



## UAB PARTNERYSTĖS PROJEKTAI KETURI

(a private limited liability company established and operating under Lithuanian law, registration number 304950437)

### PROSPECTUS FOR THE ADMISSION OF GUARANTEED FIXED RATE NOTES IN THE AMOUNT OF EUR 8,000,000 TO TRADING ON THE BOND LIST OF NASDAQ VILNIUS AB

On 28 April 2023, UAB Partnerystės projektai keturi, a private limited liability company incorporated under the laws of the Republic of Lithuania, with registration number 304950437 and address at A. Goštauto g. 40B, Vilnius, Lithuania (the “**Issuer**”) issued guaranteed fixed rate notes in the aggregate amount of EUR 8,000,000 (the “**Notes**”) in accordance with the terms and conditions dated 26 April 2023 (as later amended or supplemented, the “**Terms and Conditions**”).

This prospectus (the “**Prospectus**”) has been prepared in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (the “**Prospectus Regulation**”), the Commission Delegated Regulation (EU) 2019/979, the Commission Delegated Regulation (EU) 2019/980, in application of the Annexes 7, 15 and 21 thereof, the Law on Securities of the Republic of Lithuania (in Lithuanian, *Lietuvos Respublikos vertybinių popierių įstatymas*) (the “**Law on Securities**”) and other regulations and guidelines, as applicable.

This Prospectus does not constitute any offering of the Notes in any jurisdiction. It was prepared solely for the purpose of the admission of the Notes to listing on the bond list of Nasdaq Vilnius AB (“**Nasdaq Vilnius**”). The Notes have already been subscribed by three pension fund management companies in Lithuania and Latvia. In accordance with the exemption provided in Recital 20, Articles 1(4)(a) and (c) of the Prospectus Regulation, a prospectus has not been prepared for the offering of the Notes.

The listing application will be made for the Notes to be admitted to trading on the bond list of Nasdaq Vilnius (the “**Bond List of Nasdaq Vilnius**”) and the listing is expected to take place on or about 20 March 2024, provided that Nasdaq Vilnius approves the listing application.

This Prospectus has been approved by the Bank of Lithuania on 5 March 2024 and will be valid until the Notes have been admitted to trading on the Bond List of Nasdaq Vilnius.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act (the “**Regulation S**”)) except in certain transactions exempt from the registration requirements of the Securities Act.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under Section 4 (*Risk factors*) below.

Date of the Prospectus: 4 March 2024

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## 1. IMPORTANT INFORMATION

### 1.1 Offer restrictions

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The Notes were initially offered to the investors following the exemptions provided for in Recital 20, Articles 1(4)(a) and (c) of the Prospectus Regulation, according to which the obligation to publish a prospectus to offers of securities set out in Article 3(1) of the Prospectus Regulation is not applied.

**PRIPs Regulation / EEA or UK investor** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”) or the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in point (e) of Article 2 of Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIPs Regulation**”) has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

### 1.2 Responsibility for the information in this Prospectus

The Issuer is responsible for the information given in this Prospectus. To the best knowledge of the Issuer and its Managing Director Artūras Klangauskas, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

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Artūras Klangauskas  
Managing Director

The Bank of Lithuania, which is the competent authority for the purposes of the Prospectus Regulation and relevant implementing measures in Lithuania, approved the Prospectus but assumes no responsibility for the correctness of the information contained herein. The Bank of Lithuania has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the qualities of the Notes nor the Issuer. Investors should make their own assessment as to the suitability of investing in the Notes.

### **1.3 Other relevant information**

This Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus. See Section 7.1 (*Information incorporated by reference*).

Prospective investors should rely solely on the information contained in this Prospectus including information incorporated by reference into this Prospectus. The Issuer has not authorised anyone to provide any information or give any statements other than those provided in this Prospectus.

### **1.4 Presentation of financial and other information**

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, financial information is presented in euro (EUR), the official currency of the European Union Member States in the Eurozone.

This Prospectus is drawn up based on information which was valid as of the date of the Prospectus. Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Issuer, the facts concerning its operations and any information on the markets in which it operates) 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 the date of the Prospectus, this is identified by specifying the relevant date.

Certain statistical data and other information appearing in this Prospectus has been extracted from public sources identified in this Prospectus. The Issuer does not accept responsibility for the factual correctness of any such statistics or information, but the Issuer accepts responsibility for accurately extracting and transcribing such statistics and information and believes, after due inquiry, that such statistics and information represent the most current publicly available statistics and information from such sources at the dates and for the periods with respect to which they have been presented. The Issuer confirms that all such third-party information has been accurately reproduced and, so far as the Issuer is aware and has been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Information contained in any website referred to in this Prospectus does not form part of this Prospectus.

### **1.5 Forward looking statements**

Certain statements in this Prospectus, including but not limited to certain statements set forth under Section 4 (*Risk factors*), Section 5 (*Information about the Issuer*) and Section 0 (*Information about the Guarantor*) are based on the beliefs of the Issuer's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. The words "believe", "expect", "anticipate", "intend" or "plan" and similar expressions identify such forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual financial condition or achievements of the Issuer or the state of the Lithuanian economy to differ materially from any future financial condition of achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, the risks described under Section 4 (*Risk factors*).

The forward-looking statements are not guarantees of the future operational performance or financial condition of the Issuer. In addition to factors that may be described elsewhere in this Prospectus, the factors discussed under Section 4 (*Risk factors*) could cause the Issuer's actual financial condition to differ materially from that expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Issuer's actual financial condition or its ability to fulfil its obligations under the Notes could differ materially from

that described herein as anticipated, believed, estimated or expected. The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements contained herein unless required by applicable legislation.

## 1.6 Definitions and language

Capitalised words and expressions in this Prospectus shall have the meanings given to them below or in other parts of this Prospectus.

- (a) **“Accounting Principles”** means before 31 December 2023 the generally accepted accounting principles, standards and practices in Lithuania as applied by the Issuer in preparing its annual financial reports, and as of 31 December 2023 the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
- (b) **“Business Day”** means a day in Lithuania (and in relation to the actions to be carried out by the Trustee, a day in Sweden), other than Saturday, Sunday or public holiday.
- (c) **“Business Day Convention”** means the first following day that is a Business Day.
- (d) **“Compliance Certificate”** means a certificate, in form and substance satisfactory to the Trustee, signed by an authorised signatory of the Issuer certifying that (i) the financial covenant on Minimum Liquidity (as further described in Section 3.2.29 (*Financial undertakings*)) is met on each day of the quarter to which the Compliance Certificate refers to; (ii) there was no breach of any undertakings of the Issuer; (iii) so far as it is aware, no Event of Default has occurred and is continuing or, if it is aware that such event has occurred and is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with a Financial Report being made available, the certificate shall include calculations and figures in respect of the financial covenant on Equity Ratio (as further described in Section 3.2.29 (*Financial undertakings*)) and a statement that this financial covenant is met as per the last day of the quarter to which the Compliance Certificate refers to.
- (e) **“EUR”** means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- (f) **“Event of Default”** means an event or circumstance specified in Section 3.2.30 (*Events of Default*).
- (g) **“Final Maturity Date”** means 28 April 2026.
- (h) **“Financial Report”** means the financial statements of the Issuer prepared in accordance with the applicable law and Accounting Principles.
- (i) **“Group”** means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).
- (j) **“Guarantee”** means a guarantee provided by the Guarantor pursuant the guarantee undertaking dated 26 April 2023, whereby the Guarantor unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes.
- (k) **“Guarantor”** means UAB EIKA, a private limited liability company incorporated under the laws of Lithuania, with registration number 121191079 and address at A. Goštauto g. 40B, Vilnius, Lithuania.
- (l) **“Interest”** means the interest on the Notes calculated as specified in Section 3.2.26 (*Interest. Interest rate. Interest payment date*).

- (m) **“Interest Payment Date”** means the Interest Payment Date and any other date or dates specified as such or determined to the extent such day is not a Business Day, adjusted in accordance with the relevant Business Day Convention.
- (n) **“Interest Period”** means (i) in respect of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).
- (o) **“Interest Rate”** has the meaning given in Section 3.2.26 (*Interest. Interest rate. Interest payment date*).
- (p) **“Issue Date”** means the 28 April 2023.
- (q) **“Issuer”** means UAB Partnerystės projektai keturi, a private limited liability company incorporated under the laws of Lithuania, with registration number 304950437 and address at A. Goštauto g. 40B, Vilnius, Lithuania.
- (r) **“Issuing Agent”** means Luminor Bank AS, a bank incorporated under the laws of Estonia, with registration number 11315936 and address Liivalaia 45, 10145, Tallinn, Estonia, represented in Lithuania by Luminor Bank AS Lithuanian Branch, with registration number 304870069 and address at Konstitucijos pr. 21A, Vilnius, Lithuania.
- (s) **“Market Loan”** means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Vilnius or any other regulated market or unregulated recognised marketplace.
- (t) **“Material Adverse Effect”** means a material adverse effect on (i) the ability of the Issuer to comply with its obligations, (ii) the business, operations, assets, condition or prospects (financial or otherwise) of the Issuer, or (iii) the validity or enforceability of the Terms and Conditions or the Guarantee.
- (u) **“Nasdaq CSD”** means the Issuer’s central securities depository and registrar in respect of the Notes, Nasdaq CSD SE Lietuvos filialas (a Lithuanian branch of Nasdaq CSD SE, which is licenced under the Regulation (EU) No 909/2014 (Central Securities Depositories Regulation, CSDR)), with registration number 304602060 and address at Konstitucijos pr. 29-1, Vilnius, Lithuania, or another party replacing it, as central securities depository.
- (v) **“Noteholder”** means the person who is registered on a Securities Account with respect to a Note.
- (w) **“Partnership Agreement”** means partnership agreement concluded between the Issuer as an investor, the Subsidiary (UAB Samogitia miestelis) as a private entity and the Ministry of National Defence of Republic of Lithuania as a public entity, dated 8 January 2021.
- (x) **“Project”** means development and construction of military unit in Šiauliai, Lithuania.
- (y) **“Section”** means a section of this Prospectus.
- (z) **“Securities Account”** means the account for dematerialised securities opened in the name of Noteholder with a financial institution, which is a member of Nasdaq Vilnius.
- (aa) **“Subsidiary”** means, in relation to the Issuer, any legal entity, in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than 50 per cent of the total number of votes held by the owners, (ii) otherwise controls more than 50 per cent of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or

the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the Accounting Principles. On the date of this Prospectus, the Issuer has the following Subsidiary: UAB Samogitia miestelis, a private limited liability company incorporated under the laws of Lithuania, with registration number 305668921 and address at A. Goštauto g. 40B, Vilnius, Lithuania.

- (bb) “**Trustee**” means Intertrust (Sweden) AB, registration number 556625-5476, address Sveavägen 9, Box 162 85, 103 25, Stockholm, Sweden, or another party replacing it, as trustee.
- (cc) “**Trustee Agreement**” means the agreement entered into on or before the Issue Date between the Issuer and the Trustee, or any replacement trustee agreement entered into after the Issue Date between the Issuer and the Trustee.

This Prospectus has been prepared in English only. This exception was approved by the Bank of Lithuania on 11 November 2023.



## **2. SUMMARY**

### **2.1 Introduction**

#### *2.1.1 Name and ISIN of the Notes*

UAB Partnerystės projektai keturi EUR 8,000,000 guaranteed fixed rate Notes with the maturity of up to 3 years notes. ISIN number LT0000407561.

#### *2.1.2 The identity and contact details of the Issuer, including its legal entity identifier (LEI)*

The Issuer is UAB Partnerystės projektai keturi, a private limited liability company incorporated under the laws of Lithuania, with registration number 304950437 and address at A. Goštauto g. 40B, Vilnius, Lithuania.

The contact details of the Issuer are as follows:

Address: A. Goštauto g. 40B, Vilnius, Lithuania  
Tel. No: +370 686 40106  
E-mail: [arturas@eika.lt](mailto:arturas@eika.lt)

LEI code of the Issuer is 98450096DI5D60B2DC18.

#### *2.1.3 Identity and contact details of the competent authority approving the Prospectus*

The Prospectus has been approved by the Bank of Lithuania, as competent authority under the Prospectus Regulation, with its head office at Gedimino pr. 6, LT-01103 Vilnius, Lithuania.

The contact details of the Bank of Lithuania are as follows:

Address: Gedimino pr. 6, LT-01103 Vilnius, Lithuania  
Tel. No +370 800 50 500.  
E-mail: [info@lb.lt](mailto:info@lb.lt)

#### *2.1.4 The date of approval of the Prospectus*

This Prospectus was approved by the Bank of Lithuania on 5 March 2024.

### **2.2 Warnings**

- A. This summary should be read as an introduction to the Prospectus;
- B. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole;
- C. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- D. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

## 2.3 Key information on the Issuer

### 2.3.1 Who is the issuer of the Notes?

The Issuer is UAB Partnerystės projektai keturi, a private limited liability company incorporated and existing in accordance with the laws of the Republic of Lithuania, legal entity code 304950437 and address at A. Goštauto g. 40B, Vilnius, Lithuania. LEI code of the Issuer is 98450096DI5D60B2DC18. The Issuer has no Supervisory Council or Management Board. Its Managing Director is Artūras Klanguškas.

All shares of the Issuer are owned by UAB EIKA, a private limited liability company, incorporated and existing under the laws of the Republic of Lithuania, legal entity code 121191079, address at A. Goštauto g. 40B, Vilnius, Lithuania (the “**Parent**”).

In 2020, the Issuer established a wholly owned Subsidiary, UAB Samogitia miestelis, a private limited liability company incorporated and existing in accordance with the laws of the Republic of Lithuania, legal entity code 305668921 and address at A. Goštauto g. 40B, Vilnius, Lithuania (“**UAB Samogitia miestelis**”).

The Issuer is a project company with the main purpose to tender for public private partnership projects. UAB Samogitia miestelis is the operating entity that in 2021 won the public private partnership (the “**PPP**”) tender relating to the Project, i.e. development and construction of the military campus in Šiauliai, Lithuania.

In connection with the Project, the Partnership Agreement has been concluded between the Issuer as an investor, UAB Samogitia miestelis as a private entity and the Ministry of National Defence of Republic of Lithuania as a public entity.

The above described PPP has a 15-year term and consists of the following stages:

- Phase 1: 2.5 years to develop and construct the infrastructure;
- Phase 2: 12.5 years of provision of services (cleaning, facilities management).

The Project will be based in a territory spanning 7.8 hectares where 23 thousand square meters of gross building area will be built. The military campus will have administrative and special purpose buildings: barracks, canteen, headquarters, medical and sports facilities. Technical buildings will be constructed, including garages, petrol station and others.

