looking at their pets as equal members of the family: owners spend plenty of money on top-quality pet food, take care of their pets' appearance, and some even take their pets on exotic trips. At the same time, the demand for the highest level of animal care facilities is also growing rapidly, so this period can be used to take an already established veterinary clinic to a new level.

However, growing a business can be difficult with the lack of business management skills or the managing physician does not desire to spend precious work time on administrative paperwork. In addition, the changing competitive environment requires more and more investments in advertising and marketing, so clinics must hire marketing professionals, specialists who understand digital communication channels, or even an entire creative team.

Therefore, cooperation with an investment fund, that has good understanding of the market, business management processes, state-of-the-art IT solutions, and marketing strategies can be extremely beneficial for those wanting to grow their veterinary business.

Established in 2021, 1AM IAM Petcare Growth Fund together with veterinary clinic group Vet Ventures cooperates with veterinary clinics by helping them expand or merge. It can now confidently claim its contribution to the positive changes and business results of more than one clinic.

Focus on improving services, equipment, and clinic environment

An excellent example is the veterinary clinics chain Dr.Vet established in Lithuania, which started cooperating with the fund in 2022. Since joining the fund, the income of the clinic chain has grown by 65%.

After selling part of the shares to the ▶



fund, the clinic shareholders, together with the Vet Ventures team, optimized the company's internal processes, restructured IT systems making it extremely easy for new clinics to join during the expansion, developed marketing strategies, and helped attract new specialists.

Also, with the fund's help, one of the Dr.Vet clinics was moved to new, even more modern premises, the design and installation of which were created together with the doctors of the clinic. Everything was equipped with their comfort and technical requirements in mind, investing in the most modern diagnostic and treatment equipment. The newly arranged spaces have become more comfortable for the staff and more attractive for pet owners who must wait in the clinic while specialists examine their pets.

Veterinarians can devote their time to treatment rather than managing business processes

Another excellent example of cooperation with the fund is the well-known Lino Veterinarijos Klinika, operating in the Lithuanian port city of Klaipėda. The owner of the clinic grew the business organically over the years and continued to see great growth potential, but at the same time felt that with the business expansion, he would have less and less time to treat animals. After the owner decided to sell part of the shares to the fund, the Vet Ventures team took over the supervision of the business processes. While the veterinarian remained the CEO of the clinic he can now devote his time to what he knows best - treating animals and continuously improving qualifications.

Skillful veterinarians are only one of the necessary aspects to establish a new and successful veterinary clinic. Vilnius-based Dr.Vet, the biggest animal treatment and wellness complex in the country, is a good example. It operates 24/7 with 24-hour veterinary doctors and an inpatient department, where all the necessary, highly qualified animal treatment services are provided - from the most complex diagnostic tests to complex surgeries and exotic animal treatment.

A project of this scale can only be developed with specialists from different fields who can manage financial flows, attract additional investments, or supervise construction progress if needed. In this case, the fund team managed the project from the initial idea to the final result. Although the complex has only been operating for a year, professionally managed processes and investment have already allowed it to achieve fantastic financial results.

The fund invests together with the founders of the clinics

When the fund joins the clinic, it starts investing together with the founder of the clinic and at the same time allows the business to grow faster and increase its competitive advantage.■

"Together with the fund team, we remove the burden of business management while the founder remains the main doctor and manager of the clinic. We also invest in and strongly encourage raising the competence of veterinarians working in clinics: from teaching new treatment methods to organizing training sessions with the best lecturers on the market from the Baltics and foreign countries. In addition, we invest in often very pricy technology and help clinics purchase modern examination and treatment equipment, which individual clinics often cannot purchase due to their high cost. We are a socially responsible fund: we take care of homeless animals, participate in sterilization projects in regions where the situation with animals is difficult, cooperate with shelters by treating their animals" says Aušra Rubė, director of Vet Ventures.

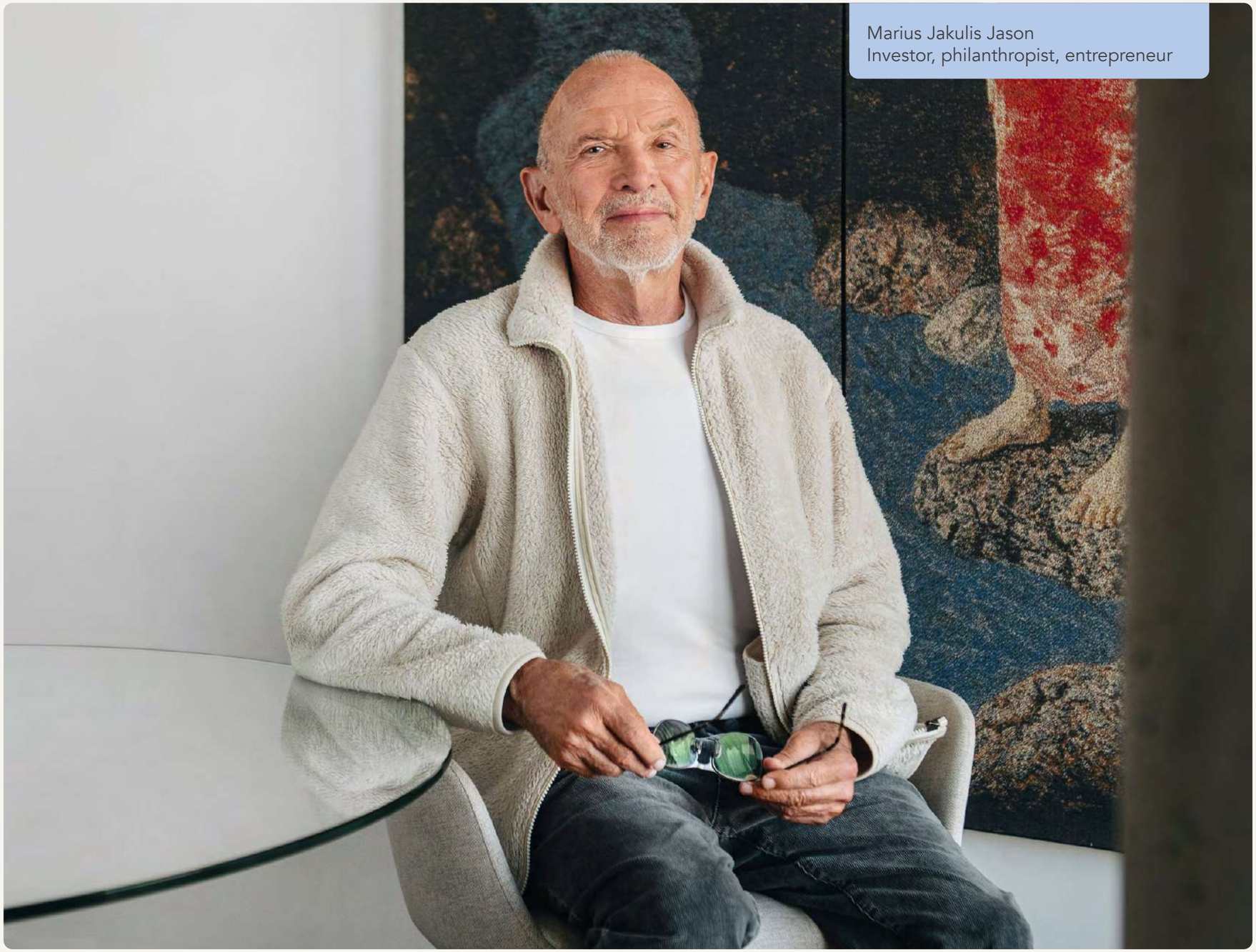
The first hotel of the luxury brand Curio Collection by Hilton in the Baltics has been introduced in Vilnius



