FINAL TERMS OF THE BONDS

11 August 2026

A CLOSED-ENDED INVESTMENT COMPANY INTENDED FOR INFORMED INVESTORS

UAB DEMUS DEVELOPMENT VII

Issue of EUR 500,000 Bonds

under the EUR 18,600,000 Bond Issue

MiFID II Product Governance / Eligible Counterparties, Professional Clients and Retail Clients Target Market

Solely for the purposes of each manufacturer‘s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"), and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate: investment advice, and portfolio management, and non-advised services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Bonds (a "**Distributor**") should take into consideration the manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

General Provisions

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Company's base prospectus drawn up by the Company, dated 7 August 2026 (the **Prospectus**). Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus (including all its supplements (if any)) is and will be available for acquaintance at the Company's website at www.demus.lt/fondai/demus-development-vii. Terms used herein shall have the meanings ascribed to them in the Prospectus.

Before making a decision to invest in the Bonds each prospective investor shall read the Prospectus, taking into account the risks outlined therein.

A summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been approved by a Decision. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	Closed-ended investment company for informed investors UAB Demus Development VII
2.	Number of Tranche	1 (first)
3.	Maximum Aggregate Nominal Value of the Issue	EUR 18,600,000 As of this date, Bonds with an aggregate Nominal Value of EUR 6,750,000 have been issued and admitted to trading on the First North.

4.	Maximum Aggregate Nominal Value of the Tranche	EUR 500,000[1].
5.	Issue currency	EUR
6.	Nominal Value	EUR 1,000 Following any partial redemption, the Nominal Value of each Bond shall be automatically reduced and recorded in the Register, and all future calculations (including interest) shall be based on the reduced Nominal Value, as disclosed in Section 10.9 (b) "*Early optional redemption of Bonds by the Issuer*" of the Prospectus.
7.	Issue Price	Issue Price without accrued interest: EUR 1,003.06 (100.306% per Nominal Amount). Issue Price with accrued interest: EUR 1,009.64 (100.964% per Nominal Amount).
8.	Minimum Investment Amount	At least 1 (one) Bond for the Issue Price indicated in point 7 above.
9.	Issue Date	28 August 2026
10.	Final Maturity Date	29 April 2028 Please note that the Bonds may be redeemed, either wholly or partially, at the option of the Issuer prior to the Final Maturity Date on the following conditions: (i) the Bondholders and Trustee shall be notified at least 14 calendar days in advance on the anticipated early redemption of the Bonds; (ii) on the Early Redemption Date, the Issuer shall pay the Redemption Price determined in accordance with these Final Terms and Section 10 of the Prospectus, including any applicable premium (calculated on the redeemed portion) as follows: (a) 1% (calculated from the Issue Price of the redeemed portion) if Early Redemption Date occurs between 29 April 2026 and 28 February 2027 (inclusive); (b) 0,5% (calculated from the Issue Price of the redeemed portion) if Early Redemption Date occurs after 1 March 2027 but on or before 29 July 2027 (inclusive); (c) no premium shall be paid if the Early Redemption Date is after 30 July 2027;

[1] The aggregate Nominal Value of the Tranche may be increased by the Issuer before or on the Issue Date. The Issuer shall amend the Final Terms and publish the updated Final Terms on the Company's website at www.demus.lt/fondai/demus-development-vii and following the admission to trading on the First North, on the Nasdaq website at www.nasdaqbaltic.com, before or on the Issue Date.

		(iii) For avoidance of doubt, premiums shall be payable only in voluntary early redemption under Section 10.9 (b) "*Early optional redemption of Bonds by the Issuer*" of the Prospectus provided for in the Prospectus. They do not apply to AML/CTF or sanctions related redemptions under Section 10.9 (b) (viii) or extraordinary early redemption under Section 10.9 (e) "*Extraordinary Early Redemption*" of the Prospectus.
11.	Redemption/Payment Basis	Redemption at par. If a partial redemption occurs, the outstanding Nominal Value shall be adjusted accordingly in the Register.
12.	Interest	
	(i) Interest Payment Dates	29 October 2026, 29 January 2027, 29 April 2027, 29 July 2027, 29 October 2027, 29 January 2028, and the Final Maturity Date, or, if applicable, Early Redemption Date, Early Maturity Date or De-Listing Event Put Date. If an Interest Payment Date is not a Business Day, the interest shall be paid on the next Business Day, without recalculation of payable amounts.
	(ii) Interest Rate	8% (fixed) annually
	(iii) Interest calculation method	ACT/365 day count convention
13.	Yield	7.8% per annum. Yield is calculated based on the Nominal Amount and on the Issue Date. Actual yield may differ depending on the price paid for a specific bond by an investor.
14.	Record Date	3rd Business Day before each Interest Payment Date and 1 Business Day before the Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event Put Date, whichever is relevant.
15.	Offering jurisdictions	The Republic of Lithuania, Estonia and Latvia
16.	Subscription Period	From 17 August 2026 until 25 August 2026 (23:59 Lithuanian time)
17.	Payment Date	28 August 2026 at 9:00 (Lithuanian time)
18.	Bank account No. to which the Issue Price shall be paid/settled:	Issuer's bank account No. LT937300010187601329, Swedbank AB
19.	ISIN code	LT0000137523
20.	Placing and underwriting	Not applicable
21.	Subscription channels	Bonds can be subscribed by submitting Subscription Orders directly to the Issuer and/or to the Lead Manager.

