



**Civinity AB**

*(incorporated in Lithuania with public limited liability, corporate ID code 302247881)*

**Information Document for the offering of bonds of Civinity AB in the amount of up to EUR 8,000,000 and admission thereof to trading on the alternative market First North, administered by Nasdaq Vilnius AB**

This Information Document (the “Document”) has been drawn up by Civinity AB (the “Company” or the “Issuer”) in connection with the offering of bonds of the Company (the “Bonds”) in the amount of up to EUR 8,000,000 (“Offering”) and admission thereof (the “Admission”) to trading on the First North in Lithuania, a multilateral trading facility (alternative market in Lithuania) administered by the regulated market operator Nasdaq Vilnius AB (“First North”).

This Document is not a prospectus within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Regulation”) and the Law of the Republic of Lithuania on Securities (the “Law on Securities”) and was not approved by the Bank of Lithuania (the “LB”). The prospectus for the Offering and Admission is not prepared following Article 3(2) of the Prospectus Regulation and Part 2 of Article 5 of the Law on Securities.

Following Part 2 of Article 78 of the Law of the Republic of Lithuania on Companies (the “Law on Companies”) this Document was prepared under the requirements of the Decision of the Board of the LB No 03-45 on Approval of Description of Order of Preparation and Announcement of Information Document, Mandatory to Prepare When Publicly Offering Mid-Sized Issues and when Executing the Mid-Sized Crowdfunding Transactions, dated 28 February 2013 (the “Decision”). In addition to that, the Document was also supplemented with information, which is required under the Rules of First North in Lithuania, approved by the decision of the Board of Nasdaq Vilnius AB (“Nasdaq”) No. 18-60, dated 12 December 2018 (the “Rules”).

This Document does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Furthermore, the distribution of this Document in certain jurisdictions may be restricted by law. Thus, persons in possession of this Document are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The information contained herein is current as of the date of this Document. Neither the delivery of this Document, nor the offer, sale or delivery of the Bonds shall, under any circumstances, create any implication that there have been no adverse changes occurred or events have happened, which may or could result in an adverse effect on the Company’s or its Subsidiaries (collectively the “Group”) business, financial condition or results of operations and/or the market price of the Bonds. Nothing contained in this Document constitutes, or shall be relied upon as, a promise or representation by the Issuer or the Offering Broker as to the future.

Although the whole text of this Document should be read, the attention of persons receiving this document is drawn, in particular, to the Section headed *Risk Factors* contained in Section II of this Document. All statements regarding the Company’s and the Group’s business, financial position and prospects as well as the Offering should be viewed in light of the risk factors set out in Section II of this Document.

Šiaulių bankas AB (the “Lead Manager”, or the “Offering Broker”) is the lead manager in Lithuania for the purposes of Offering of the Bonds and Admission thereof to trading on First North.

Offering Broker



The date of this Document is 30 September 2021

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## I. INTRODUCTION

**Information Document.** This Document has been prepared by the Company in connection with the Offering and the Admission, solely for the purpose of enabling any prospective Investor to consider an investment in the Bonds. The information contained in the Document has been provided by the Issuer and other sources identified herein. This Document has been prepared in accordance with Part 2 of Article 5 of the Law on Securities, Part 2 of Article 78 of the Law on Companies and the Decision. In addition to that, the Document was also supplemented with information, which is required under the Rules of First North in Lithuania.

This Document should be read and constructed together with any updates, supplement hereto (if any) and with any other documents attached herein and/or incorporated by reference (if any).

### 1.1 Responsibility for this Document

**Persons responsible.** The person responsible for the information provided in this Document is Civinity AB, corporate ID code 302247881, with the registered office at Naujoji Riovonių str. 25B, Vilnius, Lithuania. The Company accepts responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and its General Manager Mr. Deividas Jacka having taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import.



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Deividas Jacka  
Chief Executive Officer

**Limitations of liability.** The Lead Manager and the legal advisor to the Company or to the Lead Manager expressly disclaim any liability based on the information contained in this Document or any individual parts hereof and will not accept any responsibility for the correctness, completeness or import of such information. No information contained in this Document or disseminated by the Company in connection with the Offering and/or the Admission may be construed to constitute a warranty or representation, whether express or implied, made by the Lead Manager or the legal advisor to any parties.

Neither the Company nor the Lead Manager or the legal advisor will accept any responsibility for the information pertaining to the Offering, Admission, the Group or its operations, where such information is disseminated or otherwise made public by third parties either in connection with this Offering or otherwise.

By participating in the Offering, investors agree that they are relying on their own examination and analysis of this Document (including the financial statements of the Group which form an indispensable part of this Document) and any information on the Company, the Group that is available in the public domain. Investors should also acknowledge the risk factors that may affect the outcome of such investment decision (as presented in Section II *Risk Factors*).

Investors should not assume that the information in this Document is accurate as of any other date than the date of this Document. The delivery of this Document at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's (its Group's) affairs since the date hereof or that the information set forth in this Document is correct as of any time since its date.

In the case of a dispute related to this Document or the Offering, the plaintiff may have to resort to the jurisdiction of the Lithuanian courts and consequently a need may arise for the plaintiff to cover relevant state fees and translation costs in respect of this Document or other relevant documents.

### 1.2 Notice to prospective investors and selling restrictions

The Offering under this Document will be made in one or several Tranches (as defined in Section 1.5 *Definitions and Abbreviations*). The first Tranche will be offered pursuant to Article 3(2)(b) of the Prospectus Regulation and Article 7 of the Law on Securities. The subsequent Tranches might be offered either privately or under public offering in the Republic of Lithuania only. In case of public offering, subsequent Tranches would

be issued pursuant to exemption under Article 3(2)(b) of the Prospectus Regulation and in accordance with Article 7 of the Law on Securities (for additional information please see Section 4.4 *General Structure of the Offering*). The Issuer will inform Investors about the type of the Offering by providing respective information in the Final Terms (as defined in Section 1.5 *Definitions and Abbreviations*) of particular Tranche.

The distribution of this Document in certain jurisdictions may be restricted by law. Any person residing outside the Republic of Lithuania may receive this Document only within limits of applicable special provisions or restrictions. The Issuer requires persons into whose possession this Document comes to inform themselves of and observe all such restrictions. This Document may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws. This Document does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The Issuer, the Offering Broker or their representatives and/or legal advisers do not accept any legal responsibility whatsoever for any such violations, whether or not a prospective investor is aware of such restrictions.

In addition to that this Document may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Bonds offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Document are required to inform themselves about and to observe any such restrictions, including those set out in this Section. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

As a condition for the subscription/purchase of any Bonds in the Offering, each subscriber/purchaser will be deemed to have made, or in some cases be required to make, certain representations and warranties, which will be relied upon by the Company, the Lead Manager and others. The Company reserves the right, at its sole and absolute discretion, to reject any subscription/purchase of Bonds that the Company, the Lead Manager or any agents believe may give rise to a breach or a violation of any law, rule or regulation.

The Bonds have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

The Bonds have not been and will not be registered in accordance with the U.S. Securities Act of 1933 (the "Securities Act") or under the securities laws of any state of the United States of America and accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the United States of America, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any securities laws of any state of the United States of America.

### **1.3 Certain provisions, related to presentation of information**

**Approximation of numbers.** Numerical and quantitative values in this Documents (e.g., monetary values, percentage values, etc.) are presented with such precision which the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented do not add up to total due to the effects of approximation. Exact numbers may be derived from the financial statements of the Group, to the extent that the relevant information is reflected therein.

**Dating of information.** This Document is drawn up based on information which was valid on 31 December 2020 (based on Group's consolidated financial statements for the 12-month period ended 31 December 2020 (the "IFRS Financial Statements")). Where not expressly indicated otherwise, all information presented in this Document must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 31 December 2020, this is identified by either specifying the relevant date or by the use of expressions as "*the date of this Document*", "*to date*", "*until the date hereof*" and other similar expressions, which must all be constructed to mean the date of this Document 30 September 2021).

**Third party information and market information.** With respect to certain portions of this Document, some information may have been sourced from third parties, in such cases indicating the source of such information in the Document. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted,

which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets, on which the Company and its Subsidiaries are operating, is based on the best assessment made by the Management. With respect to the industry, in which the Group is active, and certain jurisdictions, in which its operations are being conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant market or seek professional advice. Information on market shares represents the Management's views, unless specifically indicated otherwise.

**Forward looking statements.** This Document includes forward-looking statements. Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the belief of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Document are subject to risks, uncertainties and assumptions about the future operations of the Group, the macro-economic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as strategy, expect, forecast, plan, anticipate, believe, will, continue, estimate, intend, project, goals, targets, would, likely, anticipate and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Document whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Group operates in a competitive business. This business is affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Group's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Group (please see Section II *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof). However, the risk factors described in the Document do not necessary include all risk and new risk may surface. If one or more of the risk factors described in this Document or any other risk factors or uncertainties would materialise or any of the assumptions made would turn out to be erroneous, the Group's actual business result and/or financial position may differ materially from that anticipated, believed, expected or estimated. It is not the Group's intention, and it will not accept responsibility for updating any forward-looking statements contained in this Document, unless required by applicable legislation.

#### **1.4 Information incorporated by Reference**

No documents or content of any website are incorporated by reference in this Document in accordance with Item 11 of the Decision of the Board of the LB, except for the currently valid wording of the Articles of Association of the Company (the "Articles of Association"), the Group's consolidated audited financial statements for the years ended 31 December 2019 and 31 December 2020 together with the annual reports and independent auditor's reports on the financial statements and on the annual reports (the "IFRS Financial Statements"), which are available on the website of the Company [www.civinity.com](http://www.civinity.com).

**Documents on Display.** Throughout the lifetime of this Document, the Articles of Association and the IFRS Financial Statements may also be inspected at the head office of the Company located at Naujoji Riononiu str. 25B, Vilnius, Lithuania, on business hours of the Company. Any interested party may obtain copies of these documents from the Company without charge.

#### **1.5 Definitions and abbreviations**

In this Document, the definitions in capital letters will have the meanings indicated below unless the context of the Document requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of more importance. Other definitions may be defined elsewhere in the Document.

<b>Admission</b>	Admission of the Bonds to trading on First North
<b>Allotment Date</b>	Date on which the Bonds will be allocated to Investors
<b>Articles of Association</b>	Articles of Association of the Company
<b>Bonds</b>	Up to 8,000 Bonds of the Company, to be issued by the Company and offered to the Investors during the Offering under the Terms and Conditions of this Document
<b>Bondholders</b>	Holders of the Bonds of the Company
<b>Bondholders' Meeting</b>	Meeting of the Bondholders of the Company
<b>Business Day</b>	A day on which banks in Vilnius are open for general business
<b>Certified Advisor</b>	Law Firm TGS Baltic, address Konstitucijos ave. 21A, Vilnius, Lithuania
<b>Company or Issuer</b>	Civinity AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 302247881, with its registered address at Naujoji Riovonių str. 25B, Vilnius, Lithuania
<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>EUR, €, Euro</b>	The lawful currency of the European Union Member States that adopted the single currency, including Lithuania
<b>Events of Default</b>	Shall have the meaning assigned to in Section 4.2 <i>Information Concerning the Securities to be Offered and Admitted to Trading</i>
<b>Final Terms</b>	Final Terms established for each Tranche and issued in accordance with Annex 1 of this Document
<b>First North</b>	First North in Lithuania, a multilateral trading facility (the alternative market of Lithuania) administered by the regulated market operator Nasdaq
<b>General Meeting</b>	General Meeting of Shareholders of the Company
<b>Group</b>	Company and its Subsidiaries collectively
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>IFRS Financial Statements</b>	Group's consolidated audited financial statements for the years ended 31 December 2019 and 31 December 2020 together with the annual reports and independent auditor's reports on the financial statements and on the annual reports
<b>Information Document or Document</b>	This document, prepared for the purpose of the Offering and the Admission, its annexes, information incorporated by reference and updates (if any)
<b>Institutional Investors</b>	Qualified investors as defined in article 2(e) of the Prospectus Regulation
<b>Investors</b>	Persons who subscribe/purchase the Bonds in the Offering
<b>First Issue Date</b>	The Issue Date of the Bonds of the first Tranche
<b>Issue Date</b>	The issue date of the Bonds of the respective Tranche
<b>Issue Price</b>	The issue price per Bond of the respective Tranche
<b>Law on Companies</b>	Law of the Republic of Lithuania on Companies (as amended from time to time)
<b>Law on Protection of Interests of Bondholders</b>	Law of the Republic of Lithuania on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies (as amended from time to time)
<b>Law on Securities</b>	Law of the Republic of Lithuania on Securities (as amended from time to time)
<b>LB</b>	The Bank of Lithuania
<b>Lead Manager or Offering Broker</b>	Šiaulių bankas AB, a public limited liability company, a bank established and existing under the laws of the Republic of Lithuania, corporate ID code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania
<b>Management</b>	Management Board collectively with the Manager
<b>Management Board</b>	Management Board of the Company

<b>Manager</b>	Manager of the Company (General Manager)
<b>Maturity Date</b>	The date specified in the Document on which the Bonds shall be repaid in full at their nominal amount
<b>Member State</b>	A Member State of the European Economic Area
<b>N/A</b>	'not applicable'
<b>Nasdaq</b>	Nasdaq Vilnius AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, Lithuania, administering the First North in Lithuania, a multilateral trading facility (alternative market in Lithuania)
<b>Nasdaq CSD</b>	Nasdaq CSD, SE, the merged central securities depository of Lithuania, Latvia, Estonia and Iceland
<b>Offering</b>	The offering of the Bonds based on this Document and the Final Terms prepared in accordance to Annex 1 of this Document
<b>Placement Agreement</b>	The agreement concluded on 20 May 2021 between the Company and the Lead Manager related to the Offering and Admission
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended from time to time)
<b>Register of Legal Entities</b>	Register of Legal Entities of the Republic of Lithuania
<b>Related Parties</b>	As defined in International Accounting Standard 24 <i>Related Party Disclosures</i>
<b>Retail Investors</b>	Individuals, corporate entities (legal persons) and non-corporate entities, not being the Institutional Investors, who intend to subscribe/purchase Bonds in the Offering
<b>Rules</b>	The Rules of the First North in Lithuania of multilateral trading facility (the alternative market in Lithuania), approved by the decision of the Board of Nasdaq No. 18-60, dated 12 December 2018
<b>Section</b>	A section of this Document
<b>Settlement Date</b>	The date of settlement of payments by the Investors
<b>Subscription Orders or Subscriptions</b>	Orders of the Investors to subscribe and acquire the Bonds
<b>Subscription Period</b>	The period during which the Investors will be allowed to submit the Subscription Orders for the subscription of the Bonds in accordance with the terms and conditions of the Final Terms and this Document
<b>Shares</b>	Any ordinary registered shares of the Company with the nominal value of EUR 1,000 each issued and outstanding at any time
<b>Subsidiaries</b>	Subsidiaries of the Company, indicated in Section 3.2 hereof
<b>Summary</b>	The summary of this Document
<b>Terms and Conditions</b>	General Terms and Conditions, applicable to all the Bonds to be issued in each of the respective Tranches, as indicated in Sections 4.2 <i>Information Concerning the Securities to be Offered and Admitted to Trading</i> and 4.4 <i>Terms and Conditions of the Offer</i>
<b>Tranche</b>	The primary or subsequent tranche of the Bonds issued in accordance with Terms and Conditions and by establishing Final Terms in accordance with the Final Terms form provided in the Annex 1 of this Document
<b>Trustee</b>	Trustee of the Bondholders, Legisperitus UAB, a limited liability company, established and existing under the laws of the Republic of Lithuania, corporate ID code 302441904, with its registered address at Palangos str. 4, Vilnius, Lithuania, with which the Company has concluded an agreement for representation of Bondholder's interests

## II. RISK FACTORS

*The following is a disclosure of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the risks associated with the Bonds are described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to the Issuer or which it may not currently be able to anticipate. Prospective Investors should also read the detailed information set out elsewhere in this Document and reach their own views prior to making any investment decision.*

*Before deciding to purchase/subscribe the Bonds, Investors should carefully review and consider the following risk factors and other information contained in this Document. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, net assets, financial position and financial performance of the Issuer or the Group. Moreover, if any of these risks occur, the market value of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the Bondholders could lose all or part of their investments. Additional risks and uncertainties, which are not currently known to the Issuer or which the Issuer currently believes are immaterial, could likewise impair the business operations of the Issuer and/or the Group and have a material adverse effect on their cash flows, financial performance and financial condition. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the cash flows, financial performance and financial condition of the Issuer and/or the Group.*

### 2.1 General business risk factors

#### **General economic situation**

The Group's business, financial performance and financial condition may be materially affected by changes in general economic, political and financial market conditions, such as a global or local recession, inflation and/or fluctuations in interest rates.