The most luxurious 93-room hotel, formerly known as Kempinski, located in the very heart of Vilnius Old Town next to Cathedral Square, is starting a new phase of operations as the iconic Grand Hotel Vilnius, Curio Collection by Hilton. This is the first Curio Collection hotel not only in Lithuania but also in the Baltic States. About 10 million euros are planned to be invested in the hotel's renovation.

Curio Collection by Hilton is a global chain of luxury 5-star hotels located in exclusive buildings and locations from the French Riviera to the Old City of Istanbul, belonging to the global Hilton group. This brand particularly appreciates the historical, and cultural uniqueness of each hotel, so no two Curio Collection by Hilton hotels are the same. There are currently more than such 160 hotels in the world. ▶

#LuxuryHotels


Marius Jakulis Jason
Investor, philanthropist, entrepreneur

“By starting cooperation with Hilton and introducing this hotel brand in the Baltic countries, we are turning a new page in the hotel’s life. We aim to maintain our leadership position in the luxury hotel segment and grow the value of the hotel brand. As guests’ needs change, we will offer innovation and unique guest experience solutions, as well as provide real benefits by introducing the globally recognized loyalty program Hilton Honors” says hotel owner and founder of the philanthropic MJJ Foundation Marius Jakulis Jason.

The Curio Collection brand was chosen by the hotel owners and management company Apex Alliance Hotel Management due to the modern luxury concept of this brand and the desire to raise the value of the Grand Hotel Vilnius brand by highlighting its uniqueness - architecture, design, visual style, attributes of the guest’s journey thus distinguishing itself from the competition.

“From the first day of the opening of Grand Hotel Vilnius, we aim to create a lively atmosphere and to open the hotel to a wider audience. We are creating an environment that will allow guests to experience an iconic stay: arrivals will be greeted by the new concierges – ICONISTS, we have prepared special surprises and services for the guests, the Dukes bar will offer new signature cocktails, and in the Telegrafas restaurant guests will be able to enjoy exclusive chef’s dishes. We will introduce even more innovations soon. The bright image of the new brand was also chosen to inspire guests and residents of Vilnius to enjoy life,” says the hotel’s managing director Sigita Rudzevičienė.

“Preparatory works are currently being carried out for the planned start of the renovation of the hotel at the end of 2025 with an investment of about 10 million euros. It is planned to fundamentally change the interior, furniture, and technical equipment of rooms, conference halls, and other spaces. The interior renovation was influenced by the inspirations brought from Miami by owner M. Jakulis Jason and 1 Asset Management team. One of the main goals of the renovation is modernization and sustainability: to significantly improve the building’s energy efficiency, use environmentally safe materials, and introduce technological innovations,” says Laurynas Antropikas, partner of the management company 1 Asset Management.■

Rapid development of student housing portfolio in Poland



#StudentHousing

Poland is one of the largest academic centers in Europe - the number of students in the country reaches 1.2 million, of which as many as 8.6% of students are foreigners. The state faces a significant shortage of student housing, with only one in ten students receiving a spot in traditional dormitories, the majority of which are outdated and only provide shared rooms with very limited amenities.

In 2020, these figures encouraged the 1 Asset Management team to start development in Poland. The land plot was purchased and the construction of the first modern student housing project SHED Living in Krakow began. It opened its doors to students and young professionals in September 2023. The total value of the project reaches more than 30 million euros. This was the third housing of the ▶

SHED brand - the first similar projects in Riga and Vilnius were opened in 2022.

“We decided to invest in Krakow because it is one of the largest academic cities in Poland, with a huge concentration of universities and higher education institutions; over 130,000 students study here. So far, this is the largest operating project in the student housing portfolio and the first of its kind in Poland,” says Matas Mockeliūnas, partner of the European Student Housing Fund managed by 1 Asset Management.

Strategic partnership with Hanner and increasing investments in Poland

According to M. Mockeliūnas, the Polish market is enormous: the demand for this type of housing in the country is high, and the competition in this segment is relatively low.

“The favorable ratio of supply and demand determined the fact that we chose Poland for the active development of private student housing projects. We are currently intensively developing two new student housing projects in Warsaw, one project in Wroclaw, and we continue looking at other major Polish cities,” says the European Student Housing Fund partner.