The risk sharing mechanism in the Issuer’s view is balanced and in line with PPP market practice. The development and construction risks are well managed by an experienced team. During the service provision phase (phase 2), majority of the risks will be transferred to a third-party service provider.

UAB Samogitia miestelis will receive revenues from the Ministry of National Defence of Republic of Lithuania once the construction works of the military campus are completed (phase 1) and subsequently as the services are provided throughout the service provision phase (phase 2). The revenues are projected to cover all the Project costs (development, financing etc.) with an extra EUR 1.9 million bank financing reserved for unforeseen costs.

Upon completion of construction works, the Ministry of National Defence of Republic of Lithuania will pay to UAB Samogitia miestelis approx. EUR 8.6 million compensation that will be used to partly repay its existing debts: EUR 4 million to the Issuer (partial repayment of the loan granted by the Issuer to UAB Samogitia miestelis from the proceeds of the Notes) and no less than EUR 4.24 million senior bank loan. The Notes and other debts of UAB Samogitia miestelis are projected to be repaid throughout the 12.5 years during the service provision phase (phase 2).

According to the latest construction schedule as of 31 December 2023, over 70% of the Project’s construction works have been completed. Based on the Issuer’s knowledge, the Project is on track to be

completed by April 2024, which is in line with the contractual timeline agreed in the Partnership Agreement.

### 2.3.2 What is the key financial information regarding the Issuer?

The Issuer's consolidated revenue, although not yet received, is recognized according to the extent of construction works completed during the period on the statement of comprehensive income. The accrued income is reflected as a contract asset on the statement of financial position.

The Issuer is well capitalized and uses a mix of equity, bank debt and bond (Notes) financing to develop the Project through UAB Samogitia miestelis and optimize its capital structure.

The summary table below is based on audited and unaudited figures prepared in accordance with the International Financial Reporting Standards (IFRS).

<b>UAB Partnerystės projektai keturi</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>
<b>Extracts From Consolidated Financial Statements</b>	<b>9 months ended</b>	<b>12 months ended</b>	<b>12 months ended</b>
<b>All amounts in EUR</b>	<b>30 Sep 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
<i><u>EXTRACT FROM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</u></i>			
REVENUE	14,780,684	2,268,122	143,443
<b>GROSS PROFIT</b>	<b>314,548</b>	<b>101,301</b>	<b>76,358</b>
GENERAL AND ADMINISTRATIVE EXPENSES	-381,852	-103,168	-83,745
<b>OPERATING PROFIT (LOSS)</b>	<b>-67,304</b>	<b>-1,867</b>	<b>-7,387</b>
FINANCE INCOME	192,306	11,243	-
FINANCE COSTS	-427,318	-37,692	-5,667
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>-302,316</b>	<b>-28,316</b>	<b>-13,054</b>
INCOME TAX	-33,765	-3,345	-
<b>NET PROFIT (LOSS)</b>	<b>-336,081</b>	<b>-31,661</b>	<b>-13,054</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-336,081</b>	<b>-31,661</b>	<b>-13,054</b>
<i><u>EXTRACT FROM STATEMENT OF FINANCIAL POSITION</u></i>			
PROPERTY, PLANT AND EQUIPMENT	1,802	2,545	3,535
CONTRACT ASSETS	17,393,409	2,422,808	143,443
PREPAYMENTS	579,332	321,175	-
DEFERRED EXPENSES	21,202	21,726	15,166
OTHER RECEIVABLE AMOUNTS WITHIN ONE YEAR	107,736	142,652	23,728
CASH AND CASH EQUIVALENTS	2,061,992	10,173	5,060
<b>TOTAL ASSETS</b>	<b>20,165,473</b>	<b>2,921,079</b>	<b>190,932</b>
SHARE CAPITAL	6,000,000	2,500	2,500
RETAINED EARNINGS	-437,990	-101,909	-70,248
<b>TOTAL EQUITY</b>	<b>5,562,010</b>	<b>-99,409</b>	<b>-67,748</b>
LOANS RECEIVED AND INTEREST PAYABLE	13,806,258	2,575,143	239,452
DEFERRED INCOME TAX	30,174	1,686	-
TRADE PAYABLES	761,706	434,879	19,107
EMPLOYMENT-RELATED LIABILITIES	463	-	-
LOANS RECEIVED	-	7,000	-
PAYABLE CORPORATE INCOME TAX	4,862	1,659	-
OTHER CURRENT ACCOUNTS PAYABLES AND LIABILITIES	-	121	121

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,165,473</b>	<b>2,921,079</b>	<b>190,932</b>
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### 2.3.3 What are the key risks that are specific to the Issuer?

The order of presentation of the risk factors in this Prospectus reflects, in the opinion of the Issuer, the likelihood of their occurrence or the magnitude of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.

#### 2.3.3.1 Business Risks

##### **Project's maintenance**

Under the Partnership Agreement, upon successful completion of the Project, UAB Samogitia miestelis will assume responsibility for the provision of cleaning and facilities management services for a period of 12.5 years. UAB Samogitia miestelis will engage a third-party service provider to fulfil this obligation based on the service agreement. Accordingly, the Issuer will rely on the due performance of the services by the said third-party service provider. In case the relevant services are not provided to the required standard or not provided at all, a penalty mechanism established in the Partnership Agreement might be applied in respect of UAB Samogitia miestelis. Ultimately UAB Samogitia miestelis may be unable to receive the prescribed payments under the Partnership Agreement. This could have an adverse effect on its financial position and, accordingly, on the position of the Issuer.

##### **Project's development and construction risk**

The success of the Project development and construction depends on its timely and high-quality completion. The Project was carefully planned and has a number of "buffers" within construction schedule to absorb any delays (e.g., a month in between when the general contractor is obliged to finish the works and the completion timeline set in the Partnership Agreement, among others). However, due to the Project's high complexity and scale, there is a risk that the works may not be completed over the planned period of 2.5 years. Although this risk is mitigated by the fact that as at December 2023 over 70% of construction works are complete and the full completion is anticipated in April 2024, there remains a reliance on third parties (e.g., contractors), who may, for some reason, not complete the agreed remaining works on time. Further, there may be unforeseen legal, regulatory, or other issues that delay the completion of the Project. Under the Partnership Agreement, completion delays may lead to contractual penalties, which could have an adverse effect on the financial position of UAB Samogitia miestelis and, accordingly, the Issuer.

##### **Project's cost uncertainty**

Development and construction of the Project require significant financial resources, which may be hard to control and estimate precisely. While the majority of expenses have already been incurred, there remains a possibility of cost overruns during the remaining phases of construction, leading to unforeseen expenses. This is particularly relevant in the current environment of geopolitical uncertainty, supply-chain disruptions and volatile inflation. Additionally, there may be a need for rectification of works if they are not completed up to a required standard. Furthermore, there is a risk that third parties (e.g., contractors) default or are unable to finish the agreed works. All of this may have adverse effect on UAB Samogitia miestelis and its operations, and, respectively on the Issuer.

#### 2.3.3.2 Financial Risks

##### **Liquidity risk**

The Issuer may be unable to maintain sufficient reserve of cash or other liquid financial assets that can be used to meet its payment obligations as they fall due. This includes the ability to pay interest on and partly or fully repay the Notes as required. The Issuer and UAB Samogitia miestelis together have over EUR 2 million cash (as at 30 September 2023) and a contracted bank loan up to EUR 26.5 million that will continue to be drawn as the construction progresses. The cash and bank loans are projected to fully cover all the necessary costs (incl. construction, debt service etc), with an additional protection provided

by a further EUR 1.9 million bank facility that is reserved for unforeseen costs. However, whilst the liquidity position is carefully monitored, large unexpected costs could have a material adverse effect on the Issuer and its operations.

## **2.4 Key information on the Notes**

### *2.4.1 What are the main features of the Notes?*

The Notes are fixed-term, non-equity debt securities, under which the Issuer shall become the debtor of the Noteholders and assume obligations for the benefit of the Noteholders.

The currency of the Notes is euros. The Nominal Value of Note is EUR 100,000. The Maximum Aggregate Nominal Value of the Notes amounts to EUR 8,000,000. The Final Maturity Date of the Notes is 28 April 2026. The Notes have a 9% coupon payable on a semi-annual basis.

The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject.

### *2.4.2 Where the Notes will be traded?*

The Issuer will seek admission of the Notes to trading on the Bond List of Nasdaq Vilnius.

### *2.4.3 Is there a guarantee attached to the Notes?*

Timely payment, discharge and performance of the Notes issued by the Issuer in the amount of EUR 8,000,000 is guaranteed to the Noteholders by the Issuer's Parent company, UAB EIKA.

In the scenario where the Issuer was unable to pay interest or redeem the Notes as contractually obligated, the Guarantor becomes liable to fulfil such payments.

### *2.4.4 What are the key risks that are specific to the Notes?*

*The order of presentation of the risk factors in this Prospectus reflects, in the opinion of the Issuer, the likelihood of their occurrence or the magnitude of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.*

#### *2.4.4.1 Market Risks*

##### **Inflation risk**

Inflation erodes the real value (purchasing power) of Notes' future coupon and principal payments as these payments are set in nominal terms. Changes to prevailing inflation levels or inflation expectations may affect the price of Notes in the secondary market. It should be noted that inflation has been particularly volatile in the past few years. There is a risk that Noteholders will not be protected from losses in real value (purchasing power) terms in case inflation exceeds coupon payments.

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

The Notes pay interest at a fixed rate irrespective of market interest rates. Changes to prevailing market interest rates or interest rate expectations may affect the price of Notes in the secondary market. It should be noted that interest rates have been particularly volatile in the past few years. There is a risk that Noteholders will be exposed to a decline in the market value of Notes and/or unable to benefit from rising market interest rates in the future.

##### **Liquidity risk of the securities**

It is the intention that with this Prospectus the Notes will be listed on Bond List of Nasdaq Vilnius. However, it is unlikely that there will be an active secondary trading market and liquidity for the Notes. Should

existing Noteholders wish to sell the Notes there is a risk they are be unable to do so or may do it at an unfavourable price. The large EUR 100,000 minimal investment amount of Notes may also limit secondary market interest from the investor base.

## **2.5 Key information on admission to trading on a regulated market**

### *2.5.1 Why is this Prospectus being produced?*

This Prospectus was prepared solely for the purpose of the admission of the Notes to listing on the Bond List of Nasdaq Vilnius.

### 3. INFORMATION CONCERNING THE NOTES

#### 3.1 Description of the offer of the Notes

The Notes were offered to the investors following the exemptions provided for in Articles 1(4)(a) and (c) of the Prospectus Regulation, according to which the obligation to publish a prospectus to offers of securities set out in Article 3(1) of the Prospectus Regulation is not applied.

#### 3.2 Description of the Notes

The following is a description of the main terms and conditions of the Notes.

3.2.1	<b>Issuer</b>	UAB Partnerystės projektai keturi
3.2.2	<b>LEI of the Issuer</b>	98450096DI5D60B2DC18
3.2.3	<b>Guarantor</b>	UAB EIKA
3.2.4	<b>LEI of the Guarantor</b>	984500539Q48FECL0558
3.2.5	<b>Issuing Agent</b>	Luminor Bank AS, a bank incorporated under the laws of Estonia, with registration number 11315936 and address Liivalaia 45, 10145, Tallinn, Estonia, represented in Lithuania by Luminor Bank AS Lithuanian Branch, with registration number 304870069 and address at Konstitucijos pr. 21A, Vilnius, Lithuania
3.2.6	<b>Trustee</b>	Intertrust (Sweden) AB, registration number 556625-5476, address Sveavägen 9, Box 162 85, 103 25, Stockholm, Sweden, or another party replacing it, as trustee.  Further information on the Trustee is provided in Section 3.5 ( <i>Trustee</i> ).
3.2.7	<b>Type of securities</b>	EUR 8,000,000 guaranteed fixed rate fixed-term, non-equity debt securities with the maturity of up to 3 years
3.2.8	<b>Form of the Notes</b>	The Notes are issued as registered book-entry (dematerialised) securities as entries within Nasdaq CSD.
3.2.9	<b>Status of the Notes</b>	The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future direct, general, unsubordinated and unconditional obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
3.2.10	<b>Currency</b>	Notes are denominated in euros (EUR).
3.2.11	<b>Aggregate nominal amount</b>	EUR 8,000,000
3.2.12	<b>Issue Price</b>	EUR 8,000,000
3.2.13	<b>Specified denominations</b>	EUR 100,000 and integral multiples of EUR 1,000 in excess thereof

3.2.14	<b>Minimum investment amount</b>	EUR 100,000
3.2.15	<b>Total amount of securities being admitted to trading</b>	80
3.2.16	<b>ISIN</b>	LT0000407561
3.2.17	<b>Decision by which the Notes were issued</b>	Shareholder's decision dated 25 April 2023
3.2.18	<b>Issue Date</b>	28 April 2023
3.2.19	<b>Final Maturity Date</b>	28 April 2026
3.2.20	<b>Yield</b>	9%  The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
3.2.21	<b>Credit ratings assigned to the Issuer or the Notes</b>	No credit ratings have been assigned to the Issuer or the Notes.
3.2.22	<b>Transferability</b>	The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject.
3.2.23	<b>Use of proceeds</b>	<p>The Issuer shall use the net proceeds from the issue of the Notes for partial financing of the Project and in particular for (i) provision of intra-group loan to UAB Samogitia miestelis for the purposes of development and construction of military unit in Šiauliai, Lithuania, in accordance with the Partnership Agreement concluded between the Issuer as an investor, UAB Samogitia miestelis as a private entity and Ministry of National Defence of Republic of Lithuania as a public entity, dated 8 January 2021, (ii) repayment of the intra-group loan to the Parent used by the Issuer to finance the Project, provided that on the repayment date the share capital of the Issuer is not less than EUR 6,000,000.</p> <p>As mentioned above, the proceeds of the Notes will be used for partial financing of the Project. Description of the Project and further details on its financing are provided in Section 0 (<i>Project description</i>).</p>
3.2.24	<b>Payment in respect of the Notes</b>	<p>Payments of amounts (whether principal, interest or otherwise) due on the Notes shall be made to those Noteholders that on the 5th Business Day prior to the due date for such payment (the "<b>Record Date</b>") are shown in Nasdaq CSD.</p> <p>All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions on taxation (as described in Section 3.2.25 (<i>Taxation</i>)). No commissions or expenses shall be charged to the Noteholders in respect of such payments. However, the Noteholders may</p>



