

UAB "KVARTALAS"

ISSUE FOR THE OFFERING OF BONDS OF UAB "KVARTALAS" IN THE AMOUNT OF UP TO EUR 50,000,000 AND ADMISSION THEREOF TO TRADING ON THE BOND LIST OF AB NASDAQ VILNIUS

This base prospectus (the **Prospectus**) has been drawn up and published by UAB "Kvartalas", legal entity code 305475438, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania (the **Company** or **Issuer**) in connection with the public offering, listing and admission to trading of the Bonds (as defined below) to be issued by the Company from time to time under the Issue (as defined below) to the Bond List of AB Nasdaq Vilnius (the **Bond List of Nasdaq Vilnius** or **Nasdaq**), a regulated market in the Republic of Lithuania.

Under this EUR 50,000,000 bond issue (the **Issue**), the Company may from time to time publicly offer and issue up to 500,000 bonds with the nominal value of EUR 100 each (the **Bonds**) to retail and institutional investors of the Republic of Lithuania, Latvia and Estonia (the **Offering**), but the Issuer may also choose to offer the Bonds to investors in any Member State of the European Economic Area (the EEA) under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation (as defined below). All Bonds offered, issued, listed and admitted to trading under this Prospectus from time to time by way of all separate series (the **Tranche**) under respective final terms (the **Final Terms**) will form one and the same Issue and have the same ISIN code.

The function of this Prospectus is to give information about the Company, the Issue and the Bonds. Each Final Terms of the respective Tranche will be decided and announced separately.

The Bank of Lithuania in its capacity as the competent authority in the Republic of Lithuania under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**) on 18 November 2024 has approved this document as a Prospectus and has notified the approval of the Prospectus to the Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksioon*; the **EFSA**) and to the Bank of Latvia (in Latvian: *Latvijas Banka*). All the Bonds of the Company (when issued) will be dematerialized registered bonds and will be registered with Lithuanian branch of Nasdaq CSD, SE (the merged central securities depository of the Republic of Lithuania, Latvia and Estonia, the **Nasdaq CSD**) that operates a central security depository in the Republic of Lithuania (the **Register**).

The approval by the Bank of Lithuania of this Prospectus only means that it is meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Investing into the Bonds involves risks and may not be suitable for all investors. Each prospective investor in the Bonds must determine, based on its own independent review and, if applicable, professional advice (as the appropriateness of the Bonds will be determined by the financial intermediary through which the investor subscribes to the Bonds, if required by applicable laws) that the investment in the Bonds is suitable in light of its financial circumstances and objectives. While every care has been taken to ensure that this Prospectus presents a fair and complete overview of the material risks related to the Company, its operations and to the Bonds, the value of any investment in the Bonds may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in this Prospectus. Each decision to invest in the Bonds must be based on the Prospectus in its entirety. Therefore, we suggest you familiarise yourselves with the Prospectus thoroughly.

NOTICE TO ALL INVESTORS

Neither this Prospectus nor any Final Terms constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Bonds offered by any person in any jurisdiction in which such an offer or solicitation is unlawful, in particular this Prospectus and any Final Terms may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the United States of America (the **United States** or **U.S.**), Australia, Canada, Hong Kong and Japan.

Moreover, neither this Prospectus nor any Final Terms should be considered as a recommendation by the Issuer or the Arranger/Dealer (as defined below) or any other person engaged by the Issuer in connection with the Offering that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Bonds. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Company and the Bonds.

The Bonds have not been and will not be registered under the relevant laws of any state, province or territory other than the Republic of Lithuania, Estonia and Latvia and may not be offered, sold, transferred or delivered, directly or

indirectly, within any other jurisdiction than the Republic of Lithuania, Estonia and Latvia, except pursuant to an applicable exemption. Notwithstanding anything to the contrary contained in this Prospectus, the Bonds shall not be offered, sold, transferred or delivered, directly or indirectly, to (i) any Russian or Belarusian national or natural person residing in Russia or Belarus, or (ii) any legal person, entity or body established in Russia or Belarus, and (iii) regardless of nationality, residence or establishment, to any person to whom such offering, sale, transfer or delivery of the Bonds is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the European Union, the United Nations or the United States).

Distribution of copies of the Prospectus or any related documents, including any Final Terms, are not allowed in those countries where such distribution or participation in the Offering of the Bonds requires any extra measures or is in conflict with the laws and regulations of these countries. Persons who receive this Prospectus or any related document, including any Final Terms, should inform themselves about any restrictions and limitations on distribution of the information contained in this Prospectus and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken by the Company in relation to the Bonds or rights thereto or possession or distribution of this Prospectus or any Final Terms in any jurisdiction where action is required, other than in the Republic of Lithuania, Estonia and Latvia. The Company is not liable in cases where persons or entities take measures that are in contradiction with the restrictions mentioned in this paragraph.

INFORMATION FOR UNITED STATES INVESTORS

The Bonds have not been approved or disapproved by any United States' regulatory authority. The Bonds will not be, and are not required to be, registered with the U.S. Securities and Exchange Commission under the U.S Securities Act of 1933, as amended (the **Securities Act**) or on a United States securities exchange. The Company does not intend to take any action to facilitate a market for the Bonds in the United States. The Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

VALIDITY OF PROSPECTUS

The Prospectus is valid for 12 months after the date of its approval provided that the Prospectus is supplemented in case new factors, material mistakes or material inaccuracies occur, and such an obligation does not apply after the end of the validity period of the Prospectus.

ARRANGER AND DEALER

"Swedbank", AB, legal entity code 112029651, registered address at Konstitucijos ave. 20A, Vilnius, 03502, the Republic of Lithuania, which is assigned by the Issuer for the purposes of arranging the Issue, Offering in the Republic of Lithuania, Latvia and Estonia and admission of the Bonds to trading on the Bond List of Nasdaq Vilnius (the **Arranger** and/or **Dealer**), and/or for any other purposes and services as provided for in the Prospectus.

Arranger and Dealer



The date of this Prospectus is 18 November 2024

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1. INTRODUCTORY INFORMATION

1.1. Applicable Law

The Prospectus has been drawn up in accordance with the Prospectus Regulation and the Delegated Regulation¹ and the Law of the Republic of Lithuania on Securities, as amended (the **Law on Securities**), and the rules promulgated thereunder. The Prospectus comprises of a registration document of the Company drawn up in accordance with Annex 6 of the Delegated Regulation and of securities note of the Bonds drawn up in accordance with Annex 14 of the Delegated Regulation.

This Prospectus is governed by Lithuanian law. Any disputes, relating to or arising in relation to the Bonds shall be finally settled solely by the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration which is granted with exclusive jurisdiction to hear, settle and/or determine any dispute, controversy, or claim (including any non-contractual dispute, controversy or claim) arising out of or in connection with the Prospectus or the Bonds. The investor may be required under national law to bear the costs of translating this Prospectus before being able to bring a request/claim to the state court in relation to this Prospectus, Bonds and arbitration award.

Before reading this Prospectus, please take notice of the following important introductory information.

1.2. Persons Responsible

The person responsible for the information given in this Prospectus is the Company. The Company accepts responsibility for the fullness and correctness of the information contained in this Prospectus as of the date hereof. Having taken all reasonable care to ensure that such is the case, the Company believes that the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts, and contains no omission likely to affect its import.

[signed digitally]

of the Company

Marius Žemaitaitis

Without prejudice to the above, no responsibility is accepted by the person responsible for the information given in this Prospectus solely on the basis of the summary of any Tranche issued under this Prospectus and respective Final Terms, including any translation thereof, unless such 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 Bonds.

1.3. Presentation of Information

Final Terms and Reading the Prospectus. The Bonds are issued in Tranches on the terms set out herein under Section “*Terms and Conditions of the Bonds*” (the **Terms and Conditions**) as completed by a document specific to each such Tranche called the final terms (the **Final Terms**) as described under respective Section “*Form of Final Terms of the Bonds*”. The Prospectus should be read together with all supplements and in respect of each Tranche of Bonds with the Final Terms of such Tranche. The Final Terms of each individual Tranche will be published together with the summary drawn up for such Tranche on the website of the Company at www.savarzele.lt, and after the Bonds are listed and admitted to trading on the Bond List of Nasdaq Vilnius, these documents will also be published on Nasdaq operated Central Storage Facility (the **CSF**) at www.crib.lt. The Final Terms and summary of the

¹ Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004 (the **Delegated Regulation**).

separate Tranches will not be approved by the Bank of Lithuania or any other supervisory authority but will be filed with the Bank of Lithuania.

Approximation of Numbers. Numerical and quantitative values in this Prospectus (e.g., monetary values, percentage values, etc.) are presented with such precision which is deemed by the Company to be sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented as percentages do not necessarily add up to 100% due to the effects of approximation. Exact numbers may be derived from the Financial Statements to the extent that the relevant information is reflected therein.

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

Date of Information. 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 Company, 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.

Third Party Information and Market Information. For portions of this Prospectus, certain information may have been sourced from third parties. Such information is accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information has been sourced from third parties, a reference to the respective source has been provided together with such information were presented in this Prospectus. Certain information with respect to the markets in which the Company operates is based on the best assessment made by the Management. Nevertheless, investors should take into consideration that the Company has not verified the information published by third parties and while every reasonable care was taken to provide best possible assessments of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Therefore, the Company does not guarantee the accuracy of such data, estimates or other information sourced from third parties. Investors are encouraged to conduct their own investigation of the relevant markets or employ a professional consultant.

Updates. The Company will update the information contained in this Prospectus only to such extent and at such intervals and by such means as required by the applicable law or considered necessary and appropriate by the Management. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus (please see Section 1.5 "*Forward-Looking Statements*" below).

Hyperlinks to Websites. This Prospectus contains hyperlinks to websites. The information on the websites does not form part of the Prospectus and has not been scrutinised or approved by the Bank of Lithuania, except for hyperlinks to information that is incorporated by reference in this Prospectus.

Language. The language of this Prospectus is English. Certain legislative references and technical terms may have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

1.4. Historical Financial Information and Accounting Standards

The following historical financial information has been incorporated into this Prospectus by reference under Section 4 "*Information incorporated by Reference*");

- (i) the audited financial statements of the Company for the year ended 31 December 2022;

- (ii) the audited financial statements of the Company for the year ended 31 December 2023 ((i) and (ii) together referred to as the **Audited Financial Statements**);
- (iii) the unaudited interim financial statements of the Company for the 6-month period ended 30 June 2024 (the **Unaudited Interim Financial Statements** and Audited Financial Statements together with Unaudited Interim Financial Statements jointly referred to as the **Financial Statements**).

The Financial Statements have been prepared in accordance with the Lithuanian Financial Reporting Standards (**LFAS**) as adopted by the Republic of Lithuania. The presentation of financial information in accordance with the LFAS requires management to make various estimates and assumptions which may impact the values shown in the financial statements and notes thereto. The actual values may differ from such assumptions.

The Company's financial year starts on 1 January and ends on 31 December, the amounts are presented in thousand euros unless otherwise indicated.

The Audited Financial Statements are audited by UAB "KPMG Baltics", legal entity code 111494971, registered address at Lvivo st. 101, Vilnius, the Republic of Lithuania.

1.5. Forward-Looking Statements

This Prospectus includes forward-looking statements (notably under Section 3 "*Risk Factors*", Section 13 "*Business Overview*" and Section 9 "*Reasons for Offering and Use of Proceeds*"). Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the beliefs of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Company, the macro-economic environment and other similar factors.

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

The validity and accuracy of any forward-looking statements is affected by the fact that the Company operates in a highly competitive business. This business is affected by changes in domestic and foreign laws and regulations (including those of the EU), taxes, developments in competition, economic, strategic, political and social conditions, clients' response to new and existing products and technological developments and other factors. The Company's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Company (please see Section 3 "*Risk Factors*" for a discussion of the risks which are identifiable and deemed material at the date hereof).

1.6. Use of Prospectus

This Prospectus and any Final Terms are prepared solely for the purposes of the Offering of the Bonds and admission to trading of the Bonds on the Bond List of Nasdaq Vilnius. This Prospectus and any Final Terms shall not be published in any jurisdiction other than the Republic of Lithuania, Latvia and Estonia and consequently the dissemination of this Prospectus and any Final Terms in other countries may be restricted or prohibited by law. This Prospectus and any Final Terms may not be used for any other purpose than for making the decision of participating in the Offering or investing into the Bonds.