		In case of subscription through the Issuer, the investors shall submit their Subscription Orders at any time during the Subscription Period at the office of the Issuer, at the address Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania, or by e-mail of the Issuer info@demus.lt, if signed with a qualified e-signature. In case of subscription through the Lead Manger, the investors shall submit their Subscription Orders at any time during the Subscription Period at the office of the Lead Manager, at the address Konstitucijos ave. 15-98, Vilnius, the Republic of Lithuania, or by e-mail of the Lead Manager info@evernord.com, if signed with a qualified e-signature.
22.	Allocation rule (in case of oversubscription)	Discretionary allocation by the Issuer in consultation with the Lead Manager (as defined in Section 11.4 "*Distribution and Allotment of the Bonds to the Investors*" of the Prospectus).
23.	Settlement method	FoP
24.	Collateral	The Collateral Agreement, creating a first-ranking pledge over the SPV Shares was concluded on 20 May 2026 and is registered with the Register of Contracts and Liens, notarial register No. 1291, pledge identification code 30000163214120. This Collateral secures all Bonds of the Issue (with an aggregate nominal amount of up to EUR 18,600,000 as specified in this Prospectus) and is created for the benefit of all Bondholders equally, irrespective of the Tranche under which the Bonds were issued. This Collateral does not secure only the Bondholders of this specific Tranche. The mortgage over the Property will be created on the terms specified in Section 10.17 "*Collateral*" of the Prospectus. Please note that any created Collateral secures all Bonds of the Issue (with an aggregate nominal amount of up to EUR 18,600,000 as specified in this Prospectus) and is created for the benefit of all Bondholders equally, irrespective of the Tranche under which the Bonds were issued. Any Collateral does not secure only the Bondholders of this specific Tranche. Trustee holds the Collateral for the benefit of all present and future Bondholders of the Issue on a *pari passu* basis.

SUMMARY

This Summary (the **Summary**) is a brief overview of the information disclosed in the base prospectus (the **Prospectus**) dated 7 August 2026 in connection with the public offering (the **Offering**) of up to EUR 11,850,000 bonds, being a part of total EUR 18,600,000 bond issue with the nominal value of EUR 1,000 each (the **Bonds**) (the **Issue**) of a closed-ended investment company intended for informed investors UAB Demus Development VII, legal entity code 306957882, with its registered address at Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania (the **Company** or **Issuer**) during the period of up to 12 months in separate series (the **Tranche**).

This Summary has been appended to the final terms applicable to the Bonds issued in the first Tranche (the **Final Terms**) and is, therefore, specific to the Bonds of the first Tranche. Information given in this Summary has been presented by the Company as at the registration of the Prospectus, unless otherwise stipulated. Terms used in this Summary shall have the meanings assigned under the Prospectus, unless stated otherwise.

1. INTRODUCTION AND WARNINGS

1.1. Name and ISIN of the Bonds

EUR 8.00 UAB DEMUS DEVELOPMENT VII OBLIGACIJOS 26-2028 with ISIN LT0000137523.

1.2. Identity and contact details of the Issuer, including its LEI

Closed-ended investment company intended for informed investors UAB Demus Development VII is a private limited liability company established and existing under the laws of the Republic of Lithuania (including, but not limited to the Law on Collective Investment Undertakings Intended for Informed Investors of the Republic of Lithuania, Law on Companies of the Republic of Lithuania, Civil Code of the Republic of Lithuania, etc.), legal entity code 306957882, registered address at Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania.

Contact details: tel. No +370 644 44358, e-mail info@demus.lt.

Issuer’s LEI is 6488006H8SD61N4OXA50.

1.3. Identity and contact details of the competent authority approving the Prospectus

The Prospectus has been approved by the Bank of Lithuania, as competent authority under the Prospectus Regulation, with its head office at Gedimino ave. 6, LT-01103 Vilnius, the Republic of Lithuania and telephone number: +370 800 50 500.

1.4. Date of approval of the Prospectus

The Prospectus was approved on 7 August 2026.

1.5. Warning

(i) This Summary has been prepared in accordance with Articles 7 and 8 of the Prospectus Regulation and should be read as an introduction to the Prospectus.
(ii) Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.
(iii) Any investor could lose all or part of their invested capital or incur other costs, related to disputes with regard to the Prospectus or Bonds.
(iv) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

2.1.1. *Domicile, legal form, LEI, jurisdiction of incorporation and country of operation*

The Issuer is incorporated in the Republic of Lithuania with its registered office at Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania and its LEI is 6488006H8SD61N4OXA50. The Issuer is incorporated and registered as a private limited liability company in the Register of Legal Entities of the Republic of Lithuania with legal entity code 306957882. The information about the Issuer and the Offering can be found at www.demus.lt/fondai/demus-development-vii.