		<p>be obliged to cover commissions and/or other expenses, which are charged by the credit institutions or investment brokerage firms in relation to such payments. The Issuer and/or the Trustee shall not compensate the Noteholders for any such expenses.</p> <p>If the due date for payment of any amount in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any further interest or other sum in respect of such postponed payment.</p>
3.2.25	<b>Taxation</b>	<p>All payments of principal and interest by or on behalf of the Issuer or Guarantor in respect of the Notes 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 “<b>Taxes</b>”), unless the withholding or deduction of the Taxes is required by the applicable laws. In such a case, the Issuer or, as the case may be, the Guarantor shall withhold or deduct any such required amounts from the payments due to the Noteholders, and shall account to the relevant authorities in accordance with the applicable laws of the Republic of Lithuania for the amounts so required to be withheld or deducted. The Issuer or the Guarantor shall not be obliged to make any additional compensation to the Noteholders in respect of such withholding or deduction and / or to indemnify any of the Noteholders if taxes are payable under the applicable laws of the Republic of Lithuania or any other country on any amounts payable with respect to the Notes.</p> <p>If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Lithuania, references to the Republic of Lithuania shall be construed as references to the Republic of Lithuania and/or such other jurisdiction.</p>
3.2.26	<b>Interest. Interest Rate and Interest Payment Dates</b>	<p>The Notes bear interest on their outstanding principal amount from and including the Issue Date at the Interest Rate, payable semi-annually in arrears on each Interest Payment Date. Each Note will cease to bear interest from the due date for redemption unless, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.</p> <p>Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period</p> <p>Interest shall be calculated on the basis of a 360-day year comprised of 12 months of 30 days each, i.e. day count convention 30E/360 shall be used. 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 (i) the actual number of days in the</p>

		<p>period from and including the date from which interest begins to accrue (the “<b>Accrual Date</b>”) to but excluding the date on which it falls due, divided by (ii) the actual number of days from and including the Accrual Date to, but excluding the next following Interest Payment Date.</p> <p>The “<b>Interest Rate</b>” shall mean the fixed rate of Interest is 9 per cent per annum in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date payable in arrears on each Interest Payment Date; starting from the date falling after 24 months from the Issue Date, the 9 per cent fixed rate plus 300 basis points per annum; starting from the date falling after 30 months from the Issue Date, the 9 per cent Fixed Rate plus 600 basis points per annum.</p> <p>Interest Payment Dates are 28 October and 28 April in each year (subject to the Business Day Convention).</p>
3.2.27	<p><b>Redemption and repurchase of the Notes</b></p>	<p><b>Redemption at maturity</b></p> <p>The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the principal amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.</p> <p>The Noteholders shall not be required to provide any requests to redeem the Notes, as upon the Final Maturity Date the nominal value thereof with the accrued but unpaid Interest shall be transferred to the accounts indicated by the Noteholders without separate requests/ of the Noteholders. As of that moment the Issuer shall be deemed to have fully executed the obligations related to the Notes and their redemption, disregarding the fact, whether the Noteholder actually accepts the funds or not. In case requisites of the account of the Noteholder changes, he/she/it shall have an obligation to promptly inform the Issuer thereof.</p> <p><b>Redemption for tax reasons</b></p> <p>The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 but not more than 60 days’ irrevocable notice to the Noteholders at their principal amount together with the Interest accrued to, but excluding the date of redemption, if:</p> <p>(a) the Issuer or the Guarantor has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Republic of Lithuania, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and</p>

		<p>(b) such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it,</p> <p>provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes or, as the case may be, the Guarantee, were then due.</p> <p>Prior to the publication of any notice of such redemption, the Issuer shall deliver to the Trustee (i) a certificate signed by the director of the Issuer or, as the case may be, the Guarantor stating that the obligation referred to in point (a) above cannot be avoided by the Issuer or the Guarantor taking reasonable measures and (ii) an opinion of independent legal advisers of recognised standing to the effect that the relevant circumstances referred to in point (a) above apply as a result of a relevant change or amendment.</p> <p>Upon the expiry of any such notice as is referred to above, the Issuer shall be bound to redeem the Notes.</p> <p><b>Voluntary redemption at the option of the Issuer</b></p> <p>The Issuer may redeem the outstanding Notes on a Business Day:</p> <p>(a) falling on 24 months after the Issue Date, at a price equal to the principal amount together with accrued but unpaid Interest to, but excluding, the date of redemption; or</p> <p>(b) falling on 30 months after the Issue Date, at a price equal to the principal amount together with the accrued but unpaid Interest to, but excluding, the date of redemption.</p> <p>Such redemption shall be made by the Issuer giving not less than 15 but no more than 30 days' notice to the Noteholders and the Trustee (which notice shall be irrevocable and shall specify the date fixed for redemption).</p> <p><b>Mandatory partial redemption</b></p> <p>The Issuer shall redeem the Notes in the part constituting 50 per cent of the aggregate principal amount of the Notes on a Business Day falling on 18 months after the Issue Date, at a price equal to the principal amount together with accrued but unpaid Interest to, but excluding, the date of redemption).</p> <p>The Issuer shall redeem the Notes from each Noteholder on a <i>pro rata</i> basis.</p> <p><b>De-listing Event, Listing Failure, Change of Control Put Option</b></p> <p>If at any time while any Note remains outstanding, (i) a De-listing Event (as defined below), (ii) a Listing Failure (as</p>
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		<p>defined below), or (iii) a Change of Control (as defined below) occurs, each Noteholder shall have the option (the “<b>Put Option</b>”) (unless, prior to the giving of the notice referred to below, the Issuer gives notice to redeem the Notes) to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of, all or part of its Notes, on the Put Date (as defined below) at a price per Note equal to 103 per cent of the principal amount together with the Interest accrued to, but excluding, the Put Date (as defined below).</p> <p>“<b>De-listing Event</b>” is deemed to have occurred if at any time following the listing of the Notes, trading in the Notes on Nasdaq Vilnius is suspended for a period of 15 consecutive Business Days (when Nasdaq Vilnius is at the same time open for trading).</p> <p>“<b>Listing Failure</b>” is deemed to have occurred if at any time following the Issue Date the Notes are not listed on the Nasdaq Vilnius (Baltic Bond List) within 12 months after the Issue Date.</p> <p>“<b>Change of Control Event</b>” means (i) the occurrence of an event or series of events whereby one or more persons, acting in concert, acquire control over the Issuer and where “<b>control</b>” means (A) acquiring or controlling, directly or indirectly, more than 50 percent of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders) or (B) the right to, directly or indirectly, appoint or remove at least a majority of the members of the board of directors of the Issuer; or (ii) the direct or indirect sale, transfer, conveyance or other disposition, in any transaction or a series of related transactions, of all or substantially all of the properties or assets of the Group as a whole to any person or group of persons acting in concert, other than the Issuer or one of its Subsidiaries, except when any of the afore-mentioned actions listed in paragraph (ii) above are performed in accordance with the Partnership Agreement.</p> <p>Promptly upon the Issuer becoming aware that a De-listing Event, Listing Failure or Change of Control has occurred, the Issuer shall give notice to the Noteholders specifying the nature of the De-listing Event, Listing Failure or Change of Control and the circumstances giving rise to it and the procedure for exercising the Put Option.</p> <p>To exercise the Put Option, the Noteholder must notify the Issuer at any time falling within the period (the “<b>Put Period</b>”) of 30 days after notice above is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Issuer or the Trustee within the Put Period (the “<b>Put Exercise Notice</b>”). Payment in respect of any Notes will be made, if the Noteholder duly specified a bank account in the Put Exercise Notice to which payment is to be made, on the date which is the 5th Business Day following the expiration of the Put Period</p>
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		<p>(the “<b>Put Date</b>”) by transfer to that bank account. A Put Exercise Notice, once given, shall be irrevocable.</p> <p>For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with the Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).</p> <p>If the Notes held by at least one Noteholder have been redeemed pursuant to the above, the Issuer may, on not less than 30 but not more than 60 days’ irrevocable notice to the Noteholders given within 30 days after the Put Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Notes at a price per Note equal to 101 per cent of the principal amount together with the Interest accrued to, but excluding, the date of redemption.</p> <p>The Issuer shall not be required to repurchase any Notes pursuant to the above, if a third party in connection with the occurrence of a De-listing Event, Listing Failure or Change of Control, as applicable, offers to purchase the Notes in the manner and on the terms set out above (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated above, the Issuer shall repurchase any such Notes within 5 Business Days after the expiry of the time limit.</p> <p><b>Purchase of Notes by Issuer, Guarantor, Group Company</b></p> <p>The Issuer, the Guarantor or any Group Company may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Such Notes shall grant limited rights.</p>
3.2.28	<b>General undertakings</b>	<p>The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out below for as long as any Notes remain outstanding.</p> <p><b>Nature of business</b></p> <p>The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Issuer or any Group Company on the Issue Date.</p> <p><b>Disposals of assets</b></p> <p>The Issuer shall not (and shall procure that no other Group Company will) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of</p>

		<p>any of its assets (including, for the avoidance of doubt, financial assets and receivables).</p> <p>Notwithstanding the above, assets of UAB Samogitia miestelis created while implementing the Project may be disposed of in accordance with the Partnership Agreement.</p> <p><b>Reporting</b></p> <p>The Issuer shall:</p> <ul style="list-style-type: none"> <li>(a) prepare and make available the annual audited Financial Reports to the Trustee and Noteholders not later than 5 months after the expiry of each financial year;</li> <li>(b) prepare and make available the quarterly interim unaudited Financial Reports to the Trustee and the Noteholders not later than 2 months after the expiry of each relevant interim period;</li> <li>(c) prepare and make available a Compliance Certificate to the Trustee and the Noteholders (i) when a Financial Report is made available, and (ii) at the Trustee's reasonable request, within 20 days from such request;</li> <li>(d) on a quarterly basis or at the Trustee's reasonable request within 20 Business Days from such request, prepare and make available report on the implementation of the Project, which shall include (i) amount of works done/paid for in EUR and in per cent from total amount of the Project related works, (ii) expected Project completion date (as completion is defined in the Partnership Agreement), (iii) any developments that might have an adverse impact on the Project schedule or cause a breach of agreed deadlines;</li> <li>(e) upon listing of the Notes on Nasdaq Vilnius (i) prepare the Financial Reports in accordance with the Accounting Principles and make them available together with Compliance Certificate in accordance with the regulations of Nasdaq Vilnius and the Law on Securities, (ii) prepare and publish other information in accordance with the regulations of Nasdaq Vilnius and the Law on Securities.</li> </ul> <p>The abovementioned documents shall be disclosed in accordance with the requirements applicable by Nasdaq Vilnius and, upon a relevant request, shall be made available to the Noteholder via email.</p> <p><b>Negative pledge</b></p> <p>The Issuer shall not (and shall procure that no Group Company will) incur, create or permit to subsist any security over</p>
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		<p>all or any of its present or future assets or revenues or rights or enter into arrangements having a similar effect.</p> <p>Notwithstanding the above, any security may be provided by UAB Samogitia miestelis for the implementation of the Project in accordance with the Partnership Agreement, including, but not limited to, any securities created in accordance with the senior loan agreement concluded by UAB Samogitia miestelis for the financing of the Project.</p> <p><b>Distributions</b></p> <p>The Issuer shall not (and in cases indicated in points (d) and (e) below shall procure that no other Group Company will):</p> <ul style="list-style-type: none"> <li>(a) pay any dividends in respect of its shares;</li> <li>(b) repurchase or redeem any of its own shares;</li> <li>(c) reduce its share capital or other equity with repayment to shareholders;</li> <li>(d) repay any loans granted by its direct or indirect shareholders or pay interest thereon;</li> <li>(e) make any other similar distributions or transfers of value to the Issuer's, or its Subsidiaries', direct or indirect shareholders or any legal or natural person affiliated with such direct and indirect shareholders,</li> </ul> <p>(points (a) to (e) above are together and individually referred to as a "<b>Restricted Payment</b>").</p> <p>Notwithstanding the above, a Restricted Payment may be made:</p> <ul style="list-style-type: none"> <li>(a) if made by a Subsidiary to the Issuer;</li> <li>(b) if made by the Issuer to UAB Samogitia miestelis for the implementation of the Project in accordance with the Partnership Agreement;</li> <li>(c) by the Issuer to the Guarantor for the purpose or repayment of intra-group loan used by the Issuer to finance the Project, provided that on the repayment date the share capital of the Issuer is not less than EUR 6,000,000 and the Compliance Certificate to be provided to the Trustee confirms that: (i) no Event of Default is outstanding, continuing or would occur from such Restricted Payment; (ii) the financial covenants set forth in Section 3.2.29 (<i>Financial undertakings</i>) are met and shall be complied with immediately after such Restricted Payment.</li> </ul>
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		<p><b>Financial indebtedness</b></p> <p>The Issuer shall not, as long as the Notes are not redeemed in full, incur, create or permit to subsist any Financial Indebtedness other than Permitted Debt.</p> <p>The term “<b>Financial Indebtedness</b>” means any indebtedness as defined in accordance with the Accounting Principles in respect of:</p> <ul style="list-style-type: none"> <li>(a) money borrowed or raised, including Market Loans;</li> <li>(b) the amount of any liability in respect of any leases, to the extent the arrangement is or would have been treated as lease in accordance with the Accounting Principles as applicable on the Issue Date (a lease which in the Financial Reports of the Issuer is treated as an asset and a corresponding liability);</li> <li>(c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);</li> <li>(d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);</li> <li>(e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);</li> <li>(f) any counter-indemnity obligation in respect of a guarantee, indemnity, note, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and</li> <li>(g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above points (a) to (f).</li> </ul> <p>For the avoidance of doubt, deferred tax liability shall not be treated as Financial Indebtedness.</p> <p>The term “<b>Permitted Debt</b>” means incurrence of any of the following items of Financial Indebtedness as defined in accordance with the Accounting Principles:</p> <ul style="list-style-type: none"> <li>(a) incurred under or in connection as a result of issuance of Notes by the Issuer;</li> <li>(b) taken up from a Group Company (provided that it is subordinated to the obligations of the Issuer);</li> <li>(c) incurred in order to fully refinance the Notes and provided further that such Financial Indebtedness is</li> </ul>
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		<p>subject to an escrow arrangement up until the redemption of the Notes (taking into account the rules and regulations of the Nasdaq CSD);</p> <p>(d) any financial indebtedness under any hedging arrangements entered into on market terms and as part of the ordinary course of business of the Issuer and for non-speculative purposes;</p> <p>always provided that: (i) a Compliance Certificate is provided to the Trustee additionally confirming that (A) no Event of Default has occurred and is continuing, or would result from the additional borrowing and (B) the financial covenants as set forth in Section 3.2.29 (<i>Financial undertakings</i>) are met and shall be in compliance immediately after such additional borrowing; and (ii) such other documents and information as is agreed between the Trustee and the Issuer are provided to the Trustee.</p> <p><b>Pari passu ranking</b></p> <p>The Issuer shall ensure that its payment obligations under the Notes at all times rank at least <i>pari passu</i> with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.</p> <p><b>Admission to trading</b></p> <p>The Notes shall be applied for introduction to trading on Nasdaq Vilnius (the Baltic Bond List) once the Notes shall be subscribed and fully paid by the investors and registered with Nasdaq CSD. The Issuer expects that the Notes shall be admitted to trading on the Nasdaq Vilnius within 12 months as from the Issue Date at the latest. Disregarding this, the Issuer shall put its best endeavours so that this term would be as short as practicably possible. The Issuer shall also put its best efforts to ensure that the Notes remain listed on Nasdaq Vilnius. The Issuer will cover all costs which are related to the admission of the Notes to Nasdaq Vilnius.</p> <p>Estimate of total expenses related to admission to trading is up to EUR 20,000.</p>
3.2.29	<b>Financial undertakings</b>	<p>The Issuer undertakes for so long as any amount is outstanding under the Notes to comply with the following financial covenants.</p> <p><b>Minimum liquidity</b></p> <p>The Issuer shall in aggregate at all times maintain a combined Free Cash of minimum EUR 360,000 (the “<b>Minimum Liquidity</b>”).</p> <p>The term “<b>Free Cash</b>” means on any date the amount of unrestricted, unpledged and freely available cash on the Issuer’s accounts.</p>