The demand for facility management services generally correlates with economic activity, including growth in gross domestic product, in the countries in which the Group operates. Although the facility management services industry is normally considered to be less sensitive to economic cycles than number of other industries, both weak and strong economic activity, presents a challenge for the Group. Periods of recession may have an adverse impact on payment terms and on the demand for services. This may adversely affect the Group's financial performance and financial condition.

In periods of rapid economic growth, the Group may encounter problems in recruiting qualified employees and tends to experience inflation-driven increases in certain of its costs, such as staff costs, that are sensitive to rises in the general price levels. In this situation, due to competitive pressures or administratively set tariffs in case of residential facility management segment, the Group may be not able to raise the prices it charges on its services sufficiently to preserve operating margins. Accordingly, high rates of inflation could increase the Group's costs and have a material adverse effect on the Group's financial performance and its financial condition.

#### **Market risk**

Market disruptions can be triggered by current tendencies challenging the stability or even the existence of the EU in its current form, which, in addition to increasing economic volatility and market uncertainty globally, could have a significant negative impact on the economic development of the EU Member States.

#### **Inflation**

The upcoming years may entail considerable inflation. Relevant expenses of the Group, e. g., investment to equipment and workforce, are closely related to the general price level. Growing inflation may prevent the Group from changing the prices of its products and/or services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Group's expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless the Issuer

manages to increase its prices. Thus, strong inflation may have a considerable adverse influence on the Issuer's financial situation and business results.

### ***Increase of salaries in the Baltic States***

Labour costs make a considerable part of the cost of the Group's services. Though workforce is cheaper in the Baltic States than in old EU Member States, the difference should decrease constantly as the economy of these countries is catching up with the average of the EU. Willing to remain competitive and retain its employees, the Issuer and the Group may be forced to increase its labour costs at a faster pace than it used to do previously. If they fail to increase labour efficiency and effectiveness by increasing these costs, this may have a considerable adverse effect on the Group's financial situation and business results.

### ***Success of previous, current, and future investment projects***

The Group has implemented and may implement in the future investment projects of a large scope. Though the Group and its employees invoke all available information and analytical resources when planning investments, there is no guarantee, that all information on which the investments planned were based was true and exhaustive. Furthermore, there is no guarantee that the investment plans and the investments made will generate anticipated or planned return on investment; there is no guarantee that investment will not cost more than it was anticipated.

Failure of already implemented or anticipated investment projects, where return on investment from these projects is lower than it was expected or prices of such investments are higher than it was planned, may have a significant adverse effect on the Group's activities, its financial situation and business results.

### ***Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events***

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group and its employees from being able to provide services to its customers.

Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in such countries or decrease the demand for or increase the costs of the Group's services. Such events and acts are difficult to predict and may also affect employees, including key employees. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialisation of these risks may have a material adverse effect on the Group's business, results of operation or financial condition.

### ***Covid-19 impact***

In March 2020, quarantine has been announced in both countries where the Group companies operate. During the quarantine part of the Group's employees started to work remotely and the remaining staff which is working in clients' premises took special precautions. The so called "first wave" of COVID-19 did not have significant impact on the Group companies operations and results for 2020 and the Group reached its budgeted goals. At the moment of issuance of the IFRS Financial Statements dated 31 December 2020 the "second wave" of coronavirus was still ongoing – the Group continued to observe requirements relating to the COVID-19 pandemic, a large number of employees continued to work remotely.

The Management assessed the potential impact of key COVID-19 factors on the Group's strategic goals, cash flows, financial results and assessed that this matter will not affect the Group's ability to continue as going concern as the Group companies remained less affected by the current economic situation.

## **2.2 Group specific risk factors**

### ***Dependence on external financing***

The Group's operations are partially financed by issued short term bonds. As of 31 December 2020, the Group's borrowings and other financial debts constituted EUR 7,110 thousand (or 22% of total Group's assets as of 31 December 2020). The existing credit facilities of the Group contain financial covenants and provide

for certain other obligations and representations the violation of which may lead to an event of default and acceleration of the loans.

In addition to that, initial EUR 11 million bonds issue was secured with the 1st rank pledge over 100% of shares of the Company, valued EUR 21.67 million, 1st rank commercial pledge over the Company valued EUR 27.6 million, 1st rank pledges over 100% shares of certain operating companies of the Company (at least 10 biggest and at least 90% of EBITDA to be represented) and 1st rank commercial pledges over certain operating companies. In addition to that, certain assets (all existing and future movable assets owned by the pledgors, i.e., equipment, devices, facilities, machinery, technique, motor vehicles; all existing and future bank accounts opened in the name of the pledgors; claim rights arising from all existing and future insurance policies where the pledgors are an insured and/or assured and/or co-insured and/or loss payee; and claim rights to all amounts receivable by the pledgors under any and all existing and future contracts to which the pledgors are party or beneficiary of receivables are pledged also pledged for the above purpose.

While the Group has not breached such provisions in the past, however, the Group's ability to comply with covenants and restrictions contained in the loan agreements may be affected by events beyond its control, including, without limitation, prevailing economic, financial, legal and industry conditions. In the event that these obligations were to be breached, the creditors would be able to declare an event of default pursuant to the relevant agreements and require prepayment of the entire outstanding amounts. Such events may cause interruptions in regular business activities, loss of collateral or, in extreme cases, a financial distress for the Issuer.

#### ***Potential challenges to implementing business strategy and achieving desired results***

The Group expects to provide a greater volume of its services and subsequently to earn higher returns in the future. However, these results are not guaranteed and are subject to variation due to numerous factors. The Group's financial results might not develop as projected because of a lower global demand, increased competition or the Group's inability to implement its business strategy. In addition, the Management may fail to correctly anticipate future market trends and make worse than optimal decisions regarding future development of the Group.

#### ***Dependence on the team of top managers and key personnel***

Group's business depends on the team of the top managers, responsible for the development, growth of business and appropriate day-to-day activities. Therefore, the Group's ability to survive in the competitive environment and to implement its growth strategy is mostly determined by their experience, knowledge, personal relations and other characteristics. The Group's ability to attract and hire highly competent managers also contributes to the Group's success. As the competition for high qualification personnel is strong and constant, it is probable that the Group's managers and main employees can decide to change their jobs and to leave the Group. Loss of such employees or the Group's inability to hire new managing personnel with appropriate knowledge and capabilities or shortage of such people in the market can have a negative effect on the prospects of the Group's business, financial situation and performance.

The Group is also strongly dependent on its executives and other highly qualified and experienced personnel, having knowledge in facility management. Should the Group fail to attract, maintain and motivate these workers, it could lose them to competitors. Additional time and financial recourses would be needed to find and select their replacements which could have an adverse effect on the Group's business, prospects, financial performance and financial position.

#### ***Group's performance also depends on its ability to attract qualified and semi-qualified personnel in the market***

The Group's competitive strength depends upon its ability to attract, train and retain employees. The facility management services industry, in general, is characterized by a relatively high staff turnover. To the extent that the Group is unable to offer satisfactory pay and working conditions, the Group could experience labour shortage. Labour shortage may also arise due to increased competition for workers, which would likely increase personnel costs. Thus, the Group's inability to attract and retain the required number of qualified employees could have a material adverse effect on its business, financial performance and financial condition.

***The Issuer is a holding company and its ability to serve its payment obligations under the Bonds depends on the receipt of funds from its Subsidiaries and participations***

The Issuer is a holding company with generally no significant assets other than its interests in its Subsidiaries and participations. Its ability to serve its payment obligations under the Bonds mainly depends on the receipt of sufficient funds from its Subsidiaries and participations which in turn depends on the business, financial condition and the financial performance of these Subsidiaries and participations. Furthermore, the transfer of funds from Subsidiaries and participations may be or become subject to legal and contractual restrictions entered into by the Subsidiaries and participations. The realization of any of these risks could have a material adverse effect on the Group's cash flows, financial condition and financial performance.

***The tariffs of residential facility management in Lithuania are subject to regulation by municipalities***

The scope of residential apartment building administration and maintenance services, the essential requirements for service providers and the tariff calculation procedure are set and regulated in detail by the Lithuanian national and local authorities. Local authorities in Lithuania are empowered to set the maximum tariffs for such services, together with the relevant inspectorates control the proper implementation by service providers of the administration and maintenance requirements set out in legislation, and to impose sanctions for failure to comply with the set requirements. Any claims concerning the services provided may be presented to the authorities or service providers by individual owners as well. Taking into account the aforementioned, additional risk factors in the field of apartment building administration and maintenance include any possible amendments to the enforced legislation, the frequency of adoption of such amendments, resolutions passed by central or local authorities which provide for additional obligations of service providers, and the results of controls carried out by various inspectorates and local authorities. Timely and correct indexation of the set maximum tariffs is also a risk factor which has an impact on the Group's activities in the field of residential apartment building administration and maintenance.

***Competition risk***

The Group faces competition from number of different market players in many spheres of its activities in every geographic region and business segment including competition for clients and employees. In each of the markets and business segments, the Group competes primarily based on its service range, pricing, established client relationships, technical knowledge and the efficient handling of service contracts. If the Group is unable to continue to provide its services to existing clients, to develop new services portfolios and to attract new clients, to respond to client trends, to increase its operating efficiency and to reduce its operating and overhead costs, it may not be able to successfully compete in the relevant markets. Should the Group fail to maintain its market position in the relevant markets and business segments, this could have a material adverse effect on the net assets, financial position and financial performance of the Group.

***The Group entities are exposed to liability against clients***

The Group entities get an access to a number of customers' premises with all equipment, personal belongings and other assets located inside those premises under facility management contracts and as service provider the Group assumes civil liability for the damage to the customers' property, operations, as well as to the persons that may be present in the facilities. Subject to negotiations with the customers, to limited extent the Group restricts its liability contractually. In addition, the Group has taken out civil liability insurance to protect itself against risks in an amount it believes is appropriate. However, there is no guarantee that the Group will be able to obtain corresponding coverage on acceptable terms in the future or that the insurance will provide sufficient coverage for all potential claims. If sufficient insurance coverage is not in place in any individual case, or the cover amount is not sufficient for a claim asserted against the Group, this could have a material adverse effect on the net assets, financial performance and financial position of the Group.

***Reputation may be affected by adverse publicity in relation to the Group and its services***

The public interest in the facility management services and, concurrently, the publicity of the service is increasingly growing. Moreover, the residential facility management business inherently includes solving of utility problems many of which are beyond the Group's control and dealing with a wide circle of price-sensitive private individuals. Therefore, by nature many major events including accidents, breakdowns, emergencies and also price changes in residential facility management are periodically followed and in many cases inadequately reflected in the local mass media. If the latter occurs, the adverse publicity and disputes may impose additional costs for defending these disputes and harm the Group's reputation, which could thereby have adverse effect on the Group's financial performance and its financial position.

### ***Acquisition and integration of acquired companies***

In the past, the Group has acquired numerous businesses in order to expand its operations. The Group intends to continue to acquire businesses in a targeted manner in the future. In this regard, there is no guarantee that the Group will be able to identify suitable businesses and to acquire them on favourable terms. Moreover, the Group cannot guarantee that it will be able in the future to generate sufficient funds to finance envisaged corporate acquisitions. There is also a risk that not all material risks in connection with the acquisition of a company will be identified in the due diligence process and will not be or could not be sufficiently taken into account in the decision on the acquisition and in the purchase agreement. These risks could materialize only after a company has been acquired and may not be covered by the warranties in the purchase agreement or by insurance policies.

The integration of newly acquired businesses is always associated with considerable uncertainties and risks and, among other things, requires the ability to integrate the newly acquired companies into the Group and to retain, or quickly replace, a sufficient number of qualified management staff and other key personnel. In the past, a large number of businesses have been successfully integrated into the Group. There is no guarantee, however, that the integration process will also be successful with potential future acquisitions. Moreover, with regards to corporate acquisitions the Group may not be able to realize planned savings, synergies and/or growth potentials. The businesses acquired or the joint ventures could also turn out to be less profitable than expected. As a result, depreciations on the assets of the businesses acquired or an impairment of goodwill reported in connection with the acquisition could be necessary. Each of the aforementioned factors could have a material adverse effect on the net assets, financial position and financial performance of the Group.

### ***Dependence on IT***

The Group is dependent on an efficient and uninterrupted operation of its information and communication systems. Information and communication systems are generally prone to failures, damage, power outages, computer viruses, fire and similar events. A failure or interruption in the operation of these systems can therefore not be ruled out. Failures or interruptions in the operation of the computer and data processing systems used by the Group could result in loss of business and/or cause reputational damage to the Group. This could have a material adverse effect on the net assets, financial position and financial performance of the Group.

### ***Cyber security risks***

The Group companies managing the data with customer data used for invoicing and internal financial information. Therefore, the Group has prepared control and security procedures, which are continuously reviewed internally and in cooperation with government institutions. In February 2021 the server of Latvian Subsidiaries was attacked and infected by crypto virus (Ransomware origin). Considering crypto virus origin, cyber security auditors (NRD Security) suspect that attack was resulted of social engineering scam. Initially virus got into virtual system and later via domain was propagated to root server. The Group's security system ensured that data leak was not identified. Cyber security incident was investigated by Latvian government cyber security institution and was stated that the Group's security policies are well effective and protect the confidential and private data leak. The expenses related to investigation, legal and professional services, notifications to customers amounted to EUR 47,000. The Group has not suffered any losses of revenues and future cash flows and was not claimed by any individual or legal person. To decrease further risks, enforce cyber security and prevent other vulnerabilities the Group hired external cyber security company, which has started reviewing data security policies, risk management policies, execute penetration test on external and internal IT infrastructure of Group companies. Additionally, in the scope of this project ISO27001:2017 conformity assessment will be executed.

### ***Operational and safety risks***

Provision of cleaning and waste management services involves risks, such as truck accidents, equipment defects, malfunctions and failures and natural disasters, which could potentially result in releases of hazardous materials, injury or death of employees and others or a need to shut down or reduce operation of our facilities while remedial actions are undertaken. These risks expose the Group to potential liability for pollution and other environmental damages, personal injury, loss of life, business interruption and property damage or destruction. While the Group always seeks to minimize exposure to such risks through comprehensive training and compliance programs, as well as vehicle and equipment maintenance programs, if the Group was to incur substantial liabilities in excess of any applicable insurance, the Group's business, results of operations and financial condition could be adversely affected.

### ***Company's liquidity***

In addition to other financial ratios, the Company calculates and presents comparative values of the current ratio and the quick ratio in its annual reports. Since the values of the current ratio and the quick ratio of the Company (on consolidated basis) as of 31 December 2020 are less than 1 (0.63 and 0.61 respectively) (as of 31 December 2019 they were also less than 1 (0.72 and 0.68)), a theoretical risk remains that circumstances could appear in which the Company would fulfil its current obligations only partially. The decrease of Group's liquidity ratio is related to (i) bonds borrowings carried forward of EUR 6.0 million classified under short term borrowings and (ii) classified all prepayments received from households as current liabilities. Based on the historical experience and practice, the Group observes that accumulated funds from households for future construction, repair and current maintenance works can reduce year-over-year during 12-month period by only up to 10% (which in the view of Management represents best estimate of current liabilities based on the plans approved by the owners of the buildings to carry out specific works in the current year less new funds to be accumulated during the same period). The remaining 90% of the Company's liability for accumulated funds paid by residents are expected to be carried forward and settled by delivering services after more than one year.