2.1.2. *Principal activities*

Following authorisation from the Bank of Lithuania on 31 March 2025, the Company operates as a collective investment undertaking established for the development of a real estate project (the **Project**) on a state-owned land plot at Panerių st. 49, Vilnius, the Republic of Lithuania, unique No. 0101-0055-0091 (the **Land Plot**). The Company invests assets contributed by its shareholders exclusively in real estate assets related to the Project, including for the acquisition of the SPV owning all existing real estate situated on the Land Plot (the **Acquisition**), with the objective of generating returns for shareholders through the sale of units constructed on the Land Plot (existing and any new real estate constructed on the Land Plot hereinafter referred to as the **Property**). The Acquisition of 100% of the SPV Shares was completed on 7 May 2026 and was financed using a portion of the proceeds from the first part of the Issue. The SPV is expected to be merged into the Company, as a result of which the Company shall be the surviving entity and shall assume all rights, obligations and assets (including the Property) of the SPV (the **Merger**). The Company does not intend to make any investments other than those directly related to the Project.

The Company’s operations are limited to the Republic of Lithuania and its real estate portfolio consists solely of the Property under development, held through the SPV until completion of the Merger. The Company estimates that the total investment cost of the Project upon full completion will amount to EUR 44.3 million.

2.1.3. *Major shareholders*

The current registered share capital of the Company is EUR 10,000 which is divided into 10,000 ordinary shares of the Company (the **Shares**) with the nominal value of EUR 1. According to its Articles of Association, the Company has the right to issue additional shares up to the amount of EUR 8,000,000. The actual issued and paid-up share capital of the Company on the date of the Prospectus was equal to EUR 5,011,568. As at the date of this Prospectus, the share capital of the Company consisted of ordinary shares, Class A shares and Class I shares. The shares of the Company are not admitted to trading on any regulated or alternative market. All shares issued by the Company are dematerialized ordinary registered shares.

As at the date of this Prospectus, the shareholders holding directly over 5% of all Shares in the Company are the following:

Name of shareholder	**Number of shares**	**Proportion (rounded)**
Aleksandras Baniulis	500,000	10%
Irmantas Kubilius	500,000	10%
UAB “Palatinas”	280,278	6%

2.1.4. *Key managing directors*

The Company is a collective investment undertaking the management of which is delegated to the Management Company – UAB Demus Asset Management, legal entity code 304411219, registered address at Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania (the **Management Company**). The Company does not have management bodies and the rights and duties of the Management Board and General Manager prescribed in the Law on Companies are performed by the Management Company.

2.1.5. *Identity of the independent auditor*

The audited financial statements for the year that ended 31 December 2025 were prepared in accordance with the Lithuanian Financial Reporting Standards (the **LFRS**) and audited by the audit company UAB „ROSK Consulting“, legal entity code 302692397, registered address at Laisvės ave. 10A, Vilnius, the Republic of Lithuania (the **2025 Audited Financial Statements**). The 2025 Audited Financial Statements are incorporated into this Prospectus by reference.

The auditor Lukas Andriušis (certificate No 000653) is the independent auditor of the 2025 Audited Financial Statements.

The audit company issued an unmodified auditor’s opinion on the 2025 Audited Financial Statements, with an emphasis of matter in respect of the Company’s non-compliance with statutory capital requirements as at 31 December 2025.

2.2. What is the key financial information regarding the Issuer?

The following tables are a summary of the Issuer’s financial information for the financial year ended 31 December 2025 (audited) and a summary of the Issuer’s financial information as at 30 April 2026 (unaudited).

The information set out in the table below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with the Company’s 2025 Audited Financial Statements for the year ended 31 December 2025, that are incorporated by reference to the Prospectus and form an integral part hereof (please see Schedule 1 “*Information incorporated by Reference*”) and the unaudited summary balance sheet and income statement of the Company for the period ended 30 April 2026, which are presented on a standalone basis for the Company only and, since they pre-date completion of the Acquisition on 7 May 2026, do not reflect the SPV's assets, liabilities, financial position or results of operations. The balance sheet and income statement are not incorporated by reference into the Prospectus and do not form an integral part hereof but may be made available to investors upon request submitted to the Issuer by e-mail at info@demus.lt.

Table 1. Income statement (EUR)

Year	30.04.2026 (unaudited)	31.12.2025 (audited)	31.12.2024 (unaudited)
Net profit/loss	(185,741,000)	(14,194,000)	(9,953,000)

Source: the 2025 Audited Financial Statements and the Company’s income statement for the period ended 30 April 2026

Table 2. Balance sheet (EUR)

Year	30.04.2026 (unaudited)	31.12.2025 (audited)	31.12.2024 (unaudited)
Non-current assets	-	-	-
Total assets	11,912,750	2,686,000	2,931,000
Nominal value of the Bonds issued	6,750,000	-	-

Source: the 2025 Audited Financial Statements and the Company’s balance sheet as at 30 April 2026

Table 3. Cash flow statement (EUR)

Year	31.12.2025 (audited)	31.12.2024 (unaudited)

Net Cash flows from operating activities	(6,449,000)	(7,069,000)
Net Cash flows from investing activities	N/A	N/A
Net Cash flows from financing activities	5,000,000	10,000,000