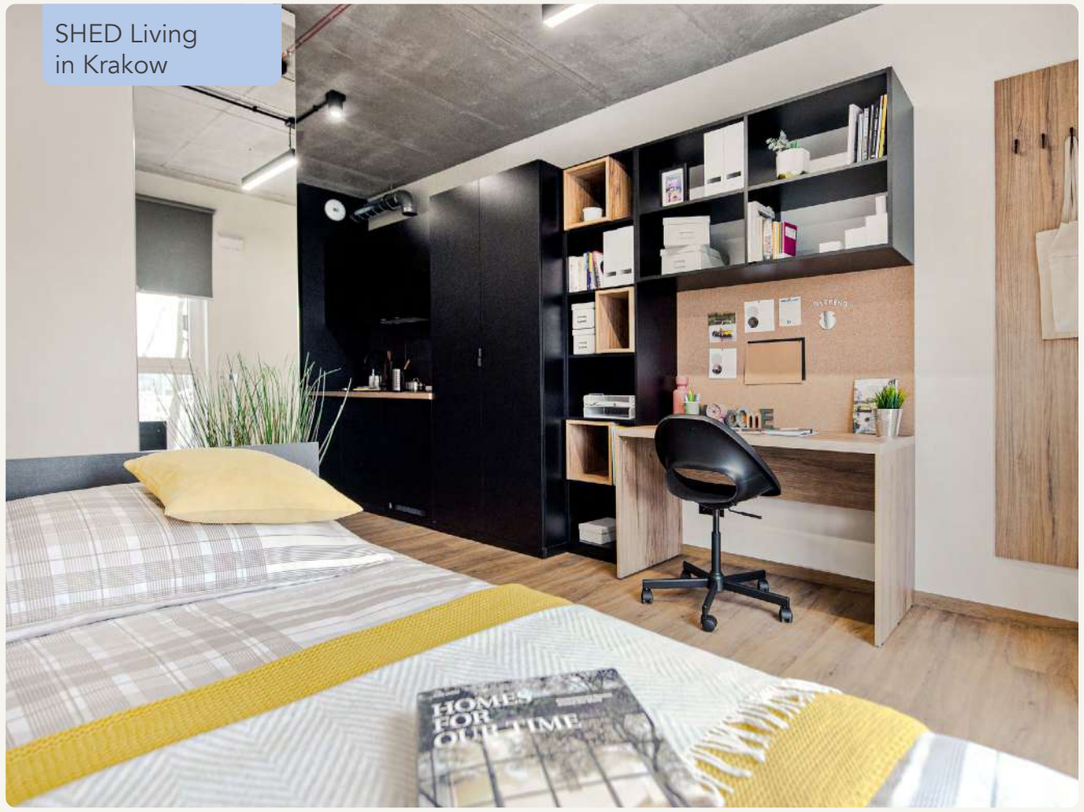
A separate fund CEE Student Housing Fund was established for the development of projects in Poland and other Central and Eastern European countries, in which Hanner became a strategic investor.

„Investments in this kind of projects are in line with our strategic development direction - to pay more attention to real estate projects in Central and Southern European countries. Our first investments in the project in Krakow showed great business synergy, so we agreed with 1 Asset Management on a long-term strategic partnership” says Arvydas Avulis, chairman of the board of Hanner.

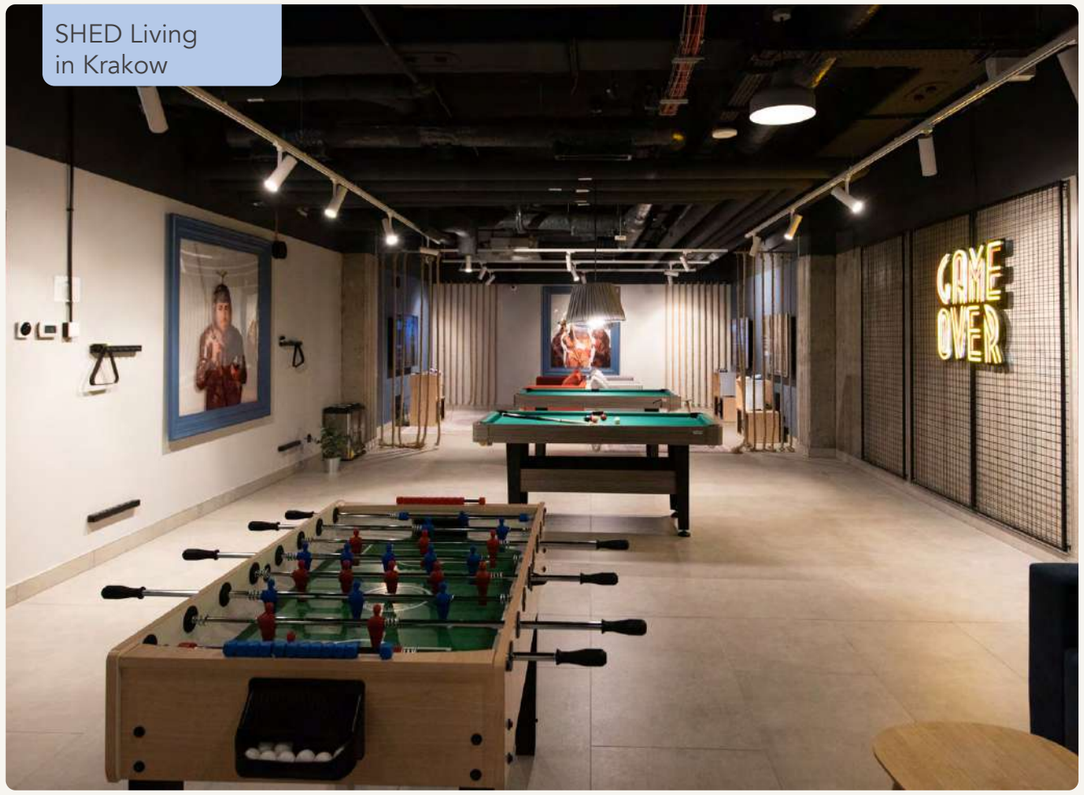
According to M. Mockeliūnas, the target amount of the fund’s capital is 100 million euros, which would enable over 200 million euros in investments in improving the academic residential infrastructure in the region.