		<p>The Minimum Liquidity covenant shall be observed on each day and published in the quarterly Financial Reports.</p> <p>In case of the breach of Minimum Liquidity requirement, the Free Cash amount has to be restored in 30 days.</p> <p>The Issuer shall provide the Trustee with such further information as the Trustee may request (acting reasonably), including, for the avoidance of doubt, calculations, figures and supporting documents in respect of Minimum Liquidity covenant.</p> <p>The latest Compliance Certificate (for the quarter ending 31 December 2023) indicates Free Cash of EUR 963,940 which is and up to the date of this prospectus has been in excess of the Minimum Liquidity covenant.</p> <p><b>Equity Ratio</b></p> <p>The Issuer shall ensure that Equity Ratio of the Issuer is at all times 30 per cent or greater.</p> <p>The term “<b>Equity Ratio</b>” means Equity divided by Total Assets.</p> <p>The term “<b>Equity</b>” means the aggregate book value of total equity of the Issuer at the end of any relevant period (according to the latest semi-annual or annual Financial Report).</p> <p>The term “<b>Total Assets</b>” means the aggregate book value of the Issuer’s total assets according to the latest semi-annual or annual Financial Report.</p> <p>Equity Ratio shall be tested once per quarter.</p> <p>In case of the breach of Equity Ratio requirement, the Issuer together with the Compliance Certificate has to provide the Trustee with the list of measures, which would evidence the restoration of Equity Ratio during next three months but not later than until next Equity Ratio testing date. The Issuer shall provide the Trustee with such further information as the Trustee may request (acting reasonably), including, for the avoidance of doubt, calculations, figures and supporting documents in respect of Equity Ratio covenant.</p> <p>The latest Compliance Certificate (for the quarter ending 31 December 2023) indicates Equity Ratio of 42.4% which is and up to the date of this prospectus has been in excess of the 30% covenant.</p>
3.2.30	<b>Events of Default</b>	<p>If an Event of Default (as defined below) occurs, the Noteholders representing at least 30 per cent of the principal amount of the outstanding Notes may at any time falling within the period of 60 days after the notice on Event of Default is given (the “<b>Early Repayment Notice Period</b>”), by written notice to the Issuer and the Trustee declare the Notes and the Interest accrued on such Notes to be prematurely due and payable, provided that an Event of Default is</p>

		<p>continuing on the date of receipt of the above-mentioned Noteholders' notice by the Issuer. Payment in respect of such Notes will be made on the date which is the 5<sup>th</sup> Business Day following the expiration of the Early Repayment Notice Period (the "<b>Early Repayment Date</b>"). Interest on such Note accrues until the Early Repayment Date (excluding the Early Repayment Date). If the payment in respect of the Notes is not made on the Early Repayment Date, the Noteholder shall inform the Trustee and the Trustee shall seek for the instruction or confirmation of the Noteholders (representing at least 30 per cent of the principal amount of the outstanding Notes) to enforce the Guarantee, in such manner and under such conditions that the Trustee finds acceptable.</p> <p>The Issuer shall notify the Noteholders and the Trustee about the occurrence of an Event of Default (and the steps, if any, taken to remedy it) promptly upon becoming aware of its occurrence.</p> <p>Each of the following events shall constitute an event of default (an "<b>Event of Default</b>"): </p> <p>(a) <b>Non-payment:</b> The Issuer does not pay on the due date any amount payable by it, unless the non-payment is remedied within five days from the due date;</p> <p>(b) <b>Breach of financial covenants:</b> The Issuer does not comply with any financial covenant as set forth in Section 3.2.29 (<i>Financial undertakings</i>) and such non-compliance is not remedied within: (i) 30 days in case of the breach of Minimum Liquidity requirement; or (ii) 3 months period when Equity Ratio covenant was tested in accordance with the next relevant Financial Report.</p> <p>(c) <b>Breach of other obligations:</b> The Issuer, the Guarantor or any Group Company does not perform or comply with any other obligation, and such non-compliance is not remedied within 30 days of the earlier of the Trustee giving notice or the Issuer becoming aware of the non-compliance.</p> <p>(d) <b>Cross-Default:</b></p> <p>(i) Any Financial Indebtedness of the Issuer, the Guarantor or any Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described under any document relating to the Financial Indebtedness of the Issuer, the Guarantor or any Group Company); or</p> <p>(ii) Any security interest securing Financial Indebtedness over any asset of the Issuer, the Guarantor or any Group Company is</p>
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		<p>enforced, provided that no Event of Default shall occur under this point (d) if the aggregate amount of Financial Indebtedness referred to herein is less than EUR 500,000.</p> <p>(e) <b>Insolvency:</b> The Issuer, the Guarantor or any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than described in these terms and conditions) with a view to rescheduling its financial indebtedness or the value of the assets of the Issuer is less than its liabilities (taking into account contingent and prospective liabilities);</p> <p>(f) <b>Insolvency proceedings:</b> Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 30 days of commencement or, if earlier, the date on which it is advertised and (ii) in relation to the Subsidiaries, voluntary liquidations) in relation to:</p> <ul style="list-style-type: none"> <li>(i) winding-up, dissolution, administration or re-organisation (in Lithuanian: <i>nemokumas, likvidavimas, bankrotas, restruktūrizavimas</i>) (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer, the Guarantor or any Group Company;</li> <li>(ii) the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of the Issuer, the Guarantor or any Group Company or any of their assets; or</li> <li>(iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer, the Guarantor or any Group Company.</li> </ul> <p>(g) <b>Mergers and demergers:</b> A decision is made that the Issuer, the Guarantor or any Group Company shall be demerged or merged if such merger or demerger shall have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default.</p> <p>(h) <b>Guarantee not in force:</b> the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.</p> <p>(i) <b>Impossibility or illegality:</b> (i) It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the terms and conditions, or (ii) if the</p>
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		obligations are not, or cease to be, legal, valid, binding and enforceable.
3.2.31	<b>Distribution of proceeds</b>	<p>All payments by the Issuer relating to the Notes and, if applicable, all payments by the Guarantor relating to the Notes and Guarantee following an acceleration of the Notes in case of Event of Default, shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:</p> <p>(a) <i>first</i>, in or towards payment <i>pro rata</i> of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the protection of the Noteholders' rights, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Trustee in relation to a Noteholders' Meeting or a Written Procedure;</p> <p>(b) <i>secondly</i>, in or towards payment <i>pro rata</i> of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);</p> <p>(c) <i>thirdly</i>, in or towards payment <i>pro rata</i> of any unpaid principal under the Notes; and</p> <p>(d) <i>fourthly</i>, in or towards payment <i>pro rata</i> of any other costs or outstanding amounts unpaid in relation to the Notes or the Guarantee.</p> <p>If the Trustee makes any payment mentioned above, the Trustee, as applicable, shall notify the Noteholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid.</p>
3.2.32	<b>Liability of the Issuer</b>	The liability of the Issuer shall be limited to the compensation of the direct loss. The Issuer shall not be liable for indirect and/or consequential loss.
3.2.33	<b>Governing law</b>	Lithuanian law
3.2.34	<b>Minor modifications</b>	<p>The Notes and the Terms and Conditions may be amended by the Issuer without the consent of the Noteholders where such modification is made for the purpose of rectifying obvious errors and mistakes or is required to comply with mandatory provisions of applicable regulation.</p> <p>The Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such modifications are not prejudicial to the interests of the Noteholders.</p>
3.2.35	<b>Information about the securities of the Issuer that</b>	No other securities of the Issuer are already admitted to trading.

	are already admitted to trading	
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### 3.3 Right to act on behalf of a Noteholder

If any person other than a Noteholder wishes to exercise any rights in relation to the Notes, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.

A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently in relation to the Notes for which such representative is entitled to represent the Noteholder.

Unless otherwise required by law, the Trustee shall only have to examine the face of a power of attorney or other authorisation that has been provided to it and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Trustee has actual knowledge to the contrary.

### 3.4 Decisions by Noteholders

**Important note:** The Law on the Protection of Interests of Owners of Bonds issued by Public and Private Companies of the Republic of Lithuania (in Lithuanian, *Lietuvos Respublikos akcinių bendrovių ir uždarųjų akcinių bendrovių obligacijų savininkų interesų gynimo įstatymas*) shall not be applicable to the Notes, including to initiation, convocation and holding of noteholders' meetings. Accordingly, the procedure for the decisions of the Noteholders as described below shall not be subject and shall not meet requirements of the Law on the Protection of Interests of Owners of Bonds issued by Public and Private Companies of the Republic of Lithuania.

#### 3.4.1 General provisions

The decisions of the Noteholders shall be passed at a meeting of the Noteholders (the "**Noteholders' Meeting**") or in writing without convening the Noteholders' Meeting (the "**Written Procedure**") at the choice of the Trustee.

Subject to minor modifications (as described in Section 3.2.34 (*Minor modifications*)), a Noteholders' Meeting or a Written Procedure may, at the request of the Issuer, make decisions that are binding on the Noteholders on: (i) any amendments to the Terms and Conditions, and (ii) a temporary waiver regarding the Terms and Conditions. In any event the modification of the Terms and Conditions shall be subject to written approval by the Issuer.

The Trustee shall have a right to convene the Noteholders' Meeting or instigate the Written Procedure at any time and shall do so following a written request from the Noteholders who, on the day of the request, represent not less than 1/10 of the principal amount of the Notes then outstanding (excluding the Issuer and its Subsidiaries).

The Trustee may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if: (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Trustee that an approval shall not be given; or (ii) the suggested decision is not in accordance with applicable regulations.

In case convening of the Noteholders' Meeting or instigation of the Written Procedure is requested by the Noteholders, the Trustee shall be obliged to convene the Noteholders' Meeting or instigate the Written Procedure within 1 month after receipt of the respective Noteholders' written request.

Decisions passed at the Noteholders' Meeting or in the Written Procedure shall be binding on all Noteholders irrespective of whether they participated at the Noteholders' Meeting or in the Written Procedure.

Information about decisions taken at the Noteholders' Meeting or by way of the Written Procedure shall promptly be provided to the Noteholders, provided that a failure to do so shall not invalidate any decision made or voting result achieved.

All direct reasonable and documented expenses in relation to the convening and holding the Noteholders' Meeting or a Written Procedure shall be covered by the Issuer.

#### 3.4.2 *Quorum and majority*

Only those who were appearing in Nasdaq CSD as the Noteholders by the end of the 5th Business Day prior to the date of the Noteholders' Meeting (in case the Noteholders' Meeting is convened) and only those who were appearing in Nasdaq CSD as the Noteholders by the end of the 5th Business Day after sending the communication on instigation of the Written Procedure (in case the Written Procedure is instigated) or proxies authorised by such Noteholders, may exercise their voting rights at the Noteholders' Meeting or in the Written Procedure.

If the Issuer and/or its Subsidiaries are the Noteholders, their principal amount of the Notes shall be excluded when a quorum is calculated. In addition, such Notes shall not carry the right to vote in the Noteholders' Meeting or provide replies in the Written Procedure and they shall not be taken into account in determining how many Notes are outstanding.

Quorum at the Noteholders' Meeting or in respect of the Written Procedure only exists if (i) at least two or more persons representing at least 50 per cent or (ii) one Noteholder holding 100 per cent of the principal amount of the Notes then outstanding are present in the Noteholders' Meeting or provide replies in the Written Procedure.

If a quorum does not exist at the Noteholders' Meeting or in respect of the Written Procedure, the Issuer can convene a second Noteholders' Meeting or instigate a second Written Procedure, as the case may be. The following terms shall apply in relation to such second Noteholders' Meeting or second Written Procedure:

- (a) the date of request of the second Noteholders' Meeting or second Written Procedure shall be deemed to be the relevant date when the quorum did not exist;
- (b) quorum at such second Noteholders' Meeting or in respect of the second Written Procedure only exists if (i) at least two or more persons representing at least 10 per cent or (ii) one Noteholder holding 100 per cent of the principal amount of the Notes then outstanding are present in the second Noteholders' Meeting or provide replies in the second Written Procedure;
- (c) the notice of the second Noteholders' Meeting or the second Written Procedure must be given in the same manner as the notice of the original Noteholders' Meeting or the Written Procedures. The notice must also include the requirements for a constitution of a quorum.

The consent of Noteholders representing at least 75 per cent of the aggregate principal amount of the Notes then outstanding attending the Noteholders' Meeting or participating in the Written Procedure shall be required to make any amendments to the Terms and Conditions.

Any decision which extends or increases the obligations of the Trustee, or limits, reduces or extinguishes the rights or benefits of the Trustee, in relation to the Notes or the Guarantee shall be subject to the Trustee's consent, as applicable.

#### 3.4.3 *Noteholders' Meeting*

If a decision of the Noteholders is intended to be passed at the Noteholders' Meeting, then a respective notice of the Noteholders' Meeting shall be provided to the each person who is registered with Nasdaq CSD as a Noteholder (on a date selected by the Trustee, which falls no more than 5 Business Days prior to the date on which the notice is sent) no later than 10 Business Days prior to the meeting.

The notice shall include:

- (a) time for the meeting;
- (b) place for the meeting;
- (c) agenda for the meeting (including each request for a decision by the Noteholders)
- (d) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (e) a form of power of attorney.