In addition to the above-mentioned liquidity ratios, the values of the financial debt-to-equity ratio, financial debt-to-assets ratio and liabilities-to-assets ratio of the Company (on consolidated basis) as of 31 December 2020 are 2.3, 0.26 and 0.89 respectively (as of 31 December 2019 – 4.98, 0.32 and 0.94 respectively). Taking this into account, a theoretical risk remains that circumstances could appear in which credit institutions can request that the Company offer additional guarantees for credits given to the Subsidiaries or for new credits that could be given. Also, there is a theoretical possibility that the Company could reach such a level of liabilities, where credit institutions would lend funds to the Company under less favourable conditions than they lend on the date of the Information Document. Appearance of such circumstances could have an adverse effect on the Issuer's possibilities to raise borrowed funds for investments.

### ***Interest rate risk***

Major part of the Group's and the Company's borrowings (loans and financial lease obligations) are subject to variable rates, related to 6M EURIBOR, which create a minor interest rate risk. This exposes the Group to a risk that borrowing costs might increase significantly in the event that the relevant benchmark market interest rates rise. Adverse interest rate fluctuations, if not hedged, may negatively impact the Group's financial performance and its financial position. There are no financial instruments designated by the Group to manage the exposure to the interest rate risk outstanding.

### ***Counterparty risk***

Counterparty risk is inherent to all business activities the Group is engaged in. Counterparty risk may result in financial losses (including, but not limited to, revenues not being received from customers, funds deposited at banks, money not being received under the Group's hedging agreements, partners in long term projects failing to perform their obligations etc.) to the Group. Default of a Group counterparty may affect the completion of the Group's commenced investment projects, the quality of services provided by the Group or harm the Group's reputation. Although, the Group monitors and manages its counterparty risk, the occurrence of any of the mentioned counterparty risks may have an adverse impact on the Group's business and financial position.

## **2.3 Risk factors related to the Bonds**

### ***The Bonds may be not as suitable investment for all investors***

Each potential Investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential Investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Document;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential Investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk based capital or similar rules.

#### ***An active secondary market for the Bonds may not develop***

The Bonds constitute a new issue of securities by the Issuer. Prior to Admission to trading on First North, which is an alternative market in Lithuania, there is no public market for the Bonds and other securities of the Issuer. Although application(s) will be made for the Bonds to be admitted to trading on First North, there is no assurance that such application(s) will be accepted, and the Bonds will be admitted to trading. In addition, Admission to trading the Bonds on an alternative market will not guarantee that a liquid public market for the Bonds will develop or, if such market develops, that it will be maintained, and neither the Issuer, nor the Lead Manager is under any obligation to maintain such market. If an active market for the Bonds does not develop or is not maintained, it may result in a material decline in the market price of the Bonds, and the liquidity of the Bonds may be adversely affected. In addition, the liquidity and the market price of the Bonds can be expected to vary with changes in market and economic conditions, the financial condition and the prospects of the Issuer, as well as many other factors that generally influence the market price for securities. Accordingly, due to such factors the Bonds may trade at a discount to the price at which the Bondholders purchased/subscribed the Bonds. Therefore, investors may be not able to sell their Bonds at all or at a price that will provide them with a yield comparable to similar financial instruments that are traded on a developed and functioning secondary market. Further, if additional and competing financial instruments are introduced on the markets, this may also result in a material decline in the market price and value of the Bonds.

#### ***Credit risk***

Any person who purchases/subscribes the Bonds is relying on the creditworthiness of the Issuer and has no rights against any other person. Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds. The worse the creditworthiness of the Issuer, the higher the risk of loss. A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, the third parties would only be willing to purchase Bonds for a lower price than before the materialisation of said risk. The market value of the Bonds may therefore decrease.

#### ***Interest rate risk***

If interest rates in general or particularly with regard to obligations of corporate debtors or corporate debtors with activities in the industries sector for durations equal to the remaining term of the Bonds increase, the market value of the Bonds may decrease. The longer the remaining term of a debt instrument, the stronger is its market value affected by changes of the interest rate level. There are further factors which may affect the market value of the Bonds, including, but not limited to global or national economic factors and crises in the global or national financial or corporate sector. Bondholders should be aware that movements of the market interest rate can adversely affect the market price of the Bonds and can lead to losses for the Bondholders if they sell their Bonds.

#### ***Inflation risk***

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Bonds. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

### ***Fluctuations in exchange rates and interest rates may adversely affect the value of the Bonds***

The Issuer will pay principal and interest on the Bonds in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease the Investor's Currency equivalent: (i) yield on the Bonds; (ii) value of the principal payable on the Bonds; and (iii) market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect the applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all. In addition, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

### ***Taxation of Bonds***

Potential purchasers/subscribers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Bonds. Potential investors are advised to ask for their tax advisers' advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor.

### ***No assurance on change of laws or practices***

The Bonds are governed by the laws of the Republic of Lithuania, as in force from time to time. Lithuanian laws (including but not limited to tax laws) and regulations governing the Bonds may change during the life of the Bonds, and new judicial decisions can be given, and administrative practices may take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Document. Hence, such change may have a material adverse effect on the Issuer's business, financial condition, results of operations and/or future prospects and, thereby, the Issuer's ability to fulfil its obligations under the Bonds, taxation of the Bonds, as well as the market price and value of the Bonds. Such event may also result in material financial losses or damage to the Bondholders.

### ***Transaction costs/charges***

When the Bonds are purchased/subscribed or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase/issue or sale price of the Bonds. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Bondholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Bonds.

### ***Possibility to forfeit interest and principal amount invested***

Should the Issuer become insolvent, legal protection proceedings or out-of-court legal protection proceedings of the Issuer are initiated during the term of the Bonds, an investor may forfeit interest payable on, and the principal amount of, the Bonds in whole or in part. An investor is always solely responsible for the economic consequences of its investment decisions. The Bonds constitute direct, unsecured and unguaranteed obligations of the Issuer, ranking *pari passu* without any preference among each other and with all unsecured, unguaranteed and unsubordinated indebtedness of the Issuer. In addition to that the state guarantee (insurance) is not applicable in case of investments into the Bonds.

### **No guarantee or security**

The Bonds will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Bonds.

### **Refinancing risk**

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Group's operations, financial condition, earnings and on the Bondholders' recovery under the Bonds.

### **The Bonds contain several covenants governing the Issuer's operations and generally do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Bonds and the Bondholders**

The Bonds contain several provisions designed to protect the Bondholders from a reduction in the creditworthiness of the Issuer. In particular, the General Terms and Conditions of the Bonds do not, except for the Events of Default conditions, restrict the Issuer's ability to increase or decrease its share capital, to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organization or regulatory regime and/or its composition and business. In addition, generally none of the covenants, which the Company undertakes to follow (for more information on the covenants please see Section 4.2 *Information Concerning the Securities to be Offered and Admitted to Trading*), guarantees that the creditworthiness of the Issuer will not be reduced. Therefore, in the event that the Issuer enters into any of the above transactions, Bondholders could be materially adversely affected.

### **No voting rights**

Only the sole shareholder of the Issuer has voting rights in the General Meetings. The Bonds carry no such voting rights. Consequently, the Bondholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

### **Amendments to the Bonds bind all Bondholders**

The Law on Protection of Interests of Bondholders requires and the terms of the Bonds (Sections 4.2 *Information Concerning the Securities to be Offered and Admitted to Trading* and 4.4 *Terms and Conditions of the Offer*) contain provisions for calling Bondholders' Meetings to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant Bondholders' Meetings and Bondholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Bondholders, including such Bondholders who did not attend and vote at the relevant Bondholders' Meetings and Bondholders who voted in a manner contrary to the majority.

### **No limitation on issuing additional debt**

The Issuer is not prohibited from issuing further debt as long as the DEBT/EBITDA ratio, indicated in (Section 4.2 *Information Concerning the Securities to be Offered and Admitted to Trading*) is followed. If the Issuer incurs significant additional debt ranking equally with the Bonds, it will increase the number of claims that would be entitled to share rateably with the Bondholders in any proceeds distributed in connection with an insolvency of the Issuer. Further, any provision which confers, purports to confer, or waives a right to create security interest in favour of third parties, such as a negative pledge, is ineffective against third parties since: (i) it is a question of a contractual arrangement only being binding upon the parties to such contractual arrangement; (ii) there is no specific legislation in Lithuania providing beneficiaries of negative pledge undertakings or covenants with a preferred position vis-a-vis the claims of third parties; and (iii) no registry or public record exists in Lithuania through which negative pledge undertakings or covenants could be filed to obtain a preferred position. Should the Issuer breach its obligations under such undertakings and covenants and create a security interest in favour of a third party, such third party would obtain a valid and enforceable security interest over the pledged asset.

### ***Restrictions on the transferability of the Bonds***

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws, other than laws of the Republic of Lithuania. Each potential investor should read the information of the Section 1.2 *Notice to Prospective Investors and Selling Restrictions* for further information about the transfer restrictions that apply to the Bonds. It is the Bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

## **2.4 Legal and Taxation Risk Factors**

### ***Regulatory and legislation risk***

The Group's business is subject to extensive regulation and associated regulatory and legal risks (including the effects of changes in the laws, regulations, policies or their respective interpretations) which could have a material adverse effect on the Group's business, prospects, financial performance and financial position.

### ***Compliance with legal acts***

The Company and the Subsidiaries are required to comply with large number of laws and regulations in numerous countries relating, but not limited to operational procedures and quality standards. Any failure to comply with the applicable laws and regulations may expose the Company to administrative penalties and civil remedies including fines or injunctions, as well as in certain cases even minor infringement proceedings can be started. Although the Company has policies in place throughout its entire organization to protect against such non-compliance, the risk of failure to comply with all legal requirements may not be totally excluded. Should any material non-compliance be established by competent authorities and not rectified in due time, it may have serious financial consequences for the Group and negative impact on Company's and/or Subsidiaries' reputation.

### ***Failure to meet its workplace health and safety obligations***

The Group currently operates in Lithuania and Latvia and is subject to laws and regulations in respect of health and safety in both of these jurisdictions. Additional or amended laws and regulations may increase the cost of compliance, adversely impact Group's ability to comply, or expose the Group to greater potential liabilities where, for example, changes to the regulatory framework result in higher or more complicated regulatory standards. In the event the Group breaches these laws and regulations, any company of the Group could be subject to sanctions and penalties.

### ***Litigation risks***

In the course of their ordinary business operations, companies of the Group might be involved in several court and official proceedings, as plaintiffs or defendants, the outcome of which cannot currently be predicted with any certainty. The Group may be required under a court order or settlement agreement to pay considerable amounts, which may also exceed any provisions set up for this purpose. In addition to these amounts, the legal costs incurred by the Group and in some cases of its opponent would also have to be borne. This could have a material adverse effect on the net assets, financial position and financial performance of the Group.

### ***Tax risks***

The Group regularly reviews the applicable local and foreign taxation rules in order to identify new developments and make the relevant adjustments. Due to the complexity and dynamics of both tax legislation and the interpretation of applicable law by the tax authorities, it is possible that the outcome of the tax audits performed in the in states where the Group operates may not be as expected and that the tax amounts determined by the tax authorities may exceed the provisions set up for this purpose, so that additional liquid funds must be applied to pay the tax owed, which would affect the net assets, financial position and results of operations of the Group.

### III. INFORMATION ABOUT THE ISSUER

#### 3.1 Registration data of the Issuer

Legal and commercial name of the Issuer	Civinity AB
Place of registration of the Issuer (registered office)	Naujoji Riovonių str. 25B, Vilnius, Lithuania
Corporate ID code of the Issuer	302247881
Legal form of the Issuer	Public limited liability company
Legislation under which the Issuer operates	Lithuanian
Country of incorporation of the Issuer	Republic of Lithuania
Date of incorporation of the Issuer	13 November 2008
Telephone number	+370 700 55188
Email	<a href="mailto:info@civinity.com">info@civinity.com</a>
Internet address	<a href="http://www.civinity.com">www.civinity.com</a>

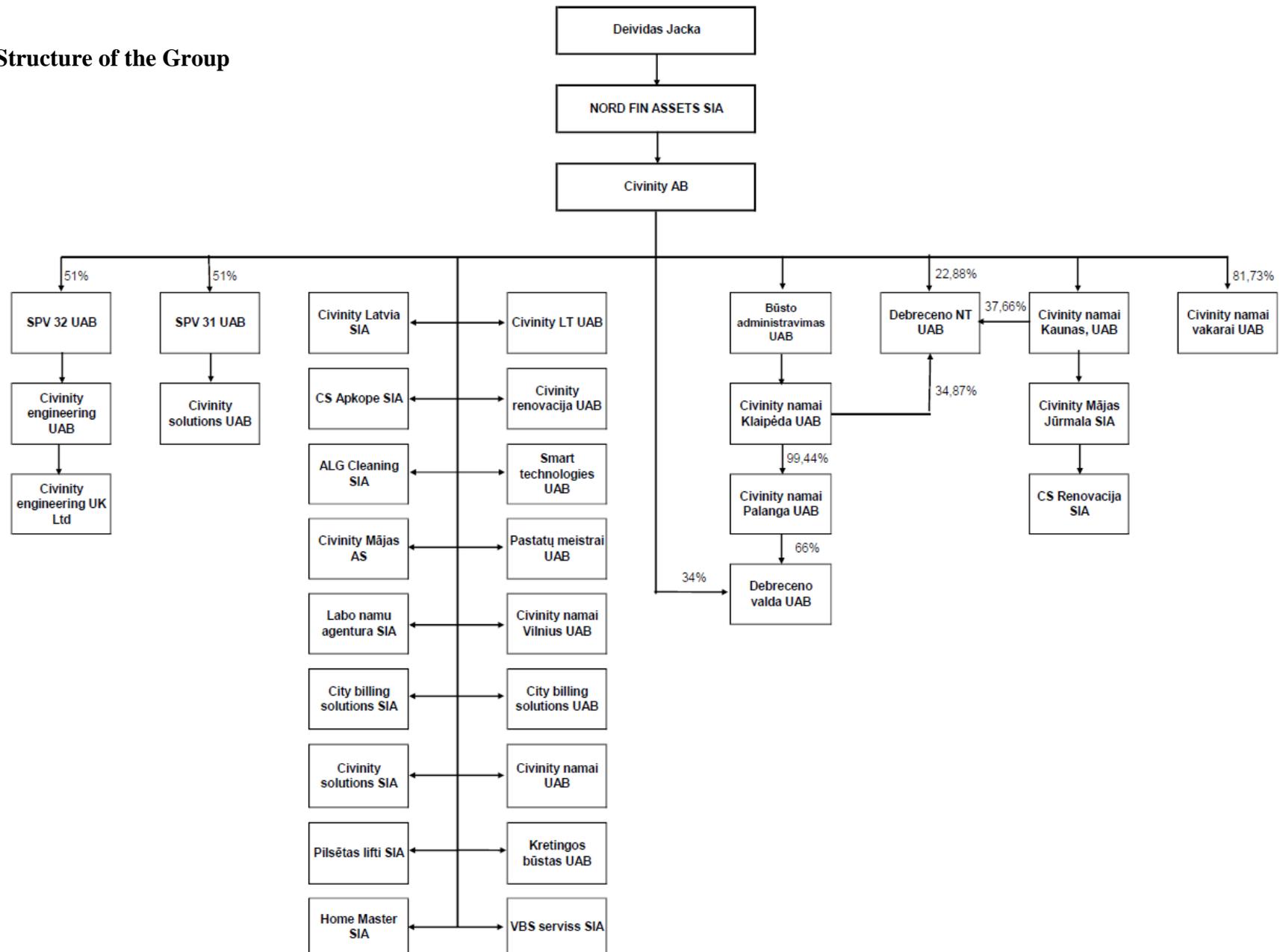
#### 3.2 Organization and shareholders' structure

The Company is a holding company that unites an international Group of companies offering a full range of high-quality services in the fields of integrated real estate facility management, maintenance and operation, e.g., management and administration, cleaning services, outdoor area management, waste management, heating ventilation system maintenance, building modernisation, advisory and technical audit, liquidation of accidents, etc.

The Sole Shareholder of the Company is Nord Fin Assets SIA, a holding company registered in Latvia, holding 100% of shares of the Company and voting rights in the General Meeting.