Source: the 2025 Audited Financial Statements

2.3. What are the key risks that are specific to the Issuer?

Financial risks

(i) **Construction cost and Project's success risk.** The Company was established for developing the "Artì" residential and guest house complex. In May 2026, the Company acquired the SPV Shares, which is the owner of the Property subject to development and is expected to be merged into the Company. Following the Merger, the Company will become the direct owner of the Property and the SPV will cease to exist. Construction of the first stage of the Project is expected to be completed by Q2/Q3 2027, with the subsequent stage expected to be completed by Q1 2029. The estimated total Project cost until the redemption of the Bonds amounts to approximately EUR 27.7 million. The subsequent stage of the Project falls outside the scope of this Prospectus and will be financed separately. Considering that the Project is still in its initial development phase, the Project is exposed to a number of development-related risks: construction costs may increase due to factors beyond the Company's control, which could result in delays to the construction schedule, increased financing and operating costs, or the need to secure additional funding on unfavourable terms. As the Company's ability to generate cash flow is closely linked to the corporate reorganisation, as well as successful and timely completion and sale of the Project's units, any material delay, or failure to complete the corporate reorganisation, or any material deviation from the planned construction budget or timeline could adversely affect the Project's overall profitability, the Company's business operations, financial condition, liquidity position and ability to service and redeem the Bonds. The Company assesses this risk as high.

(ii) **Credit, default and liquidity risk of the Company.** The Company or the SPV does not generate recurring operating revenues from the Project and the ability to service and redeem the Bonds depends primarily on the successful completion of the Merger and the Project and the cash proceeds from apartment sales. The Company has historically operated at a loss and did not hold sufficient liquid current assets to cover its current liabilities. As at 31 December 2025, the Company's equity was less than 50% of its authorised capital and did not comply with the capital adequacy requirements. The auditor's report on the 2025 Audited Financial Statements included an emphasis of matter in respect of such non-compliance with capital requirements. The capital adequacy issues arose in 2025 as the Company did not generate revenue while it continued to incur operating costs. However, these capital adequacy issues have been addressed with new investors and equity contributions by shareholders amounting to EUR 5,011,568, as a result of which the Company's equity became positive (as at 30 April 2026, the Company's equity amounted to EUR 4,801,680, on a standalone basis for the Company only and pre-dating completion of the Acquisition on 7 May 2026). Such change has not been audited yet, only reflected in the available balance sheet and profit and loss statement of 30 April 2026, as disclosed in the Prospectus. There can be no assurance that the Company will not experience liquidity or capital adequacy difficulties in the future, that could adversely affect the Company's ability to obtain financing, enter into commercial arrangements, or continue operations in the ordinary course. As construction progresses, the Company's liabilities are expected to increase and the timing of cash inflows from pre-sales and final Property units' transfers may not match the Company's payment schedule. Moreover, market conditions may change between the signing of pre-sale agreements and the final notarial transfer and the sale price may be below prevailing market prices at or near completion. This could reduce the Company's revenues, profitability and cash flows and adversely affect its ability to meet its obligations under the Bonds and the Company may be required to obtain additional external financing or refinance. There can be no assurance that such financing will be available on acceptable terms, or at all. The Company may also be exposed to the solvency and performance of its financial counterparties. Since the Company does not generate diversified or recurring operating revenues and does not have material income-producing assets, its ability to meet its obligations under the Bonds is materially dependent on cash flows generated from the development and sale of the Project. The Company cannot guarantee that a default will not occur prior to the Final Maturity Date of the Bonds. Investors should independently assess the Company's creditworthiness and the risks associated with the Bonds before making an investment decision. The Company assesses this risk as high.

(iii) **Acquisition and Merger related risks.** On 7 May 2026, the Company completed the acquisition of 100% of the shares in the SPV, which currently owns the Property to be developed, financed using a portion of the proceeds from the first part of the Issue. There can be no assurance that all risks, liabilities, deficiencies, inaccuracies or misstatements relating to the SPV, its financial standing, operations, liabilities or the Property were identified during the due diligence process. The SPV may be subject to undisclosed liabilities, claims, tax obligations, contractual obligations, defects in title, encumbrances, technical or environmental issues, or other circumstances affecting the Property or the SPV's financial position. If any such risks materialise, they could adversely affect the implementation, costs and profitability of the Project. As at 30 April 2026, the SPV's equity was negative and amounted to EUR 628,584, and therefore did not comply with the applicable statutory capital adequacy requirements. Following the Acquisition, the Company, as the sole shareholder of the SPV, intends to rectify this situation in accordance with applicable legal requirements, either by injecting additional capital into the SPV or by rectifying the situation through completion of the Merger. The SPV will be merged into the Company. The completion of the Merger is expected by October 2026. However, it may be delayed or not completed within the expected timeframe. Any delay in the Merger may result in a potential delay of certain Project-related actions, financing arrangements and creation of mortgage over the Property. Until the mortgage is duly created and registered, the Bondholders may have insufficient Collateral securing the Company's obligations under the Bonds. The Company assesses this risk as medium.

(iv) **Pre-sale strategy and sales execution risk.** The Company's financial projections and liquidity planning assume a phased pre-sale strategy for the Project's apartments and guest house premises, with indicative pre-sale targets to be achieved at defined milestones during the development period. Although the current pre-sale ratio is 3.77%, the remaining targets are indicative only and remain subject to market conditions, buyer demand, pricing dynamics, and the timely progress of construction. There can be no assurance that the Company will achieve the planned pre-sale ratios or the targeted number of pre-sold units within the anticipated timeframes, or at all. Failure to meet these pre-sale milestones may occur due to factors such as weaker-than-expected demand for residential or guest house type property, increased competition, changes in buyer preferences, adverse macroeconomic or geopolitical developments, interest rate volatility, or delays in construction. This could result in liquidity shortfalls, increased reliance on external financing, or the need to revise pricing or sales strategies, potentially on unfavourable terms. Pre-sale agreements entered into by the Issuer remain subject to various contractual conditions and may be terminated, delayed or renegotiated by purchasers, including due to financing difficulties, changes in personal circumstances or delays in construction, which could adversely affect liquidity planning and increase the Issuer's reliance on alternative sources of financing. The Company assesses this risk as medium.