According to Samuel Vetrak, director of global research and consulting firm Bonard, student housing is considered an attractive asset class.

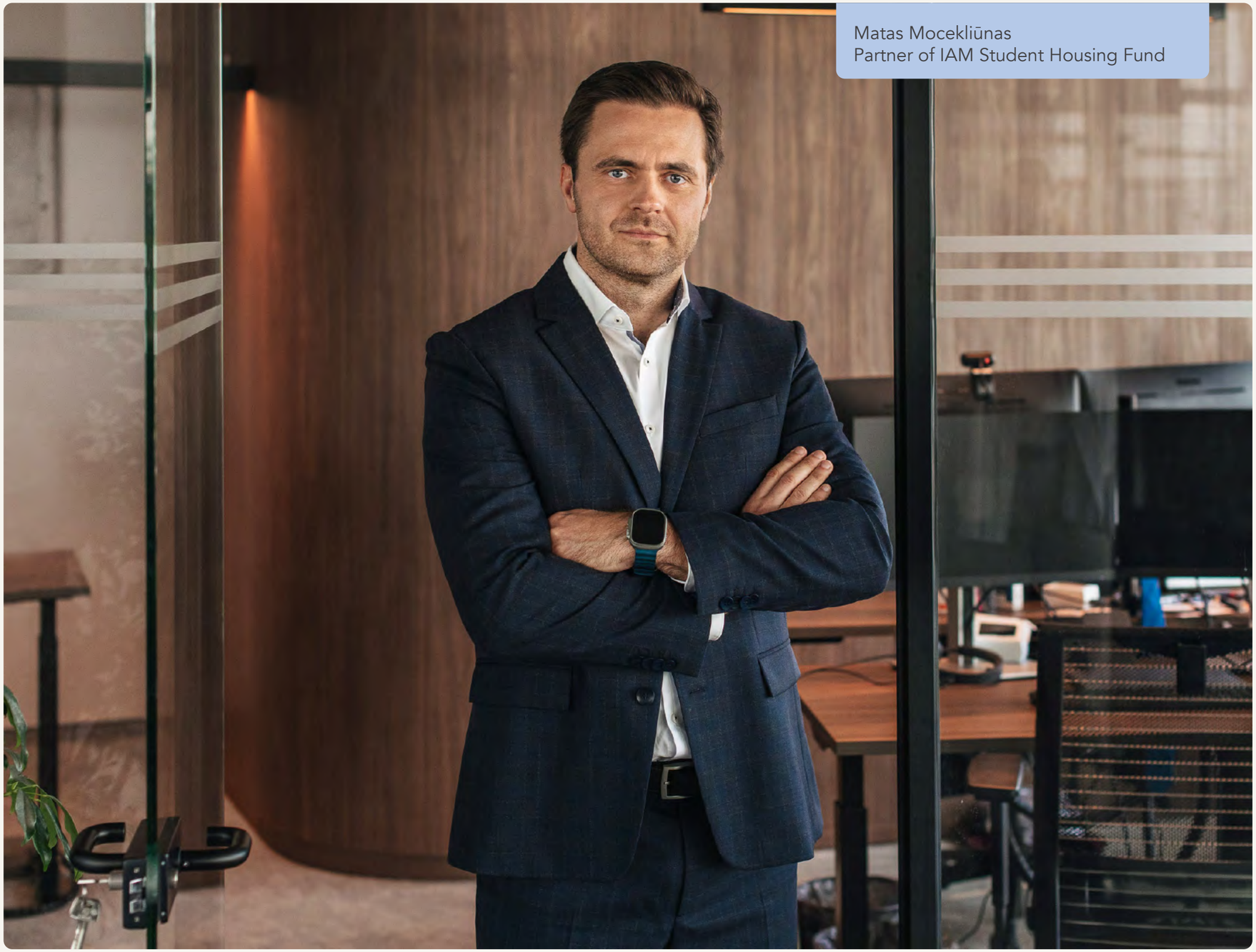
“In the conditions of inflation and macroeconomic uncertainty, this sector is a potential way of hedging for investors, which is why it is currently attracting quite a lot of interest from investors. This is especially relevant in regions such as Poland because the market of this country offers investors an attractive ratio of return and market size” comments the manager of a company specializing in student housing. ►



SHED Living in Krakow



SHED Living in Krakow



The new student houses will be opened in Warsaw and Wroclaw
Currently, together with partners, the 1 Asset Management team is running two projects in Warsaw and a one new project in Wroclaw.