You may not copy, reproduce (other than for private and non-commercial use) or disseminate this Prospectus or any Final Terms without express written permission from the Company.

Any person into whose possession this Prospectus or any part of it and/or any Final Terms comes to shall observe all restrictions established in this Prospectus or applicable laws. The Company will not be liable in cases where persons take measures that are in contradiction with the applicable restrictions.

1.7. Approval of Prospectus

This Prospectus has been approved by the Bank of Lithuania on 18 November 2024. The Bank of Lithuania only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and therefore the approval should not be considered as an endorsement of the Company and the quality of the Bonds that are the subject of this Prospectus.

Each prospective investor in the Bonds must determine, based on its own independent review and, if applicable, professional advice (as the appropriateness of the Bonds will be determined by the financial intermediary through which the investor subscribes to the Bonds, if required by applicable laws) that the investment in the Bonds is suitable in light of its financial circumstances and objectives.

1.8. Availability of Prospectus and Other Information

This Prospectus is available as of 19 November 2024 in an electronic format on the website of the Company (www.savarzele.lt). After the Bonds admission to trading on the Bond List of Nasdaq Vilnius, the Prospectus shall also be available on the website of Nasdaq (www.nasdaqbaltic.com). Any investor may request delivery of an electronic copy of this Prospectus (or any documents incorporated herein by reference as disclosed in Section 4 “*Information incorporated by Reference*”) from the Company or Trustee without charge by sending request by e-mail of the Company info@lordslb.lt or the Trustee info@lt.gt.com.

Paper copy of this Prospectus (or copies of the documents incorporated herein by reference as disclosed in Section 4 “*Information incorporated by Reference*”) also the relevant Final Terms can be obtained free of charge at the premises of the Company (Jogailos st. 4, Vilnius, the Republic of Lithuania on business days between 10:00 – 15:00) by any investor upon prior arrangement with the Company by e-mail info@lordslb.lt.

All information presented on the Company’s website which has not been incorporated by reference into this Prospectus under Section 4 “*Information incorporated by Reference*” does not form part of the Prospectus.

1.9. Definitions

In this Prospectus, the definitions will have the meaning indicated below, unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of most importance. Other definitions may be defined and used elsewhere in the Prospectus, including specific definitions related to the Issue and Offering provided in the Terms and Conditions under Section 6 “*Terms and Conditions of the Bonds*” of this Prospectus.

Term	Definition
Audited Financial Statements	shall mean the audited financial statements of and for the year ended 31 December 2022 and the audited financial statements of and for the year ended 31 December 2023 of the Company, both prepared in accordance with the LFAS, including the independent auditor’s reports on the financial statements.

Articles of Association	shall mean the Articles of Association of the Company effective as at the date of this Prospectus.
Bank of Lithuania	shall mean the Bank of Lithuania (in Lithuanian: <i>Lietuvos bankas</i>) with its registered office in Vilnius, the Republic Lithuania. The Lithuanian financial supervision authority.
Bonds	shall mean any and all the Company's bonds offered in accordance with this Prospectus.
Bond List of Nasdaq Vilnius	shall mean the regulated bond market operated by Nasdaq – Bond List of Nasdaq Vilnius, where the Bonds issued under this Prospectus shall be listed and admitted to trading.
Company or Issuer	shall mean UAB "Kvartalas", legal entity code 305475438, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania. The Company is being managed by the Management Company. The Company's data is collected and stored with the Register of Legal Entities of the Republic of Lithuania.
EEA	shall mean the European Economic Area.
EU	shall mean the European Union.
EUR, €, euro	shall mean the official currency of Eurozone countries, including the Republic of Lithuania, Latvia, Estonia, the euro.
Final Terms	shall mean the final terms of the relevant Tranche of the Bonds, where the form of the Final Terms is provided in Section 7 " <i>Form of Final Terms of the Bonds</i> ".
Financial Statements	shall collectively refer to the Audited Financial Statements and Unaudited Interim Financial Statements.
Fund or Sole Shareholder	shall mean the closed-ended real estate investment fund intended for informed investors Right Bank Development Fund (fund code No I130), managed by the Management Company and which is the sole shareholder of the Company as of the date of the Prospectus.
General Meeting	shall mean the General Meeting of Shareholders of the Company, the supreme body of the Company.
Key Executives or Management	shall mean the following persons (separately or collectively) within the Company and/or Management Company's organization structure, as applicable: the Chief Executive Officer (the CEO), the Chief Financial Officer (the CFO), the Chief Risk Officer (the CRO), the members of the Management Board of the Management Company, the Fund's manager acting under the power of attorney issued by the Management Company.
LFAS	shall mean the Lithuanian Financial Reporting Standards as adopted by the Republic of Lithuania.
Management Company	shall mean UAB "Lords LB Asset Management", legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania, a licensed investment management company supervised by the Bank of Lithuania.

Offering	shall mean the offering of the Bonds to institutional and retail investors of the Republic of Lithuania, Latvia and Estonia, which is a public offering of securities within the meaning of the Law on Securities and the Prospectus Regulation.
Issue	shall mean the aggregate of the Bonds to be issued under ISIN LT0000411167 by way of all Tranches in the amount of up to EUR 50,000,000.
Prospectus	shall mean this document, including the registration document of the Company and the securities notes of the Bonds.
Prospectus Regulation	shall mean Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Related Parties	shall mean the third party, as defined in the International Accounting Standard, 24 <i>Related Party Disclosures</i> .
Terms and Conditions	shall mean the terms and conditions of the Bonds which are provided in Section 6 " <i>Terms and Conditions of the Bonds</i> " of this Prospectus, applicable to all the Bonds to be issued in each of the respective Tranches, as completed by the relevant Final Terms.
Tranche	shall mean a portion of the Bonds of the Issue issued from time to time during the validity term of this Prospectus under the respective Final Terms as contemplated by the Terms and Conditions.
Unaudited Interim Financial Statements	shall mean the Company's unaudited interim financial statements for the 6-month period ended 30 June 2024 prepared in accordance with the LFAS.

2. OVERVIEW OF THE ISSUE

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the Bonds, the applicable Final Terms. This overview must be read as an introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole and, in relation to the terms and conditions of any particular Tranche of the Bonds, the applicable Final Terms.

The below overview constitutes a general description of the Issue for the purposes of Article 25(1)(b) of the Delegated Regulation.

Issuer	UAB "Kvartalas"
Legal Entity Identifier (LEI) of the Issuer	98450090J5CC5A19F957
Issue Approval	The Issue has been approved by a Decision of Sole Shareholder dated 13 November 2024.
Issue Amount	Up to 50,000,000 EUR, i.e., up to 500,000 Bonds can be issued under the Issue.
Description	Bond Issue secured with a real estate Collateral.
ISIN code	LT0000411167
Method of Issue	The Bonds will be issued in Tranches under the same ISIN code. Each Tranche will be issued on different Issue Dates. The Bonds of each Tranche will all be subject to identical terms as provided in the Terms and Conditions, except that the Final Terms of different Tranches may (or will) establish different Issue Dates, Issue Prices, Yield.
Final Terms	The Bonds issued under the Issue will be issued pursuant to the Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of the Bonds will be the Terms and Conditions as completed by the relevant Final Terms.
Currency	The Bonds will be denominated in euros.
Denomination	The Nominal Value (denomination) of each Bond is EUR 100.
Maturity	The Bonds are to be issued with a maturity of up to 2 years (i.e. the Bonds issued under the Issue by way of all Tranches will be redeemed on the Final Maturity Date which will be specified in the Final Terms of the first Tranche), unless redeemed earlier as prescribed further.
Status of Bonds	The Bonds of the Issue will be issued as secured fixed-term Bonds only. The Bonds constitute secured, unsubordinated, direct, and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves. The payment obligations of the Issuer under the Bonds together with interest thereon, in as much as such payment obligations have not been settled in due time and from the value of the established Collateral shall rank at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be

	preferred by provisions of law that are both mandatory and of general application.
Form of Bonds	The Bonds shall be issued in dematerialized form and book-entered with Nasdaq CSD. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be listed and admitted to trading on the Bond List of Nasdaq Vilnius (regulated market), shall be made by Nasdaq CSD. The Bonds shall be valid from the date of their registration with Nasdaq CSD until the date of their redemption. No physical certificates will be issued to the Bondholders. Principal and interest accrued will be credited to the Bondholders' Securities Accounts through Nasdaq CSD.
Collateral	<p>The whole Issue shall be secured by the Mortgage over the Property (i.e. Land Plot and Building), created in favour of the Trustee acting on behalf of the Bondholders.</p> <p>Please see Section 6.17 "<i>Collateral</i>" of the Terms and Conditions for more information in respect to the Collateral.</p>
Rights attached to Bonds	<p>The rights attached to the Bonds have been established in the Terms and Conditions. The main rights of the Bondholders arising from the Bonds are the right to the redemption of the Bonds and the right to receive payment of interest.</p> <p>The rights arising from the Bonds can be exercised by the Bondholders in accordance with the Prospectus and the applicable law. According to the Terms and Conditions as prescribed further in the Prospectus, any dispute between the Company and a Bondholder shall be solved by amicable negotiations and if the amicable negotiations have no outcome during a reasonable period of time, the dispute shall be settled by the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration (the number of arbitrators shall be three; the place of arbitration shall be Vilnius; the language of arbitration shall be English). Claims arising from the Bonds shall expire in accordance with the statutory terms arising from applicable law.</p> <p>After the contemplated admission of the Bonds to trading on the Baltic Bond List of the Nasdaq, all material information in relation to the Company, Issue and Bonds will be disclosed via the CSF at www.crib.lt.</p>
Issue Price	The Bonds may be issued at any price (at a Nominal Value or at a discount or at a premium or adding to the price the interest accrued on the Bonds from the last Interest Payment Date (in case the last Interest Payment Date was before the Issue Date of the relevant Tranche)). The Issue Price and amount of each Tranche of the Bonds to be issued will be determined by the Company in accordance with prevailing market conditions and established in the relevant Final Terms.
Interest	The Bonds will be interest bearing as provided and calculated in accordance with Section 6.9 " <i>Interest</i> " of the Terms and Conditions and the respective Final Terms. The accrued interest for the Bonds will be computed using the Act/Act (ICMA) day count convention, as per the

	formula detailed in the Terms and Conditions.
Redemption	<p>The Bonds shall be redeemed, i.e. the Redemption Price shall be paid to the Bondholders on the Final Maturity Date or, if applicable, on the relevant Early Redemption Date or Early Maturity Date.</p> <p>The Redemption Price paid to the Bondholder on the Final Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Final Maturity Date (unless early redeemed, as indicated below).</p>
Early Redemption	Except for cases specified in Section 6.11(d) " <i>De-listing Event or Listing Failure (put option)</i> " and Section 6.11(e) " <i>Extraordinary Early Redemption</i> " of the Terms and Conditions, there are no other cases where the Bondholders have a right to demand redemption of the Bonds prior the Final Maturity Date.
De-listing Event or Listing Failure (put option)	If at any time while any Bond remains outstanding, there occurs (a) a De-listing Event, or (b) a Listing Failure, each Bondholder will have the option to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Bonds on the De-listing Event or Listing Failure Put Date, as determined in accordance with these Terms and Conditions, paying to the Bondholder full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant De-listing Event or Listing Failure Put Date (exclusive). More details in Section 6.11(d) " <i>De-listing Event or Listing Failure (put option)</i> ".
Early Optional Redemption of Bonds by the Company	<p>The Bonds shall be redeemable wholly or partially at the option of the Issuer prior to the Final Maturity Date on the following conditions:</p> <ul style="list-style-type: none"> (i) the Bondholders and Trustee shall be notified at least 30 calendar days in advance on the anticipated early redemption of the Bonds; (ii) on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 1 % (to be calculated from the Nominal Value of the Bonds) if the Early Redemption Date occurs between the Issue Date of the first Tranche and 1.5 years thereafter (inclusive); (iii) no premium shall be paid if the Early Redemption Date is after 1.5 years following the Issue Date of the first Tranche, and on the Early Redemption Date the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding).
Listing and Trading	Application(s) will be made for the Bonds issued under the Issue to be listed and admitted to trading on the Bond List of Nasdaq Vilnius. The Company expects that the Bonds of the respective Tranche shall be listed and admitted to trading on the Bond List of Nasdaq Vilnius within 4 months as from placement thereof to the investors the latest. Disregarding this, the Company will put best efforts so that this term would be as short as