Only matters that have been included in the notice indicated above may be resolved at the Noteholders' Meeting.

The Noteholders' Meeting shall be held in Vilnius, Lithuania, and its chairman shall be the Issuer's representative appointed by the Issuer.

The Noteholders' Meeting shall be organised by the chairman of the Noteholders' Meeting.

The Noteholders' Meeting shall be held in English with translation into Lithuanian, unless the Noteholders present in the respective Noteholders' Meeting unanimously decide that the respective Noteholders' Meeting shall be held only in Lithuanian or English.

Representatives of the Issuer and persons authorised to act for the Issuer may attend and speak at the Noteholders' Meeting.

Minutes of the Noteholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted. The minutes shall be signed by the keeper of the minutes, which shall be appointed by the Noteholders' Meeting. The minutes shall be attested by the chairman of the Noteholders' Meeting, if the chairman is not the keeper of the minutes, as well as by one of the persons appointed by the Noteholders' Meeting to attest the minutes. The minutes from the relevant Noteholders' Meeting shall at the request of a Noteholder be sent to it by the Issuer.

#### 3.4.4 *Written Procedure*

If a decision of the Noteholders is intended to be passed by the Written Procedure, then a respective communication of the Written Procedure shall be provided to each person who is registered with Nasdaq CSD as a Noteholder (on a date selected by the Trustee, which falls no more than 5 Business Days prior to the date on which the communication is sent).

A communication shall include:

- (a) each request for a decision by the Noteholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote "yes" or "no" for each request) as well as a form of a power of attorney;
- (e) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 10 Business Days from the communication) and a manner of a reply; and



- (f) a statement that if the Noteholder does not reply to the request in the stipulated time period, then it shall be deemed that the Noteholder has voted against each request.

When the requisite majority consents have been received in a Written Procedure, the relevant decision shall be deemed to be adopted even if the time period for replies in the Written Procedure has not yet expired.

### 3.5 Trustee

**Important note:** The Trustee does not qualify as a trustee of the holders of notes for the purposes of the Law on Companies of the Republic of Lithuania and of the Law on the Protection of Interests of Owners of Bonds issued by Public and Private Companies of the Republic of Lithuania. Accordingly, the Trustee shall not have rights and obligations established in the above listed laws.

#### 3.5.1 *Appointment of the Trustee*

By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder agrees to and accepts the appointment of the Trustee to act as its agent in all matters relating to the Notes, the Terms and Conditions and the Guarantee, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by the Terms and Conditions or the Guarantee) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation or insolvency (or its equivalent in any other jurisdiction) of the Issuer.

Each Noteholder shall immediately upon request provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties. The Trustee is under no obligation to represent a Noteholder which does not comply with such request.

The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties.

The Trustee is entitled to fees for all its work that is related to its duties, in such capacity and to be indemnified for direct reasonable and documented costs, losses and liabilities on the terms set out in the Terms and Conditions, the Guarantee and the Trustee Agreement and the Trustee's obligations as Trustee are conditioned upon the due payment of such fees and indemnifications.

The Issuer shall on demand by the Trustee pay all direct reasonable and documented costs for external experts engaged by it: (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering: (A) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default; or (B) a matter relating to the Issuer or the Terms and Conditions which the Trustee reasonably believes may be detrimental to the interests of the Noteholders; (iii) in connection with any Noteholders' Meeting or Written Procedure; or (iv) in connection with any amendment (whether contemplated by the Terms and Conditions or not) or waiver.

The Issuer and the Trustee shall not agree to amend any provisions of the Trustee Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

The Trustee shall be entitled to inform the Noteholders about any breach of the Trustee Agreement by the Issuer.

The Trustee shall be replaced in accordance with the Terms and Conditions.

#### 3.5.2 *Duties of the Trustee*

The Trustee shall represent the Noteholders.

When acting pursuant to the Terms and Conditions or the Guarantee, the Trustee is always acting with binding effect on behalf of the Noteholders. The Trustee is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Trustee does not bind the Noteholders or the Issuer.

When acting pursuant to the Terms and Conditions or the Guarantee, the Trustee shall carry out its duties with reasonable care and skill in a proficient and professional manner.

The Trustee shall treat all Noteholders equally and, when acting pursuant to the Terms and Conditions or the Guarantee, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Terms and Conditions, the Guarantee and the Trustee Agreement.

The Trustee is entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as trustee, without having to first obtain any consent from the Noteholders or the Issuer. The Trustee shall, however, remain liable for any actions of such parties if such parties are performing duties of the Trustee.

Other than as specifically set out in the Terms and Conditions or the Guarantee, the Trustee shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under the Terms and Conditions or the Guarantee, or (iv) whether any other event specified in the Terms and Conditions or the Guarantee has occurred or is expected to occur, and should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.

The Trustee shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements and as otherwise agreed between the Issuer and the Trustee, (ii) check that the information in the Compliance Certificate is extracted from the financial statements delivered or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. The Issuer shall promptly upon request provide the Trustee with such information as the Trustee reasonably considers necessary for the purpose of being able to comply with the above.

The Trustee shall ensure that it receives evidence satisfactory to it that the Terms and Conditions and the Guarantee which are required to be delivered to the Trustee are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Trustee with such documents and evidence as the Trustee reasonably considers necessary for the purpose of being able to comply with the above. Other than as set out above, the Trustee shall neither be liable to the Issuer or the Noteholders for damage due to any documents and information delivered to the Trustee not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

The Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.

If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

The Trustee shall give a notice to the Noteholders: (i) before it ceases to perform its obligations by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Terms and Conditions, the Guarantee or the Trustee Agreement; or (ii) if it refrains from acting for any reason described in paragraph above.

### 3.5.3 *Additional arrangements in relation to the Guarantee*

The Guarantee is granted only for the benefit of the Noteholders. However, it provides that only the Trustee may exercise the rights under the Guarantee and only the Trustee has the right to enforce the Guarantee. As a consequence, the Noteholders shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favor under the Guarantee.

The Trustee shall (in its sole discretion and without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Trustee's opinion, necessary for the purpose of maintaining, altering, releasing, or enforcing the Guarantee or for any other purposes.

The Guarantee shall be released upon repayment in full of the Guaranteed Obligations, provided that all unpaid fees, costs, expenses and indemnities payable to the Trustee under the Trustee Agreement and the Terms and Conditions have been duly settled.

#### 3.5.4 *Limited liability of the Trustee*

The Trustee will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with the Terms and Conditions or the Guarantee, unless directly caused by its negligence or willful misconduct. The Trustee shall never be responsible for indirect and/or consequential loss.

The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

The Trustee shall have no liability to the Issuer or the Noteholders for damage caused by the Trustee acting in accordance with instructions of the Noteholders given in accordance with the Terms and Conditions or the Guarantee.

The Trustee shall neither be liable to the Issuer or the Noteholders for damage due to any documents and information delivered to the Trustee not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

Any liability towards the Issuer which is incurred by the Trustee shall not be subject to set-off against the obligations of the Issuer to the Noteholders.

## 4. RISK FACTORS

*Investors considering investment in the Notes should carefully review the information contained in this Prospectus and, in particular, the risk factors described below. Should one or more of the risks described herein materialise, it could have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.*

*The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on the information known and assessed at the time of preparing this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.*

*Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to assess or express a view on the likelihood of any such contingency occurring.*

*The order of presentation of the risk factors in this Prospectus reflects, in the opinion of the Issuer, the likelihood of their occurrence or the magnitude of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.*

### 4.1 Risks related to the Issuer

#### 4.1.1 Business Risks

##### Project's maintenance

Under the Partnership Agreement, upon successful completion of the Project, UAB Samogitia miestelis will assume responsibility for the provision of cleaning and facilities management services for a period of 12.5 years. UAB Samogitia miestelis will engage a third-party service provider to fulfil this obligation based on the service agreement. Accordingly, the Issuer will rely on the due performance of the services by the said third-party service provider. In case the relevant services are not provided to the required standard or not provided at all, a penalty mechanism established in the Partnership Agreement might be applied in respect of UAB Samogitia miestelis. Ultimately UAB Samogitia miestelis may be unable to receive the prescribed payments under the Partnership Agreement. This could have an adverse effect on its financial position and, accordingly, on the position of the Issuer.

##### Project's development and construction risk

The success of the Project development and construction depends on its timely and high-quality completion. The Project was carefully planned and has a number of "buffers" within construction schedule to absorb any delays (e.g., a month in between when the general contractor is obliged to finish the works and the completion timeline set in the Partnership Agreement, among others). However, due to the Project's high complexity and scale, there is a risk that the works may not be completed over the planned period of 2.5 years. Although this risk is mitigated by the fact that as at 30 December 2023 over 70% of construction works are complete and the full completion is anticipated in April 2024, there remains a reliance on third parties (e.g., contractors), who may, for some reason, not complete the agreed remaining works on time. Further, there may be unforeseen legal, regulatory, or other issues that delay the completion of the Project. Under the Partnership Agreement, completion delays may lead to contractual penalties, which could have an adverse effect on the financial position of UAB Samogitia miestelis and, accordingly, the Issuer.

##### Project's cost uncertainty

Development and construction of the Project require significant financial resources, which may be hard to control and estimate precisely. While the majority of expenses have already been incurred, there remains a possibility of cost overruns during the remaining phases of construction, leading to unforeseen

expenses. This is particularly relevant in the current environment of geopolitical uncertainty, supply-chain disruptions and volatile inflation. Additionally, there may be a need for rectification of works if they are not completed up to a required standard. Furthermore, there is a risk that third parties (e.g., contractors) default or are unable to finish the agreed works. All of this may have adverse effect on UAB Samogitia miestelis and its operations, and, respectively on the Issuer.

#### 4.1.2 *Financial Risks*

##### Liquidity risk

The Issuer may be unable to maintain sufficient reserve of cash or other liquid financial assets that can be used to meet its payment obligations as they fall due. This includes the ability to pay interest on and partly or fully repay the Notes as required. The Issuer and UAB Samogitia miestelis together have over EUR 2 million cash (as at 30 September 2023) and a contracted bank loan up to EUR 26.5 million that will continue to be drawn as the construction progresses. The cash and bank loans are projected to fully cover all the necessary costs (incl. construction, debt service etc), with an additional protection provided by a further EUR 1.9 million bank facility that is reserved for unforeseen costs. However, whilst the liquidity position is carefully monitored, large unexpected costs could have a material adverse effect on the Issuer and its operations.

##### Refinancing and rising interest rate risk

The Issuer and UAB Samogitia miestelis are financing the Project with EUR 6 million share capital (equity), EUR 8 million bonds (Notes) and up to 26.5 million bank loan. In the short term, once the construction is completed, approx. EUR 8.6 million remuneration payment will be received from the Ministry of National Defence of Republic of Lithuania that will be used to repay EUR 4 million Notes and no less than EUR 4.24 million bank loan, which will reduce financial leverage and refinancing risk. Majority of the interest rate risk is hedged until April 2026 and the contractual revenues from the Project are projected to fully cover financing and other costs. However, upon maturities and debt repayments, the Issuer and/or UAB Samogitia miestelis may be unable to refinance their debts or may only be able to refinance under unfavourable conditions. This can be caused by a deterioration in debt capital market sentiment, geopolitical and macroeconomic environment and other conditions. Inability to refinance under favourable conditions may have material adverse effect on the Issuer and its operations.

##### Counterparty risk

The Issuer and UAB Samogitia miestelis is exposed to counterparty risk with its contractors, sub-contractors and other suppliers or service providers. The counterparties may become insolvent and be unable to finish the contracted works or rectify any works where quality issues have been identified. Although the Issuer monitors all its counterparties' creditworthiness and controls financial resources at risk, realization of such risk could have an adverse financial effect on the Issuer's financial position and cause a delay to the Project.

#### 4.1.3 *Other Risks*

##### Legal risk

The Issuer and UAB Samogitia miestelis may get directly or indirectly involved in legal disputes leading to uncertain outcomes. Although at this point there is no indication that such proceedings could take place, any unfavourable outcome of a legal case could lead to potential significant legal expenses and reputational damage, resulting in an adverse impact on their financial position and operations.

##### Regulatory and tax risk

Any change in the legislative or regulatory environment, especially related to private public partnership, territory planning, sustainability, development, construction projects and any tax changes may lead to a reduction in Issuer's profitability as it adjusts to these changes. Although at present there are no indications that such changes could take place, it should be noted that it's possible such risks could materialize

over the lengthy 15-year duration of the Partnership Agreement. These may have an adverse impact on financial position and operations of the Issuer.

#### Management and human resources risk

The results of the Issuer will ultimately depend on its leadership team and other personnel, their experience, and skills. There is a risk that key members of the team depart from the business, and due to their expert knowledge of public private partnerships and infrastructure project construction, it is subsequently difficult to find replacements for them in the labour market or that labour costs significantly rise. This may have an adverse impact on Issuer's financial position and operations.

#### Cyber security risk

Information and technology (IT) systems are crucial to successful ongoing business operations. However, human error, network issues, viruses, cyber-attacks or other factors could lead to IT failure. As a result of this, there could be information loss, miscommunication, misstatement, or certain obligations may not be fulfilled as they should. This could have an adverse effect on Issuer's financial position and operations.

#### Unforeseeable events

Catastrophic events, terrorist attacks, war or hostilities, riots, civil unrest, pandemic diseases and other similar unpredictable events and the response to these events or actions may reduce the number of working days, therefore the Issuer or UAB Samogitia miestelis, their employees or contractors will not be able to carry out activities and provide services. These events and actions can also cause economic and political uncertainty that may adversely affect the financial position of the Issuer or UAB Samogitia miestelis as well as increase its costs. Insurance protection against certain unforeseen risks may also be unavailable.

## **4.2 Risks related to the Notes**

### *4.2.1 Market Risks*

#### Inflation risk

Inflation erodes the real value (purchasing power) of Notes' future coupon and principal payments as these payments are set in nominal terms. Changes to prevailing inflation levels or inflation expectations may affect the price of Notes in the secondary market. It should be noted that inflation has been particularly volatile in the past few years. There is a risk that Noteholders will not be protected from losses in real value (purchasing power) terms in case inflation exceeds coupon payments.

#### Interest rate risk

The Notes pay interest at a fixed rate irrespective of market interest rates. Changes to prevailing market interest rates or interest rate expectations may affect the price of Notes in the secondary market. It should be noted that interest rates have been particularly volatile in the past few years. There is a risk that Noteholders will be exposed to a decline in the market value of Notes and/or unable to benefit from rising market interest rates in the future.