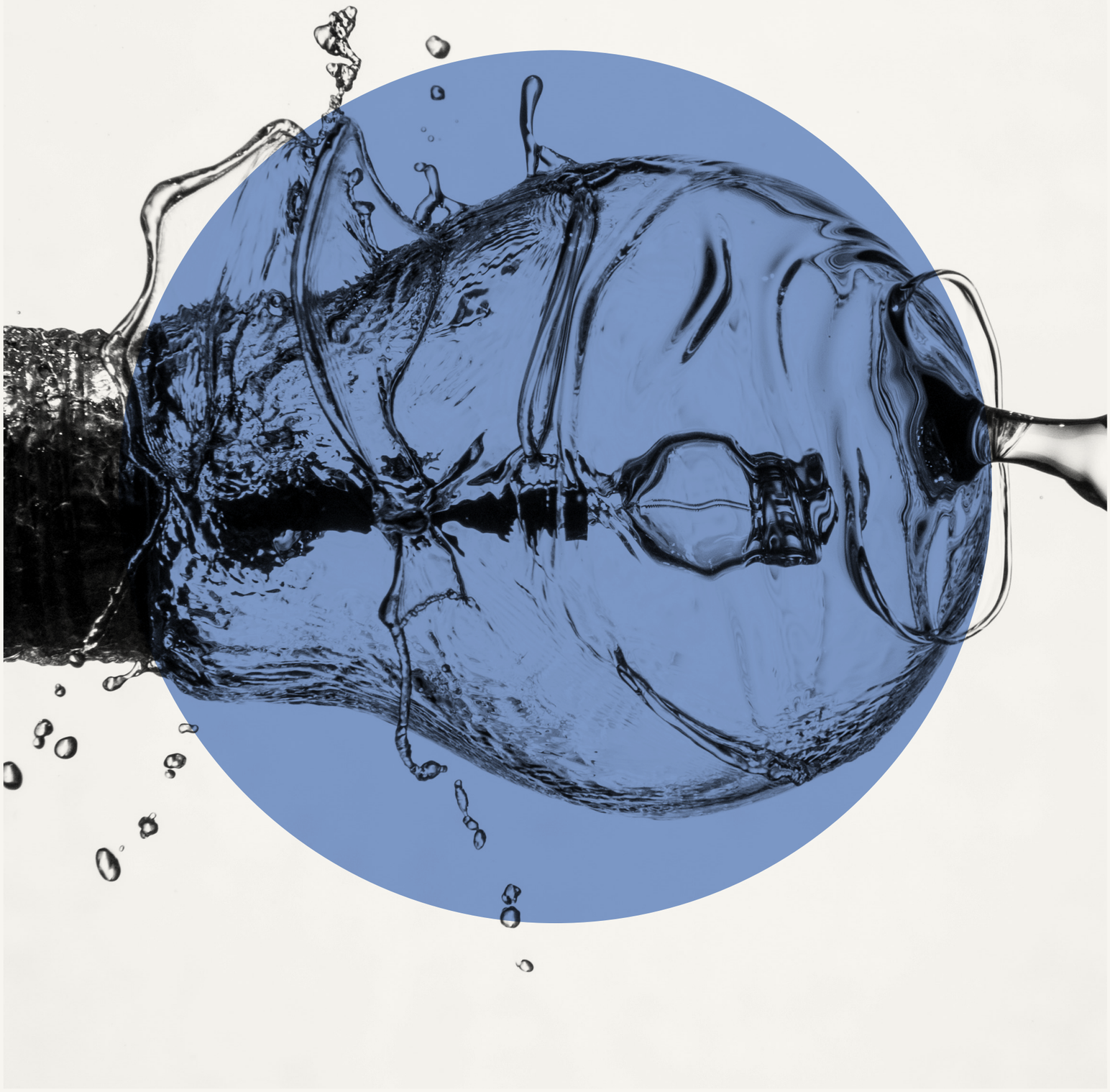
Warsaw's first project is located on a 0.55-ha plot, on Puławska Street in the Mokotów district: the 7500 sq m student house with 360 rooms will be able to house 400 students. Investments amount to more than 25 million euros; the project is expected to be completed in the summer of 2025.

The second project in Warsaw - Lipowy office park in Ochota district - is a conversion of two office buildings in which 1 Asset Management is investing 50 million euros and will build a 650-room modern student house.

"The student housing development in the Ochota district is a good example of a conversion project where the former 21,000 sq m of office space will be converted into a modern rental residential space with more than 650 rooms. There is a serious shortage of affordable and modern living space for students and young professionals in Warsaw - the supply in this segment is extremely low, and due to the large number of students, the demand is extremely high." - says Matas Mockeliūnas, partner of CEE Student Housing Fund.

Wrocław was chosen for development due to the city's attractive demographics and demand dynamics.

After receiving the building permit, the works in Wrocław will begin at the beginning of 2025, and the student houses will be opened for the 2026 academic year. The project will be equipped with 300 rooms, housing 350 students.■