Business activities and industry risks

(i) **Residential property risk.** The Company's performance and its ability to service and redeem the Bonds are closely linked to conditions in the Vilnius residential real estate market. As at the date of this Prospectus, there is no material slowdown observed in the Vilnius residential market, and residential sales activities remain relatively strong. However, demand for residential property, achievable sale prices, sales volumes and absorption rates are influenced by a range of factors beyond the Company's control, including general economic conditions, inflation, interest rate levels, household income growth, demographic trends, buyer sentiment and competition from other residential developments in Vilnius. Adverse changes in market conditions, including cyclical fluctuations driven by macroeconomic or geopolitical developments, changes in monetary policy and borrowing costs, may reduce buyers' purchasing power and demand, prolong selling periods, necessitate increased incentives or price reductions, and lead to shifts in buyer preferences, thereby adversely affecting both pre-sales and final sales performance. The Company assesses this risk as medium.

(ii) **Guest house premises risk.** Some of the units within the Project will be guest house type premises, the demand for such premises is expected to be supported by the generally strong investor interest in real estate in Vilnius and the potential attractiveness of such units as income-generating and investment assets. However, there can be no assurance that sufficient demand for guest house type premises will develop or that such premises will be sold within the expected timeframe or at the expected prices. Demand for such premises may be affected by factors beyond the Company's control, including investor sentiment, availability and cost of financing, expected rental yields, taxation, regulatory requirements applicable to such premises, competition from other investment products and general macroeconomic conditions. In addition, their attractiveness as investment assets may depend on developments in the hospitality sector and tourism market, which are affected, among other things, by the general economic environment, consumer spending, travel trends and the geopolitical situation. Accordingly, in the event of negative developments in these sectors or in the broader macroeconomic or geopolitical environment during the sale stage of the Project, investor interest in such guest house type premises may decrease and that may have a material adverse effect on the Company's financial position, liquidity and ability to meet its obligations under the Bonds. The Company assesses this risk as medium.

(iii) **Competition risk**. The Company operates in a competitive residential real estate market in Vilnius, where several developers are simultaneously developing and marketing residential projects aimed at similar buyer segments. Although there are currently not many comparable projects in Vilnius combining both residential apartments and guest house type premises, the attractiveness of such guest house type premises may be affected by competition in the broader short-term accommodation and hospitality market. Competitive pressure may adversely affect the Company's sales performance by limiting pricing flexibility, slowing absorption rates or requiring the Company to offer incentives, discounts or more flexible payment terms. Developers with greater financial resources, stronger market presence or more aggressive pricing strategies may be able to attract buyers more effectively or complete sales on more favourable terms. If competition intensifies or buyer demand shifts towards alternative developments, the Company may be required to adjust its sales and pricing strategy, which could have a material adverse effect on the Company's financial position, liquidity and its ability to service and redeem the Bonds when due. The Company assesses this risk as medium.

(iv) **Risk of limited investment diversification.** The Company's activities and investments are concentrated on a single residential real estate Project, with no material alternative assets, projects or revenue-generating operations to offset adverse developments. Any negative events relating to the Project, such as construction delays, cost overruns, contractor underperformance, permitting issues, weaker-than-expected sales or adverse changes in the Vilnius residential market, could have a disproportionate impact on the Company's business, financial condition, liquidity and cash flows, and could adversely affect its ability to redeem the Bonds at maturity. The Company assesses this risk as medium.

Legal risks

(i) **Risk of legal disputes.** Although the Company is not currently involved in any legal proceedings, disputes may arise in the future in the ordinary course of the Project's development and sale, including with purchasers of apartments in connection with pre-sale agreements, or with contractors or other service providers in relation to the performance, scope, timing or cost of work. Given that the Issuer's activities are concentrated in a single development project, any material dispute may have a disproportionate impact on its financial position. Furthermore, any dispute that delays notarial transfers of apartments or release of funds from the Escrow Account may directly affect the Issuer's liquidity and timing of cash flows available for servicing or redeeming the Bonds. If any dispute were to be resolved unfavourably for the Company, it could result in financial losses, reputational harm, delays to the construction schedule or disruption to sales activities, and could impair the Company's ability to service and redeem the Bonds when due. The Company assesses this risk as medium to low.

(ii) **Risk related to changes in permitting, zoning or regulatory requirements.** The Project is subject to various permits, approvals and regulatory requirements under Lithuanian law. Although the Issuer has obtained the permits required as at the date of this Prospectus to commence construction, further approvals, inspections and completion documentation will be required as the Project progresses. Changes in laws, regulations, technical standards or administrative practices, or delays in obtaining required permits or approvals, may result in additional costs, construction delays or limitations on the use, sale or occupancy of the Project's units. Any delay in obtaining required completion or occupancy documentation may postpone notarial transfers and consequently delay the inflow of sales proceeds into the Escrow Account, which could have a material adverse effect on the Project's timeline, the Issuer's cash flows and its ability to service and redeem the Bonds. The Company assesses this risk as medium.