The Group's structure is presented in figure below.

Figure 1. Structure of the Group



The list of Subsidiaries, controlled by the Company is indicated table below.

**Table 1. Subsidiaries, controlled by the Company**

Country	Company	Company code	Registration address	Shareholder(s)
Lithuania	Civinity AB	302247881	Vilnius, Naujoji Riovonių str. 25B	Nord Fin Assets SIA, 100%
Lithuania	Civinity LT UAB	304726371	Kaunas, Chemijos str. 15	The Issuer, 100%
Lithuania	Civinity namai Kaunas UAB	132125543	Kaunas, Chemijos str. 15	The Issuer, 100%
Lithuania	Civinity namai UAB	121452134	Vilnius, Naujoji Riovonių str. 25B	The Issuer, 100%
Lithuania	Kretingos būstas UAB	300531826	Kretinga, Vytauto str. 118	The Issuer, 100%
Lithuania	Būsto administravimas UAB	300134041	Klaipėda, Danės str. 5-41	The Issuer, 100%
Lithuania	Pastatų meistrai UAB	304240661	Vilnius, Naujoji Riovonių str. 25B	The Issuer, 100%
Lithuania	Civinity renovacija UAB	302473019	Kaunas, Verkių str. 48	The Issuer, 100%
Lithuania	Civinity namai Vilnius UAB	300510344	Vilnius, Naujoji Riovonių str. 25B	The Issuer, 100%
Lithuania	Smart Technologies UAB	304912123	Vilnius, Šv. Stepono str. 7	The Issuer, 100%
Lithuania	City billing solutions UAB	305866593	Kaunas, Chemijos str. 15	The Issuer, 100%
Lithuania	Debreceno NT UAB	301843615	Klaipėda, Taikos pr. 101D	Civinity namai Kaunas UAB, 37.66% The Issuer, 22.88% Civinity namai Klaipėda UAB 34.87% S. Stolpovskih, 4.58%
Lithuania	Civinity namai Klaipėda UAB	140336910	Klaipėda, Danės str. 5-41	Būsto administravimas UAB, 100%
Lithuania	Debreceno valda UAB	140524652	Klaipėda, Danės str. 5-41	The Issuer, 34% Civinity namai Palanga UAB, 66%
Lithuania	Civinity namai Palanga UAB	152429379	Palanga, Virbališkės tak. 3F-1	Civinity namai Klaipėda UAB, 99.44% and certain minority shareholders – natural persons
Lithuania	Civinity namai vakarai UAB	140597134	Klaipėda, Danės str. 5-41	The Issuer, 81.73% and certain minority shareholders – natural persons
Lithuania	SPV 32 UAB	304758554	Vilnius, A. Goštauto str. 40B	The Issuer, 51% Sail invest UAB, 49%
Lithuania	SPV 31 UAB	304758458	Vilnius, Šv. Stepono str. 7	The Issuer, 51% Sail invest UAB, 49%
Lithuania	Civinity engineering UAB	125169233	Vilnius, Ukmergės str. 223	SPV 32 UAB, 100%

Country	Company	Company code	Registration address	Shareholder(s)
Lithuania	Civinity solutions UAB	300131675	Vilnius, Ukmergės str. 223-3	SPV 31 UAB, 100%
Latvia	Civinity Mājas Jūrmala SIA	40003426429	Jūrmala, Dubultu prospekts 3	Civinity namai Kaunas UAB, 100%
Latvia	CS Renovācija SIA	40203048730	Jūrmala, Dubultu prospekts 3	Civinity Mājas Jūrmala SIA, 100%
Latvia	Civinity LV SIA	40203060911	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	Civinity Mājas AS	40103223751	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	Home master SIA	40003982971	Jūrmala, Dubultu prospekts 3	The Issuer, 100%
Latvia	CS Apkope SIA	41503072730	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	VBS serviss SIA	40203034726	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	LABO NAMU AGENTŪRA SIA	40003716230	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	Pilsētas lifti SIA	40203044141	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	Civinity Solutions SIA	40003885943	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	ALG CLEANING SIA	40003999874	Rīga, Dēlu iela 5	The Issuer, 100%
Latvia	City billing solutions SIA	40103930124	Rīga, Dēlu iela 5	The Issuer, 100%
United Kingdom	Civinity engineering UK, LTD	13083384	Derby House, 123 Watling Street, Gillingham, KENT	Civinity engineering UAB, 100%

The Company is currently preparing for the reorganisation of the Group in order to internally merge several companies in Lithuania and in Latvia. Merger in Lithuania will include the following companies: Būsto administravimas UAB, Civinity namai Klaipėda UAB, Debreceno valda UAB and Kretingos būstas UAB. After the merger Civinity namai Klaipėda UAB will be a surviving company. Merger in Latvia will include VBS serviss SIA, Civinity Mājas AS, LABO NAMU AGENTŪRA SIA. After the merger Civinity Mājas AS will be a surviving company. In addition to that, Home master SIA will be merged to Civinity Mājas Jūrmala SIA.

### 3.3 Authorised capital of the Issuer

On the day of this Document the authorised capital of the Company is EUR 100,000 and is divided into 100 ordinary registered Shares with a nominal value of EUR 1,000 each. All the Shares issued by the Company are fully paid up and entitle to equal voting rights to their holder.

The Bonds to be issued based on this Document are described in Section 4.2 *Information concerning the securities to be offered and admitted to trading*.

### 3.4 Principal activities

The Group companies controlled by Civinity AB (the “Group”) provide facility management, administration, engineering system maintenance and repair services, participate in renovation projects, carry out outdoor area maintenance and cleaning, provide household and waste collection and removal services. Currently the Group companies operate in Lithuania and Latvia. After significant investments into acquisitions in the Baltic countries made in 2015-2017, there were no substantial investments in 2019 and 2020. The Group’s areas of activity are relatively stable and include commercial and residential property administration and cleaning services.

The most important buildings segments, administered by the Group are residential apartment buildings, commercial buildings and public services buildings (health care and administration). The total area of buildings under the management of the Group was 3.9 million sq. m. as of 31 December 2020 and 4.05 million sq. m. as of 31 December 2019.

In the last year 2020 the Group's consolidated revenues increased by EUR 7.22 million and amounted to EUR 51.84 million (2019: EUR 44.62 million). The key factor for the revenue increase in 2020 was successful operations in all business segments and particularly in engineering business segments, where Civinity Engineering UAB (former name Dizaja UAB) managed to increase the revenues by 49% and amounted EUR 17.00 million (2019: EUR 11.43 million).

The total revenues increased from Lithuania market operations by 23% and amounted EUR 33.94 million (2019: EUR 25.99 million). The revenues in Latvia market slightly decrease by -4% and amounted to EUR 17.90 million in 2020 (2019: EUR 18.63 million).

The Group's net profit for 2020 amounted to EUR 1.56 million (2019: EUR -0.19 million loss) and net profit margin was equal to 3.0% in 2020 (2019 net loss margin: -0.41%). The main factors for the Group's consolidated net profit improvement in 2020 were as follow: sharp increase in consolidated revenue, thus increase in gross profit (EUR 1.43 million) and decrease in administrative expenses (EUR 0.1 m) mainly driven by less professional services hired.

The Group reached the main goals which were stated for year 2020: 16% increase in revenues and positive Group net profitability. During this year the Group carried on implementing confirmed organic grow strategy and was further looking for efficiency in operations and receivables management.

As of 31 December 2020, the Group had 1,389 employees (31 December 2019: 1,435).

In 2021, the Group plans to further develop its business activities. The main focus will stay on the organic growth in facilities management (both residential and commercial) business operations. The engineering segment company Civinity Engineering UAB started constructional project in the United Kingdom (London city). Project is valued at EUR 12.0 million and is expected to be executed within 24 months.

In the first half of 2021 the Group's consolidated revenues amounted to EUR 21.3 million and gross profit on consolidated basis reached EUR 5.06 million and 23.8% margin. Respectively in 2020 the gross margin was 22.3%. The key factor for the margin increase in the first half of 2021 was successful planned activities to increase efficiency of operations in all business segments and mainly in residential business segment in Lithuania.

The total revenues in Lithuanian market operations during the same period amounted to EUR 13.52. The revenues in Latvian market amounted to EUR 7.79 million in the first half of 2021.

Engineering business segments of the Group records less revenues in the first half of 2021, as part of ongoing constructional project was frozen due Covid-19 impact.

The Group's net profit for first six months of 2021 amounted to EUR 0.73 million (2020 full year: EUR -1.56 million profit) and net profit margin was equal to 3.4% in the six months of 2021 (2020 net profit margin: 3.01%).

As of 30 June 2021, the Group had 1,370500 employees in Lithuania, Latvia and United Kingdom and managed nearly 10.0 million square meters under administration.

### **3.5 Information about the investment projects**

The Company is currently executing the following investment projects:

#### ***Merger of the Company with Servico UAB***

The Company is currently in the process of merger with Servico UAB, which is building administration and maintenance company, operating in Vilnius, Lithuania. Established in 2010 Servico UAB is a direct match to the core business of the Company, combining the following main services: residential building administration, cleaning services technical building services, repair and guarantee service supervision and elevator maintenance.

Transaction is structured as 4 companies' stock – for – stock merger by creating a Civinity Vilnius UAB holding to be split 51/49 between the Company and Servico UAB shareholder in favour of the Company. Current joint holding in commercial real estate administration company Civinity solutions UAB (former name Statinių priežiūra UAB) will be also placed under this holding, thus consolidating the joint activity. The remaining jointly owned company Civinity engineering UAB will not be placed in the same holding as it is considered to be in different business line. Stock split also represents 51/49 relative valuation of two businesses on enterprise value level. It is agreed that the assets of both sides will be adjusted accordingly to match the same split at the moment of the merger.

Merger clearance has been received on 26 August 2021.

#### *Target overview*

Servico UAB had about 522 thousand square meters of buildings under administration at the end of 2020. Currently the company has 94 employees, out of which 8 are in administration, 5 building managers and the rest in technical supervision, maintenance and cleaning services. Servico UAB is currently fully owned by Domas Dargis (indirectly), who is a joint venture partner with the Company by jointly acquiring Civinity engineering UAB and Civinity solutions UAB back in 2017.

#### *Transaction rationale*

Acquisition of Servico UAB will double revenue of the Company from residential activities in Vilnius by adding over 550 th. sq. m. to the current 620 th. sq. m. administered by the Group companies Civinity namai UAB and Civinity namai Vilnius UAB. This will place the Group as more significant Vilnius player with over 1 million sq. m. under administration and increase its presence in newly built apartment segment with more value-added services. It will also allow to combine Vilnius operations of the Group's building repair and technical maintenance company Pastatų meistrai UAB (turnover of EUR 1.83 million) with Servico UAB internal building repair and technical maintenance department, thus increasing efficiency of the provided operation.

#### **Acquisition of up to 66% of shares in Valandinis UAB**

The Company plans to acquire up to 66% of shares in Valandinis UAB, a company developing a rental (brokerage) platform for construction specialists. Valandinis UAB business model is based on the principles of sharing economy, which brings together freelancers in the construction segment and their customers and allows to allocate employees efficiently when there is a shortage of manpower or the project implementation period is too short to have a full-time employee.

#### *Target overview*

Valandinis UAB was established in July 2017 as a single-contractor solution, converting fixed labour costs into variables. Currently, this company has more than 100 unique customers (in Lithuania) and over 300 registered construction workers available on the platform. Valandinis UAB annual revenue for 2020 reached EUR 1.753 million and net profit EUR 0.126 million (has grown 10% compared to 2019).

#### *Transaction rationale*

The acquisition of Valandinis UAB will provide the Group's construction and maintenance companies with access to the short-term labour resources, needed to carry out individual projects and to convert part of the current fixed costs to a variable inside the group companies Pastatų meistrai UAB, CS Apkope SIA. Also, after the acquisition, it is planned to expand Valandinis UAB business model into the Latvian market, where Group companies occupy leading positions in the administration of apartment buildings and perform construction and maintenance work for around EUR 2.0 million per year.

#### *Transaction structure and valuation*

The transaction is planned to be implemented in 2 stages. During the first stage, the Company directly acquires 51% of shares from the shareholders of Valandinis UAB. In the second phase, the Company will pay for the newly issued 1,087 shares in Valandinis UAB and will increase the number of shares it holds to 66%. The money received from the paid-up shares of Valandinis UAB will be used to develop the technology base.

### ***Digitalisation of facility management (FMS) and billing processes***

The Company is planning to digitalize facility management and billing processes. The Company's core IT systems FMS (facility management system) and Billing solution should be enhanced and redesigned considering current technologies digitalization level. Internal core systems should match its customers' expectations, support data exchange between the Company and utility vendors IT systems, digital payments platforms, e-commerce platforms and other trending technologies.

#### *Target Overview*

Development will be executed by partners E-Bros UAB and internal group subsidiary Smart Technologies UAB team. For project implementation the Company will hire additional development resources. E-bros company has full stack development team. Currently it has more than 20 developers. E-Bros UAB development team covers back-end, front-end and mobile apps development tasks, has a more than 10 years' of experience in similar projects. Solution will be developed using nowadays trending technologies Node.JS, Vue.JS, React and React Native technologies. Solution will be developed considering possible scaling for third port companies.

#### *Transaction Rationale*

Enhancements of core IT system will drastically decrease data flow timing from internet of things assets, self-service portal and payment platforms, fully replace current manually managed and executed processes, improve data quality and customer satisfaction. Process automation via IT systems enhancements will allow to reduce current back office, sales force, accounting, billing and dept management employees' quantity.

#### *Transaction structure and valuation*

Development of products will be executed in few stages. Products: Civinity Billing – UI/UX development, backend and frontend development, implementation; Civinity FMS – backend (“Salesforce Cloud Service”) configuration and implementation (EUR 150 thousand), frontend and UI/UX development (EUR 60,0 K); Civinity Self Service UI/UX and features enhancements (EUR 60,0 K) , integration to billing and FMS systems (EUR 25,0 K); Integrations via API's (application programming interface) with utility providers.

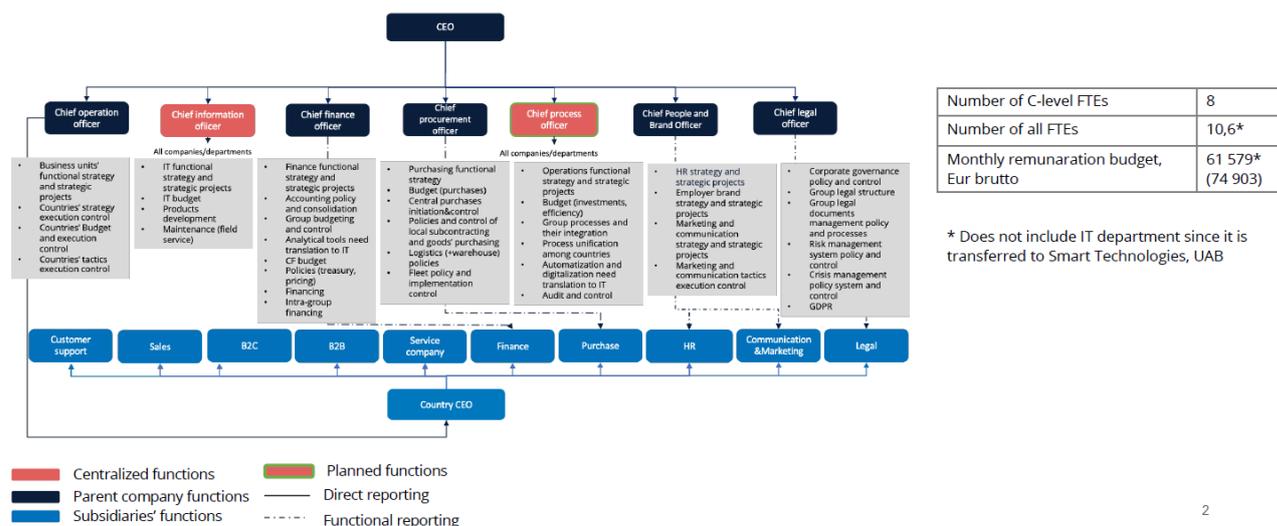
### **3.6 Sole shareholder**

As indicated above, the Sole Shareholder of the Company is Nord Fin Assets SIA, a holding company registered in Latvia under code 44103136836, address Dubultu prospekts 3, Jurmala, LV-2015, the Republic of Latvia, holding 100% of shares of the Company and voting rights in the General Meeting and the final beneficial owner thereof is Deividas Jacka, holding 100% of shares and votes in the above Sole Shareholder of the Company.