	<p>practically possible. The Final Terms will indicate the respective Tranche's expected listing and admission date.</p>
Covenants	<p>(i) LTC ratio;</p> <p>(ii) Negative Borrowing;</p> <p>(iii) Negative Pledge;</p> <p>(iv) Mortgage over Property;</p> <p>(v) Disposal of Property;</p> <p>(vi) Corporate Status;</p> <p>(vii) Decisions;</p> <p>(viii) Reporting obligations.</p> <p>Full descriptions on the above listed covenants are provided for in Section 6.12 "<i>Covenants of the Issuer</i>" of the Terms and Conditions.</p>
Transfer Restrictions	<p>There are no restrictions on transfer of the Bonds as they are described in the applicable Lithuanian laws. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the United States, except for the exceptions to registration obligation allowed by the securities laws of the United States and its states, Australia, Canada, Hong Kong and Japan. Any person into whose possession this Prospectus or any part of it and/or any Final Terms comes to shall observe all such restrictions.</p>
Taxation	<p>All payments to be made in connection with the Bonds shall be calculated and paid taking into account any taxes and other deductions mandatory under applicable laws respectively in the Republic of Lithuania, Latvia and Estonia. Please see Section 15 "<i>Taxation</i>" of the Prospectus for more information in respect to taxation in each jurisdiction.</p>
Risk Factors	<p>Investing in the Company's Bonds involves certain risks. The principal risk factors that may affect the ability of the Company to fulfil its respective obligations under the Bonds are discussed under Section 3 "<i>Risk Factors</i>" of the Prospectus.</p>
Governing Law	<p>The Bonds shall be governed by Lithuanian law.</p>
Ratings	<p>Neither the Issuer nor the Bonds have been rated by any credit rating agencies.</p>
Waiver of Set-Off	<p>No holder of the Bonds shall be entitled to exercise any right of set off or counterclaim against moneys owed by the Company in respect of the Bonds.</p>
Estimated Expenses charged to Investor	<p>No expenses will be charged to the investors by the Issuer in respect to the Offering, transfer of the Bonds to the Securities Account of an investor upon Bonds' issuance and admission of the Bonds to trading on the Bond List of</p>

	Nasdaq Vilnius. However, investors may be responsible for covering expenses related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions charged by these institutions or firms for executing purchase or sale orders, holding the Bonds, or performing any other operations related to the Bonds. The Issuer will not compensate investors for any such expenses.
Use of Proceeds	<p>(i) Financing the construction and fit-out of the Project (incl. financing costs related to the Project) in an amount up to EUR 47,000,000;</p> <p>(ii) to finance redemption of the subordinated intercompany bonds together with accrued interest from the Fund up to the maximum amount of EUR 3,000,000.</p> <p>The company may also use the proceeds from the Issue to support its working capital needs.</p>
Arranger and Dealer	"Swedbank", AB.
Distributor	In case the Company would assign any Distributor for the purpose of the Offering of the Bonds, contacts of such Distributor will be indicated in the Final Terms of the respective Tranche.
Trustee	Grant Thornton Baltic UAB, a private limited liability company, legal entity code 300056169, with its registered address at Upės st. 21-1, Vilnius, the Republic of Lithuania.

3. RISK FACTORS

Investing into the Bonds issued by the Company entails various risks. Each prospective investor in the Bonds should thoroughly consider all the information in this Prospectus, including the risk factors described below. Any of the risk factors described below, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Company and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds. As a result, investors could lose a part or all of the value of their investments. The Management believes that the factors described below present the principal risks inherent in investing into the Bonds. The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The risk factors in a category are presented considering the materiality and probability of occurrence of a particular risk, i.e., the risk factors within each category are presented in descending order, with the most material risks listed first.

This Prospectus is not, and does not purport to be, investment advice or an investment recommendation to acquire the Bonds. Each prospective investor must determine, based on its own independent review and analysis and such professional advice as it deems necessary and appropriate, whether an investment into the Bonds is consistent with its financial needs and investment objectives and whether such investment is consistent with any rules, requirements and restrictions as may be applicable to that investor, such as investment policies and guidelines, laws and regulations of the relevant authorities, etc.

3.1. Risks related to the Company

3.1.1. Financial Risks

Construction cost and Project's success risk

The Company is undertaking the development of an A++ class business center "Šavaržėlė" in the Republic of Lithuania. While construction is slated for completion by the end of 2025, within an estimated total Project cost of 78.1 million EUR, it is important to note that construction commenced in early 2024, and there is no assurance that all planning information was accurate or fully comprehensive.

Investments in newly constructed buildings carry more risk compared to investments in completed properties, as they do not yet generate operating income (e.g., rent) but still incur significant costs, including construction expenses, real estate taxes, and insurance. Real estate development also involves the risk of committing substantial financial resources to projects that could be cancelled due to legal or regulatory issues, experience prolonged completion times, or incur higher-than-anticipated costs. Additionally, there is a risk of significant losses if third parties fail to successfully complete construction, potentially resulting in delays and cost overruns.

Furthermore, global market conditions, such as the ongoing Russia-Ukraine war, volatility in the electricity market, and fluctuations in the supply chain for building materials could greatly influence key variables like financing costs, operating expenses, and construction costs. Consequently, the Project could encounter delays, generate less revenue, or incur higher costs than initially expected. These delays may also lead to tenants terminating existing agreements, which could further impact the Company's financial position and its ability to meet its obligations to Bondholders.

Therefore, the Issuer considers the risks outlined herein to be significant. Should these risks materialize, the Bondholders may not receive the anticipated return on their investment and, in the worst-case scenario, could lose the entirety of their investment.

Tenants' risk

As of the date of the Prospectus, the Company has secured a leasing contract with AB Šiaulių bankas, for 46% of the total Project's gross leasable area (the **GLA**). AB Šiaulių bankas is the only tenant as of the date of this Prospectus. However, the lease agreement with AB Šiaulių bankas may be terminated due to the fault of either party in the event of a material breach, for example the Company's failure to hand over the premises to the lessee (AB Šiaulių bankas) or the lessee's failure to take over the premises from the Company, or the termination may occur due on other contractual grounds, subject to penalties and other sufficient compensation.

Furthermore, given the increasing supply of business centres in Vilnius and the competitive rental market, the Company may need to offer discounts to attract tenants or make significant additional investments that cannot be accurately forecasted. Additionally, broader economic factors, such as fluctuations in interest rates, changes in demand for commercial spaces, or shifts in tenant preferences, could also impact leasing efforts. If the market slows down, leading to higher vacancies and increased pricing competition, there is a risk of prolonged vacancies and lower-than-expected income.

Although the Issuer considers that, as of the date of this Prospectus, the risks outlined herein are moderate – given that construction progress is in line with the Project's schedule and cost structure, as well as the still remaining demand for new commercial spaces in Vilnius – the materialization of these risks could significantly affect the overall financial viability of the Project and the Company's ability to meet its financial obligations, including those to the Bondholders.

Credit and default risk of the Company

The Company is a special purpose vehicle established for the construction, development, and fit-out of a single real estate Project. At the moment, considering the development stage of the Project, the Company does not generate revenue from the operations of the business center under development, all its activities are primarily financed by the Sole Shareholder and further, also by the Bonds to be issued under this Prospectus. Company's financial statements show continuing increase in liabilities, however the value of the Project under development is rising with each construction day as well. Consequently, reliance on external financing and timely decisions of the Management Company considering the increased balance sheet liabilities poses a credit risk for the Company if its capital needs are not met. Furthermore, the existing and anticipated increases in the Company's debt obligations related to the equity capital provided by the Sole Shareholder shows the tight financial link between the Sole Shareholder and the Company. The injected equity capital provided by the Sole Shareholder, starting from the date of its subscription, shall be deemed as fully subordinated and ranking below the Bonds of the Issue (including all payments under the Prospectus, if any). This indicates that in the event of insolvency or default, the Bondholders will have a higher priority than the Sole Shareholder for the repayment of the Issuer's debt obligations. Specifically, the debt to the Sole Shareholder will be repaid only after all Bondholders' claims have been fully settled.

Therefore, investing in the Bonds carries credit risk, meaning the Company may not meet its obligations on time or in full due to the materialization of the credit risk. Even though all of the Company's debt obligations to the Sole Shareholder under any bond subscription agreement are fully subordinated in favour of the Bondholders, the Company's ability to fulfill these obligations, and the Bondholders' ability to receive payments, still depends on the Company's financial health and operational performance, which are subject to the additional risks detailed in this Prospectus. In the event of the Company's insolvency, Bondholders may not receive full or any payments related to the Bonds.

The Company cannot guarantee that defaults will not occur before the Bonds' Final Maturity Date. Therefore, investors should independently assess the Issuer's creditworthiness before investing in the Bonds.

Under the circumstances outlined above, the Company has assessed the risk as medium, but should the risk materialize, it would have a significant impact on the Company's financial position and ability to meet its financial obligations.

Liquidity risk

Liquidity risk is the risk that the Company may not have enough cash or liquid assets to meet its payment obligations and redeem the Bonds when due. Maintaining liquidity and accessing long-term financing are essential for the Company to meet its financial commitments. However, future difficulties in accessing financial markets could make obtaining funding more challenging or costly. There is no guarantee that the Company will be able to secure financing at a reasonable cost, or at all. The Company may also face risks from the solvency of its financial counterparties, which could negatively impact its business, financial condition, and operational results. Although the Management actively monitors and manages liquidity risk and after considering various internal and external factors, the Company has assessed liquidity risk as medium, a decline in the Company's liquidity could materially harm its business, financial health, and ability to redeem the Bonds at maturity if it does not receive the necessary capital injections.

(iii) Business activities and industry risks

Real estate market risk

The real estate market is inherently volatile, and there is a risk that real estate investments may lose value over time. Since the Company's operations are closely tied to real estate construction and development, its primary risk is the fluctuation in the real estate market, which could decrease the liquidity and value of its assets. Additionally, real estate market is competitive, which arises from the current supply of business centers in Vilnius, as well as several other business centers that are under construction and scheduled for completion around a similar time as the Project. Given that the real estate market is closely linked to the overall state of the economy in Lithuania and internationally, the Company's target clients (tenants) may slow their expansion and growth plans, thus interest in the Company's services may decrease and it may be difficult to find suitable tenants for the Project (for more information about the real estate market please see Section 13.6 "*Trend information*"). Fluctuations in the real estate market may be driven by rising interest rates and reduced access to financing, which can dampen buyer activity while increasing the number of properties for sale. This scenario could result in declining asset prices and lower transaction volumes, potentially harming the Company's financial position if it decides to sell the Project. Moreover, a decrease in the value and liquidity of real estate assets used as Collateral for Bondholders could affect the Company's ability to meet its obligations to Bondholders, thereby impacting their claims against the Issuer regarding the Bonds.

As of the date of this Prospectus, there is no significant economic downturn domestically. However, the Company has assessed the risk of such a downturn as significant, given that adverse circumstances could impact the real estate market and, consequently, the Company's financial standing.

Risk of limited investment diversification

The concentration of the Company's activities and investments in a single Project elevates the Company's risk profile. Although the Project's development and construction are progressing according to schedule and estimated cost structure, lack of diversification makes the Company more vulnerable to adverse developments specific to this Project. Since the Company has no other real estate assets or revenue-generating activities, it evaluates this risk as medium. Any setbacks or financial difficulties encountered during the development of this real estate Project could have a significant adverse impact on the Company's financial health. Such issues could disrupt the progress of the Project, increase costs, or delay completion. This, in turn, would affect the overall risk dynamics of the investment, potentially jeopardizing the Company's ability to generate anticipated returns and meet its financial obligations.

Consequently, the Company's ability to redeem the Bonds at maturity could be compromised, amplifying the risk for Bondholders.

3.1.2. Legal risks

Risk of legal disputes

Although the Company is not currently involved in any legal proceedings and considers this risk to be remote, it cannot guarantee that disputes with tenants or other counterparties will not arise in the future. The outcomes of such disputes are unpredictable but may result in early termination of major Project related agreements. If a dispute was to be resolved unfavorably for the Company, it could adversely impact its operations, financial condition, and reputation and may cause the materialization of the above described credit risk. The Company might be required to pay damages, including the opposing party's legal costs as well as its own legal expenses. Moreover, disputes may cause delays in the successful and timely completion of the Project or result in vacancies of Project premises, which itself may lead to decrease of Project related revenue. Such developments could affect the Company's ability to fulfill its obligations to investors and potentially reduce the attractiveness and liquidity of the Bonds.