#### Liquidity risk of the securities

It is the intention that with this Prospectus the Notes will be listed on Bond List of Nasdaq Vilnius. However, it is unlikely that there will be an active secondary trading market and liquidity for the Notes. Should existing Noteholders wish to sell the Notes there is a risk they are unable to do so or may do it at an unfavourable price. The large EUR 100,000 minimal investment amount of Notes may also limit secondary market interest from the investor base.

### *4.2.2 Structural Risks*

### Credit and default risk

The Noteholders are reliant on a successful completion of the Project. The Issuer and UAB Samogitia miestelis, due to a range of factors, may encounter financial difficulties (such as significant delays to completion impacting the timing of revenue, significant cost overruns, or the insolvency of the general contractor leading to an inability to rectify extensive identified defects, among others). These difficulties could be severe and may lead to liquidity issues, restructuring or bankruptcy. Revenues to service the Notes will be paid by the Ministry of National Defence of Republic of Lithuania, and although its credit risk is remote, it does exist. In such a case, there is a risk the value of Notes in secondary market may fall and Noteholders may not receive contractually agreed interest or redemption payments.

### Lack of investment diversification

The successful capital and interest payments of the Notes depend on the outcome of a single investment (the Project). In case the Project materially fails, there are no further sources of potential income to repay the debts in the Issuer's structure (apart from the Guarantor). Investors should consider the risks this presents within their investment portfolios and diversify accordingly.

### Guarantor risk

In the scenario where the Issuer was unable to pay interest or redeem the Notes as contractually obligated, the Guarantor becomes liable to fulfil such payments. The Guarantor group at present is considered to have a strong financial position, with a track record of profitability, nearly EUR 78 million of equity and nearly EUR 6 million of cash (as at December 2022). However, there is a risk that due to financial difficulties, lack of liquidity, inability to refinance, or other problems, the Guarantor could become unable to fulfil these payments on behalf of the Issuer.

### Subordination risk

The Noteholders have exposure to the Issuer, which is structurally subordinated to UAB Samogitia miestelis. In other words, the revenues generated at UAB Samogitia miestelis, are firstly used to finance bank debt at that legal entity, before being up streamed to the Issuer to service the Notes. Despite a Minimum Liquidity covenant in place (as described in Section 3.2.29 (*Financial undertakings*)), there is a risk that financial resources are sufficient to service obligations of UAB Samogitia miestelis, but not sufficient to service the Notes.

### Mandatory partial redemption risk

The Issuer is obligated to redeem 50% of the aggregate amount of the Notes on a date falling 18 months after the Issue Date (as described Section 3.2.27 (*Redemption and repurchase of the Notes*)). There is a risk that due to financial difficulties, lack of liquidity, inability to refinance, or other problems, the Issuer is unable to redeem the Notes as obligated.

### Early redemption risk

The Issuer at its discretion has the right but not the obligation to prematurely redeem the outstanding amount of the Notes on a date falling 24 or 30 months after the Issue Date (as it is described in Section 3.2.27 (*Redemption and repurchase of the Notes*)). If this Issuer's right is exercised, the actual return on investment achieved by the Noteholders may be lower from what the Noteholder anticipated at the time of investment. Further, the Noteholder at that point may be unable to find another investment opportunity offering the anticipated return on investment.

## 5. INFORMATION ABOUT THE ISSUER

### 5.1 Overview of the Issuer

The main information on the Issuer is provided in the table below:

<b>Legal and commercial name of the Issuer</b>	UAB Partnerystės projektai keturi
<b>Legal form</b>	Private limited liability company
<b>Registered address</b>	A. Goštauto g. 40B, Vilnius, Lithuania
<b>Country of registration</b>	Republic of Lithuania
<b>LEI</b>	98450096DI5D60B2DC18
<b>Legal entity code</b>	304950437
<b>Legislation under which it operates</b>	Lithuanian laws
<b>Date of incorporation</b>	12 November 2018
<b>Operating period</b>	Indefinite
<b>Articles of Association</b>	The latest Articles of Association of the Issuer were registered the Register of Legal Entities on 20 April 2023
<b>Share capital</b>	The share capital amounts to EUR 6,000,000, which is divided into 240,000 shares, having a nominal value of EUR 25 each
<b>Credit rating</b>	No credit rating has been assigned to the Issuer and there are no plans to acquire it as at the date of Prospectus
<b>Phone number</b>	+370 686 40106
<b>E-mail</b>	<a href="mailto:arturas@eika.lt">arturas@eika.lt</a>
<b>Website</b>	<a href="https://www.eika.lt/en/paslaugos/public-private-partnership-projects/">https://www.eika.lt/en/paslaugos/public-private-partnership-projects/</a>

### 5.2 Business operations

The Issuer was established by UAB EIKA, a private limited liability company, incorporated and existing under the laws of the Republic of Lithuania, legal entity code 121191079, address at A. Goštauto g. 40B, Vilnius, Lithuania, in 2018.

The Issuer is a project company (special purpose vehicle) that has been established to tender for and develop the Project.

#### 5.2.1 Historical overview

As mentioned above, the Issuer was established by UAB EIKA in 2018 specifically to tender for and develop the Project. Since its establishment, the Issuer has focused solely on activities related to participating in the tender process for the Project, as well as signing and fulfilling the terms of the Partnership Agreement.



Although established several years ago, the Issuer is closely affiliated with the Infrastructure Development Department (the “IDD”) at UAB EIKA and its public-private partnership (PPP) business line, which began in 2014 under the leadership of Artūras Klangauskas (who also serves as the Managing Director of the Issuer). As the business expanded, additional experienced team members were hired, and ultimately, the business was formalized with the establishment of the IDD within UAB EIKA.

The team of IDD is responsible for the management of existing and material preparation for the new PPP tenders. It is an active player in the infrastructure market related to real estate. The IDD’s experience covers various sectors, including law enforcement (police station, custody facilities, jail, court of law), education, car parking, multi-functional buildings and free economic zones (particular in Šiauliai and Kėdainiai, which have been established and managed since 2014-2015).

The IDD considers business opportunities across both forms of PPPs prevalent in Lithuania<sup>1</sup>:

- *Government (public) and private entities partnership*: in this type of partnership, construction, asset adequacy, and service quality risks are transferred to the private entity, while demand risks (e. g. number of pupils in schools, number of staff in administrative buildings, number of prisoners in detention facilities, etc.) are retained by the public entity. Further, the private entity receives all or most of the income from payments made by the public entity;
- *Concessions*: in this type of cooperation, the risks of construction, asset adequacy, quality of service, and all or most of the demand risks (number of visitors in sports arenas, swimming pools, campsites, museums, car parks, conference centers, etc.) are transferred to a private entity. The public entity may retain only a small part of the demand risk, e.g., in determining how many hours a day the municipality’s schoolchildren will use the swimming pool, or how many events planned by the municipality per year will take place in the sports and concert arena.

The IDD team is comprised of 4 highly experienced individuals, each having between 10 and 35 years of experience across real estate and infrastructure development, construction, project management, financial analysis and other relevant areas. Artūras Klangauskas is the Head (Director); Valdas Kaulinis is the Deputy Director; Tomas Dalgedaitis is the Project Economic Aspect Manager; and Egidijus Aleksa is the Construction Project Manager.

The IDD cooperates with several internal teams and as required, external service providers. During the bidding phase, the IDD liaises with construction project management, asset and property management, finance management and other departments at UAB EIKA. Upon a successful bid, IDD may also liaise with finance, marketing and other departments.

The Issuer represents one of the projects of the IDD.

### 5.2.2 *Development of the Project*

In 2019, the Ministry of National Defence of the Republic of Lithuania started the tendering process for a PPP to build 3 military campuses and provide maintenance services in Vilnius, Šiauliai and Šilalė in Lithuania. 7 Lithuanian and foreign companies participated in the tendering process. After 1.5 years of rigorous selection process, 2 companies won the bids, one of them being the Issuer, which won the tender to build and maintain the Šiauliai military campus.

In connection with the Project, a 15-year Partnership Agreement was concluded on 8 January 2021 between the Issuer as an investor, UAB Samogitia miestelis as a private entity and the Ministry of National Defence of Republic of Lithuania as a public entity.

The Issuer has established a wholly owned subsidiary, UAB Samogitia miestelis, to deliver the Project. This Subsidiary is the operating entity that is managing the construction works, will provide facility

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<sup>1</sup> [www.ppplietuva.lt/en/](http://www.ppplietuva.lt/en/)

management and cleaning services in the future and is responsible for signing the necessary contracts with counterparties. The Subsidiary will receive the revenues from the public entity as it fulfils its obligations under the Partnership Agreement.

For further information about the Project, please refer to Section 0 (*Project description*).

### 5.2.3 *Competitive position*

The PPP market in Lithuania is relatively small with only 5 PPP contracts signed in 2022 (two of which entered into force) and only 4 PPP contracts signed in 2021 (three of them were financially closed) <sup>2</sup>. This can be explained by the nature of PPP contracts, whereby due to project complexity and requirement for significant financial resources, preparation for PPP contracts and their tenders can take years.

The IDD is an experienced and well-regarded player in the PPP market with a competitive offering. As noted above, the IDD has the capabilities to participate in PPP tenders regarding a broad range of sectors and has successfully done that in the past.

In preparation for PPP tenders and to complement the team's knowledge, IDD investigate the best practice examples on how certain projects have been implemented in other leading economies. These insights are then applied, where possible, which ensures that the proposals are of high quality.

The PPP to develop and provide maintenance services to Šiauliai military campus, is a highly strategic Ministry of National Defence of Republic of Lithuania project. The fact that the issuer has successfully won the tender proves its ability to deliver such large and complex infrastructure projects.

## 5.3 **Trend information**

To the best of Issuer's knowledge, there are no identified material adverse changes in the prospects of the Issuer or any Group company since the date of its last audited financial statements.

## 5.4 **Profit forecasts or estimates**

The Issuer is not providing financial forecasts or estimates.

## 5.5 **Organisational structure**

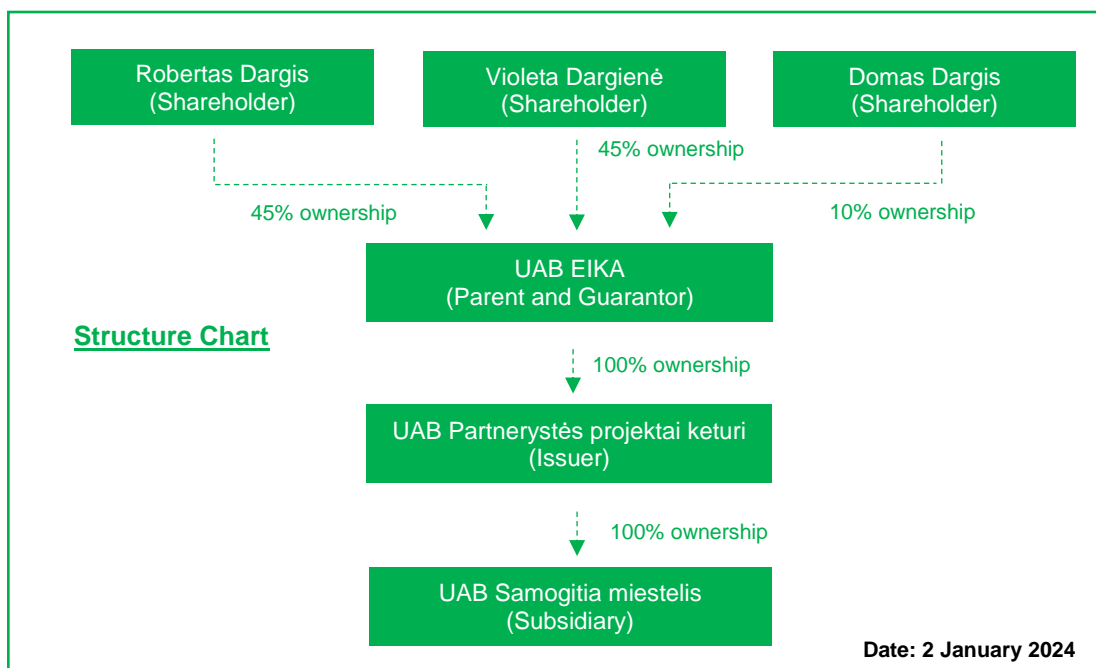
The Issuer is wholly owned by the Parent company (UAB EIKA). More information on the Parent is provided in Sections 5.7 (*Major shareholder*) and 0 (*Information about the Guarantor*) of this Prospectus.

UAB Samogitia miestelis, i.e. the Subsidiary of the Issuer, is the operating entity that together with the Issuer has signed the Partnership Agreement and is responsible for developing the Project.

The following chart shows the ownership and organisational structure of the Issuer as at the date of this Prospectus:

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<sup>2</sup> <https://www.ppplietuva.lt/en/ppp-projects-and-statistics-in-lithuania/statistical-data-about-ppp-projects-in-lithuania>



## 5.6 Management

The Issuer has no Supervisory Council or Management Board. Its Managing Director is Artūras Klangauskas.

**Artūras Klangauskas** (who also serves as the Head of the IDD) has 17 years of experience in real estate, infrastructure and project management. He started his career at UAB Eika in 2006, subsequently worked at UAB Vertas group companies in 2007-2013 and later that year rejoined UAB Eika to head its infrastructure business. Artūras is also the Director and member of the Management Board of Šiauliai and Kėdainiai free economic zones (FEZ). Between 2018-2022, Artūras was a member of the Management Board at Šiauliai International Airport, which is controlled by Šiauliai municipality, however, he no longer holds these duties.

The Managing Director of the Issuer is in charge of daily management of the Issuer and has authority to represent the Issuer. More detailed information about the competences of the Managing Director may be found in the Articles of Association of the Issuer (see Section 7.2 (*Documents available for the inspection*)) for more information).

While performing his duties, the Managing Director follows the applicable laws as well as decisions of its sole shareholder, i.e. UAB Eika, and in particular the decisions of its Managing Director, Dommas Dargis, as well as the Management Board of UAB Eika. The Managing Director of the Issuer does not have any conflict of interest in respect to the Issuer.

## 5.7 Major shareholder

On the date of this Prospectus, the share capital of the Issuer amounts to EUR 6,000,000, which is divided into 240,000 shares, having a nominal value of EUR 25 each. All shares are fully paid up. One share of the Issuer carries one vote in its general meeting of shareholders.

All shares of the Issuer are owned by the Parent company (UAB EIKA).

UAB EIKA operates in the Lithuanian real estate development sector and is a provider of diversified real estate services. Further information on history, development, principal activities and management of the Parent is provided in Section 0 (*Information about the Guarantor*).

Information on the shareholders of UAB Eika is provided in Section 5.5 (*Organisational structure*).

The control of the Issuer is exercised by the Issuer's shareholder (i.e. at the date of this Prospectus, the Parent).