### **3.7 Management structure of the Company**

Management structure of the Company is indicated in figure below.

**Figure 2. Management Structure of the Company**



### 3.8 Administrative and management bodies

The Company has a two-tier management system, i.e., the Management Board and the Manager (the General Manager). The Supervisory Council is not formed in the Company.

The Management Board is a collegial management body, which is responsible for the strategic management of the Company, the appointment and removal of the Manager, calling the General Meetings, adoption of other corporate decisions which are economically feasible for the Company, etc.

The Manager is responsible for the day-to-day management of the Company and enjoys the exclusive right of representing the Company vis-à-vis third parties except for the decisions where the consent of the Management Board is required in accordance with the Articles of Association of the Company.

Following Articles 6.2 and 6.3 of the Articles of Association, the Management Board shall be elected for a term of 4 (four) years and shall be constituted from 5 (five) members. The Management Board shall elect the Chairman of the Management Board from among its members. Current term of office of the Management Board started on 23 December 2020. Thus, following the Law on Companies its term of office shall last for 4 (four) years, however, no longer than until the annual General Meeting, to be held in the year, when the term of office of the Management Board adjourns.

Under the Law on Companies the Manager may be revoked from the position by the Management Board of the Company without any early notice for any cause.

**Table 2. Members of the Management Board and their position in the Company**

Name	Position in the Company
Deividas Jacka	Chairman of the Management Board, Chief Executive Officer
Edvinas Paulauskas	Member of the Management Board, Chief Operating Officer
Giedrius Jakubauskas	Member of the Management Board, Chief Financial Officer
Giedrius Eidimtas	Member of the Management Board, Lithuania country manager, Civity LT UAB Chief Executive Officer

**Table 3. Education and experience of the Management**

<p style="text-align: center;"><b>Deividas Jacka</b> Chairman of the Management Board, CEO</p> <p>Education</p> <ul style="list-style-type: none"> <li>▪ Stockholm School of Economics in Riga, Executive MBA (2018 – present)</li> <li>▪ Klaipėda University, Bachelor of Business Administration (2001 – 2005)</li> </ul> <p>Experience</p> <ul style="list-style-type: none"> <li>▪ Civinity AB – Chairman of the Management Board and Chief Executive Officer (from 2020);</li> <li>▪ Nord Fin Assets SIA – Member of the Board (from 2020);</li> <li>▪ Civinity AB – Chief of Business dev. (from 2014 till 2020);</li> <li>▪ Individual Investor (from 2005 till 2020).</li> </ul>	<p style="text-align: center;"><b>Edvinas Paulauskas</b> Member of the Management Board, COO</p> <p>Education</p> <ul style="list-style-type: none"> <li>▪ Vilnius Gediminas Technical University, Master of environment engineering</li> </ul> <p>Experience</p> <ul style="list-style-type: none"> <li>▪ Civinity AB – Chief Operating Officer (from 2021);</li> <li>▪ City service Poland JSC – Chief Executive Officer (from 2017 till 2020);</li> <li>▪ Aresi/Gestion de Fincas – Chief Executive Officer (from 2017 till 2020);</li> <li>▪ City service, AB Member of Executive board (from 2017 till 2020);</li> <li>▪ City service AB – Executive officer (from 2015 till 2017).</li> </ul>
<p style="text-align: center;"><b>Giedrius Jakubauskas</b> Member of the Management Board, CFO</p> <p>Education</p> <ul style="list-style-type: none"> <li>▪ Kaunas University of Technology, Master's degree in Finance</li> <li>▪ Vilnius University, Master's degree in Finance Law</li> <li>▪ Baltic Institute of Corporate Governance, executive education programme for professional board members</li> </ul> <p>Experience</p> <ul style="list-style-type: none"> <li>▪ Civinity AB – Chief Financial Officer (from 2020);</li> <li>▪ Achemos grupė UAB – Chief Financial Officer, interim CEO (from 2019 till 2020);</li> <li>▪ Civinity AB – Chief Financial Officer (from 2013 till 2019);</li> <li>▪ Italiana LT UAB – Chief Financial Officer (from 2011 till 2013);</li> <li>▪ Findigo (City Plaza Group) – Manager (from 2009 till 2011);</li> <li>▪ Midvest Baltija – Chief Financial Officer (from 2007 till 2009).</li> </ul>	<p style="text-align: center;"><b>Giedrius Eidimtas</b> Member of the Management Board</p> <p>Education</p> <ul style="list-style-type: none"> <li>▪ Vilnius Gediminas Technical University, Master of Business Administration (M.B.A.)</li> <li>▪ Vilnius Gediminas Technical University, Bachelor's Degree, Business Management (marketing)</li> </ul> <p>Experience</p> <ul style="list-style-type: none"> <li>▪ Civinity AB – Lithuania country manager (from 2020);</li> <li>▪ Civinity LT UAB – Chief Executive Officer (from 2020 June);</li> <li>▪ Civinity AB – Chief Executive Officer (from 2019 till 2020);</li> <li>▪ Pastatų meistrai UAB – Chief Executive Officer (from 2016 till 2019);</li> <li>▪ Priso UAB – Chief Executive Officer (from 2009 till 2016).</li> </ul>

### 3.9 Principal activities outside the company of members of the management

Neither the Manager of the Company, nor any of the members of the Management engages in other activities, which has or may have significant effect on the Company, competence of management and experience. Within the last 2 (two) years neither to the Manager, nor to any members of the Management the liability for violations of legal acts, regulating the markets in financial instruments was applied.

### 3.10 Conflicts of interest of members of the administrative and management bodies

The Company is not aware of any potential conflict of interests between any duties to the Company of the members of the Management Board or the Management of the Company.

Furthermore, none of the members of the Management is related to any other member of thereof by blood or marriage.

There are no arrangements or understandings with the Sole Shareholder of the Issuer, customers, suppliers or others, pursuant to which any member of the Management was selected as a member of the administrative, management or member of senior management.

There are no restrictions on transferring the Issuer's shares for the members of the Management. Disregarding this, all the Shares of the Issuer are currently pledged on behalf of one of the creditors of the Issuer. Thus, they may not be transferred without the consent of the creditor.

### 3.11 Historical financial information

The IFRS Financial Statements for the years ended 31 December 2019 and 31 December 2020 have been audited by PricewaterhouseCoopers UAB, audit company's licence number 000173.

The IFRS Financial Statements are incorporated by reference in this Document and may be found on the website of the Company at <http://www.civinity.com/>.

### 3.12 Capitalisation of the Group

The Issuer is of the opinion that the Group has sufficient working capital for its present requirements, i.e., for at least the next twelve months commencing as of the date of this Document.

The tables below present the information on the consolidated capitalisation of the Group as of 31 July 2021. The tables below should be read in conjunction with the IFRS Financial Statements and other financial data, and information contained in the Section 3.11 *Historical Financial Information*.

**Table 4: Capitalisation of the Group (EUR'000)**

<i>Item</i>	<i>As of 31 July 2021 (unaudited)</i>
<b>Current debt:</b>	
Current portion of non-current borrowings	5,993.5
Current portion of non-current obligations under finance lease	27.3
Short-term borrowings from banks, legal entities and private individuals	1,284.9
<b>Total</b>	<b>7,245.7</b>
<b>Guaranteed</b>	<b>-</b>
<b>Secured</b>	<b>5,960.8</b>
<b>Unguaranteed/Unsecured</b>	<b>1,284.9</b>
<b>Non-Current debt (excluding current portion of long-term debt):</b>	
Non-current borrowings from banks, legal entities and private individuals	21.1
Obligations under finance lease	120.1
<b>Total</b>	<b>141.2</b>
<b>Guaranteed</b>	<b>-</b>
<b>Secured</b>	<b>120.1</b>
<b>Unguaranteed/Unsecured</b>	<b>21.1</b>
<b>Shareholder's equity:</b>	
Share capital	100.0
Share premium	-
Revaluation reserve	-
Legal reserve	-
Reserve for granting of shares	-

Currency exchange differences	-
Retained earnings / (accumulated deficit)	3,868.4
Minority interest	860.1
<b>Total</b>	<b>4,828.5</b>
<b>Total Capitalization</b> (total current debt + total non-current debt + total equity)	<b>12,215.4</b>

Source: the Company

### 3.13 Dividend policy

The Company has not approved dividend policy. Usually, free funds are used for financing the development of business and acquisitions. The dividend policy of Subsidiaries of the Company may be summarised as follows:

(i) the management of the respective Subsidiaries intends to suggest to the general meetings of shareholders of the Subsidiaries concerned for distribution not more than 50% of annual profit of the respective Subsidiary. If the stability of activities of the Company further raises, this amount may be reviewed in the future and increased.

(ii) the management of the respective Subsidiaries may suggest to the general meetings of shareholders of the Subsidiaries concerned for the financial year also if during the respective accounting period the Subsidiary has incurred loss, however, it has undistributed profit from the previous accounting periods. This provision is applied only in case, the necessary need is in place for the Issuer to receive the dividends to finance the business development.

### 3.14 Profit forecasts or estimates

The Issuer has not made a decision to include the profit forecasts or estimates in the Document.

### 3.15 Legal and arbitration proceedings

There are no ongoing material legal proceedings or legal proceedings in previous reporting periods against the Issuer, and petitions of insolvency, instituted bankruptcy proceedings, as well as any legal proceedings in connection with fraud or other economic violations, in which members of the Management or the Manager or other persons connected with the Issuer were involved.

### 3.16 Related party transactions

The parties are deemed to be related when one party has a power to exercise control over the other party or make significant influence on its financial and operation decisions. According to this description the Company and its related parties are:

(i) its parent company Nord Finn Assets SIA. There are no periodical transactions (management fee or similar) with the Group as all management is operating in the Company (acting as a holding company). On 12 February 2020 the Company has provided a loan to Nord Finn Assets SIA in an amount of EUR 41,811 with the repayment date on 31 December 2021. For more information on this transaction please see Note 26 of the annual report of 2020.

(ii) Management team, which consist of CEO, members of the Management Bord and Group's directors. Payments made to them amounted to EUR 480,249 in 2020, including base remuneration, social taxes and car rental expenses, which are stated as part of benefits of the Group. No loans, guarantees or any other amounts were paid or calculated to the above management of the Group and no assets were transferred to them.

(iii) Other related parties: Pentaframe Capital UAB (registration No. 305570975, registered in Draugystės g. 17-1, Kaunas, the Republic of Lithuania, which is an entity, fully controlled by the ultimate shareholder of the Company Deividas Jacka. Pentaframe Capital UAB investments are focused mainly in to residential, commercial facilities management technological solutions, payment collection and aiming to increase value for B2C and B2B clients all over the Group's operations.

### 3.17 Incentive programmes for the employees

The Company has approved incentive programme for its administrative employees. All the administrative employees of the Company are entitled to the variable remuneration motivation system, according to which,

upon achievement of the Company's and individual annual goals, employees are paid a one-off annual bonus. Bonus amount:

- (i) Manager and heads of departments (functions): bonus from 12.5% to 25% of their annual work pay;
- (ii) Heads of units: bonus from 4.5% to 9% of their annual work pay;
- (iii) Specialists: bonus from 2.3% to 4.5% of their annual work pay.

The bonus is paid in case at least 90% of the Group's EBITDA target is achieved (the lower amounts of the bonuses indicated above are paid) or more (in case 100% is achieved, the upper amounts of the bonuses indicated above are paid) and if at least 75% of individual goals are achieved. If the achieved Group's EBITDA exceeds 100% of the target, each additional 1% of EBITDA above 100% converts into 0.2% of additional bonus of the employees' annual work pay. No cap is set.

The Group's EBITDA target is approved by the Management Board, individual goals of employees are set and approved by his/her direct supervisor. The bonus amount is assessed based on the respective employee's average work pay for the past 12 months. The annual bonus is paid to employees working for the Company for at least 6 months. In such a case, the bonus pay is reduced pro rata to the number of months the employee has worked for the Company. If the employee's employment relationship ends with a Company before payment of the annual bonus (irrespective of the reason for termination of the employment contract), no annual bonus is paid. Annual bonuses are calculated and paid to the employees after the Management Board approves audited financial results.

Specific bonus amounts due to employees are approved:

- (i) For the Manager – by the Management Board;
- (ii) For other employees – by the Chief Executive Officer of the Company.

### **3.18 Material contracts, patents and other documents**

Neither the Company nor its Subsidiary have any significant contracts, patents and other documents<sup>1</sup>.

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<sup>1</sup> For the purposes of the Rules, a contract, patent or other documents shall be deemed significant if their monetary value accounts for 10% or more of the Issuer's equity capital.

## IV. DESCRIPTION OF BONDS OFFERING AND ADMISSION TO TRADING

### 4.1 Reasons for the offer, use of proceeds and obligations assumed by the Issuer

The Issuer intends to attract debt financing of up to EUR 8,000,000 for the following purposes:

- (i) to refinance maturing short-term debt, and
- (ii) to finance working capital and investment projects of the Issuer.

### 4.2 Information concerning the securities to be offered and admitted to trading

#### Description of the Bonds of the Company to be issued

This Document has been approved for the issuance of up to EUR 8,000,000 in aggregate principal amount of bonds (the “Bonds”).

Bonds issued under this Document are issued as one series and it may comprise one or more Tranches of Bonds. Each Tranche is the subject of Final Terms which complete Section 4.4 of this Document “Terms and conditions of the offer) (the “Terms and Conditions”). The Terms and Conditions applicable to any particular Tranche of Bonds are the Terms and Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Terms and Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

Upon issue of any Tranche during a period of twelve months after approval of this Document by the Issuer, the Issuer will supplement these Terms and Conditions in the event of a significant new factor.