3.1.3. Governance and internal control risks

Management and human resources risk

The Issuer is a company wholly owned by the Fund, which is controlled by the Management Company (if the Company were to become a collective investment undertaking, its management would be transferred to the Management Company). The Management Company possesses significant expertise, a skilled management team, professional staff, and the resources to engage external advisors.

The Company's success and growth are heavily dependent on the expertise of its CEO and those within the Management Company, especially Key Executives and individuals with specialized skills in project development, financing, operation, and maintenance. The departure of these key individuals due to their industry knowledge, familiarity with the Company's processes, and relationships with local partners could significantly impact the Company's business, financial stability, operational performance, and future prospects.

Since the Issuer relies extensively on the Management Company's resources for real estate development, any failure by the Management Company to quickly appoint qualified successors for departing employees, coupled with difficulties in managing temporary expertise gaps, could adversely affect the Company's business, financial health, and long-term outlook.

3.2. Risks related to the Bonds

3.2.1. General risks

Refinancing risk

The Company may need to refinance some or all of its outstanding debts, including the Bonds.

The Company plans to use a refinancing bank loan to redeem the Bonds issued under this Prospectus upon their Final Maturity Date. However, no agreements have been made at this stage. If securing a loan to refinance the Bonds proves unfeasible due to adverse debt market conditions or other challenges, the Issuer may consider selling the Project, or use the proceeds from a new bond issue to refinance the Bonds. The ability to obtain new financing or complete the Project sale transaction, or issue new bonds will depend on market conditions and the Issuer's creditworthiness. In unfavorable market conditions, the Issuer might struggle to access financing on favorable terms, or at all. Failure to successfully refinance its debt could adversely affect the Issuer, its financial condition, earnings, and the Bondholders' ability to fully or partially recover their investments under the Bonds.

Considering that the successful refinancing of the Company's debts is dependent on both the successful completion of the Project and the Company's financial standing at that time, the Company evaluates this risk as medium, when assessed in conjunction with the other risks outlined in the Prospectus.

Risk of insufficient value of the Collateral

The Issue will be secured. However, as of the date of the Prospectus, no Collateral is in place. Collateral will be established and registered with Lithuanian public register by the Issue Date of the first Tranche, as detailed in the Final Terms. The management and disposal of the Collateral, including actions like creating a mortgage, require approval from the Fund's depository. The risk of not receiving this approval is considered low since the issuance of Bonds and the securing of the Issuer's obligations comply with all legal requirements set out in the Issuer's and Fund's constitutional documents and legal acts.

Apart from the Collateral established for the benefit of the Bondholders during the Offering pursuant to the Prospectus, there will be no other securities of third parties securing the Issue.

Prospective investors should note that the Issuer does not guarantee that the value of the Collateral will equal or exceed the Nominal Value of the issued Bonds at any time, or that such value will be maintained.

The Collateral will consist of the Land Plot, the Building, and other relevant engineering communications and networks that are under construction (appurtenances of the Building). According to the real estate valuation report by UAB "NEWSEC VALUATIONS" dated 8 November 2024, the value of the entire Collateral as of 30 September 2024 was EUR 31,520,000. Valuations will be conducted annually.

The value of the Collateral is expected to increase as construction progresses and the Project is successfully completed. However, if the Company defaults before construction is finished, the Collateral's value may not be sufficient to cover all of the Issuer's obligations to Bondholders. Furthermore, if the Lithuanian real estate market experiences a downturn, leading to a significant drop in the Collateral's value even after Project completion, it may still be insufficient to satisfy all Bondholder claims. Therefore, it is crucial to understand that the value of the Collateral may fluctuate over time. In the event of enforcement, the Trustee's and Bondholders' claims will be satisfied based on the Collateral's value at the time of realization, as determined and executed according to the Code of Civil Procedure of the Republic of Lithuania.

It should be noted that foreclosure of the Collateral may be a prolonged process, particularly if buyers for the Collateral are difficult to find. Additionally, any funds obtained from the Collateral's realization will first be used to cover all costs and expenses related to the enforcement process (including, but not limited to, state duties and notary fees) incurred by the Trustee. Consequently, Bondholders will receive only the remaining amounts after the Trustee's claims have been satisfied.

The Company assesses the risk that the value of the Collateral may be insufficient to cover the Bondholders' claims at the time of realization of the Collateral, if any, as medium, when evaluated in conjunction with the other risks outlined in the Prospectus.

Inflation risk

At the time of this Prospectus high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities. Inflation reduces the purchasing power of a Bond's future interest and Nominal Value. Inflation may lead to higher interest rates which could negatively affect the Bonds price in the secondary market, therefore, the risk is considered medium.

Early redemption risk

According to the Terms and Conditions of the Offering established in the Prospectus, the Bonds may be redeemed prematurely on the initiative of the Company. If the early redemption right is exercised by the Company, the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor.

Moreover, there is no guarantee by the Company that Extraordinary Early Redemption Event will not occur, therefore in case of the occurrence of the Extraordinary Early Redemption Event the Bonds will have to be redeemed by the Company in accordance with the procedure established in the Prospectus and the rate of return from an investment into the Bonds may also be lower than initially anticipated by the investor.

The Company has assessed this risk as remote.

Transaction costs/charges

When purchasing, subscribing to, or selling Bonds, incidental costs such as brokerage fees, commissions, and other expenses may be incurred in addition to the transaction price. The involvement of various parties, such as domestic dealers or brokers in foreign markets, could lead to unforeseen charges not disclosed in this Prospectus. Moreover, changes in laws in Lithuania and/or the investor's domicile, or the introduction of new legal measures, may result in additional expenses or taxes for investors, potentially reducing their return on investment.

Natural persons who are Lithuanian tax residents shall consider that if the Issue Price of the Bond of certain Tranche would be higher than the Nominal Value of the Bond, the Nominal Value received after the Bond is redeemed by the Issuer should not be treated as income of the natural person. However, for personal income tax purposes, the difference between the Issue Price and the Nominal Value, i.e., loss, will not reduce the interest received or any other taxable income of the natural person.

The Company has assessed this risk as low.

3.2.2. Offering and admission to trading on the Bond List of Nasdaq Vilnius related risks

There is no active trading market for the Bonds / Risk of De-listing Event or Listing Failure (put option)

The Bonds are newly issued securities that may not have widespread distribution and currently lack an active trading market. Should a market develop, it may be limited in liquidity. Consequently, there is no guarantee of any market liquidity for the Bonds, nor can Bondholders be assured of their ability to sell the Bonds or obtain favorable prices upon selling.

The market for the Bonds could experience disruptions or volatility, which may negatively impact the Bonds' value, irrespective of the Company's financial performance and outlook. As a result, there is no guarantee that an active trading market for the Bonds will emerge.

While applications will be submitted for the Bonds' admission to trading on the Bond List of Nasdaq Vilnius, there is no assurance that Nasdaq will approve these applications, that any specific Tranche of the Bonds will be admitted (i.e., Listing Failure may occur), or that an active trading market will develop or the Bonds will not be subject to De-listing Event. Additionally, compared to other international debt securities markets, the Bond List of Nasdaq Vilnius is characterized by relatively low liquidity and limited secondary trading. As a result, Bondholders may incur losses due to an inability to sell the Bonds or being forced to sell them at an unfavorable price.

The Company assesses that the risk of active trading market not developing is high, while the risk of De-listing Event or Listing Failure (put option) is remote.

Bonds may not be appropriate to some Investors

The Bonds may not be suitable for all investors. Potential investors should carefully assess whether the Bonds are appropriate for their personal circumstances, ensuring they have adequate financial resources and liquidity to withstand the risks, including the possibility of losing all or a substantial part of their investment. This assessment is crucial unless the Bonds are subscribed through Exchange Members or Distributors, who are responsible for initially evaluating the Bonds' appropriateness for the investor, if required by applicable laws.

In particular, potential investors should: (i) possess sufficient knowledge and experience to evaluate the Bonds and the associated risks; (ii) have access to and understanding of analytical tools to assess the investment's impact on their overall portfolio; (iii) have the financial resources to bear the risks, especially if the Bonds' currency differs from their own; (iv) thoroughly understand the Bonds' terms and relevant market behavior; and (v) be able to consider various economic and interest rate scenarios that could affect their investment.

Investors should note that the Issuer will not assess whether the Bonds are appropriate financial instruments for them, as this responsibility lies with the Exchange Members or Distributors, if they are required to conduct such assessments by applicable laws. Therefore, subscribing directly through the Issuer without proper knowledge or assessment could result in an inappropriate investment decision.

The Issuer evaluates this risk as low.

Cancelation of the Offering

This Offering is entirely at the discretion of the Issuer. The Issuer reserves the right to cancel the Offering of any Tranche under the relevant Final Terms at any time before the Issue Date, for any reason, and without the consent of investors or the Trustee. Potential investors should be aware that the decision to cancel a Tranche Offering may be influenced by factors such as market conditions, regulatory issues, or other unforeseen circumstances. If a Tranche Offering is cancelled, any Subscription Orders placed will be disregarded, and any payments made will be refunded without interest or compensation. Additionally, the Issuer will not be liable for any costs, damages, or losses incurred by prospective investors, including due diligence, legal, or other professional fees.

Considering that the Issuer carefully plans the Offering and each Tranche, the Issuer considers the risk remote.

Continuous Offering

Although the Company intends to issue the entire EUR 50,000,000 under this Prospectus, it is possible that the full amount may not be raised as anticipated. In such a case, the Company may need to prepare a new base prospectus for the remaining portion of the Issue. There is a risk that the new prospectus may not be approved by the Bank of Lithuania, or it may be approved under different conditions, leading to significant changes. Even though the issuer evaluates this risk as remote, these scenarios could significantly impact the total proceeds from the Bonds, the continuation of the Company's growth strategy and investment projects, its financial stability, and the availability of Bonds in the market.

4. INFORMATION INCORPORATED BY REFERENCE

The documents set out below that are incorporated by reference in this Prospectus are provided both in English (translation from the original language of the documents) and Lithuanian languages (original language of the documents). To the extent that there are any inconsistencies between the original language versions and the translations, the original language versions shall prevail.

The information set out shall be deemed to be incorporated in, and to form part of, this Prospectus:

- Company's Articles of Association – available in English and Lithuanian at www.savarzele.lt under Section “*Investment*”;
- Audited Financial Statements for the year ended 31 December 2022 – available in English and Lithuanian at www.savarzele.lt under Section “*Investment*”;
- Audited Financial Statements for the year ended 31 December 2023 – available in English and Lithuanian at www.savarzele.lt under Section “*Investment*” ;
- Unaudited Interim Financial Statements for the 6-month period ended 30 June 2024 – available in English and Lithuanian at www.savarzele.lt under Section “*Investment*”.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

5. FINAL TERMS

In this Section the expression "necessary information" means, in relation to any Tranche of Bonds, the information which is necessary to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses, financial position and prospects of the Issuer and of the rights attaching to the Bonds and the reasons for the issuance and its impact on the Issuer.

In relation to the Bonds which may be issued under the Issue the Issuer has included in this Prospectus all of the necessary information except for information relating to the Bonds which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Bonds.

Any information relating to the Bonds which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Bonds will be contained in the relevant Final Terms.

For a Tranche of Bonds which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Prospectus and must be read in conjunction with this Prospectus in order to obtain all relevant information.

The terms and conditions applicable to any particular Tranche of Bonds which is the subject of Final Terms are the Terms and Conditions provided in Section 6 below as completed by the relevant Final Terms.

Following the publication of this Prospectus, if required, a supplement may be prepared by the Issuer and approved by the Bank of Lithuania in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Within the validity term of this Prospectus (18 November 2025), the Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Bonds, prepare a supplement to this Prospectus.

6. TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Terms and Conditions of the Bonds which, as completed by the relevant Final Terms, will constitute terms and conditions of each Bond issued under these Terms and Conditions. Subject to this, to the extent permitted by applicable laws, the Final Terms in respect of any Tranche of Bonds may supplement, amend, or replace any information in these Terms and Conditions.