Investment fund reviews

Airports and luxury hotels: acquisition and construction



Airport Hotel [187 rooms]
Hampton by Hilton
GREENFIELD FIELD PROJECT

► Riga, Latvia



Airport Hotel [120 rooms]
Park Inn by Radisson
GREENFIELD FIELD PROJECT

► Vilnius, Lithuania



Airport Hotel [187 rooms]
Hampton by Hilton
GREENFIELD PROJECT

► Krakow, Poland



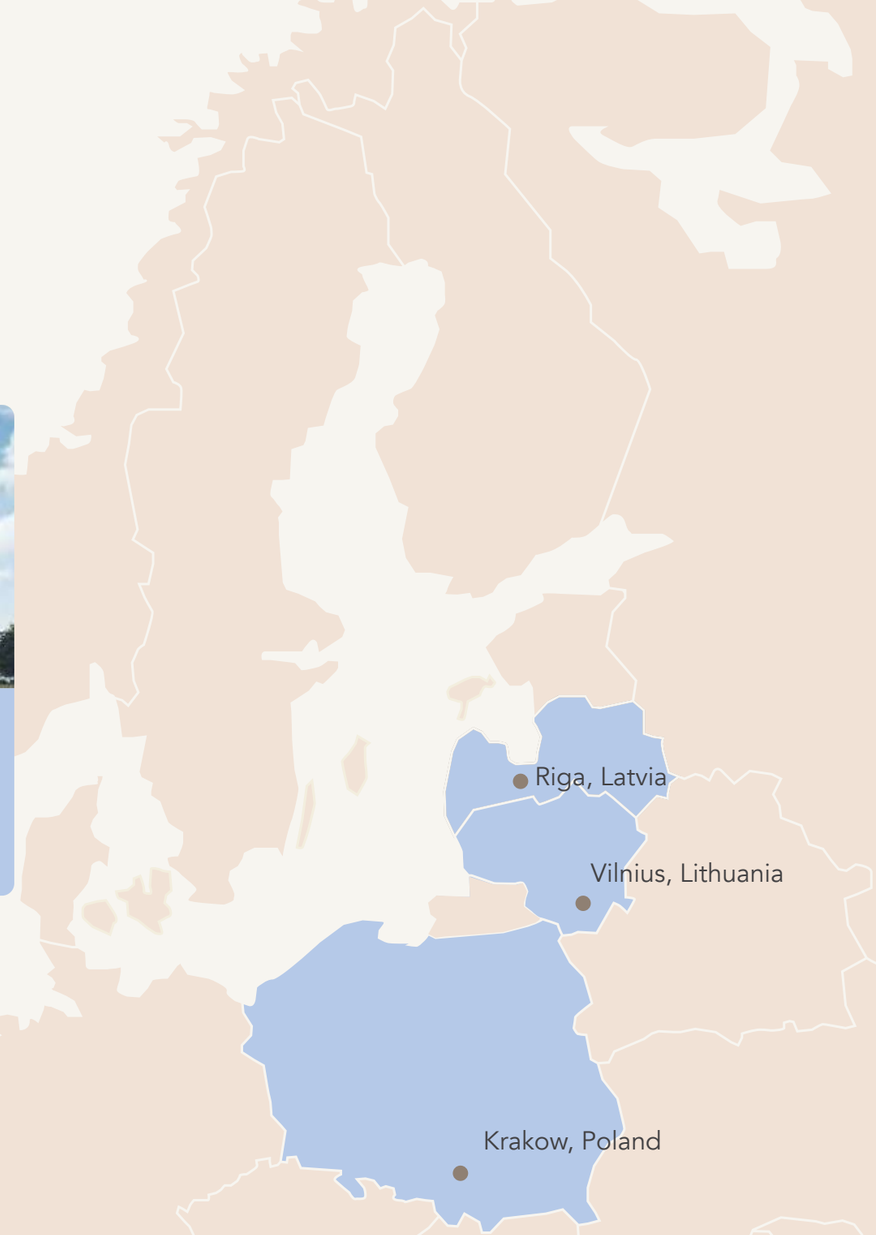
Luxury hotel [126 rooms]
Radisson Collection Astoria
RENOVATED

► Vilnius, Lithuania



Luxury hotel [96 rooms]
Grand Hotel Vilnius – Curio Collection
RENOVATION IN PROGRESS

► Vilnius, Lithuania



Funds established for hotel investment management:
- Airport Hotels Fund (each hotel is managed in a separate sub-fund)
- 1AM Luxury Hotels Fund (each hotel is managed in a separate sub-fund)

Modern student housing



Solo Society [267 rooms]
RECONSTRUCTION

► Kaunas, Lithuania



SHED Living [200 rooms]
GREENFIELD PROJECT

► Vilnius, Lithuania



SHED Living [240 rooms]
GREENFIELD PROJECT

► Riga, Latvia



SHED Living [566 rooms]
GREENFIELD PROJECT

► Krakow, Poland



SHED Living [360 rooms]
GREENFIELD PROJECT
Planned opening: 2025

► Warsaw, Poland



SHED Living [640 rooms]
RECONSTRUCTION
Planned opening: 2025

► Warsaw, Poland



SHED Living [324 rooms]
GREENFIELD PROJECT
Planned opening: 2026

► Wroclaw, Poland



SHED Living
GREENFIELD PROJECT
Planned opening: 2027

► Gdansk, Poland



Funds established for student housing investment management:
- 1AM Student Housing Fund
- CEE Student Housing Fund

Institutional investors:

Vilniaus universiteto fondas

Consolidation of veterinary clinics



3 organic launches and 9 acquired clinics across all major cities in Lithuania.

► Lithuania



Acquisition of the first private vet clinic in the country „Tiina Toometi".

► Tallin, Estonia



Organic establishment of a veterinary clinic in Riga, the capital of Latvia. Planned opening: 2025

► Riga, Latvia



Expansion to Poland and Romania.

► Poland and Romania

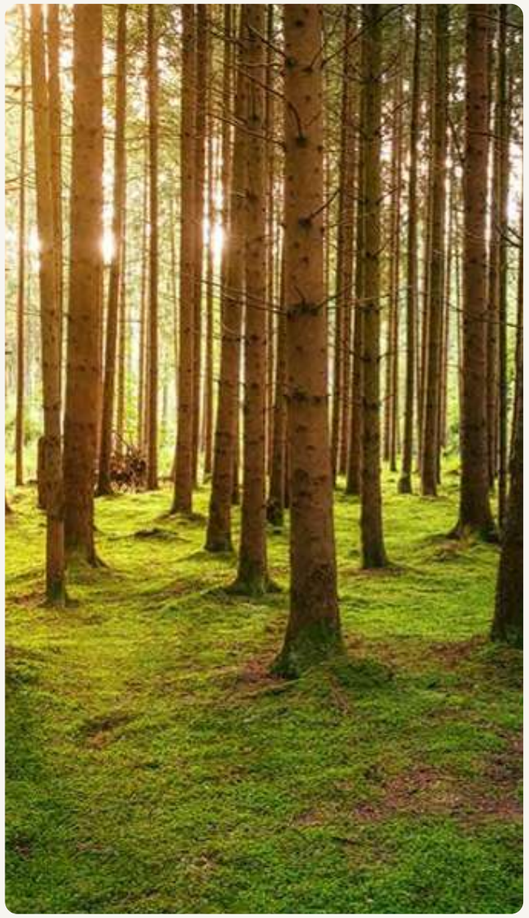
12 Currently, the number of veterinary clinics in the portfolio of funds.