<b>Securities to be offered and admitted to trading on First North:</b>	Bonds up to an aggregate principal amount of EUR 8,000,000
<b>Type of securities:</b>	Bonds of the Company – debt bonds with a fixed-term, non-equity (debt) securities under which the Company shall become the debtor of the Bondholders and shall assume obligations for the benefit of the Bondholders
<b>ISIN:</b>	LT0000405748 (additional ISINs may be indicated in the Final Terms for respective Tranches of Notes)
<b>Total number of Bonds:</b>	up to 8,000
<b>Number and size of tranches</b>	The Issue will constitute of one or more Tranches. Maximum issue size for each Tranche will be set in the Final Terms of the respective offering
<b>Nominal value and Issue Price per Bond:</b>	EUR 1,000, unless otherwise specified in the Final Terms
<b>Currency of Bonds:</b>	EUR
<b>Legislation, under which the Bonds shall be created:</b>	The Civil Code of the Republic of Lithuania, the Law on Companies, the Law on Securities and other related legal acts. All the relations of the Company and the Investors in connection with the Bonds shall be determined in accordance with the laws of the Republic of Lithuania, including without limitation, the Law on Companies and the Law on Protection of Interests of Bondholders.
<b>Form of Bonds:</b>	Any disputes, relating to or arising in relation to the Bonds shall be finally settled solely by the competent courts of the Republic of Lithuania The Bonds shall be registered in book-entry form. According to the Law on Markets in Financial Instruments the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the alternative market (First North), shall be made by Nasdaq CSD. Entity to be in charge of keeping the records during the Bonds issue will be Šiaulių bankas AB, corporate ID code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania
<b>Credit ratings assigned to the Issuer or the Bonds and status thereof:</b>	Neither the Issuer, nor the Bonds shall be assigned with the credit ratings as a result of the Offering. The Bonds constitute direct, unsecured and unguaranteed obligations of the Issuer, ranking <i>pari passu</i> without any preference among each other and with all unsecured, unguaranteed and unsubordinated indebtedness of the Issuer,

	save for such obligations as indicated hereof and as may be preferred by mandatory provisions of the law
<b>Redemption price of the Bond:</b>	On the day of redemption, the Bonds shall be repaid in full at their nominal value (unless reduced as a result of early optional redemption), with the cumulative interest accrued
<b>Interest rate and dates of payment thereof:</b>	<p>The Issuer shall pay annual interest on the Nominal Value equal to <b>5%</b> (other interest rates may be indicated in the Final Terms for respective Tranches of Notes). Interest on the Bonds will be paid semi-annually until the Maturity Date on the Interest Payment Dates indicated in the Final Terms.</p> <p>However, the interest on Bonds will be calculated on the aggregate outstanding principal amount of the Bonds.</p> <p>Interest payments and any other payments on the Bonds (including, without limitation the Redemption Amount), will be made to the persons indicated as Bondholders in Nasdaq CSD system as at the third business day before such payment.</p> <p>Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Bonds outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date (the "First Interest Period"). Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date.</p> <p>The interest payment on all Interest Payment Dates is determined according to the following formula:</p> <p>CPN = F x C x n/365 where:  CPN – value of interest in EUR;  F – Nominal Value on the relevant Interest Payment Date;  C – annual interest rate (%) payable on the Bonds under these Terms and the respective Final Terms;  n – number of days calculated on actual month basis,</p> <p>i.e., a day count convention Act/365 (ICMA) will be used.</p> <p>When interest is required to be calculated in respect of a period of less than a full year other than in respect of the First Interest Period, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "Accrual Date") but excluding the date on which it falls due, divided by (b) the actual number of days from and including the Accrual Date, but excluding the next following Interest Payment Date.</p> <p>Should any Interest Payment Date fall on a date which is not a Business Day, the payment of the interest due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable</p>
<b>Maturity (redemption) date of Bonds and principal payment</b>	<p>As indicated in the Final Terms of the respective Tranche.</p> <p>The term for provision of the requests/requirements to redeem the Bonds shall not be applicable, as upon Maturity Date of Bonds, the nominal value thereof with the cumulative interest accrued shall be transferred to the accounts indicated by the Bondholders without separate requests/requirements of the Bondholders. As from this moment the Issuer shall be deemed to be fully executed the obligations, related to the Bonds and their redemption, disregarding the fact, whether the Bondholder actually accepts the indicated funds. In case requisites of the account of the Bondholder changes, he/she/it shall have an obligation to inform the Company thereof.</p>

	<p>Should the Maturity Date fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.</p> <p>Following the transfer of the redemption price to the investor's accounts as indicated above, the Bonds shall be removed from Nasdaq CSD and from First North.</p> <p>If the mentioned amounts are not transferred to the account indicated by the Bondholders, the Bondholders shall have a right to claim for redemption of the Bonds within 3 (three) years after the Maturity Date. If the Bondholders shall not claim redemption of the Bonds within the indicated 3 (three) years term, the respective Bondholders shall forfeit the right of claim</p>
<b>No early redemption of Bonds under the request of Bondholders:</b>	The Bondholders do not have a right to require redeeming the Bonds prior to the Maturity Date, unless the Issuer has prepaid the Bonds in accordance with Section <i>Events of Default</i> below or in case the Bondholders' Meeting, upon proposal of the Issuer, has decided that the Bonds shall be redeemed prior to the Maturity Date.
<b>Early optional redemption of Bonds by the Issuer:</b>	<p>The Bonds shall be redeemable at the option of the Issuer prior to their maturity in accordance with the following conditions:</p> <p>(i) early redemption may occur at the discretion of the Issuer no earlier than 1 year after the Issue Date;</p> <p>(ii) at the respective Early Optional Redemption Amount, which will be at 100.5% of Nominal amount plus accrued Interest from last Interest payment date; and</p> <p>(iii) with at least 15 days written notice to the Trustee</p>
<b>Offering and listing of Bonds:</b>	<p>The Lead Manager shall offer the Bonds to the Investors under the terms and conditions, indicated hereof. The Bonds shall be applied for introduction to trading on a First North, once the Bonds shall be subscribed and fully paid by the Investors and registered with Nasdaq CSD. In case not all the Bonds are subscribed and/or fully paid by the Investors, the Management Board may decide to issue and introduce to trading on First North any lesser number of Bonds.</p> <p>The Management expects that the Bonds shall be admitted to trading on First North within 3 (three) months as from placement of the respective Bonds the latest. Disregarding this, the Management will put its best endeavours so that this term would be as short as practicable possible.</p> <p>The Issuer shall also put its best efforts to ensure that the Bonds remain listed on First North. The Issuer shall, following a listing or Admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Bonds.</p> <p>The Issuer will cover all costs which are related to the Admission of the Bonds to First North</p>
<b>No collateral:</b>	The Issuer has not undertaken to effectuate any collateral on behalf of the Bondholders
<b>Decision by which the Bonds are issued:</b>	The Offering and Admission shall be executed, and the Document was approved under the decision of the Management Board, dated 15 September 2021
<b>First Issue Date:</b>	Issue Date of Bonds of the first Tranche
<b>Issue Date of the Bonds:</b>	As indicated in the Final Terms of the respective Tranche
<b>Transfer restrictions:</b>	There are no restrictions on transfer of Bonds as they are described in the applicable Lithuanian laws. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including, without limitation, in the United States of America. For more information on this issue please see Section 1.2 <i>Notice to Prospective Investors and Selling Restrictions</i>

<b>Taxation:</b>	All payments in respect of the Bonds by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (the "Taxes"), unless the withholding or deduction of the Taxes is required by laws of the Republic of Lithuania. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional compensation to the Bondholders in respect of such withholding or deduction
<b>Offering Broker:</b>	Šiaulių bankas AB, corporate ID code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania
<b>Certified Advisor</b>	Law Firm TGS Baltic, address Konstitucijos ave. 21A, Vilnius, Lithuania

### Interest of Natural and Legal Persons Involved in the Offering

Save for commissions to be paid to the Lead Manager, so far as the Issuer is aware, no person involved in the Offering of the Bonds has an interest material to the issue/offer, nor any conflicting interests.

### Financial Covenant

Throughout the term of validity of the Bonds, the Issuer undertakes to follow this ratio of its business-financial activities:

Groups consolidated DEBT/EBITDA (the ratio of total financial debt and profit before the interest, corporate income tax, depreciation and amortisation) shall be not higher than 4. This ratio shall be calculated semi-annually for the last 12 months according to the following formula: total financial debt/EBITDA, where the total financial debt is understood as the Issuer's financial obligations. The ratio shall be calculated following the set of audited annual (consolidated) financial statements and set of unaudited half yearly financial statements.

"The Group's total financial debt" is understood as the financial obligations of legal entities, belonging to the Group, indicated in the financial debt items of the consolidated financial statements under the credit, accreditive issue, factoring or other agreements of similar debt type, which foresee payment of interest for the use of non-repaid amount of funds, after deducting cash and their equivalents (tax loans<sup>2</sup> are not attributed to the financial debt)

### Additional Covenants

Throughout the term of validity of the Bonds, the Issuer undertakes to follow additional covenants as described below:

(a) Equity to total assets ratio: So long as any Bond remain outstanding, without prior consent of the Bondholders' Meeting, the ratio shall not be lower than 0.1. This ratio shall be calculated semi-annually for the last 12 months according to the following formula: equity/ total assets, where the equity is understood as the Issuer's share capital, retained earnings (accumulated deficit) and legal, revaluation reserves; total assets understood as sum of short term and long terms assets on balance sheet.

(b) Limitation on loans, guarantees and sureties: So long as any Bond remain outstanding, without prior consent of the Bondholders' Meeting the total amount of newly provided loans, issued guarantees and sureties by the Group Companies to other entities, which are not direct or indirect Group Companies, shall not exceed EUR 500,000 within a year, except for loans, guarantees and sureties, provided to direct or indirect Group Companies.

(c) De-mergers: The Issuer shall not, and shall ensure that no Group Company shall, carry out any de-merger or other corporate reorganization involving a split of the Issuer or any other Group Company into two or more separate companies or entities, if such transaction is expected to lead to non-compliance with the Financial Covenant.

<sup>2</sup> Tax loans were formed in the year 2020 for the amount of non-paid taxes of the companies, capitalising them to the tax loan and allowing the companies to pay thereof during 24 months. As of 31 December 2020, the amount of tax loans of the Group amounted to EUR 1,611.36 thousand as indicated in note 25 of the IFRS Financial Statements.

(d) Mergers: The Issuer shall not, and shall ensure that no Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer or any other Group Company with any other companies or entities, if such transaction is expected to lead to non-compliance with the Financial Covenant. For clarification purposes this does not include the mergers, currently being executed by the Company (for more information please see Section 3.5 *Information about the investment projects* and 3.2 *Organization and shareholders' structure*).

### Events of Default

If an Event of Default (as defined below) occurs, the Issuer immediately and without any delay shall notify the Bondholders by way of notification on material event about the occurrence of an Event of Default. Accordingly, on the 10th (tenth) Business Day after the occurrence of an Event of Default the Issuer shall prepay all Bondholders the outstanding principal amount of the Bonds and the interest accrued on the Bonds, but without any premium or penalty. Interest on the Bonds accrues until the prepayment date (excluding the prepayment date).

Each of the following events shall constitute an event of default (the "Event of Default"):

(a) Non-Payment: Any amount of interest on or principal of the Bonds has not been paid within 20 (twenty) Business Days from the relevant due date, unless the failure to pay is caused by a reason of *Force Majeure* as indicated in a relevant Section below.

(b) Breach of Other Obligations: The Issuer fails to perform any its obligations pursuant to the Document (including, but not limited to the ones, indicated in Sections *Financial Covenants* and *Additional Covenants* above) or otherwise acts in contravention of the Document, except that the Issuer has rectified such situation within 1 (one) month after the Issuer becomes or should have become aware of such failure to comply thereof.

(c) Cross Default: Any outstanding indebtedness (including guarantees given by the Issuer) of the Issuer or any of its Subsidiaries in a minimum amount of EUR 1,000,000 (one million euro) or its equivalent in any other currency, is accelerated prematurely because of default, howsoever described, or if any such indebtedness is not paid or repaid on the due date thereof or within any applicable grace period after the due date, or if any security given by the Issuer for any such indebtedness becomes enforceable by reason of default.

(d) Cessation of Business: The Issuer or/and any of its Subsidiaries cease to carry on its current business in its entirety or a substantial part thereof, other than: (i) pursuant to any sale, disposal, demerger, amalgamation, reorganization or restructuring or any cessation of business in each case on a solvent basis and within the Group, or (ii) for the purposes of, or pursuant to any terms approved by the Bondholders' Meeting, or (iii) in relation to a Subsidiary, if the cessation of the respective business (or substantial part thereof) of the Subsidiary is required by any specific EU regulations or laws of the Republic of Lithuania or of other country, the laws of which are applicable to the respective Subsidiary or decisions of any regulatory authority and it does not materially affect the Issuer's ability to fulfil its obligations with regard to the Bonds.

(e) Liquidation: An effective resolution is passed for the liquidation of the Issuer or any of its Subsidiaries other than, in case of a Subsidiary: (i) pursuant to an amalgamation, reorganization or restructuring in each case within the Group, or (ii) as a result of the cessation of the respective business required by any specific EU regulations or laws of the Republic of Lithuania or of other country, the laws of which are applicable to the respective Subsidiary or decisions of any regulatory authority in relation to the operation of the Company or any of its Subsidiaries and it does not materially affect the Issuer's ability to fulfil its obligations with regard to the Bonds, or (iii) for the purposes of, or pursuant to any terms approved by the Bondholders' Meeting.

(f) Insolvency: (i) The Issuer or any of its Subsidiaries is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts; (ii) the Issuer or any of its Subsidiaries enters into any arrangement with majority of its creditors by value in relation to restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or (iii) an application to initiate insolvency, restructuring (including procedures such as legal protection process (TAP) and out of court legal protection process (ATAP)) or administration of the Issuer or any of its Subsidiaries or any other proceedings for the settlement of the debt of the Issuer or of any of its Subsidiaries is submitted to the court by the Issuer or any of its Subsidiaries.

(g) Change of Control: at any time following the Issue Date of the Notes until their full redemption, the Sole Shareholder ceases to hold, directly or indirectly, 100% of the shares and voting rights of the Issuer.

In case of the Issuer's liquidation or insolvency the Bondholders 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 laws governing liquidation or insolvency of the Issuer.

In no other case is it possible to redeem the Bonds before their Redemption Date unless this Document explicitly provides otherwise.

Upon the occurrence of any of the circumstances specified in items (a)-(g) above and if due to this the Meeting of Bondholders, in accordance with the procedure established by the Law on Protection of the Interests of Bondholders, adopts a decision to demand immediate redemption of the Bonds at Nominal value and pay all accrued interest, the Issuer within 30 days after such decision of the Meeting of Bondholders will redeem all issued and unredeemed Bonds from all Bondholders by paying the nominal value of the Bonds and accrued and still unpaid interest. If such a decision of the Meeting of Bondholders to request the Issuer to redeem the Bonds immediately is not made within 3 months after the occurrence of any of the circumstances specified in clauses (a)-(g) above, the Bondholders shall lose the right to demand early redemption of the Bonds.

### **Purchasers**

The Issuer and its Subsidiaries may at any time purchase the Bonds in any manner and at any price on the secondary market. Bonds held by or for the account of the Issuer or of its Subsidiaries for their own account will not carry the right to vote at the Bondholders' Meetings and will not be taken into account in determining how many Bonds are outstanding for the purposes of these terms of the Document.

### **Force Majeure**

The Issuer, the Offering Broker and/or Nasdaq CSD shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to continuous existence of any of the Force Majeure circumstances under the applicable laws.

In such case the fulfilment of the obligations may be postponed for the period of the existence of the respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer, the Offering Broker and/or Nasdaq CSD shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of their obligations, as soon as possible.

### **Further Issues**

The Issuer may from time to time, without the consent of and notice to the Bondholders, create and issue further Bonds. For the avoidance of doubt, this Section shall not limit the Issuer's right to issue any other bonds.

### **4.3 Rights conferred by securities to be offered and admitted to trading**

A Bond is a fixed-term non-equity (debt) security under which the Company which is the Issuer of the Bond becomes the debtor of the Bondholder and assumes obligations for the benefit of the Bondholder. The Bonds are incorporeal and shall be fixed by entries in the securities accounts of their holders. The Bonds shall grant their holders equal rights. The Bondholders shall have the same rights as all other creditors of the Issuer.

As from the maturity date of the Bonds, Bondholders shall have a right to receive from the Company the nominal value of Bonds and the interest, as indicated above, i.e., he/she/it shall have a right to require, that the Bonds would be redeemed for their redemption price. The Bondholders shall have the same rights towards the Company as all the other creditors of the Issuer.

Bondholders shall have the rights provided in Law on Protection of Interests of Bondholders, the Civil Code, the Law on Companies and other laws regulating the rights of bondholders, as well as the rights specified in the decision to issue Bonds. The Bondholders shall have the following main rights:

- to receive the cumulative interest accrued semi-annually;
- to receive the nominal value of Bonds and the cumulative interest accrued on the maturity date of the Bonds;
- to sell or transfer otherwise all or part of the Bonds;
- to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);
- to participate in the Bondholders' Meetings;
- to vote in Bondholders' Meetings;

- to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- to obtain the information about the Issuer, the issue of Bonds or other information related to the protection of his/her/its interests;
- to receive the copy of the contract concluded between the Issuer and the Trustee;
- other rights, established in the applicable laws or in the documents of establishment of the Issuer.

The rights of Bondholders shall be executed during the term of validity of Bonds according to the order, indicated in this Document and the applicable Lithuanian laws.

## Notices

Bondholders shall be advised of matters relating to the Bonds by a notice published in English and Lithuanian on the Issuer's website at <http://www.civinity.com/> and, after the Bonds are admitted to the alternative market First North, also on Nasdaq website at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com). Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified in this Section.