6.1. Introduction to Offering

- (a) **Terms and Conditions:** the Issuer (LEI of the Issuer – 98450090J5CC5A19F957) has established these terms and conditions of the Bonds (the **Terms and Conditions**) for the issuance of up to EUR 50,000,000 in aggregate principal amount of Bonds.
- (b) **Final Terms:** Bonds issued under the Terms and Conditions are issued in tranches (each a **Tranche**). Each Tranche is the subject of a final terms (the **Final Terms**) which completes these Terms and Conditions. The Bonds of each Tranche will all be subject to identical terms as prescribed in these Terms and Conditions, except that the Issue Dates (as defined below) and the Issue Prices (as defined below), Yield (as defined below) thereof may be different in respect of different Tranches.
- (c) **Bonds:** all subsequent references in these Terms and Conditions to "Bonds" are to the Bonds with ISIN code LT0000411167, which are the subject of the relevant Final Terms. Bonds will be secured fixed-term Bonds only. The relevant Final Terms are available for viewing at Issuer's website at www.savarzele.lt and paper copies may be obtained from the Issuer at Jogailos st. 4, Vilnius, the Republic of Lithuania.

6.2. Definitions

Definitions: in these Terms and Conditions the following expressions have the following meanings (other capitalized terms shall have meanings assigned to them in the Prospectus):

“Arranger” or **“Dealer”** shall mean “Swedbank”, AB, legal entity code 112029651, registered address at Konstitucijos ave. 20A, Vilnius, 03502, the Republic of Lithuania.

“Auction” shall mean each public auction (primary distribution) of the Bonds of the relevant Tranche organized by the Arranger (i.e. organizer of the Auction) through Nasdaq trading system pursuant to these Terms and Conditions, Auction Rules, Auction Agreement, Special Rules of Nasdaq and during which the Arranger, Nasdaq and Exchange Members have predetermined rights and obligations in connection with the primary distribution of the Bonds of the relevant Tranche. If an Auction of the Bonds is organized through Nasdaq, the respective announcement will be made on the Issuer's and Nasdaq websites before opening of the Auction (Subscription Period) of the respective Tranche and indicated in the Final Terms of each Tranche. The Auction can be chosen by the Issuer as a sole or an additional subscription channel up to the allocated amount for such a channel indicated in the Final Terms of the respective Tranche.

“Auction Rules” shall mean each Rules of UAB “Kvartalas” Bonds Subscription Process (Auction) published on the website of Nasdaq at www.nasdaqbaltic.com before opening of the Auction (Subscription Period) of the relevant Tranche.

“Auction Agreement” shall mean each agreement on organizing the Issuer's Bonds Subscription process concluded between the Arranger as organizer of an Auction and Nasdaq under which the Arranger assigns Nasdaq and Nasdaq undertakes to provide technical infrastructure to carry out the Offering by way of an Auction through Nasdaq's trading system in respect to the relevant Tranche.

“Bondholder” shall mean a holder of a Bond as registered with the Register.

“Bondholders’ Meeting” shall mean a meeting of the Bondholders of the Issuer convened following the requirements and procedure set forth in Law of the Republic of Lithuania on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies (the **Law on Protection of Interests of Bondholders**) and these Terms and Conditions.

“Building” shall mean a building under construction situated on the Land Plot, unique No. 4400-6487-5418.

“Business Day” shall mean any day, except Saturday, Sunday, a national or a public holiday of the Republic of Lithuania.

“Collateral” shall mean the Land Plot and Building mortgaged by the Company in favour of the Trustee under the Collateral Agreement.

“Collateral Agreement or Mortgage over Property” shall mean a Lithuanian law governed maximum mortgage agreement creating a first ranking mortgage over the Collateral between the Trustee and the Company. The Collateral Agreement shall be executed and register with the relevant Lithuanian register before or on the Issue Date of the first Tranche.

“Decision of Sole Shareholder” shall mean the decision of the Sole Shareholder on the approval of the Issue dated 13 November 2024.

“De-listing Event” shall be deemed to have occurred if at any time following the listing of the Bonds, trading in the Bonds on the Bond List of Nasdaq Vilnius is suspended for a period of 15 consecutive Business Days (when Nasdaq is at the same time open for trading) or the Nasdaq decision to remove Bonds from trading on the Bond List of Nasdaq Vilnius is enforced.

“De-listing Event or Listing Failure Put Date” shall mean a date when the Bonds are to be redeemed in case of a De-listing Event or Listing Failure, as determined in accordance with Section 6.11(d) of these Terms and Conditions.

“Delivery Versus Payment” shall mean a securities industry settlement method that guarantees the transfer of securities only happens simultaneously as the payment for the securities.

“Distributor” shall mean a financial institution engaged by the Issuer from time to time for the purpose of Offering of the Bonds under this Prospectus, the contacts of which shall be indicated in the Final Terms of the respective Tranche.

“Early Maturity Date” shall mean a Business Day before the Final Maturity Date when the Issuer must redeem all or part of the Bonds in case of any of the Extraordinary Early Redemption Event as it is set forth in Section 6.11(e) of these Terms and Conditions.

“Early Redemption Date” shall mean date(s) on which the Issuer has the right to redeem all or part of the Bonds before the Final Maturity Date as it is set forth in Section 6.11(b) of these Terms and Conditions.

“Exchange Member” shall mean a bank or investment firm to whom the status of Exchange Member has been assigned in accordance with Nasdaq Vilnius, Nasdaq Riga or Nasdaq Tallinn Member Rules and having access to GENIUM INET trading system are eligible to participate in the Auction (i.e. enter buy orders in Nasdaq trading system during the Subscription Period). The list of banks and investment firms which are Exchange Members is available on the website <https://nasdaqbaltic.com/statistics/lt/members>.

“Extraordinary Early Redemption Event” shall mean any event as set forth in Section 6.12(e) of these Terms and Conditions.

“Financial Indebtedness” shall mean any indebtedness for or in respect of (i) moneys borrowed; (ii) any acceptance under any acceptance credit facility (including any dematerialised equivalent); (iii) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (iv) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis); (v) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price; (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (vii) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in items (i) to (vi) above.

“Final Maturity Date” shall mean a final date on which the Bonds of the Issue within all Tranches must be redeemed by the Issuer from the Bondholders, which shall be 2 years from the Issue Date of the first Tranche as indicated in the respective Final Terms. The Issuer will determine the Final Maturity Date at its sole discretion and specify it in the Final Terms of the first Tranche.

“Interest Payment Date” shall mean a date on which the semi-annual interest (coupon) is paid to the Bondholders in accordance with these Terms and Conditions, or, if applicable, Early Redemption Date or Early Maturity Date. Each Final Terms shall specify the remaining Interest Payment Dates until the Final Maturity Date.

“Issue Date” shall mean a Business Day indicated in the relevant Final Terms, on which the settlement for the Bonds is made and the Bonds are registered with the Register.

“Issue Price” shall mean a price of a Bond indicated in the relevant Final Terms payable by an investor for acquisition of the Bond(s), determined considering the Nominal Value of the Bonds, the Yield and the interest accrued on the Bonds from the last Interest Payment Date (in case the last Interest Payment Date was before the Issue Date of the relevant Tranche). The Issue Price may vary from Tranche to Tranche.

“Yield” shall mean a return measure for an investment over a set period of time, expressed as a percentage and determined taking into account the credit risk of the Issuer, interest payment and redemption structure of the Bonds and considering current yields of alternative debt instruments present in the Lithuanian capital market. The Yield may vary from Tranche to Tranche and will be indicated in the relevant Final Terms.

“Land Plot” shall mean a land plot at Konstitucijos ave. 14A, Vilnius, the Republic of Lithuania, unique No. 0101-0032-0250, on which the Building under construction is situated.

“Listing Failure” shall be deemed to have occurred if the Bonds are not listed on the Bond List of Nasdaq Vilnius within 4 months as from placement of the Bonds of the respective Tranche to the Bondholders at the latest.

“Management Company” shall mean UAB “Lords LB Asset Management”, legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania, a licensed investment management company supervised by the Bank of Lithuania.

“Mandate Letter” shall mean the agreement (whether titled as a mandate letter or otherwise) for provision of Issue related services concluded between the Issuer and the Arranger on 17 October 2024.

“Maximum Aggregate Nominal Value of the Issue” shall mean the maximum aggregate Nominal Value of the Bonds to be issued under this Prospectus, which amounts to EUR 50,000,000.

“Maximum Aggregate Nominal Value of the Tranche” shall mean the maximum aggregate Nominal Value of the Bonds to be issued under the respective Tranche as indicated in the respective Final Terms.

“Minimum Investment Amount” shall mean a minimum investment amount in Bonds of the respective indicated in the relevant Final Terms.

“Nasdaq” shall mean AB Nasdaq Vilnius – Vilnius Stock Exchange, a public limited liability company organized and existing under the laws of the Republic of Lithuania, legal entity code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, the Republic Lithuania.

“Nasdaq CSD” shall mean Nasdaq CSD SE Lithuanian branch (register code 304602060).

“Nominal Value” shall mean denomination of each Bond, EUR 1,000.

“Payment Date” shall mean a Business Day indicated in the relevant Final Terms, latest on which the payment of the Issue Price must be credited to the bank account of the Issuer indicated in the Subscription Order, except (a) in case of the Auction, where the settlement will take place on the Issue Date and (b) subscription of Bonds by institutional investors, where the payment may be made on the Issue Date.

“Project” shall mean a real estate development project undertaken by the Issuer with regard to the Building. More information about the Project is provided in Section 14 *“Development of A+++ Business Centre “Sąvaržėlė”* of the Prospectus.

“Record Date” shall mean the fourth Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, whichever is relevant. For the avoidance of doubt, the Record Date refers to the date on which the list of the Bondholders who are eligible to receive interest payments or other distributions is determined.

“Redemption Price” shall mean the amount payable by the Issuer to the investors upon the regular redemption (i.e. on the Final Maturity Date) or early redemption (i.e. on the Early Redemption Date or Early Maturity Date) of the Bonds, calculated in accordance with Section 6.11(a) of these Terms and Conditions, or the amount payable by the Issuer to the investors upon the De-listing Event or Listing Failure (i.e. on the De-listing Event or Listing Failure Put Date), calculated in accordance with Section 6.11(d) of these Terms and Conditions.

“Register” shall mean the Lithuanian central securities depository operated by Nasdaq CSD.

“Rejection” shall mean the rejection of the occurrence of the Extraordinary Early Redemption Event by the Issuer pursuant to Section 6.11(d) of these Terms and Conditions.

“Security” shall mean a mortgage, pledge, guarantee, surety or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Secured Obligations” shall mean any and all present and future payment obligations and liabilities (whether actual or contingent or whether owed jointly and severally or in any other capacity) of the Issuer towards the Bondholders from time to time under the Issue.

“Securities Account” shall mean an account for dematerialized securities opened in the name of Bondholder or the Issuer with credit institution or investment brokerage firm which is licensed to provide such services within the territory of the Republic of Lithuania or Latvia, or Estonia, including without limitation the Dealer.

“Special Rules of Nasdaq” shall mean Special Procedures Market Rules of Nasdaq approved by the decision of the Management Board of Nasdaq dated 3 December 2019 No. 19-80.

“Subscription Order” shall mean a document provided by the Issuer or the Dealer/Distributor to the investor and made available on the Issuer’s website at www.savarzele.lt, which is submitted by the investor to the Issuer or the Dealer/Distributor for the Subscription of the Bonds. In respect to the Auction, if any, the Subscription Order shall mean a document and/or instruction, which is submitted by the investor to the Exchange Member for the Subscription of the Bonds in the form as used and approved

by the Exchange Member and that contains all information required under the Auction Rules.

“**Subscription Period**” shall mean a period indicated in the relevant Final Terms during which the Subscription Orders shall be submitted in accordance with these Terms and Conditions and the Final Terms.

“**Trustee**” means the Bondholders’ trustee under these Terms and Conditions from time to time; initially Grant Thornton Baltic UAB, a private limited liability company, legal entity code 300056169, with its registered address at Upės st. 21-1, Vilnius, the Republic of Lithuania.

“**Trustee Agreement**” means the agreement entered into on 14 November 2024 between the Issuer and the Trustee, or any replacement Trustee agreement entered into during the validity term of the Prospectus.