85 The number of clinics is planned at the end of the foundation's activities.



Fund established for veterinary clinic investment management:
- 1AM PetCare Growth Fund

Forest Fund



14,579

Total number of hectares



72%

Premium composition – 2/3 pine, spruce, birch

83%

Premium soil type – at least 80% of portfolio

31

The average age of the forest

A fund established for the management of forest investments:
- Baltic Green Fund

Institunional investors:

SEB Swedbank

100m³

Density >100m3/ha (at the end of the investment fund)

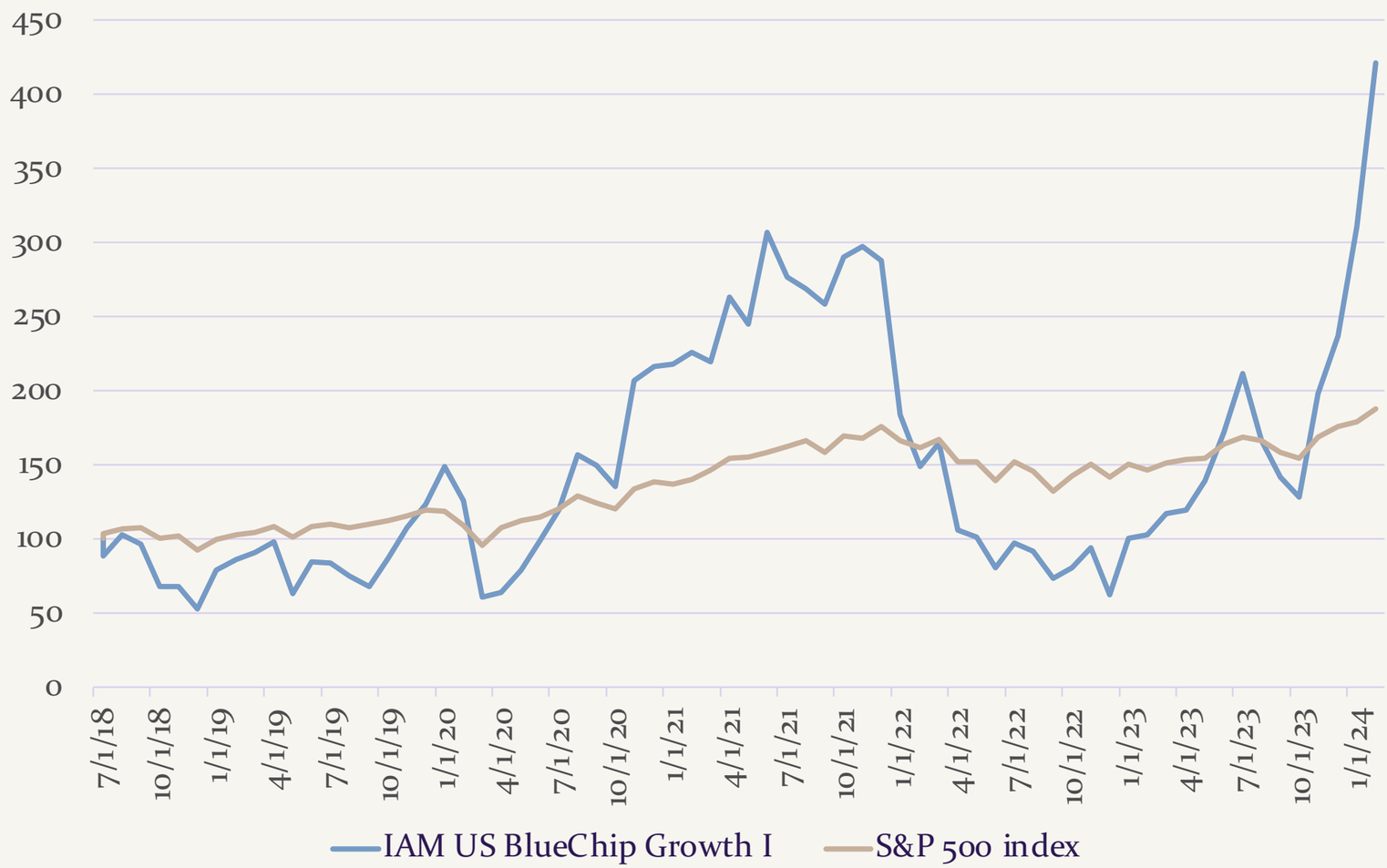
Regulated according to article no. 8



High capitalization companies listed in the USA

The fund invests in US large-cap companies that have the potential to outperform the major SnP500 index.

Historically, the fund's composition has been dominated by technology companies, but there have also been banks, aviation, etc. sector companies. Currently, the largest share of the fund is made up of semiconductor manufacturers (NVDA, AMD, etc.). Leveraging up to 4 times the NAV value of the fund is possible to achieve a higher fund return.



A fund established for investment management of high-cap listed companies:

- BlueChip Growth Fund

Private debt: secured loans for small and medium-sized businesses

Private debt fund NuCapital is one of the first private debt funds established in Lithuania. The fund's purpose is to provide loans to SMEs not only in Lithuania but also throughout the EU and the European Economic Area.

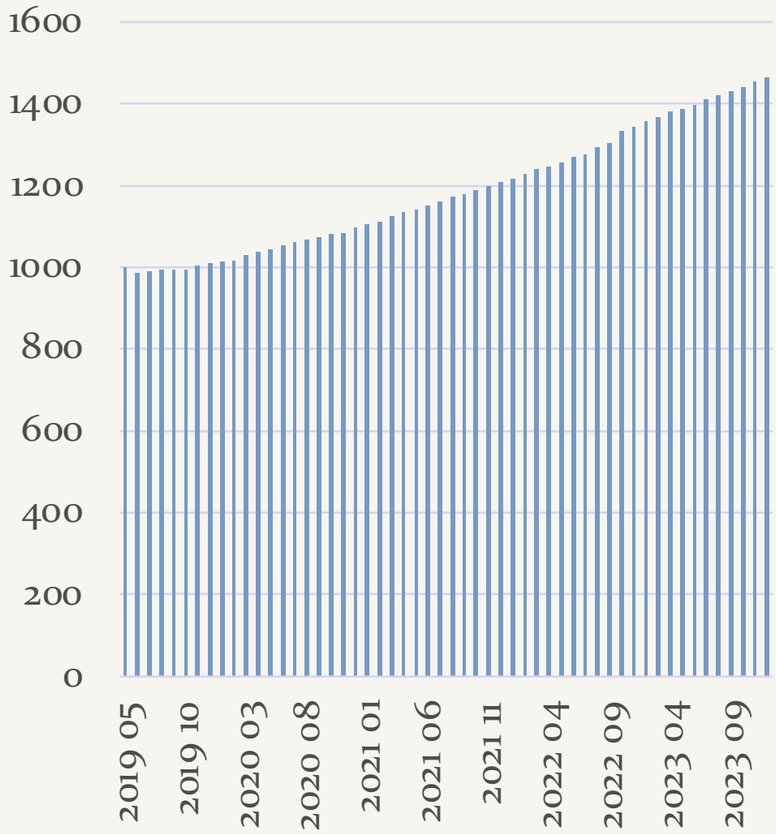
Loans are issued only with collateral: the maximum possible loan-to-collateral ratio can only provide up to 66%.