### 4.3.1 Bondholders' Meetings

The right to convene the Bondholders' Meeting shall be vested in the Trustee, the Bondholders who hold no less than one-tenth of the Bonds of the same issue, providing voting right in the Bondholders' Meeting, and the Issuer. As a general rule, the Bondholders' Meetings are convened by a decision of the Trustee. The Bondholders and Trustee shall have the right to attend the Bondholders' Meetings. The Trustee must attend the Bondholders' Meeting in cases when the Bondholders who hold no less than one-tenth of the Bonds of the same issue providing voting right in the Bondholders' Meeting approve such a need. The Manager or its authorised person may also attend the Bondholders' Meeting, unless the Bondholders who hold no less than one-tenth of the Bonds of the same issue providing voting right in the Bondholders' Meeting contradict thereto.

All expenses in relation to the convening and holding the Bondholders' Meeting shall be covered by the Issuer.

A notice of convocation of the Bondholders' Meeting no later than 15 (fifteen) Business Days before the date of the Bondholders' Meeting shall be published on the Company's website <http://www.civinity.com/>. If any of the Bondholders expressed his/hers/its request to get notifications on the convocation of the Bondholders' Meetings via email and provided the email address, the notice of convocation of the Bondholders' Meeting no later than 15 (fifteen) Business Days before the date of the Bondholders' Meeting shall also be sent via the indicated email. The notice of convocation of the Bondholders' Meeting shall specify the details of the Issuer, the ISIN of the Bonds, date, time, place and agenda of the meeting.

The Trustee is obliged to announce on the convocation of the Bondholders' Meetings on its website (<https://legis.lt/>) as well.

The Bondholders' Meeting may be convened without observing the above terms, if all the Bondholders of the same issue, the Bonds held by which carry voting right in the Bondholders' Meeting, consents thereto in writing.

A Bondholders' Meeting may take decisions and shall be held valid if attended by the Bondholders who hold more than ½ of Bonds of the same issue, providing voting right in the Bondholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Bondholders' Meeting. If the quorum is not present, the Bondholders' Meeting shall be considered invalid and a repeated Bondholders' Meeting shall be convened.

A repeated Bondholders' Meeting shall be convened after the lapse of at least 5 (five) Business Days and not later than after the lapse of 10 (ten) Business Days following the day of the Bondholders' Meeting which was not held. The Bondholders must be notified of the repeat Bondholders' Meeting not later than 5 (five) Business Days before the repeat Bondholders' Meeting following the order, indicated above.

One Bond of the Company carries one vote. A decision of the Bondholders' Meeting shall be considered taken if more votes of the Bondholders, participating in the Bondholders' Meeting and having a voting right have been cast for it than against it, unless this Law on Protection of Interests of Bondholders requires a larger majority.

The Trustee shall chair the Bondholders' Meetings, unless the meeting decides otherwise. The meeting must also elect the secretary thereof. Minutes of the Bondholders' Meeting shall be taken. The minutes shall be signed in 2 (two) copies (to the Company and to the Trustee) by the chairman and the secretary of the Bondholders' Meeting.

The decisions of the Bondholders' Meeting shall be published on the website of the Trustee after the Bondholders' Meeting as soon as possible and without any delay, except parts of the decisions, which include confidential information.

The Bondholders' Meeting shall take the following decisions, which bind all the Bondholders:

- 1) to remove the Trustee from its position and appoint a new trustee, which meets the requirements of the applicable laws and to also oblige the Issuer to terminate the contract with the existing Trustee and to conclude the contract with the new appointed trustee;
- 2) to indicate to the Trustee that the violation committed by the Issuer is minor, thus, there is no necessity to take action regarding protection of rights of Bondholders;
- 3) to approve the enforcement measures in respect of the Issuer's failed commitments to Bondholders, suggested by the Issuer. This decision shall be adopted by a qualified majority of no less than  $\frac{3}{4}$  of Bondholders, participating in the Bondholders' Meeting and having a voting right;
- 4) to determine, which information the Trustee will have to provide to the Bondholders' Meetings periodically or at the request of the Bondholders and to establish the procedure of provision such information;
- 5) to adopt other decisions which according to the provisions of Law on Protection of Interests of Bondholders are assigned to the competence of the Bondholders' Meeting.

Resolutions passed at the Bondholders' Meeting shall be binding on all Bondholders of the same issue, except for the cases, when in the decision of the Bondholders' Meeting the instructions to the Trustee are provided to execute certain actions.

Disputes regarding the decisions, adopted in the Bondholders' Meetings shall be settled in the court. The claim may be brought to the court by the Trustee, the Company or any Bondholder, if there are suspicions, that the content of the decision and/or its form, and/or its adoption procedure contradict to the laws regulating these issues or infringes the legitimate interests of the Bondholders. The term of 20 (twenty) Business Days is established for provision of such claims as from the date on which the claimant found out or had to find out the respective decision.

#### **4.3.2 Representation of Bondholders**

Law on Protection of Interests of Bondholders foresees that before issuing Bonds, a company must conclude a civil contract with a trustee of the bondholders for representation of bondholders' interest. Under this contract, the trustee shall undertake to safeguard the interests of the holders of a certain bonds issue in their relations with the issuer and the issuer shall undertake to pay remuneration thereto. The Manager has the right to conclude and to terminate the contract with the Trustee.

The Issuer has concluded the civil contract with the Trustee Legisperitus UAB, which meets the requirements established for the trustees in the Law on Protection of Interests of Bondholders. Contact data of this Trustee are the following: address Palangos g. 4, Vilnius, tel. +370 621 18367, e-mail [danute@legis.lt](mailto:danute@legis.lt).

The Company shall pay to the Trustee the fee, indicated in the above contract. The fee shall be paid until full execution of the obligations, indicated in the decision to issue the Bonds, except for the cases when the contract ceases earlier.

A contract on protection of Bondholders' interests expires:

- 1) when the Company properly discharges all its obligations to Bondholders;
- 2) when an auditor (in this particular case) loses the right to provide relevant services or when the Trustee acquires the legal status of a "legal entity in bankruptcy" or "liquidation";
- 3) in other cases, set in the contract on protection of Bondholders' interests;
- 4) in other cases, set in the Law on Protection of Interests of Bondholders, in the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Insolvency of Legal Entities.

Below please find a brief description of certain provisions of the above contract with the Trustee as well as of the applicable Lithuanian laws, related to rights and obligations of the Trustee, etc. For full description of the

respective provisions please see the Law on Protection of Interests of Bondholders and the contract, concluded with Legisperitus UAB, which was announced on the website of the Company <http://www.civinity.com/>.

### **Main Rights of the Trustee**

- 1) to receive the list of Bondholders from the Issuer;
- 2) to receive the copy of the Issuer's decision to issue the Bonds;
- 3) to get acquainted with the documents and information which are necessary to fulfil its functions and to receive the copies of such documents;
- 4) after having obtained the consent of the Bondholders' Meeting, to conclude contracts with third parties when it is necessary to ensure the protection of the interests of Bondholders;
- 5) to bring an action to the court for the purpose of safeguarding the rights of the Bondholders.

Trustee, acting on behalf of and for the benefit of Bondholders, has the right to exercise rights of a pledgee and mortgagee when Bonds issued by the Company are secured with a pledge or mortgage, respectively.

### **Main Obligations of the Trustee**

- 1) to take actions in order that the Company fulfilled its obligations towards the Bondholders;
- 2) to convene Bondholders' Meetings;
- 3) to publish information regarding the Bondholders' Meetings being convened under procedure of the Law on Protection of Interests of Bondholders;
- 4) to provide the Bondholders' Meetings with all relevant documents and information;
- 5) to provide Bondholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Bondholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;
- 6) to execute the decisions of the Bondholders' Meetings;
- 7) to present all the information to the Bondholder(s) about the Issuer, the issue of Bonds or other information related to the protection of his/her/its/their interests, except the exemptions, foreseen in the Law on Protection of Interests of Bondholders;
- 8) no later than within 3 (three) Business Days as from the day of receipt of a request of the Bondholder(s) to provide to the Bondholder(s) a contract concluded between the Issuer and the Trustee, to gratuitously provide to the Bondholder(s) the copy of such contract;
- 9) to provide the Bondholder(s) with all other information related to the protection of his/her/its/their interests;
- 10) to inform the Issuer that the Trustee has lost the right to provide audit services, or acquired legal status "in bankruptcy" or "in liquidation".

#### **4.4 Terms and conditions of the offer**

*The following is the text of the terms and conditions of the Offering which, as completed by the relevant Final Terms, will be endorsed on each Tranche in definitive form issued under the Information Document.*

**By subscribing in the Bonds, each Investor is deemed to have confirmed it has read this Information Document, also the Final Terms of the respective Tranche, has accepted the terms and conditions set out in this Information Document, including the Final Terms, and has made the subscription according to the terms included in this Information Document. Subscription and payment for the Bonds as described in this Information Document shall deem the conclusion of the bond subscription agreement as per terms and conditions set out in this Information Document.**

#### **General Information**

The Issuer may issue Bonds up to an amount of EUR 8,000,000.

The Issuer may decrease the aggregate principal amount of Bonds during the Subscription Period.

As indicated in this Document, it is designated to (i) Bond issue in the amount of up to EUR 8,000,000 and (ii) Admission thereof to trading on the alternative market First North.

The Bonds will be offered for Subscription for a minimum investment amount (the "Minimum Investment Amount"), which is EUR 1,000, unless otherwise specified in the Final Terms.

## **General Structure of the Offering**

The Offering of Bonds under this Information Document will be made in one or several Tranches during a period of twelve months upon Issuer's approval of this Information Document.

The Offering under each Tranche will involve the issue of as many Bonds as subscribed for in the course of the Offering and allocated to Investors in accordance with the terms described in this Section 4.4, if the Company establishes so.

The Offering of the first Tranche will be made pursuant to Article 3(2)(b) of the Prospectus Regulation and Article 7 of the Law on Securities publicly.

The subsequent Tranches of Bonds will be offered either under private placement or public offering regime upon sole Issuer's discretion and the form of the offering will be indicated in the Final Terms.

If any Tranche of Bonds would be offered as public offering in the Republic of Lithuania, it would be performed pursuant to Article 3(2)(b) of the Prospectus Regulation and in accordance with Article 7 of the Law on Securities. However, in any case the public offering of the Bonds will be carried out in Lithuania only.

Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.

Thus, according to the information provided above, the Offering shall be structured in the following order:

- (i) the Subscriptions as to acquisition of the Bonds shall be received from the Investors as well as paid according to the order, described in this Document;
- (ii) based on the decision of the Management Board upon recommendation of the Lead Manager, the Bonds shall be finally allocated to the Investors;
- (iii) the Bonds shall be registered with Nasdaq CSD and distributed to the Investors;
- (iv) the Bonds shall be introduced to trading on First North.

## **Subscription periods**

The Subscription period will be indicated in the Final Terms. Nonetheless, all times and dates referred to in the Final Terms may be adjusted by the Issuer, in consultation with the Offering Broker, if deemed necessary for the successful completion of the Offering and Admission. In particular, the Issuer upon recommendation from the Offering Broker, may extend the Subscription Period for the Bonds, based on monitoring the market. An extension of the Subscription Period will result in the postponement of the Allotment Date of the Bonds, as well as in the postponement of the date of Admission of the Bonds on First North. Information of any changes in the above dates should be:

- (i) in case of private placement, by a notice sent to the Bondholders via emails indicated in the Subscription Orders, and if required by Law on Protection of Interests of Bondholders, published in an electronic publication issued by the manager of the Register of Legal Entities dedicated for public notices; or
- (ii) in case of public offering, published on the website of the Issuer (<http://www.civinity.com/>).

Where required by law, any changes in the Offering dates should be published in the form of an updated Final Terms. Information of any change of the dates should be published no later than on the originally set date, provided that if the period of acceptance of Subscription Orders is shortened, relevant information should be published no later than on the date preceding the last day (according to the new schedule) of the acceptance of Subscription Orders.

By any subsequent Tranche distributed Bonds will be issued and attached to the Bonds already issued under the first Tranche and with the previously issued Bonds will constitute the same Bond issue and the Bondholders will have the same property and non-property rights.

## **Subscription Procedure; invalidity or the Subscription Orders**

Subscriptions will be accepted at the offices of the Offering Broker, at the address Šeimyniškių str. 1A, Vilnius, Lithuania, or via e-mail [broker@sb.lt](mailto:broker@sb.lt).

Subscriptions will be accepted on a Subscription form in Lithuanian (attached as annex II hereof). The Investors are encouraged to provide electronically signed (with certified electronic signature) Subscription

Order forms via e-mail [broker@sb.lt](mailto:broker@sb.lt). If electronic signing is unacceptable, the Investors are allowed to submit a copy of a signed Subscription Order form to the Offering Broker by e-mail prior to submitting an original document to the office of the Offering Broker.

Subscriptions will be accepted if Investors have a brokerage account agreement with the Offering Broker or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania. If there would be public offering of the Bonds, the Subscription Order form will be published on website of the Issuer or shall be provided by the Lead Manager on request of the Investor.

Firms managing securities portfolios on a discretionary basis should place Subscription Orders for the Bonds by submitting the Subscription Order form along with a list of investors on whose behalf the Subscription Order is placed. The list must include details required to be included in the Subscription Order form with respect to each investor listed and must be signed by persons authorised to represent the firm. This is also applicable to the Subscriptions, placed by the Institutional Investors, as the case may be.

All Subscription Orders shall be binding and irrevocable commitment to acquire the allotted Bonds, with the exceptions stated below.

The Subscription Orders shall not be considered valid and shall not be processed in case:

- (i) the purchase number of Bonds per each offered issue price by the Investor indicated in the Subscription Orders is less than the Minimum Investment Amount; or
- (ii) the Subscription Order was received after the Subscription Period; or
- (iii) the Subscription Order was not drawn up substantially in the required form and substance; or
- (iv) the subscribed Bonds have not been fully paid by the Investor by the end of the Subscription Period in accordance with the terms set out in Section *Payment for the Bonds* below.

Neither the Issuer, nor the Offering Broker has any obligation to inform the Investors about the fact that their Subscription Orders are invalid.

The Investors may submit multiple subscriptions. Multiple Subscription Orders by one Investor, if submitted, shall be merged for the purposes of allocation.

### ***General information regarding the Subscription procedure***

At the time of placing a Subscription Order, Investors shall be required to make an irrevocable instruction for depositing the Bonds in a securities account maintained in their name and opened with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.

By placing a Subscription Order, each Investor will be deemed to have read this Document and Final Terms, the Company's Articles of Association and the contract between the Company and the Trustee and accepted their content, as well as to have consented to being allotted a lower number of Bonds than the number specified in such Investor's Subscription Orders, or to not being allotted any Bonds at all, pursuant to the terms and conditions of the Offering.

An Investor will be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorized (in the form required by law) to submit the Subscription Order. More detailed information concerning the identification of Investors, including requirements concerning documents submitted and the rules for acting through authorized representatives, can be obtained by Investors from the entities accepting Subscription Orders.

An Investor must ensure that all information contained in the Subscription Order is correct, complete and legible. The Issuer reserves the right to reject any Subscription Orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/or have not been supported by the necessary additional documents, requested by the Issuer or the Offering Broker, during the Subscription Period and in accordance with all requirements set out in the terms and conditions of the Offering.

Any consequences of a form of Subscription for the Bonds being incorrectly filled out will be borne by the Investor.

### **Withdrawal of the Subscription Orders**

Subscription Orders for the Bonds may be withdrawn (and new orders placed) at any time until the end of the Subscription Period. An investor will be liable for the payment of all fees charged by the Offering Broker in connection with the withdrawal or amendment of the Subscription Order.

Furthermore, a Subscription for the Bonds may also be withdrawn when after the start of the Offering, an updated Document is made public concerning an event or circumstances occurring before the Allotment of the Bonds, of which the Issuer became aware before the Allotment. The Investor who has made a Subscription before the publication of the updated Document may withdraw such Subscription by submitting a written statement to the institution where the Subscription was made, within 2 (two) Business Days as from the date of the publication of the updated Document.

The repayments will be made in accordance with the Subscription Order within 3 (three) Business Days after making the statement on the Subscription cancellation.

### **Pricing**

The nominal value and the Issue Price per Bond shall be EUR 1,000.00 unless specified otherwise in the Final Terms (the "Issue Price").