6.3. Principal Amount and issuance of the Bonds, Offering Jurisdictions

- (a) Under these Terms and Conditions the Issuer may issue Bonds:
 - (i) to an aggregate principal amount of EUR 50,000,000;
 - (ii) in Tranches under the relevant Final Terms.
- (b) By subscribing for the Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and the Final Terms, and by acquiring the Bonds each subsequent Bondholder confirms these Terms and Conditions and the Final Terms;
- (c) In the course of the Offering, the Bonds may be publicly offered to retail and institutional investors in any or all of the Republic of Lithuania, Latvia and Estonia and the relevant Offering jurisdictions for the respective Tranche will be indicated in the Final Terms. The Issuer may also choose to offer the Bonds to investors in any Member State of the EEA under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation.

6.4. Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer which will at all times rank *pari passu* among themselves and the payment obligations of the Issuer under the Bonds together with interest thereon, in as much as such payment obligations have not been settled in due time and from the value of the established Collateral shall rank at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6.5. Denomination, Title, Issue Price, Yield, Transfer and Underwriting

- (i) **Denomination:** denomination (Nominal Value) of each Bond is EUR 100.
- (ii) **Title to Bonds:** title to the Bonds will pass to the relevant investors when the respective entries regarding the ownership of the Bonds are made in their Securities Accounts on the relevant Issue Date.
- (iii) **Issue Price:** Bonds may be issued at any price (at a Nominal Value or at a discount or adding to the price the interest accrued on the Bonds from the last Interest Payment Date (in case the last Interest Payment Date was before the Issue Date of the relevant Tranche)). The Issue Price shall be determined by the Issuer and specified in the applicable Final Terms.
- (iv) **Yield:** Yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future Yield.

- (v) **Transfer of Bonds:** Bonds are freely transferrable. The Bonds subscribed and paid for shall be entered to the respective book-entry Securities Accounts of the investors on a date set out in the Final Terms in accordance with the Lithuanian legislation governing the book-entry system and book-entry accounts as well as the Nasdaq CSD rules.
- (vi) **No charge:** no expenses will be charged to the investors by the Issuer in respect to the Offering, transfer of the Bonds to the Securities Account of an investor upon Bonds' issuance and admission of the Bonds to trading on the Bond List of Nasdaq Vilnius. However, investors may be responsible for covering expenses related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions charged by these institutions or firms for executing purchase or sale orders, holding the Bonds, or performing any other operations related to the Bonds. The Issuer will not compensate investors for any such expenses.
- (vii) **Underwriting:** no underwriting agreement has been signed with any person for the purposes of this Offering.

6.6. Bonds in Book-Entry Form

The Bonds shall be issued in dematerialized form and book-entered with Nasdaq CSD. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be listed and admitted to trading on the Bond List of Nasdaq Vilnius, shall be made by Nasdaq CSD. The Bonds shall be valid from the date of their registration until the date of their redemption. No physical certificates will be issued to the Bondholders. Principal and interest accrued will be transferred to the Bondholders through Nasdaq CSD.

6.7. Payments to the Bondholders

- (a) **Payments:** payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Bonds will be made to the Bondholders thereof, as appearing in Nasdaq CSD on the fourth (4th) Business Day preceding the due date for such payment (the **Record Date**). Payment of amounts due on the final or early redemption of the Bonds, including cases when the Bonds are redeemed due to De-listing Event of Listing Failure, will be made simultaneously with deletion of the Bonds. The Bondholders shall not be required to provide any requests to redeem the Bonds, as upon the Final Maturity Date, Early Redemption Date, Early Maturity Date or the De-listing Event or Listing Failure Put Date, payable amounts to the Bondholders shall be transferred to the Bondholders through Nasdaq CSD.
- (b) **Payments on Business Days:** if the due date for any payment in relation to the Bonds is not a Business Day, the Bondholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions.

6.8. Taxation

All payments to be made in connection with the Bonds shall be calculated and paid taking into account any taxes and other deductions mandatory under applicable laws respectively in the Republic of Lithuania, Latvia and Estonia.

In general, Lithuanian resident Bondholders will pay the taxes from the amounts received in connection with the Bonds themselves. For all individual Bondholders who are not Lithuanian residents, the Issuer shall make payments after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amounts so required to be withheld or deducted. The Issuer will not be obliged to make any additional compensation to the Bondholders in respect of such withholding or deduction.

Please see Section 15 “*Taxation*” of the Prospectus for more information about the applicable taxes and other mandatory deductions in each the Republic of Lithuania, Latvia and Estonia.

6.9. Interest

- (a) **Interest rate:** the Issuer shall pay semi-annual fixed interest on the Nominal Value of a Bond that shall be specified in the Final Terms. Coupon of the Bonds will be paid semi-annually on the Interest Payment Dates.
- (b) **Interest periods:** interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period. The first interest period commences on the Issue Date of the first Tranche determined in the respective Final Terms and ends on the first Interest Payment Date (excluding) indicated in the Final Terms. The consecutive interest period begins on the previous Interest Payment Date (inclusive) and ends on the following Interest Payment Date (excluding), or, if applicable, on the Final Maturity Date (excluding) or the Early Maturity Date (excluding). For avoidance of doubts, the Bondholders are entitled to interest accrued during the whole interest period, irrespectively of when the Bonds were acquired by the Bondholder (on the day of start of the interest period or after).
- (c) **Interest calculation formula:** accrued interest in respect of the Bonds will be calculated using Act/Act (ICMA) day count convention, calculated according to the formula below:

$CPN = F \times C \times D / A$, where:

CPN – value of interest in EUR;

F – Nominal Value on the relevant Interest Payment Date;

C – interest rate (%) payable on the Bonds under these Terms and Conditions and the respective Final Terms;

D – number of days in the interest period;

A – actual number of days in the year.

Calculation agent: the Issuer shall calculate the interest payments and any other payable amounts to the Bondholders under these Terms and Conditions. The Issuer is responsible for transferring all amounts payable to the Bondholders under these Terms and Conditions to Nasdaq CSD, which will then distribute the payments to the Bondholders.

6.10. Offering and Admission of Bonds

- (a) **General structure of the Offering:** the Offering consists of public Offering of Bonds to retail investors and institutional investors in the Republic of Lithuania, Estonia and Latvia under the Prospectus Regulation and the Law on Securities. The Issuer may also choose to offer the Bonds to investors in any Member State of the EEA under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation.

Only such prospective investors will be eligible to participate in the Offering who at or by the time of placing their Subscription Orders (before the end of the Subscription Period) have opened Securities Accounts (or have the Securities Accounts opened by their nominee) with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania and/or Estonia and/or Latvia.

The Bonds shall be offered to the investors up to the Maximum Aggregate Nominal Value of the Issue under the respective Final Terms and in the Maximum Amount of the respective Tranche

as indicated in the Final Terms. However, if the demand for the Bonds of the respective Tranche exceeds the Maximum Aggregate Nominal Value of the Tranche indicated in the Final Terms, the Issuer may decide to increase the Maximum Aggregate Nominal Value of the respective Tranche by publishing an updated Final Terms on the Issuer's website at www.savarzele.lt (and after the Bonds' admission to trading on the Bond List of Nasdaq Vilnius, on the CSF at www.crib.lt) on or before the relevant Issue Date (inclusive).

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

- (i) the Subscription Orders as to acquisition of the Bonds shall be submitted by the investors (considering the risks related to each of the below listed possibilities):
 - a. to the Issuer directly, but the investors shall pay specific attention to the fact, that the Issuer will not conclude an assessment of appropriateness of the Bonds to the respective investor, as indicated in Section 3.2.2. Offering and admission to trading on the Bond List of Nasdaq Vilnius related risks of this Prospectus;
 - b. to the Exchange Members in accordance with the Special Rules of Nasdaq in case an Auction of the Bonds is organized through Nasdaq (as a sole or an additional to the above indicated subscription channel up to the allocated amount for such a channel indicated in the Final Terms of the respective Tranche) as being disclosed in Final Terms of the respective Tranche;
 - c. to the Dealer or Distributor, if any is engaged by the Issuer in connection with the Offering.
- (ii) the Issuer in consultation with the Dealer shall decide on which investors, which have provided their Subscription Orders, shall be allotted with the Bonds and to what amount, and which Investors shall not be allotted with the Bonds (i.e., allocation procedure as regulated under point (f) "*Allotment of the Bonds to the investors*");
- (iii) the settlement for the Bonds shall be made and the Bonds shall be registered with Nasdaq CSD and distributed to the investors;
- (iv) the Bonds will be introduced to trading on the Bond List of Nasdaq Vilnius.

Subscription Orders. Invalidity of the Subscription Orders. The Subscription Period for each respective Tranche (as indicated above) will be indicated in the Final Terms of each Tranche. For the avoidance of doubt, the procedure of accepting Subscription Orders described herein are applicable to all investors irrespectively of the investor's place of residence. Also, the treatment of Subscription Orders in the allocation is not determined on the basis of which institution or person they are made through.

The Subscription Order form relevant for the respective Tranche will be published on the website of the Issuer at www.savarzele.lt before opening of the respective Subscription Period, or shall be provided by the Issuer and/or Dealer/Distributor, if any, on request of the investor after the Issuer and/or Dealer/Distributor has notified the investor of the Offering of the respective Tranche (Subscription Orders for Estonian and Latvian investors shall be available in English whereas Subscription Orders for Lithuanian investors shall be available in English or Lithuanian). The Subscription Order shall be submitted during the indicated Subscription Period.

In case the respective Final Terms indicates that respective Tranche's subscription channels also include subscription through the Issuer and/or Dealer/Distributor, the investors shall submit their Subscription Orders at any time during the Subscription Period at the office of the Issuer, at the

address Jogailos st. 4, Vilnius, the Republic of Lithuania, or at the office of the Dealer/Distributor as indicated in the Final Terms, or by e-mail of the Issuer info@lordslb.lt or by e-mail of the Dealer/Distributor indicated in the Final Terms, if signed with a qualified e-signature.

If an Auction of the Bonds is organized through Nasdaq, the Subscription Orders shall be submitted to the Exchange Members to be entered in Nasdaq trading system during the Subscription Period of the respective Tranche as described below in the part "*Additional provisions in respect to Subscription procedure for the Auction*". In respect to the Auction, if any, the Subscription Orders shall be submitted by means accepted and used by the Exchange Members (e.g., physically, via the internet banking system or by any other available means).

Please note that where the Subscription Orders are submitted to the Distributor or any Exchange Member, if an Auction is organized, new investors will be required to complete the relevant procedures (e.g., suitability and/or appropriateness tests (if required by applicable laws), procedures related to the anti-money laundering or sanction) required and performed by the relevant Distributor or Exchange Member, if an Auction is organized, that the Subscription Orders would be accepted.

The Subscription Order shall not be considered valid and shall not be processed in the following cases:

- (i) the purchase amount indicated in the Subscription Order is less than the Minimum Investment Amount; or
- (ii) the Subscription Order was received after the Subscription Period, unless the Issuer decides otherwise; or
- (iii) subscription for the Bonds by the investor has not been fully paid by the relevant Payment Date, unless the Issuer decides otherwise; or
- (iv) the Issuer rejects the Subscription Order due to violation of legal acts governing anti-money laundering prevention and/or sanctions and/or other reasons indicated in these Terms and Conditions.

In case of subscription through the Dealer/Distributor, or in case of an Auction, the Dealer/Distributors and/or Exchange Members acting in accordance with internal rules and applicable laws shall inform the investors on rejection of provided Subscription Orders.

- (b) **General information regarding the Subscription procedure.** By placing Subscription Orders all investors shall make irrevocable instruction for transferring the Bonds to the Securities Accounts, if the Subscription Order has not been withdrawn until the end of the Subscription Period.

By placing a Subscription Order each investor will be deemed to have read these Terms and Conditions together with the Prospectus, the Issuer's constitutional documents, also the Financial Statements. The investor may also familiarize with other documents of the Bonds, including the Decision of Sole Shareholder and Trustee Agreement before or after placing a Subscription Order by requesting the Trustee via e-mail info@lt.gt.com. Each investor can review the Subscription Order submitted by her/him/it by requesting the Issuer via e-mail info@lordslb.lt. When the Subscription Order is placed through the Dealer/Distributor or in case of an Auction, through the Exchange Member, each respective investor can review the Subscription Order submitted by her/him/it by requesting the Dealer/Distributor or Exchange Member to whom the Subscription Order was submitted, if the Distributor or Exchange Member provides such a possibility.