3. KEY INFORMATION ON THE SECURITIES

3.1. <u>What are the main features of the securities?</u>

3.1.1. *Type, class and ISIN*

A secured fixed-term non-equity non-convertible non-subordinated (debt) security instrument with ISIN LT0000137523.

3.1.2. *Currency, denomination, par value, number of securities issued and duration*

The currency of the Bonds is euros. The Nominal Value of Bond is EUR 1,000. The Maximum Aggregate Nominal Value of the Issue under the Prospectus amounts to EUR 18,600,000. The Final Maturity Date of the Bonds is 29 April 2028.

3.1.3. *The rights attached to the securities*

The Bonds grant the Bondholders the following main rights, among others, (i) to receive the interest accrued; (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Maturity Date or Early Redemption Date, or De-listing Event Put Date, and a premium, if applicable; (iii) to participate in the Bondholders' Meetings; (iv) to vote in the Bondholders' Meetings.

For the protection of the Bondholders' interests, on 2 April 2026 the Issuer has concluded the Trustee Agreement with UAB „AUDIFINA", a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, Vilnius, the Republic of Lithuania (the **Trustee**).

Moreover, the Issue is secured by the following collateral (the **Collateral**): (i) a first-ranking pledge over the SPV Shares, concluded on 20 May 2026 and registered with the Register of Contracts and Liens, notarial register No. 1291, pledge identification code 30000163214120. This Collateral secures all Bonds of the Issue (including any previously issued non-public Tranche and any future public or non-public Tranches), and ranks for the benefit of all Bondholders *pari passu* and without preference between different Tranches. The pledge will remain valid only until completion of the Merger, and (ii) a first-ranking mortgage over the Property (the newly constructed building(s)) existing as at the relevant date, registered with the Real Estate Register upon reaching a minimum level of completion, currently expected to be approximately 3–5%, by 29 October 2026 in favour of the Trustee, acting in the interests of the Bondholders. Any new real estate or separate premises registered on the Land Plot shall automatically become part of the Collateral without the need for further consent of the Bondholders and shall be mortgaged within 20 Business Days of registration under new Collateral Agreement(s). Such new Collateral Agreement(s) shall secure all outstanding Bonds of the Issue on an equal basis and shall not be limited to a specific Tranche.

The Issuer has undertaken the following covenants in favor of the Bondholders: (i) LTC ratio; (ii) Negative Borrowing; (iii) Negative Pledge; (iv) Negative pay-outs; (v) Change of Control; (vi) Subordination; (vii) Collateral; (viii) Disposal of the Property; (ix) Decisions; (x) Reporting obligations.

3.1.4. *Rank of securities in the Issuer's capital structure in the event of insolvency*

In case of the Issuer's liquidation or insolvency, the Investors shall have a right to receive payment of the outstanding principal amount of the Bonds and the interest accrued on the Bonds according to the relevant Lithuanian laws governing liquidation or insolvency of the Issuer, taking into account the rights of the Bondholders arising from the Collateral.

3.1.5. *Restrictions on the free transferability of the securities*

Bonds are freely transferrable, subject to certain transfer restrictions under the relevant laws in certain jurisdictions, as may be applicable to the transferor or the transferee.

3.2. <u>Where will the securities be traded?</u>

The Issuer will seek admission of the Bonds to trading on the alternative market First North (the **First North**), administered by the regulated market operator AB Nasdaq Vilnius (**Nasdaq**).

3.3. <u>What are the key risks that are specific to the securities?</u>

Risks related to the Bonds

(i) **Risk of insufficient value of the Collateral.** As at the date of this Prospectus, the Bonds are secured by a first-ranking pledge over the SPV Shares. The pledge over the SPV Shares will remain valid only until completion of the Merger and no additional pledge over the Issuer's shares is expected to be created. No external valuation of the SPV Shares has been or is expected to be conducted. Following completion of the Merger, the Issuer will create a mortgage over the Property to secure its obligations towards the Bondholders. As at the date of this Prospectus, the Property consists of seven buildings, with a value of EUR 9,440,000 as at 26 February 2026, according to the real estate valuation report prepared by UAB "Centro kubas – Nekilnojamasis turtas", dated 3 March 2026. However, these buildings are planned to be demolished and will not be mortgaged. The mortgage is expected to be created only over the newly constructed building(s), which are expected to be registered with the Real Estate Register upon reaching a minimum level of completion (approximately 3–5%), by 29 October 2026, there can be no assurance that such registration will occur within the expected timeframe, as construction and registration are subject to various risks outlined in this Prospectus. If the mortgage over the Property is not created by 29 October 2026, the Issuer undertakes to pay increased interest on the Bonds (an increase of 1 percentage point from 8% to 9% per annum) until the mortgage is duly created and registered. Each newly registered building will also be mortgaged in favour of the Bondholders under a separate Collateral Agreement within 20 Business Days of its registration. However, there can be no assurance that such registrations and mortgages will be completed within the anticipated timeframes. The Issuer does not guarantee that the value of any Collateral will be equal to or exceed the nominal value of the Bonds (together with accrued interest and other amounts payable), nor that such value will be maintained throughout the term of the Bonds. Any Collateral created secures the entire Bond Issue (including all Tranches), and not a specific Tranche separately. All Bondholders will share in the same security package on a pari passu basis. Although valuations of the Property will be conducted annually, a default occurring prior to completion may result in the relevant Collateral being insufficient to satisfy all amounts due. In addition, a downturn in the Lithuanian real estate market could reduce the Property's realisable value. Any proceeds received from the realisation of the Collateral will first be applied to cover enforcement-related costs and expenses incurred by the Trustee, and only the remaining amounts will be available for distribution to Bondholders. The value of the Collateral may be insufficient to cover not only the principal amount of the Bonds, but also accrued interest, early redemption premiums (if any), default interest, and enforcement-related costs and expenses. The Company has assessed this risk as high.