The Issuer is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Issuer.

As of 2 January 2024, certain business activities related to real estate development services have been transferred from UAB EIKA to its wholly owned subsidiary UAB Eika Development (legal entity code 304588760). Such changes, which have been made to improve efficiency and focus, are a standard business practice for a growing business. UAB EIKA will remain the controlling / holding company. In the Issuer's view, this change will not have a material impact on the Issuer, its subsidiary UAB Samogitia miestelis, the Project or the Partnership Agreement, it will also not impact the financial status of the Guarantor, validity of the Guarantee or the overall credit risk profile of the Notes.

#### **5.8 Legal and arbitration proceedings**

Neither the Issuer nor any Group company is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in 12 months preceding the date of this Prospectus which may have or have in such period had significant effects on the Issuer or the financial position or profitability of the Group.

#### **5.9 Significant change in the Issuer's financial position and solvency**

There has been no significant change in the financial position of the Issuer or the Group company which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

#### **5.10 Material contracts**

There are no contracts (other than contracts entered in the ordinary course of PPP business) that have been entered into by the Issuer or the Group Company that are, or may be, material or which contain any provision under which the Issuer or the Group company has any obligation or an entitlement that is material to the Issuer's ability to meet its obligations under the Notes.

## 6. PROJECT DESCRIPTION

### 6.1 General overview

As mentioned in Section 5.2 (*Business operations*), the Issuer with its Subsidiary UAB Samogitia miestelis, is responsible for developing the Project in accordance with the Partnership Agreement.

The Project is a PPP consisting of the following phases:

- Phase 1: 2.5 years to develop and construct the infrastructure;
- Phase 2: 12.5 years of provision of services (cleaning, facilities management).

The Project entails design, construction, maintenance and provision of services to a military unit in Šiauliai. The Project will be based in a territory spanning 7.8 hectares where 23 thousand square meters of gross building area will be built. The military campus will have administrative and special purpose buildings: barracks, canteen, headquarters, medical and sports facilities. Technical buildings will be constructed, including garages, petrol station and others. Project's gross development value had been estimated to be approx. EUR 40.1 million<sup>3</sup>.

The Project's visualisation is provided below:



Source: EIKA

The Project has several key counterparties:

- The Ministry of National Defence of the Republic of Lithuania: counterparty to the Partnership Agreement (public entity);
- UAB Gilesta: general contractor for the majority of construction works;
- UAB EIKA: project management provider;

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<sup>3</sup> <https://pplietuva.lt/lt/projektai/krasto-apsaugos-ministerijos-projektas-siauliu-regione>

- Selected provider: a provider of cleaning and facility management services (contract to be finalised shortly);
- Luminor Bank AS: senior lender.

The Project related risks are detailed in Section 4 (*Risk factors*). In the Issuer's view, the risk sharing between public entity (i.e. the Ministry of National Defence of the Republic of Lithuania) and private entity (i.e. UAB Samogitia miestelis) is balanced and in line with the market standard (contract terms are in line with guidelines provided by Eurostat). A detailed risk allocation matrix prescribes a coherent risk and responsibility split between public and private entity. The development and construction risks are well managed by an experienced team. During facilities management phase, service level agreement details on how often facilities should be cleaned, how long certain repairs should take and a penalty mechanism if these conditions are not met. However, during the service provision stage, many of the risks are transferred to the service provider, limiting the Issuer's exposure.

## 6.2 Financing

Since signing the Partnership Agreement in 2021, the initial planning, design and other works have been funded solely by the Parent in the form of intercompany loans. In preparation for considerable construction expenditure, in April 2023, the Issuer had its share capital increased from EUR 2,500 to EUR 6 million as it capitalised intra-company loan granted by the Parent. The injection of capital paved the way for issuance of the EUR 8 million Notes in April 2023, which optimised the Project's funding structure.

To downstream the funds, the Issuer has increased the capital of UAB Samogitia miestelis to EUR 4 million and the intra-group loan to about EUR 9 million as of 30 September 2023.

In May 2023, UAB Samogitia miestelis has also agreed on a 5-year EUR 28.4 million senior bank loan with Luminor Bank AS to support Project's development. Part of the loan in the amount of EUR 26.5 million is allocated to finance Project's costs, and the remaining part of EUR 1.9 million is reserved for unforeseen costs, should they arise.

As of 30 September 2023, the consolidated Issuer's funding structure is as follows:

- Equity: EUR 6 million share capital reduced by approx. EUR 0.44 million retained losses;
- Debt (bonds): EUR 8 million Notes at the Issuer level;
- Debt (bank financing): EUR 26.5 million senior bank loan at the Subsidiary level.

Under the Partnership Agreement and in accordance with the calculations made on the date of the Prospectus, upon completion of the Project (that is construction works of the military campus) and in parallel to the first regular remuneration payment, the public entity will pay a total of approx. EUR 8.6 million compensation. The compensation will be used to partially repay existing debts:

- EUR 4 million will be used for mandatory partial repayment of Notes on 25 October 2024 (as further described in Section 3.2.27 (*Redemption and repurchase of the Notes*));
- No less than EUR 4.24 million will be used to repay senior bank loan at the Subsidiary level.

With regards to the outstanding debt amounts:

- The Issuer has an option but not an obligation to redeem the outstanding Notes on 25 April 2025 or 25 October 2025, as it is further described in Section 3.2.27 (*Redemption and repurchase of the Notes*). This decision will be made considering wider financing structure, plans and prevailing market conditions, among other considerations.
- For senior bank loan, the remaining EUR 22.26 million loan will be repaid in equal monthly instalments according to an 11.5-year repayment schedule with the bullet payment at the

contract maturity on 20 April 2028. On that date the loan contract might be extended by the same bank or may be refinanced by another credit institution, considering the wider financing structure, plans and prevailing market conditions, among other considerations.

The interest rate risk of funding is well managed, with the Notes having a fixed coupon and senior bank loan having an accompanying interest rate swap (IRS). The IRS, which ramps up based on the senior loan amount and peaks at EUR 22 million notional amount, has an expiry of 21 April 2026.

In the Issuer's view, the funds to be received under the Partnership Agreement will be sufficient to service all credit repayments and settle with the Noteholders and senior bank lender.

### **6.3 Timeline**

Based on the Issuer's knowledge, the first phase of the Project (construction works) is on track to be completed by April 2024, which is in line with the contractual timeline agreed in the Partnership Agreement.

According to the latest construction schedule as of 31 December 2023, over 70% of Project's construction works are completed. Majority of the 12 objects have had their foundation, construction structure, masonry works and heat points completed. Finishing, engineering, technology works and commissioning in most cases remain outstanding.

## **7. INFORMATION INCORPORATED BY REFERENCE. DOCUMENTS AVAILABLE FOR THE INSPECTION**

### **7.1 Documents incorporated by reference**

Electronic copies of the following documents (together with English translations thereof, where applicable) may be obtained during normal business hours at the offices of the Issuer at A. Goštauto g. 40B, Vilnius, Lithuania, or at <https://www.eika.lt/en/partnerystes-projektai-keturi-bonds/>:

1. The consolidated unaudited interim financial statements of the Issuer as of and for the 9 months ended 30 September 2023 (IFRS);
2. The consolidated audited financial statements of the Issuer as of and for the year ended 31 December 2022 (IFRS);
3. The unconsolidated audited financial statements of the Subsidiary (UAB Samogitia miestelis) as of and for the year ended 31 December 2021 (Local GAAP);
4. The consolidated unaudited financial statements of the Guarantor (UAB EIKA) as of and for the year ended 31 December 2022 (Local GAAP);
5. The consolidated unaudited financial statements of the Guarantor (UAB EIKA) as of and for the year ended 31 December 2021 (Local GAAP);
6. The unconsolidated unaudited interim financial statements of the Guarantor (UAB EIKA) as of and for the 9 months ended 30 September 2023 (GAAP).

The financial statements (listed above) incorporated to this Prospectus by reference form an integral part of the Prospectus.

More information about the financial statements can be found in Section 8 (*Financial information*). Some of the documents listed above are direct translations into English from Lithuanian.

### **7.2 Documents available for the inspection**

Electronic copies of the following documents (together with English translations thereof, where applicable) may be obtained during normal business hours at the offices of the Issuer at A. Goštauto g. 40B, Vilnius, Lithuania, or at <https://www.eika.lt/en/partnerystes-projektai-keturi-bonds/>:

1. Articles of Association of the Issuer;
2. Articles of Association of the Guarantor;
3. Terms and Conditions;
4. Guarantee.



## 8. FINANCIAL INFORMATION

### 8.1 Financial accounts and explanations regarding financial information

The following financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (the “IFRS”):

- (a) the consolidated audited financial statements of the Issuer as of and for the year ended 31 December 2022 with unaudited comparative figures (the “**2022 FY Financial Statements**”); and
- (b) the consolidated unaudited interim financial statements of the Issuer as of and for the 9 months ended 30 September 2023 (the “**2023 Q3 Financial Statements**”).

The following financial statements have been prepared in accordance with the Law on Accounting of the Republic of Lithuania (in Lithuanian, *Lietuvos Respublikos finansinės apskaitos įstatymas*), the Law on Financial Statements of Entities of the Republic of Lithuania (in Lithuanian, *Lietuvos Respublikos įmonių atskaitomybės įstatymas*), (the “**Local GAAP**”):

- (a) the unconsolidated audited financial statements of the Issuer’s subsidiary, UAB Samogitia miestelis for the year ended 31 December 2021;
- (b) the consolidated audited financial statements of the Guarantor (UAB EIKA) for the year ended 31 December 2022;
- (c) the unconsolidated unaudited interim financial statements of the Guarantor (UAB EIKA) for the 9 months ended 30 September 2023.

The existing Issuer’s group structure is in place since December 2020, when the Subsidiary (UAB Samogitia miestelis) has been incorporated. The consolidated audited accounts of the Issuer in IFRS have been prepared for the first time for the year ended 31 December 2022. Previously the Issuer was consolidated under the Parent’s (UAB EIKA) audited financial statements (Local GAAP). Subsidiary’s financial statements for the year ended 31 December 2021 (Local GAAP) have been audited because this is the operating entity that has signed the Partnership Agreement and is undertaking the construction works.

The Noteholders have already fully subscribed to the Notes. Following the requirements applicable to the Noteholders, the Issuer has undertaken an obligation to the Noteholders to list the Notes on the Bond List of Nasdaq Vilnius within 12 months of the Issue Date. Otherwise, the Notes will have to be redeemed as described in Section 3.2.27 (*Redemption and repurchase of the Notes*). Taking into account the Issue Date (28 April 2023) and the abovementioned obligation to list the Notes within 12 months as of the Issue Date, the Issuer intends to list the Notes before finalising the consolidated audited financial statements of the Issuer for the year ended 31 December 2023. To mitigate this and ensure full disclosure to the extent possible, not only the financial statements for the year 2022, but also interim financial statements for the 3<sup>rd</sup> quarter of 2023 have been prepared in full (i.e. not in a condensed form), including statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, and selected explanatory notes.

All the above financial information can be accessed via links provided in Section 7.1 (*Information incorporated by reference*). Issuer’s 2022 FY Financial Statements and 2023 Q3 Financial Statements are provided below except for consolidated explanatory notes and annual report (which are incorporated by reference). The information set out in the tables below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with the Issuer’s consolidated audited financial statements for the years ended 31 December 2022 (with unaudited comparative figures) as well as for a 9-month period ended 30 September 2023, which are incorporated by reference to this Prospectus and form an integral part hereof (please see Section 7.1 (*Information incorporated by reference*)). The Issuer’s audited annual and unaudited 9-month financial statements are prepared according to IFRS.

**STATEMENT OF FINANCIAL POSITION**

FOR THE YEAR ENDED AT 31 DECEMBER 2022

*(all the amounts are presented in euros, unless stated otherwise)*

	<b>Audited</b>	<b>Unaudited</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	2,545	3,535
CONTRACT ASSETS	2,422,808	143,443
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,425,353</b>	<b>146,978</b>
<b>CURRENT ASSETS</b>		
PREPAYMENTS	321,175	-
DEFERRED EXPENSES	21,726	15,166
OTHER RECEIVABLE AMOUNTS WITHIN ONE YEAR	142,652	23,728
CASH AND CASH EQUIVALENTS	10,173	5,060
<b>TOTAL CURRENT ASSETS</b>	<b>495,726</b>	<b>43,954</b>
<b>TOTAL ASSETS</b>	<b>2,921,079</b>	<b>190,932</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
SHARE CAPITAL	2,500	2,500
LEGAL RESERVE	-	-
RETAINED EARNINGS	-101,909	-70,248
<b>TOTAL EQUITY</b>	<b>-99,409</b>	<b>-67,748</b>
<b>ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
LOANS RECEIVED AND INTEREST PAYABLE	2,575,143	239,452
DEFERRED INCOME TAX	1,686	-
	<b>2,576,829</b>	<b>239,452</b>
<b>CURRENT LIABILITIES</b>		
TRADE PAYABLES	434,879	19,107
LOANS RECEIVED	7,000	-
PAYABLE CORPORATE INCOME TAX	1,659	-
OTHER CURRENT ACCOUNTS PAYABLES AND LIABILITIES	121	121
	<b>443,659</b>	<b>19,228</b>
<b>TOTAL ACCOUNTS PAYABLE AND LIABILITIES</b>	<b>3,020,488</b>	<b>258,680</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,921,079</b>	<b>190,932</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED AT 31 DECEMBER 2022

*(all the amounts are presented in euros, unless stated otherwise)*

	<b>Audited</b>	<b>Unaudited</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
REVENUE	2,268,122	143,443
COST OF SALES	-2,166,821	-67,085
<b>GROSS PROFIT</b>	<b>101,301</b>	<b>76,358</b>
GENERAL AND ADMINISTRATIVE EXPENSES	-103,168	-83,745
OTHER INCOME	-	-
OTHER EXPENSES	-	-
<b>OPERATING PROFIT (LOSS)</b>	<b>-1,867</b>	<b>-7,387</b>
FINANCE INCOME	11,243	-
FINANCE COSTS	-37,692	-5,667
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>-28,316</b>	<b>-13,054</b>
INCOME TAX	-3,345	-
<b>NET PROFIT (LOSS)</b>	<b>-31,661</b>	<b>-13,054</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	-	-
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-31,661</b>	<b>-13,054</b>