By placing a Subscription Order the investors shall be considered as have consented to being

allotted a lower number of Bonds than the number specified in such investor's Subscription Order, or to not being allotted any Bonds at all, pursuant to these Terms and Conditions.

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

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

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

Entities acting in accordance with applicable law by placing the Subscription Orders on behalf of the investors and on their account shall submit the Subscription Orders along with a list of the investors on whose behalf the Subscription Order is placed. The list must include details required to be included in the Subscription Order form with respect to each investor listed and must be signed by persons authorised to represent the entity. The Issuer shall not be liable for any consequences if requirement under this Section is not satisfied and the entity placing the Subscription Order will be treated as the investor placing the Subscription Order on its own account.

- (c) **Additional provisions in respect to Subscription procedure for the Auction.** If the Issuer would decide to organize an Auction for the relevant Tranche, the Issuer will indicate such decision in the Final Terms of the relevant Tranche and Auction Rules will be published on Nasdaq website at www.nasdaqbaltic.com before the start of the Auction (Subscription Period) of the relevant Tranche.

In order to subscribe for the Bonds, the investor must have a Securities Account with the Exchange Member and fill in a Subscription Order form provided by the Exchange Member during the Subscription Period in order for the Exchange Member to enter a buy order in Nasdaq's trading system.

By submitting a Subscription Order to the Exchange Member, every investor (besides other acknowledgments and undertakings provided in these Terms and Conditions):

- (i) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to arrange the settlement of the subscription on its/his/her behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the subscription;
- (ii) shall ensure that when submitting a Subscription Order there are sufficient funds on the cash account connected to its/his/her Securities Account to cover the amount subscribed (i.e. the Issue Price multiplied by the amount of the Bonds subscribed);
- (iii) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to block the whole Subscription amount on the investor's cash account connected to its/his/her Securities Account until the allotment of Bonds pursuant to these

Terms and Conditions and Auction Rules, and registration with the Register is completed on the Issue Date;

- (iv) authorizes the Exchange Member, Issuer, Dealer and Nasdaq to process, forward and exchange its/his/her personal data and information in the Subscription Order in order to participate in the Offering, to accept or reject the Subscription Order and comply with these Terms and Conditions and fulfill the Issuer's obligations under these Terms and Conditions;
- (v) acknowledges that the Offering does not constitute an offer (in Lithuanian: *oferta*) of the Bonds by the Issuer in legal terms, and that the submission of a Subscription Order does not constitute the acceptance of an offer, and therefore does not in itself entitle the investor to acquire the Bonds, nor results in a contract for the sale of the Bonds between the Issuer and the investor, unless the Bonds are allotted to the investor pursuant to these Terms and Conditions and Bonds are registered with the Register on the Issue Date;
- (vi) confirms that it/she/he has got familiarized with the Prospectus, Final Terms of the Tranche and Auction Rules.

The investors shall acknowledge that in case of an Auction, payment for the Bonds subscribed and distribution of the Bonds are made by Delivery Versus Payment method, meaning that the settlement procedure is carried out by Nasdaq CSD and Exchange Members on the Issue Date in accordance with the Auction Rules and title to the Bonds purchased in the subscription process is obtained upon Bonds transfer to respective securities account which is done simultaneously with making the cash payment for the purchased Bonds.

- (d) **Withdrawal of the Subscription Orders.** Subscription Orders for the Bonds of the respective Tranche may be withdrawn at any time until the end of the relevant Subscription Period, including when a supplement is made public concerning an event or circumstances occurring before the end of the relevant Subscription Period. The supplement to the Prospectus will be published on the Issuer's website at www.savarzele.lt (and after the Bonds' admission to the Bond List of Nasdaq Vilnius, also on the CSF at www.crib.lt). The investor who has made a Subscription Order before the publication of the supplement may withdraw such Subscription Order by notifying (e.g., via the internet banking system or by any other available and acceptable means) the institution where the Subscription Order was made within 2 Business Days after the publication of the supplement.

Where the Bonds are purchased or subscribed through a financial intermediary (e.g. Exchange Member, Dealer/Distributor or other firms providing investment services to the investor), that financial intermediary shall inform investors of (i) the possibility of a supplement being published, (ii) investors will be informed on the day the supplement to the Prospectus is published on the website of the Issuer (and after the Bonds' admission to the Bond List of Nasdaq Vilnius, also on the CSF at www.crib.lt), and (iii) assure that the financial intermediary would assist them in exercising their right to withdraw Subscription Orders in such case.

Where the Bonds are purchased or subscribed through the Issuer itself, the Issuer will inform investors of (i) the possibility of a supplement being published, (ii) investors will be informed on the day the supplement to the Prospectus is published on the website of the Issuer (and after the Bonds' admission to the Bond List of Nasdaq Vilnius, also on the CSF at www.crib.lt), and (iii) the Issuer would ensure the investors can exercise their right to withdraw Subscription Orders as described in this Prospectus.

The above right of investors to withdraw their Subscription Order shall only apply to the relevant Tranche and not to any other Tranches of Bonds under the Issue.

The repayments will be made by the Issuer in accordance with the Subscription Order within 5 Business Days after making the statement on the subscription cancellation or the blocked funds will be released in accordance with the rules of the financial intermediary through which the Subscription Order was placed and the Issuer shall not be responsible for any relationships between the investor and its financial intermediary. An investor will be liable for the payment of all fees charged by the intermediary, used by the investor for the subscription of Bonds in connection with the withdrawal of the Subscription Order.

(e) **Procedure and dates for payment for the Bonds.**

In case of an Auction, the Issue Price payable by the investors subscribing to the Bonds through the Exchange Members is blocked in advance as prescribed in these Terms and Conditions and settled by the Exchange Members in accordance with these Terms and Conditions and Auction Rules (i.e. Delivery Versus Payment method).

Where the Tranche is subject to subscription (as a sole or additional subscription channel) through the Issuer or Dealer/Distributor, if any, investors shall transfer the Issue Price, which is payable for the Bonds, to the Issuer's bank account specified in the Subscription Order on the relevant Payment Date. The Issuer has the right (but not an obligation) to accept also payments made with delay, but not later than until the Issue Date. Please note that in case any payments were made by the investor, the investors who have not been allotted any Bonds or whose Subscriptions Orders have been reduced will receive reimbursements of the payment made upon placing the Subscription Order. The reimbursement will take place within 3 Business Days as from the end of the Issue Date. The payments shall be returned without any reimbursement for costs incurred by the investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

For the avoidance of doubt, in respect to the Auction (the maximum amount of Bonds to be offered through the Auction will be indicated in the Final Terms of the respective Tranche), the investors who have not been allotted any Bonds or whose Subscription Orders have been reduced will receive reimbursements from the Exchange Members (i.e. block on the funds will be removed). The Issuer shall not be responsible for any relationships between the investor and Exchange Member in connection with any operations happening on the cash account connected to the investor's Securities Account.

(f) **Allotment of the Bonds to the investors.** After the end of the Subscription Period but not later than on the Issue Date, the Issuer in consultation with the Dealer following the allocation rules provided herein shall decide on which investors, which have provided their Subscription Orders, shall be allotted with the Bonds and to what amount, and which investors shall not be allotted with the Bonds. Investors waive any right to complaint on any decision of the Issuer on the Bonds' allotment as disclosed under this point.

In respect to the Auction, for the Issuer to make a decision on the Bonds allotment, after the Subscription Period but not later than until the Issue Date, the Dealer shall provide to the Issuer all gathered data on received Subscription Orders (i.e., by Nasdaq) and in case of oversubscription, in accordance with its allocation policy recommend to the Issuer to allocate the Bonds to the investors that provided the Subscription Orders during the Auction (the applicable allocation rule for a Tranche shall be specified in the respective Final Terms and in the Auction Rules). For the avoidance of doubt, when an Auction is organized, Nasdaq will record buying orders entered in Nasdaq trading system by the Exchange Members during the Subscription Period and will provide the records journal to the Dealer in accordance with the Auction Agreement.

In other case than above, the Issuer shall allot the Bonds to the investors based on the

Subscription Orders received by itself and/or data received from the Dealer/Distributors, if any, but only if the Subscription Orders are recognized as valid pursuant to point (b) “*Subscription Orders. Invalidity of the Subscription Orders*” above, and in case of oversubscription, upon receiving request of the Issuer, the Dealer in accordance with its allocation policy shall recommend to the Issuer to allocate the Bonds to the investors that provided the Subscription Orders during the Subscription Period (the applicable allocation rule for a Tranche shall be specified in the respective Final Terms).

The Issuer shall accept all Subscription Orders of the investors that are considered valid pursuant to point (b) “*Subscription Orders. Invalidity of the Subscription Orders*” above and each investor shall be allocated with the amount of Bonds requested in the respective Subscription Order. In case the Maximum Aggregate Nominal Value of the Tranche is exceeded (including where (i) the Issuer exercised its right under the respective Final Terms to increase the Maximum Aggregate Nominal Value of the respective Tranche and published an updated Final Terms on the Issuer’s website at www.savarzele.lt (and after the Bonds’ admission to trading on the Bond List of Nasdaq Vilnius, on the CSF at www.crib.lt) and/or (ii) the Maximum Aggregate Nominal Value of the Issue is reached) (i.e., oversubscription)), the Issuer following the recommendation of the Dealer shall allocate the Bonds to the investors that provided valid Subscription Orders and paid the Issue Price.

When the Maximum Aggregate Nominal Value of the Tranche is reached (including where (i) the Issuer exercised its right under the respective Final Terms to increase the Maximum Aggregate Nominal Value of the respective Tranche and published an updated Final Terms on the Issuer’s website at www.savarzele.lt (and after the Bonds’ admission to trading on the Bond List of Nasdaq Vilnius, on the CSF at www.crib.lt) and/or (ii) the Maximum Aggregate Nominal Value of the Issue is reached), no more Bonds shall be allotted to the investors.

If an investor decides to decrease or increase number of Bonds being subscribed, such investor shall provide a new Subscription Order to the entity that accepted the first Subscription Order and previously submitted Subscription Order shall be considered as terminated, or if the entity accepting Subscription Orders makes it possible to modify previously submitted Subscription Orders (e.g., via the internet banking system or by any other available means) without terminating it, an investor shall follow the rules of such entity and modify the Subscription Order until the end of the Subscription Period. In case of an Auction, the block on the investor’s funds will be removed by the Exchange Member if the investor decreases the number of Bonds subscribed. Conversely, if the investor increases the number of the Bonds subscribed, the Exchange Member will block the respective amount of funds equal to the payable Issue Price for the Bonds.

If an investor makes a Subscription Order after the expiry of the relevant Subscription Period (but prior to the Issue Date), the Issuer may decide on additional allotment of Bonds to such investor if the Maximum Aggregate Nominal Value of the Tranche is not yet exceeded (as may be increased as described above) and the Maximum Aggregate Nominal Value of the Issue is not yet exceeded and the investor pays the Issue Price prior to the Issue Date (or in case of an Auction, the funds are blocked in advance by the Exchange Members to be settled by way of Delivery Versus Payment on the Issue Date as described in these Terms and Conditions).

- (g) **Cancellation or suspension of the Offering.** The Issuer, at its own discretion, may cancel the primary distribution of the respective Tranche at any time prior to the relevant Issue Date without disclosing any reason for doing so. Any updates to the dates of opening and closing of the primary distribution of the respective Tranche or decision that the primary distribution of the respective Tranche will be suspended (postponed) and that new dates of the primary distribution of the respective Tranche will be provided by the Issuer later are subject to updating the Final Terms. In such events, Subscription Orders for the Bonds that have been made will be disregarded, and any payments made in respect of the submitted Subscription Orders will be returned without interest or any other compensation to the investors.

If the primary distribution of the respective Tranche is suspended (postponed), the Issuer shall notify the investors on suspension (postponement) of the primary distribution indicating whether the Subscription Orders made, and payments made will be deemed to remain valid after publication of updated Final Terms on the Issuer's website at www.savarzele.lt (after the Bonds' admission to the Bond List of Nasdaq Vilnius, also on the CSF at www.crib.lt). In such case, the investors will be allowed to withdraw the Subscription Orders made by submitting a relevant statement to that effect within 3 Business Days after the updated Final Terms of the Tranche have been published. For the avoidance of doubt, if the investor does not provide a withdrawal statement, the Issuer will continue primary distribution of the respective Tranche on changed terms in accordance with published updated Final Terms of the respective Tranche and relying on previously submitted Subscription Order.