Clear criteria for the selection of pledged assets: for each asset class, the ratio of loan to pledged assets is predetermined. They can never be exceeded. In its strategy, the fund also envisages not only loans with collateral but also other various forms of financing that correspond to the fund's strategy.

Factoring service financing: the fund can provide factoring-type financing by selecting insured debtors with stable financial flows according to strict criteria.

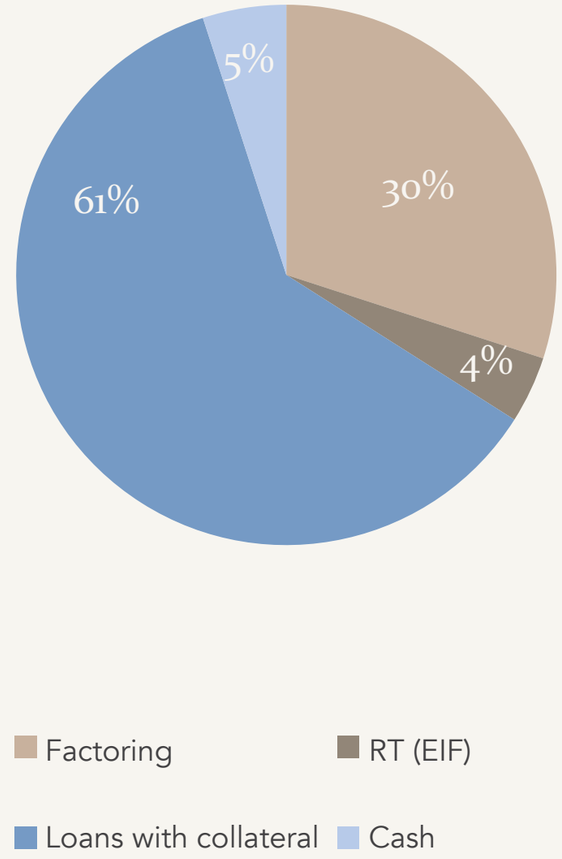
A fund established for the management of private debt:
• NuCapital

Change of teh fund unit value since inception (EUR)



Including all one-time costs and other costs since the establishment of the fund

Loan portfolio composition



Financial position

	2023 12 31	2022 12 31
PROPERTY		
Right to rental property	339 019	-
Money and money equivalents	22 995	52 995
Loans and receivables	1 235 920	841 191
Securities at fair value through profit (loss)	-	24 000
Prepayments and costs in future periods	34 797	64 018
Another property	7 084	6 927
Fixed assets	129 134	–
Assets, total	**1 768 949**	**989 131**
CAPITAL AND LIABILITIES		
Obligations		
Lease obligations	327 397	-
Financial obligations	122 454	
Other payables and liabilities	226 211	232 827
Liabilities, total	**676 062**	**232 827**
Property		
Authorized capital	125 000	125 000
Mandatory reserve	12 500	12 500
Retained earnings (loss)	955 387	618 804
Property, total	**1 092 887**	**756 304**
Equity and liabilities, total	**1 768 949**	**989 131**

Comprehensive income

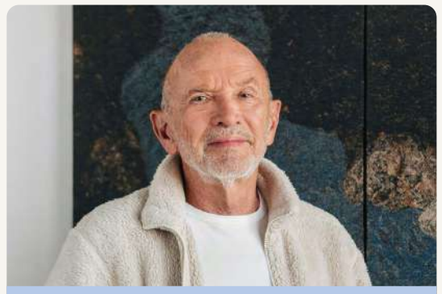
	2023 12 31	2022 12 31
Commissions, management and customer service activities revenue	2 787 999	2 022 851
Interest revenue	-	1 841
Other revenue	2 348	9 475
Comission cost	(3 196)	(8 474)
Personnel costs	(1 040 989)	(1 059 656)
Other administrative costs	(1 044 100)	(586 410)
Interest costs	(3 967)	(182)
Profit (loss) before taxation	**698 095**	**379 445**
Corporate income tax revenue (costs)	(111 512)	(59 487)
Net profit (loss)	**586 583**	**319 958**
Other comprehensive income after tax	-	-
Net profit and other comprehensive income for the reporting year	**586 583**	**319 958**

Partners and key team members

The 1 Asset Management team has accumulated many years of experience in investment banking and asset management. Our team comprises of experienced professionals with track record in different areas of investments and related services.



Mindaugas Strėlis
Partner | Chairman of the Board



Marius Jakulis Jason
Partner



Alius Jakubėlis
Partner and CEO



Ernestas Kazbaras
Partner | Board member



Simonas Jurgionis
Partner | Board member



Matas Mockeliūnas
Partner
IAM Student Housing Fund



Karina Andriukaitienė
Head of legal



Ieva Kuodė
Head of investors relation



Laurynas Antropikas
Partner
IAM Airport Hotels Fund



Martynas Kavaliauskas
Board member
NuCapitak Fund manager



Dzintars Salavs
Fund manager | Baltic Green Fund



Rapolas Markevičius
Fund manager | IAM Petcare Growth Fund



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Regulated by:
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Asset Management