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED AT 31 DECEMBER 2022

*(all the amounts are presented in euros, unless stated otherwise)*

	<b>Audited</b> <b>31 December</b> <b>2022</b>	<b>Unaudited</b> <b>31 December</b> <b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT (LOSS) BEFORE TAX	-28,316	-13,054
<b>ADJUSTMENTS FOR NON-MONETARY EXPENSES (INCOME)</b>		
DEPRECIATION AND AMORTISATION EXPENSES	990	428
ELIMINATION OF FINANCING AND INVESTING ACTIVITIES RESULT	1	-
OTHER NON-MONETARY ITEMS	-6,561	-15,166
<b>CHANGES IN WORKING CAPITAL</b>		
(INCREASE) DECREASE IN CONTRACT ASSETS	-2,279,365	-143,443
(INCREASE) DECREASE IN PREPAYMENTS	-321,175	-
(INCREASE) DECREASE IN OTHER RECEIVABLES	-118,924	-23,711
INCREASE (DECREASE) IN TRADE PAYABLES AND OTHER PAYABLE AMOUNTS	453,463	-32,110
(PAID) INTERESTS	-	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-2,299,887</b>	<b>-227,056</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACQUISITION OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	-	-3,962
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-3,962</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
LOANS RECEIVED	2,305,000	232,000
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>2,305,000</b>	<b>232,000</b>
<b>INCREASE (DECREASE) IN NET CASH FLOW</b>	<b>5,113</b>	<b>982</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>5,060</b>	<b>4,079</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>10,173</b>	<b>5,060</b>

**STATEMENT OF CHANGES IN EQUITY (AUDITED)**

FOR THE YEAR ENDED AT 31 DECEMBER 2022

*(all the amounts are presented in euros, unless stated otherwise)*

	Share capital	Legal reserve	Retained earnings	Total
<b>BALANCE ON 31 DECEMBER 2020</b>	<b>2,500</b>	-	<b>-57,194</b>	<b>-54,694</b>
NET PROFIT (LOSS) FOR THE YEAR	-	-	-13,054	-13,054
OTHER COMPREHENSIVE INCOME	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	<b>-13,054</b>	<b>-13,054</b>
<b>BALANCE ON 31 DECEMBER 2021</b>	<b>2,500</b>	-	<b>-70,248</b>	<b>-67,748</b>
NET PROFIT FOR THE YEAR	-	-	-31,661	-31,661
OTHER COMPREHENSIVE INCOME	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	<b>-31,661</b>	<b>-31,661</b>
<b>BALANCE ON 31 DECEMBER 2022</b>	<b>2,500</b>	-	<b>-101,909</b>	<b>-99,409</b>

**STATEMENT OF FINANCIAL POSITION**

FOR THE 9 MONTHS ENDED AT 30 SEPTEMBER 2023

(all the amounts are presented in euros, unless stated otherwise)

	Unaudited 30 September 2023	Unaudited 31 December 2022
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	1,802	2,545
CONTRACT ASSETS	17,393,409	2,422,808
<b>TOTAL NON-CURRENT ASSETS</b>	<b>17,395,211</b>	<b>2,425,353</b>
<b>CURRENT ASSETS</b>		
PREPAYMENTS	579,332	321,175
DEFERRED EXPENSES	21,202	21,726
OTHER RECEIVABLE AMOUNTS WITHIN ONE YEAR	107,736	142,652
CASH AND CASH EQUIVALENTS	2,061,992	10,173
<b>TOTAL CURRENT ASSETS</b>	<b>2,770,262</b>	<b>495,726</b>
<b>TOTAL ASSETS</b>	<b>20,165,473</b>	<b>2,921,079</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
SHARE CAPITAL	6,000,000	2,500
LEGAL RESERVE	-	-
RETAINED EARNINGS	-437,990	-101,909
<b>TOTAL EQUITY</b>	<b>5,562,010</b>	<b>-99,409</b>
<b>ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
LOANS RECEIVED AND INTEREST PAYABLE	13,806,258	2,575,143
DEFERRED INCOME TAX	30,174	1,686
	<b>13,836,432</b>	<b>2,576,829</b>
<b>CURRENT LIABILITIES</b>		
TRADE PAYABLES	761,706	434,879
EMPLOYMENT-RELATED LIABILITIES	463	-
LOANS RECEIVED	-	7,000
PAYABLE CORPORATE INCOME TAX	4,862	1,659
OTHER CURRENT ACCOUNTS PAYABLES AND LIABILITIES	-	121
	<b>767,031</b>	<b>443,659</b>
<b>TOTAL ACCOUNTS PAYABLE AND LIABILITIES</b>	<b>14,603,463</b>	<b>3,020,488</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,165,473</b>	<b>2,921,079</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE 9 MONTHS ENDED AT 30 SEPTEMBER 2023

*(all the amounts are presented in euros, unless stated otherwise)*

	<b>Unaudited 30 September 2023</b>	<b>Unaudited 30 September 2022</b>
REVENUE	14,780,684	616,772
COST OF SALES	-14,466,136	-553,099
<b>GROSS PROFIT</b>	<b>314,548</b>	<b>63,673</b>
GENERAL AND ADMINISTRATIVE EXPENSES	-381,852	-65,023
OTHER INCOME	-	-
OTHER EXPENSES	-	-
<b>OPERATING PROFIT (LOSS)</b>	<b>-67,304</b>	<b>-1,350</b>
FINANCE INCOME	192,306	11,244
FINANCE COSTS	-427,318	-16,848
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>-302,316</b>	<b>-6,954</b>
INCOME TAX	-33,765	-4,258
<b>NET PROFIT (LOSS)</b>	<b>-336,081</b>	<b>-11,212</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	-	-
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-336,081</b>	<b>-11,212</b>

**STATEMENT OF CASH FLOWS**

FOR THE 9 MONTHS ENDED AT 30 SEPTEMBER 2023

(all the amounts are presented in euros, unless stated otherwise)

	<b>Unaudited 30 September 2023</b>	<b>Unaudited 30 September 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT (LOSS) BEFORE TAX	-304,391	-83,312
<b>ADJUSTMENTS FOR NON-MONETARY EXPENSES (INCOME)</b>		
DEPRECIATION AND AMORTISATION EXPENSES	743	743
ELIMINATION OF FINANCING AND INVESTING ACTIVITIES RESULT	422,929	16,848
OTHER NON-MONETARY ITEMS	525	8,606
<b>CHANGES IN WORKING CAPITAL</b>		
(INCREASE) DECREASE IN CONTRACT ASSETS	-14,970,601	-551,658
(INCREASE) DECREASE IN PREPAYMENTS	-258,157	-69,167
(INCREASE) DECREASE IN OTHER RECEIVABLES	34,916	-73,747
INCREASE (DECREASE) IN TRADE PAYABLES AND OTHER PAYABLE AMOUNTS	327,169	107,666
(PAID) INTERESTS	-	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-14,746,867</b>	<b>-644,021</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACQUISITION OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	-	-
INTEREST RECEIVED	2,389	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2,389</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
ISSUE OF SHARES	5,997,500	-
LOANS RECEIVED	18,426,319	670,000
LOANS RETURNED	-7,497,000	-
INTEREST PAID	-130,522	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>16,796,297</b>	<b>670,000</b>
<b>INCREASE (DECREASE) IN NET CASH FLOW</b>	<b>2,051,819</b>	<b>25,979</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>10,173</b>	<b>5,060</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,061,992</b>	<b>31,039</b>



**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE 9 MONTHS ENDED AT 30 SEPTEMBER 2023**  
*(all the amounts are presented in euros, unless stated otherwise)*

	Share capital	Legal reserve	Retained earnings	Total
<b>BALANCE ON 31 DECEMBER 2021</b>	<b>2,500</b>	-	<b>-70,248</b>	<b>-67,748</b>
NET PROFIT (LOSS) FOR THE YEAR	-	-	-31,661	-31,661
INCREASE OF AUTHORIZED CAPITAL	-	-	-	-
<b>BALANCE ON 31 DECEMBER 2022</b>	<b>2,500</b>	-	<b>-101,909</b>	<b>-99,409</b>
NET PROFIT FOR THE YEAR	-	-	-336,081	-336,081
INCREASE OF AUTHORIZED CAPITAL	5,997,500	-	-	5,997,500
<b>BALANCE ON 30 SEPTEMBER 2023</b>	<b>6,000,000</b>	-	<b>-437,990</b>	<b>5,562,010</b>

## 8.2 Auditors

Independent auditors UAB Mazars Lithuania Audit have audited the Issuer's financial statements for the financial year ended 31 December 2022, incorporated by reference to this Prospectus, and issued an unqualified auditor's report on the aforementioned financial statements.

Independent auditors UAB Auditoriaus Konsultacijos have audited the Subsidiary's financial statements for the financial year ended 31 December 2021, incorporated by reference to this Prospectus. The auditor drew attention to the amount of equity, which at the time was less than the authorized capital specified in the statute of the Company. This has subsequently been fixed via an injection of equity capital.

Link to the financial statements with auditor's opinion can be found in Section 7.1 (*Information incorporated by reference*). UAB Mazars Lithuania Audit and UAB Auditoriaus Konsultacijos are members of the Lithuanian Chamber of Auditors.

## 9. INFORMATION ABOUT THE GUARANTOR

### 9.1 Nature and scope of the Guarantee

Timely payment, discharge and performance of the Notes issued by the Issuer in the amount of EUR 8,000,000 whether present or future, actual or contingent, conditional or unconditional, and (ii) all ancillary obligations attached, incurred, arising in connection with or otherwise relating to the principal obligations referred in item (i), whether pursuant to the contract or the applicable law, including any liability for damages, legal costs and enforcement costs (the “**Guaranteed Obligations**”) are guaranteed to the Noteholders by the Issuer’s Parent company UAB EIKA.

#### 9.1.1 *Issuer as Agent*

The Guarantor has appointed the Issuer as its agent in all matters concerning the Guarantee. Any notice or communication to be made to the Guarantor under or in respect of the Guarantee may be made to the Issuer and will be deemed to have been duly made to and received by the Guarantor if and when made to and received by the Issuer.

Any communication made by the Issuer for or in the name of the Guarantor in respect of the Guarantee shall be deemed to have been duly authorized by the Guarantor and shall be binding on the Guarantor.

#### 9.1.2 *Noteholders’ rights*

The Guarantee is enforceable by the Trustee only. The Noteholders shall not have any independent power to enforce the Guarantee or make payment demands directly to the Guarantor, or to exercise any rights or powers arising from the Guarantee.

The Noteholders may assign their rights and obligations only together with the assignment of the Guaranteed Obligations, to which those rights and obligations relate.

### 9.2 Overview of the Guarantor

The main information on the Issuer is provided in the table below:

<b>Legal and commercial name of the Issuer</b>	UAB EIKA
<b>Legal form</b>	Private limited liability company
<b>Registered address</b>	A. Goštauto g. 40B, Vilnius, Lithuania
<b>Country of registration</b>	Republic of Lithuania
<b>LEI</b>	984500539Q48FECL0558
<b>Legal entity code</b>	121191079
<b>Legislation under which it operates</b>	Lithuanian laws
<b>Date of incorporation</b>	27 January 1992
<b>Operating period</b>	Indefinite
<b>Articles of Association</b>	The latest Articles of Association of the Parent were registered the Register of Legal Entities on 29 November 2019

<b>Share capital</b>	The share capital amounts to EUR 24,618,017.35, which is divided into 16,977,943 shares, having a nominal value of EUR 1.45 each
<b>Credit rating</b>	No credit rating has been assigned to UAB EIKA and there are no plans to acquire it as at the date of the Prospectus
<b>Phone number</b>	+370 686 40106
<b>E-mail</b>	<b>Jonas@eika.lt</b>
<b>Website</b>	<b>www.eika.lt</b>

### 9.3 Business operations

UAB EIKA was founded in 1993 and is a leading Lithuanian real estate developer and a provider of diversified real estate services. UAB EIKA employs over 110 employees and since 1993 has developed 6 500 residential flats and a dozen of real estate projects in office, retail, logistics and hotel sectors, spanning nearly 600 thousand square meters. Currently it owns a commercial real estate portfolio with a value over EUR 100 million.

UAB EIKA services include project management, project design, construction management, property management, engineering solutions, finance management, sales & leasing, marketing & communications.

UAB EIKA is a holding or controlling company with over 20 subsidiaries and business projects, majority of which are related to real estate.

### 9.4 Management

In accordance with the Law on Companies of the Republic of Lithuania and the Articles of Association, UAB EIKA has the following corporate governance structure:

- Shareholders' Meeting;
- Management Board;
- Managing Director.

The Management Board of UAB EIKA is the collective executive body which manages UAB EIKA. The Management Board of UAB EIKA consists of four persons: Robertas Dargis, Aldutė Popovienė, Violeta Dargienė, Domas Dargis. The Management Board of UAB EIKA has delegated decision-making power to the Managing Director, however the Management Board decides on all strategic matters, e.g., large investments, project development and company's financial health.

The Managing Director of UAB EIKA is the single executive body of UAB EIKA that represents it in the daily activities. The Managing Director of UAB EIKA is Domas Dargis.

A short description of the key persons in UAB EIKA is provided below:

- **Robertas Dargis** (Chairman of the Management Board). Robertas is a founder and major shareholder of UAB EIKA and associated companies. With over 40 years of real estate experience, he is a leading industry figure. Mr. Dargis is a former president of Lithuanian Industrialists' Confederation, Lithuanian Real Estate Development Association and a well-known public figure.
- **Domas Dargis** (member of the Management Board, Managing Director). Domas joined UAB Eika in 2008, where until 2014 was the Director of development department and afterwards

became its Managing Director. He's also the Chairman of the Management Board of UAB Eikos Statyba and other companies. Before joining UAB EIKA, for 3 years he worked at Cushman & Wakefield in London, United Kingdom. He has Bachelor's of Business Administration degree from King's College London and Real Estate Master's degree from Reading University College of Estate Management.

The Issuer is not aware of any conflicts of interest or potential conflicts of interest between the company duties of the members of the Management Board of UAB EIKA and his/her private interests and/or other duties.

#### **9.5 Major shareholders**

Information on the shareholders of UAB EIKA is provided in Section 5.5 (*Organisational structure*).

As of the date of this Prospectus, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of UAB EIKA.

#### **9.6 Financial information**

Guarantor's consolidated audited financial statements for the year ended 31 December 2022 and 31 December 2021 have been prepared in accordance with the Law on Accounting of the Republic of Lithuania, the Law on Financial Statements of Entities of the Republic of Lithuania, the Local GAAP.

These financial statements are incorporated by reference.

#### **9.7 Auditors**

UAB Auditoriaus konsultacijos has audited the Guarantor's consolidated financial statements for the financial year ended 31 December 2022 and 31 December 2021, incorporated by reference to this Prospectus, and issued an unqualified auditor's report on the aforementioned financial statements.

UAB Auditoriaus konsultacijos is a member of the Lithuanian Chamber of Auditors.