(ii) **Refinancing risk**. The Company may need to refinance some or all of its outstanding debts, including the Bonds. The Issuer expects to redeem the Bonds primarily from cash proceeds generated by the sale of apartments forming the Project. There can be no assurance that the anticipated sales will be completed as planned, within the expected timeframe, or at prices sufficient to cover the Issuer's obligations under the Bonds. Slower sales, delays in notarial transfers, purchaser cancellations or defaults, or adverse changes in the Vilnius residential market may reduce or postpone cash proceeds available for redemption. If the Issuer is unable to generate sufficient cash proceeds from sales, it may be required to refinance through additional bond issuances, bank financing, or other forms of external funding, which may not be available on acceptable terms, or at all. Any inability to obtain refinancing when required, or refinancing obtained on materially less favourable terms, could adversely affect the Issuer's liquidity and its ability to redeem the Bonds in full and on time, which could have a material adverse effect on Bondholders. The Company assesses this risk as medium.

(iii) **Risk related to partial early redemption and reduction of Nominal Value.** In certain circumstances and subject to the Terms and Conditions, the Issuer may redeem the Bonds partially prior to the Final Maturity Date. In the case of a partial early redemption, the redeemed portion of the Nominal Value is allocated pro rata among all Bondholders and the Nominal Value of each Bond is reduced accordingly and recorded in the Register. Future interest payments and any subsequent redemption amounts will be calculated on the reduced Nominal Value only, which may result in lower overall returns than initially expected. In addition, Bondholders may be exposed to reinvestment risk, as amounts received upon partial early redemption may need to be reinvested at prevailing market rates, which may be lower than the interest rate applicable to the Bonds. The Company assesses this risk as medium.

(iv) **Transaction costs/charges**. Investors should be aware that transactions in the Bonds may involve costs in addition to the relevant subscription, purchase or sale price, including brokerage and dealer fees, commissions, custody, clearing and settlement charges and other administrative expenses. Investors may also be affected by changes in the legal, regulatory or tax framework in Lithuania and/or in their jurisdiction of residence, which could reduce the investor's net return. Lithuanian tax resident natural persons should note that if the Issue Price of a Bond of a particular Tranche is higher than its Nominal Value, the difference between the Issue Price and the Nominal Value (i.e., a loss) cannot be used to reduce taxable interest income or other taxable income. The Company assesses this risk as low.

(v) **No ownership and voting rights in General Meeting.** The Bonds do not confer any legal or beneficial ownership interest and do not carry any rights similar to those arising out of equity securities. The Bondholders are not entitled to receive dividends. The Bonds are debt instruments and grant the Bondholders the claim rights only to the outstanding payments arising from the Bonds. Bondholders may vote only at Bondholders' Meetings convened in connection with matters relating to the Bonds. Resolutions at such meetings may be adopted by the requisite majority and will be binding on all Bondholders, meaning there is a high likelihood that an individual Bondholder may be outvoted. General Meeting may take decisions that may negatively affect the market price or liquidity of the Bonds. Considering that the completion of the Project and the redemption of the Bonds are in the interests of the shareholders, the Company assesses this risk as low. However, while the overall impact of this risk is considered limited, there is a high likelihood that resolutions adopted at a Bondholders' Meeting may not align with the preferences of a particular individual Bondholder.

Offering and admission to trading on the First North related risks

(i) **There is no active trading market for the Bonds / Risk of De-listing Event (put option).** The Bonds will be applied for admission to trading on the First North, but there is no assurance that an active trading market will develop or that the Bonds will not be subject to a De-listing Event. As First North is a smaller market that typically features lower trading volumes, liquidity in the Bonds may be limited and Bondholders may have fewer opportunities to buy or sell, or may be required to sell at an unfavourable price, thereby incurring a loss. The Company assesses that the risk of no active market forming is high, while the risk of a De-listing Event (put option) is remote.

(ii) **Bonds may not be appropriate to some Investors.** The Bonds may not be suitable for all investors. Potential investors should carefully assess whether the Bonds are appropriate for their personal circumstances, ensuring they have adequate financial resources and liquidity to withstand the risks, including the possibility of losing all or a substantial part of their investment. In particular, potential investors should: (i) possess sufficient knowledge and experience to evaluate the Bonds and the associated risks; (ii) have access to and understanding of analytical tools to assess the investment's impact on their overall portfolio (iii) have the financial resources to bear the risks; (iv) thoroughly understand the Bonds' terms and relevant market behaviour; and (v) be able to consider various economic and interest rate scenarios. The Issuer will not assess whether the Bonds are appropriate financial instruments for investors, as this responsibility lies with the Lead Manager or Managers (if any). The Issuer evaluates this risk as low.