### **Procedure and dates for payment for the Bonds**

Subscriptions for the Bonds by the Retail Investors will have to be fully paid within 3 (three) Business Days after provision of the Subscription Order, however, no later than until the end of the Subscription Period for these Investors. The full payment by the Retail Investors shall mean a payment equal to the number of the Bonds indicated in the Subscription Order multiplied by the Issue Price, indicated in the Final Terms. Payments by these Investors can be made by wire transfer only (cash payments shall not be accepted) and has to be made in EUR to the account indicated in the Final Terms.

By submitting a Subscription, the Institutional Investors shall authorize and instruct the broker operating the respective Institutional Investor's cash account connected to its/his/her securities account to block the whole transaction amount on the Institutional Investor's cash account until the settlement is completed or funds are released in accordance with the terms and conditions of the Offering. The transaction amount to be blocked will be equal to the Issue Price multiplied by the number of Bonds which the respective Institutional Investor wishes to acquire. An Institutional Investor must ensure, that no later than on the final date of the Subscription Period, indicated in the Document, there are sufficient funds on its/his/her cash account connected to securities account with the broker to cover the whole transaction amount, as indicated above.

The Investors who have not been allotted any Bonds or whose Subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order in accordance with instructions provided by each such Investor, as required under the procedures applicable in the investment firm with which the Subscription Order was placed. The reimbursement will take place within 3 (three) Business Days as from the end of the Subscription Period or from the date of the publication of the announcement on the cancellation of the Offering (if applicable). The payments shall be returned without any reimbursement for costs incurred by the Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

Payments for the Bonds are interest free.

A legal consequence of non-payment on time or a partial payment for the Bonds will be the invalidity of the entire Subscription.

### **Allotment**

On the next Business Day following the end of the Subscription Period or about that date the Issuer together with the Offering Broker will decide whether to proceed with the Offering of the Bonds or cancel the respective Offering.

In case the Offering of the Bonds is cancelled, the Issuer (i) will inform the Investors via emails, if the cancelled Offering was performed under private placement; or (ii) will publish an announcement on the website of the Issuer, if the cancelled Offering was performed as public offering.

In case the Issuer decides to proceed with the Offering of the Bonds the following actions shall be taken on the next Business Day following the end of the Subscription Period or about that date:

### *Allotment of the Bonds to the Investors*

The Issuer together with the Offering Broker will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.

The Bonds shall be served according to the time priority principle (first come-first serve), i.e., the first Investors, which have provided their Subscription Orders shall be allotted the Bonds first up to the time and amount, when the Subscriptions for all the Bonds of the aggregate principal amount of the respective Tranche shall be provided. When this aggregate principal amount of Subscriptions is reached, no more Bonds shall be allotted to the Investors. If the situation is such that the respective Investor, providing the Subscription, reaches and exceeds the aggregate principal amount of the respective Tranche, his/her/its Subscription will be reduced accordingly, so that the maximum principal amount is not exceeded. The confirmation regarding the reduced Subscription will be sent to such Investor by the Company or by the Offering Broker (attached as annex III hereof). To other Investors, which Subscriptions will be satisfied in full, the confirmations will also be sent by the Company, or by the Offering Broker.

The Issuer and the Offering Broker will not be obliged to allocate any Bonds to any Investors participating in the Offering. Furthermore, there will be no target minimum individual allotment to the Investors.

### **Information about the Results of the Offering**

Information about the results of the Offering (amount of the Bonds issued and aggregate principal amount) shall be published on the Issuer's website <http://www.civinity.com/> within 3 (three) Business Days after the Allocation Date.

### **Cancellation, Suspension or Postponement of the Offering**

The Issuer may cancel the Offering, upon recommendation of the Offering Broker or at its own initiative, at any time prior to the Settlement Date without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the Subscription period or decide that the Offering will be postponed and that new dates of the Offering will be provided by the Issuer later.

The Issuer may cancel the Offering, upon recommendation of the Offering Broker if the Issuer considers it impracticable or inadvisable to proceed with the Offering. Such reasons include, but are not limited to: (i) suspension or material limitation of trading in securities generally on Nasdaq, as well as any other official stock exchange in the EU and the United States; (ii) sudden and material adverse change in the economic or political situation in Lithuania or worldwide; (iii) a material loss or interference with the Issuer's or its Subsidiaries' business, or (iv) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations or the operations of the Subsidiaries. In such an event, Subscriptions for the Bonds that have been made will be disregarded, and any Subscription payments made will be returned without interest or any other compensation.

If the Offering is suspended, the Issuer may decide that the Subscriptions made and payments made will be deemed to remain valid, however, for no longer than 7 (seven) Business Days. In such case, the Investors will be allowed to withdraw Subscriptions made by submitting a relevant statement to that effect within 2 (two) Business Days after the report on the suspension is announced.

Any decision on cancellation, suspension, postponement or changes of dates of the Offering will be sent via email to the Investors (in case of private placement) or published in a manner compliant with applicable regulations, as well as market practices in Lithuania (in case of public offering).

If the Offering is cancelled or suspended, Investors who placed Subscription orders and paid for the Subscription will get their payments back:

- if the Offering is cancelled – within 3 (three) Business Days after the provision of information by the Company of the Offering cancellation;
- if the Offering is suspended – within 3 (three) Business Days after the date on which the Investor has made a statement cancelling his/her/its Subscription or 3 (three) Business Days after the date that the Issuer announces that the placed are not valid.

The timely repayment of money paid will be without any interest or compensation.

#### **4.5 Secondary trading in securities**

The Issuer shall submit an application regarding Admission of the Bonds to trading on the First North. The decision as to admission of Bonds to trading on First North shall be adopted by the Board of Nasdaq. The Company shall take all the measures, established in First North Rules, needed that the Bonds would be admitted to trading on First North as soon as practicably possible.

The Management expects that the Bonds of the respective Tranche shall be admitted to trading on First North within 3 (three) months as from placement thereof to the Investors the latest. Disregarding this, the Management will put its best endeavours so that this term would be as short as practicable possible.

The Issuer shall also put its best efforts to ensure that the Bonds remain listed on First North. The Issuer shall, following a listing or Admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Bonds.

The Issuer will cover all costs which are related to the Admission of the Bonds to First North.

The Issuer does not intend to apply for admission of the Bonds to trading on regulated markets or equivalent markets.

#### **4.6 The main contracts concluded**

##### **Offering Broker**

The Issuer has appointed Šiaulių bankas AB, corporate ID code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania, as the Lead Manager and Offering Broker for the purposes of the Offering and Admission of the Bonds to trading on First North.

##### **Certified Advisor**

The Issuer has appointed Advokaadibūroo TGS Baltic AS, acting via Law Firm TGS Baltic, Konstitucijos ave. 21A, Vilnius, Lithuania, as a Certified Advisor, as required by the First North Rules.

##### **Placement Agreement**

On 20 May 2021 the Issuer has entered, into a placement agreement (the “**Placement Agreement**”) in respect of the Offering and Admission with the Offering Broker, in which the Offering Broker committed to undertake certain actions in connection with organization of the Offering and Admission.

The Issuer and the Offering Broker do not expect to enter into an underwriting agreement.

Based on this agreement and following the preliminary calculations, the Issuer’s expenses, related to this Offering and Admission, shall comprise of up to 2% percent from the gross proceeds from the placement of the Bonds (including the fees for the Lead Manager, the legal counsel, fees to Nasdaq CSD and Nasdaq and fees for the preparation of the Document).

The Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g., standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

## ANNEX I

### FORM OF FINAL TERMS OF THE 1 TRANCHE OF BONDS OF CIVINITY AB

Set out below is the form of Final Terms which will be completed for each Tranche of Bonds issued under the Information Document.

Final Terms dated 30 September 2021

#### Civinity AB

Issue of Bonds

under the Information Document of Civinity AB of EUR 8,000,000 Bonds Issue

These Final Terms of the Bonds (the "Final Terms") constitute the specific terms and conditions of the Bonds to be issued by the Issuer under the Information Document of Civinity AB Bond Issue dated 30 September 2021 (the "Information Document").

The Final Terms constitute an inseparable part of the Information Document and will at all times be interpreted and applied together with the Information Document. Words and expressions used, which are defined in the Information Document, shall have the same meanings in the Final Terms. In the event of inconsistency between the provision of Final Terms and provision of the Information Document, the Final Terms shall prevail.

The Issuer is responsible for the adequacy, accuracy and completeness of the information provided for in these Final Terms.

The Bonds under these Final Terms offered under public offering in the Republic of Lithuania only. Therefore, the distribution of these Final Terms, including Information Document, in certain jurisdictions may be restricted by law. The public offering is made under the Information Memorandum based on Article 3(2)(b) of the Prospectus Regulation and Article 7 of the Law on Securities.

Bonds offered under these Final Terms shall be subject to the terms specified as follows:

<b>Issuer</b>	Civinity AB
<b>Type of securities</b>	Bonds of the Company – debt bonds with a fixed-term, non-equity (debt) securities under which the Company shall become the debtor of the Bondholders and shall assume obligations for the benefit of the Bondholders
<b>Tranche No.</b>	First
<b>ISIN</b>	LT0000405748
<b>Nominal value of the Bond</b>	EUR 1,000
<b>Maximum Aggregate Nominal Value of the Bonds</b>	EUR 8,000,000
<b>Maximum Aggregate Nominal Value of the Tranche</b>	EUR 8,000,000
<b>Interest rate</b>	5.00% per annum (Act/365)
<b>Interest Payment Dates</b>	2022.04.15, 2022.10.15, 2023.04.15, 2023.10.15. The first Interest Payment Date shall be 2022.04.15 and the last Interest Payment Date shall be the Maturity Date
<b>First Issue Date</b>	2021.10.15
<b>Subscription Period</b>	2021.10.01 – 2021.10.13
<b>Minimum Investment Amount</b>	EUR 1,000
<b>Issue Price of a Bond</b>	EUR 1,000
<b>Payment date for the Bonds</b>	Until 2021.10.13
<b>Account No. for payment the Bonds</b>	LT167189900011910229, AB Siauliu bankas
<b>Allotment Date</b>	on or about 2021.10.14
<b>Settlement Date</b>	on or about 2021.10.15
<b>Issue Date</b>	2021.10.15

<b>Maturity Date</b>	2023.10.15
<b>Maturity (redemption) date of Bonds and principal payment</b>	Maturity Date or, if applicable, Early Redemption Date
<b>Redemption price of the Bond</b>	On the day of redemption, the Bonds shall be repaid in full at their nominal value (EUR 1,000, unless increased as a result of Early optional redemption of Bonds by the Issuer), with the cumulative interest accrued.

## ANNEX II

### Form of Subscription Order for the Bonds of AB “Civinity”

This document constitutes a subscription order (“**Subscription**” or “**Subscription Order**”) of the subscribing person indicated in item 1 below (“**Investor**”) for the bonds of AB “Civinity”, a public limited liability company established and existing under the laws of the Republic of Lithuania, with its registered address at Naujoji Riovonių str. 25B, Vilnius, Lithuania, corporate ID code 302247881, VAT code LT100007351711, data collected and kept with the Register of Legal Entities of the Republic of Lithuania (“**Company**”).

Bonds of the Company are being offered in the principal amount of up to EUR 8,000,000 (the number of Bonds to be subscribed by the Investor is indicated in item 3 below) (“**Bonds**”) under the Information Document, approved by the Management Board of the Company, dated 30 September 2021 (“**Information Document**”), which was published on the website of the Company ([www.civinity.eu](http://www.civinity.eu)) on the same date as well as under the Final Terms of the 1 Tranche of Bonds of the Company (“**Final Terms**”), approved by the Management Board of the Company and published on the same website (“**Offering**”). The terms used in this Subscription Order shall have the meanings given to them in the Information Document and Final Terms, unless otherwise stipulated herein.

This Subscription Order is an inseparable part of the Information Document and Final Terms and will at all times be interpreted and applied and should be read and constructed together with the above-mentioned documents.

The Subscription constitutes the agreement on subscription of the Bonds, which shall be deemed concluded on the date of signature of this Subscription under the terms and conditions set out herein.

Subscription to:  Retail Offering  Institutional Offering

#### 1. Information about Investor:

Full name / Company name and organizational form:	
Personal ID/ Company code:	
Investor’s representative:	
Basis for representation:	
Personal document:	
Document No:	
Marital status of Investor:	<input type="checkbox"/> Single <input type="checkbox"/> Married
Address of residence / Company’s seat and address:	
Telephone No:	
E-mail address:	
Account number in case of repayment (if needed):	

#### 2. Information about Subscription accepting entity:

Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, registered office located at Tilžės g. 149, Šiauliai, Lithuania.

#### 3. Subscription of Bonds:

Number of Bonds subscribed for:	.....
Nominal value per one Bond:	EUR 1,000
Issue Price per one Bond:	EUR 1,000
Total payment for all the subscribed Bonds:	EUR .....
ISIN of the Bonds:	LT0000405748
Securities Account Manager:	.....
Securities Account Number:	.....

Please deposit all Bonds allocated to me (if any) on my personal securities account maintained by the above indicated Securities Account Manager.

#### 4. Payment for Bonds:

Bank account No.:	[ ] , portfolio No. [ ]
Term for payment for the Retail Investors:	within 3 (three) Business Days after provision of the Subscription, but no later than until [ ] October 2021
Term for payment for the Institutional Investors:	it/he/she must ensure, that no later than on [ ] October 2021 there are sufficient funds on its/his/her cash account connected to securities account with the broker to cover the whole transaction amount, which will be done after the allocation, as indicated in the Information Document

#### Investor’s representations:

- I have read and fully understand the content of the Information Document, including the ‘Risk Factors’, the Final Terms in English, the Articles of Association of the Company and the contract between the Company and the Trustee, and accept the provisions thereof as well as terms and conditions of the Offering;
- I consent to be allotted a lower number of Bonds than the number specified in item 3 of this Subscription, or not be allotted any Bonds at all pursuant to the Information Document;
- I agree that following the Bond allocation the Bonds allotted to me will be transferred to my securities’ account details of which are indicated in item 3 of this Subscription Order;
- I am not a US person in the meaning of Regulation S and I am not subject to any other jurisdiction in which placing of this Subscription is not in conformity with law, and I represent that I am authorised to place a Subscription in accordance with the Information Document and the Final Terms;
- I am aware that this Subscription for the Bonds is unconditional;
- I consent to disclosure of my personal data considered as professional secrecy and any other information related to the placed Subscription to the Company, to the extent it is necessary for the performance of the Offering, and authorize the Company to obtain such information\*;
- I place this Subscription on my own initiative based on my informed decision, in particular not as a result of investment advisory provided by the entity accepting Subscriptions;
- I am aware that investing in Bonds is inherently associated with investment risk that can be inadequate for my knowledge and experience.

\* If the Investor is not a natural person, the consent to process and disclose the personal data applies to personal data of natural persons (proxies or representatives of the Investor) placing a Subscription on behalf of the Investor. Other issues regulated by the consent apply to the Investor’s personal data.

\_\_\_\_\_  
Full name and signature of the Investor

\_\_\_\_\_  
Date, full name, signature of employee accepting the Subscription

*The Investor shall bear responsibility for any consequences resulting from incorrect completion of the Subscription*

**ANNEX III**  
**FORM OF CONFIRMATION**

**AB “Civinity”**  
**(company code 302247881, registered address – Naujoji Riovonių g. 25B, Vilnius, Lithuania)**

**ON SUBSCRIPTION OF TRANCHE 1 OF BONDS**  
**Vilnius, [ ] 2021**

We hereby acknowledge that AB “Civinity” (the “Company”) accepts the subscription order of the Company’s Bonds (the “Subscription”) placed by the person indicated below (the “Investor”) and it is considered that it was entered into an agreement on subscription of Company’s Bonds under the terms and conditions laid down in the Subscription of the person, having placed it (Investor).

<b>Date of submission of the Subscription (conclusion of the Bond Subscription Agreement)</b>	
<b>First name, family name /name of the Investor</b>	
<b>Address of the Investor</b>	
<b>Personal code / company code of the Investor</b>	
<b>Number of the Company’s Bonds subscribed (allocated by the Company)</b>	
<b>Issue Price per subscribed Bond</b>	EUR [ ]

On behalf of AB “Civinity”:

\_\_\_\_\_

*(position, full name, signature)*