(iii) **Cancelation of the Offering.** The Issuer reserves the right to cancel the Offering of any Tranche at any time before the Issue Date, for any reason, and without the consent of investors or the Trustee. If a Tranche Offering is cancelled, any Subscription Orders placed will be disregarded and any payments made will be refunded without interest or compensation. The Issuer will not be liable for any costs, damages, or losses incurred by prospective investors. Considering that the Issuer carefully plans the Offering and each Tranche, the Issuer considers the risk remote.

4. KEY INFORMATION ON THE OFFERING

4.1. Under which conditions and timetable can I invest in this security?

In the course of the Offering, the Company offers up to EUR 500,000 Bonds to be issued under the first Tranche (the **Offer Bonds**). The issue price for the Bonds offered without accrued interest: EUR 1,003.06 (100.306% per Nominal Amount), issue price with accrued interest: EUR 1,009.64 (100.964% per Nominal Amount) per one Offer Bond (the Issue Price), Yield is set at 7.8% per annum. The Offering may be decreased by the amount unsubscribed or increased as provided in the Final Terms.

Subscription period. The subscription period is the period during which the persons who have the right to participate in the Offering (the **Subscription Period**) may submit the subscription orders for the Offer Bonds (the **Subscription Order**). The Subscription Period commences on 17 August 2026 and ends on 25 August 2026 at 23:59 (Lithuanian time), unless the Offering is cancelled pursuant to the Prospectus.

Right to participate in the Offering. The Offer Bonds are publicly offered to retail and institutional investors in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia but the Issuer may also choose to offer the Bonds to investors in any Member State of the EEA under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation.

Subscription channels. Bonds can be subscribed by submitting Subscription Orders directly to the Issuer and/or to the Lead Manager.

In case of subscription through the Issuer, the investors shall submit their Subscription Orders at any time during the Subscription Period at the office of the Issuer, at the address Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania, or by e-mail of the Issuer info@demus.lt, if signed with a qualified e-signature.

In case of subscription through the Lead Manger, the investors shall submit their Subscription Orders at any time during the Subscription Period at the office of the Lead Manager, at the address Konstitucijos ave. 15-98, Vilnius, the Republic of Lithuania, or by e-mail of the Lead Manager info@evernord.com, if signed with a qualified e-signature.

Allocation. The Issuer shall accept all Subscription Orders of the investors that are considered valid under the Prospectus. In case the Maximum Aggregate Nominal Value of the first Tranche is exceeded (i.e., oversubscription), the Issuer following the recommendation of the Lead Manager shall allocate the Bonds in compliance with allocation rule provided for in the Final Terms and following recommendation of the Lead Manager.

Payment. The first Tranche is subject to subscription through the Issuer and/or Lead Manager, investors shall transfer the Issue Price, which is payable for the Bonds, to the Issuer's bank account specified in the Final Terms and Subscription Order on 28 August 2026 at 9:00 (Lithuanian time) (settlement on a free-of-payment (the **FoP**) basis on the Issue Date).

Issue Date. The Offer Bonds shall be registered with Nasdaq CSD and distributed to the investors on 28 August 2026 (the **Issue Date**).

Admission to trading. It is expected that the Offer Bonds will be listed and admitted to trading on the First North no later than on the Issue Date of the first Tranche.

Return of funds. The Investors who have not been allotted any Bonds or whose Subscription Orders have been reduced will receive reimbursements of the payment made upon placing the Subscription Order. The reimbursement will take place within 5 Business Days from the end of the Issue Date.

Changes to the Offering. Any decision on cancellation, suspension (postponement) and changes of dates of the primary distribution or other material information will be published on the Issuer's website at www.demus.lt/fondai/demus-development-vii (and after the Bonds' admission to trading on the First North, on Nasdaq website at www.nasdaqbaltic.com). Investors may also be notified by the Issuer or the entity that accepted the Subscription Order (if applicable according to its internal procedures) about cancellations, suspensions (postponements), changes in primary distribution dates, or other information via e-mail.

4.2. Why is this Prospectus being produced?

The Prospectus has been prepared in connection with the (i) Offering in the Republic of Lithuania, Latvia and Estonia and (ii) Bonds' admission to trading on the First North.

The proceeds of the Offering under this Prospectus will be applied towards: (i) the construction and fit-out of the Project developed by the Issuer at Panerių st. 49, Vilnius, the Republic of Lithuania (and for covering the financing costs related to this Project) and any other Project related costs if needed; and (ii) supporting the Issuer's working capital, including the servicing of interest (coupon) payments on the Bonds.

Provided that all the Bonds subject to the Offering under this Prospectus are subscribed for and issued by the Company, the expected amount of gross proceeds, calculated on the basis of the Nominal Value of the Bonds, would be up to EUR 11,850,000 less the amounts of costs and expenses incurred in connection with the Offering, as prescribed below.

The Company will bear approximately up to EUR 370,000 of fees and expenses in connection with the Offering (including the maximum amount of any discretionary commission, admission to trading on the First North related costs, legal costs, etc.) under the Issue. These costs of the Offering will be covered from proceeds of the Offering and/or from prepayments received in respect of the Project related sales.

No underwriting agreement has been signed for the purposes of the Offering. Also, to the best knowledge of the Issuer there are no conflicts of interest pertaining to the Offering and/or the admission to trading on the First North.