Any decision on cancellation, suspension and changes of dates of the primary distribution or other information will be published on the Issuer's website at www.savarzele.lt. After the Bonds are admitted to the Bond List of Nasdaq Vilnius, all material information will also be published on the CSF at www.crib.lt. Investors may also be notified by the Issuer or the entity that accepted the Subscription Order (if applicable according to its internal procedures) about cancellations, suspensions, changes in primary distribution dates, or other information via e-mail.

Except in case of an Auction, where the Exchange Members are responsible for lifting the block on the funds, if the primary distribution of the respective Tranche is cancelled, suspended, or postponed, investors that placed Subscription Orders and paid for the Bonds will get their payments back without any interest or compensation:

- (i) if the primary distribution is cancelled – within 3 Business Days after the Issuer announces to the investors about the Primary Distribution's cancellation;
 - (ii) if the primary distribution is suspended (postponed) – within 3 Business Days after the date on which the investor has made a statement cancelling placed Subscription Order or 3 Business Days after the date that the Issuer announces that the placed Subscription Orders are not valid.
- (h) **Admission to trading.** The Issuer shall submit an application regarding admission of each Tranche of the Bonds to trading on the Bond List of Nasdaq Vilnius.

The decision as to admission of Bonds to trading on the Bond List of Nasdaq Vilnius shall be adopted by the Board of Nasdaq Vilnius. The Issuer shall take all the measures, established in Nasdaq rules, needed that the Bonds would be admitted to trading on Nasdaq Vilnius as soon as practicably possible.

The Issuer expects that the Bonds of the respective Tranche shall be admitted to trading on the Bond List of Nasdaq Vilnius within 4 months as from placement thereof to the investors the latest. Disregarding this, the Issuer will put its best endeavors so that these terms would be as short as practicable possible.

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

The costs which are related to the admission of the Bonds to the Bond List of Nasdaq Vilnius will be covered by the Issuer.

The Issuer does not intend to apply for admission of the Bonds (or part thereof) to trading on other regulated markets or equivalent or alternative markets.

The Issuer does not intend to appoint any firm to act as intermediary in secondary trading on the Bond List of Nasdaq Vilnius, providing liquidity through bid and offer rates.

6.11. Redemption

Bonds shall be redeemed, i.e. the Redemption Price shall be paid to the investors on the Final Maturity Date or, if applicable, on the Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date.

- (a) **Redemption Price:** The Redemption Price paid to the investor on the Final Maturity Date or, if applicable, on the Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Final Maturity Date or the Early Maturity Date, Early Redemption Date or De-listing Event or Listing Failure Put Date, and early redemption premium, if applicable pursuant to these Terms and Conditions.
- (b) **Early optional redemption of Bonds by the Issuer:** The Bonds shall be redeemable wholly or partially at the option of the Issuer prior to their maturity on the following conditions:
- (i) early redemption may occur at the sole discretion of the Issuer on the Early Redemption Date, which will be designated in a written notice sent to the Bondholders and the Trustee at least 30 calendar days in advance.
 - (ii) the Issuer's written notice on early redemption (i) will be published on the Issuer's website at www.savarzele.lt. After the Bonds' admission to trading on the Bond List of Nasdaq Vilnius, the Issuer's obligation to notify the Bondholders and Trustee shall be fulfilled when the Issuer at least 30 calendar days before the Early Redemption Date announces its decision on early redemption of the Bonds on the CSF at www.crib.lt and (ii) may be sent to investors via email, but only to those Bondholders whose email addresses are known to the Issuer and/or Distributor (if applicable according to the Distributor's internal procedures);
 - (iii) the Issuer reserves the right to cancel the early redemption of the Bonds or increase the redeemable amount at any time prior to the anticipated Early Redemption Date (including) by notifying the Trustee and Bondholders until the Early Redemption Date (including) in a manner prescribed in point above;
 - (iv) in case of a partial redemption of the Bonds, the Bonds shall be redeemed from the Bondholders proportionally, if necessary, by rounding up the redeemable number of Bonds from an individual Bondholder to the nearest whole number. In the respective case, the Redemption Price shall be equal to the Nominal Value of the redeemable Bonds and interest accrued on the redeemable Bonds;
 - (v) on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 1 % (to be calculated from the Nominal Value of the Bonds) if the Early Redemption Date occurs between the Issue Date of the first Tranche and 1.5 years thereafter (inclusive);
 - (vi) no premium shall be paid if the Early Redemption Date is after 1.5 years following the Issue Date of the first Tranche, and on the Early Redemption Date the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding).

Interest shall be calculated from the amount of the Nominal Value of the Bonds early redeemable

from the respective Bondholder.

The Issuer shall have the right to redeem the Bonds before the Final Maturity Date in case the Bondholder breaches or there is a reasonable concern that the Bondholder might breach anti-money laundering or sanction regulations. The Issuer or the Dealer, or the relevant Exchange Member at any time is entitled to request any of the Bondholders directly or through the Trustee to provide necessary documents to perform sanction screening or other verification checks so as to implement sanction and/or anti-money laundering requirements. The Bondholders undertake to submit the requested documents or information within the time period set by the requesting party.

- (c) **No early redemption of Bonds under the request of the Bondholders:** Except for cases specified in points (d) “*De-listing Event of Listing Failure (put option)*” and (e) “*Extraordinary Early Redemption*” below, there are no other cases where the Bondholders have a right to demand redemption of the Bonds prior the Final Maturity Date.
- (d) **De-listing Event or Listing Failure (put option):** If at any time while any Bond remains outstanding, there occurs (i) a De-listing Event or (ii) a Listing Failure, each Bondholder will have the option (unless, prior to the giving of the De-listing Event or Listing Failure event notice, the Issuer makes use of its right to optional early redemption of the Bonds under Section 6.12(b) “*Early optional redemption of Bonds by the Issuer*”) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Bonds, on the De-listing Event or Listing Failure Put Date paying to the Bondholder full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant De-listing Event or Listing Failure Put Date (exclusive).

Promptly upon the Issuer becoming aware that a De-listing Event or Listing Failure has occurred, the Issuer shall give notice to the Bondholders specifying the nature of the Delisting Event or Listing Failure and the circumstances giving rise to it and the procedure for exercising the De-listing Event or Listing Failure put option, indicating as well the De-listing Event or Listing Failure Put Date, which cannot occur earlier than 30 calendar days starting from the date of the Issuer's notice and no later than the 5th Business Day following the expiration of 30 calendar days after the De-listing or Failure Notice is given. The Issuer's notice on the De-listing Event or Listing Failure (i) will be published on the Issuer's website at www.savarzele.lt. After the Bonds' admission to trading on the Bond List of Nasdaq Vilnius, the Issuer's obligation to notify the Bondholders shall be fulfilled when the Issuer announces on the occurred De-listing Event or Listing Failure on the CSF at www.crib.lt and (ii) may be sent to investors via email, but only to those Bondholders whose email addresses are known to the Issuer and/or Distributor (if applicable according to the Distributor's internal procedures).

To exercise the De-listing Event or Listing Failure put option, the Bondholder must notify the Issuer by e-mail info@lordslb.lt not later than 4 Business Days (i.e., Record Date) before the De-listing Event or Listing Failure Put Date. Payment in respect of any Bonds subject to the put option shall be carried out on the designated De-listing Event or Listing Failure Put Date through the Register by Nasdaq CSD. The notice by a Bondholder to exercise the put option, once given, shall be irrevocable.

- (e) **Extraordinary Early Redemption:** The Bondholders' Meeting shall have the right but not the obligation to demand immediate redemption of the Bonds held by the investors upon occurrence of any of the following events (the **Extraordinary Early Redemption Event**):
 - (i) **Non-Payment.** The Issuer fails to make any payments under these Terms and Conditions and the Issue within 10 Business Days from the relevant due payment date, except for cases when the failure to pay is caused by a reason of *Force Majeure*.

- (ii) **Breach of covenants.** The Issuer breaches any of the covenants set forth in Section 6.12 “*Covenants of the Issuer*” of these Terms and Conditions and the Issuer has not remedied the breach in 20 Business Days as of receipt of the breach notice or has not remedied the breach within other term approved by a decision of the Bondholders’ Meeting adopted by majority of Bondholders participating in the Bondholders’ Meeting and having voting rights (other than the Related Parties).
- (iii) **Liquidation.** An effective resolution is passed for the liquidation of the Issuer.
- (iv) **Insolvency.** (i) The Issuer is declared bankrupt by a final decision of a court; (ii) the Issuer enters into an arrangement with majority of its creditors by value in relation to restructuring of its debts (counting jointly); or (iii) an application to initiate insolvency, restructuring or administration of the Issuer, or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by the Issuer.

In case of the Issuer’s liquidation or insolvency, the investors shall have a right to receive payment of the outstanding principal amount of the Bonds and the interest accrued on the Bonds according to the relevant laws governing liquidation or insolvency of the Issuer.

The Issuer shall immediately but not later than within 3 Business Days notify the Trustee of the occurrence of an Extraordinary Early Redemption Event. In the absence of such notice, the Trustee shall be entitled to proceed on the basis that no such Extraordinary Early Redemption Event has occurred or is expected to occur.

If the Trustee receives information about occurrence of a possible Extraordinary Early Redemption Event from other sources than the Issuer, then the Trustee is entitled to ask the Issuer by submitting a letter to the Issuer to confirm or reject this information. The Issuer shall reply to the Trustee in writing (i.e. Rejection). If the Issuer does not send the Rejection to the Trustee within 5 Business Days from the receipt of the Trustee’s inquiry, then the Extraordinary Early Redemption Event based on the Trustee’s inquiry is deemed to have occurred on the day the period of 5 Business Days referred above expires.

In case the Issuer in a reasoned manner (i.e. providing for the reasons why the Extraordinary Early Redemption Event has not occurred supported with documentary evidence) and acting in good faith within 5 Business Days from the date of the inquiry sent by the Trustee to the Issuer submits a Rejection to the Trustee, the Extraordinary Early Redemption Event is considered not to have occurred until relevant decision of the Bondholders’ Meeting stating otherwise is adopted as specified below.

Upon the occurrence of any of the circumstances specified above and if the Issuer has not sent the Rejection to the Trustee or the Bondholders’ Meeting does not approve the Rejection and due to this the Bondholders’ Meeting, in accordance with the procedure established by the law, adopts a decision (which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders’ Meeting and having a voting right) to demand extraordinary early redemption of the Bonds, the Issuer within 10 Business Days upon receiving the respective Bondholders’ Meeting decision from the Trustee shall redeem all outstanding Bonds from all Bondholders holding Bonds on the Record Date by paying the Redemption Price. The Redemption Price payable to the Bondholders on the relevant Early Maturity Date shall be determined by the Issuer following the rules set forth in Section 6.11(a) of these Terms and Conditions. The 10th Business Day calculated from the day following the day of submission of the Trustee’s inquiry to the Issuer or the day the Issuer received the abovementioned Bondholders’ Meeting decision to demand extraordinary early redemption of the Bonds from the Trustee, whichever is relevant, shall be the Early Maturity Date.

If the Bondholders’ Meeting has not passed a decision as prescribed above within 3 months after

the occurrence of any of the Extraordinary Early Redemption Event, the Bondholders shall lose the right to demand early redemption of the Bonds under this Section.

6.12. Covenants of the Issuer

The Issuer shall be obliged to comply with the following covenants until the Bonds are fully redeemed:

- (iv) **LTC ratio.** The Issuer undertakes to ensure that until full redemption of the Bonds the Issuer's LTC ratio does not exceed 70 % (at the date of the Prospectus the LTC ratio is 0%). The LTC shall be calculated based on the following formula:

$$\text{LTC} = \frac{\text{Net Issue Size}}{\text{Costs of the Project}} \times 100\%$$

LTC shall mean loan (debt) to cost ratio. A lower LTC ratio indicates less risk for the Bondholders, as the Issuer has a larger equity stake in the Project. The higher LTC ratio implies a greater Issuer's reliance on borrowed funds.

Net Issue Size shall mean a total amount of outstanding Bonds (Nominal Value of Bonds) and other external loans for the development of the Project on the day when the LTC ratio is being calculated, less the amounts in the bank accounts of the Issuer (if any) and excluding all Related Parties' loans and any other subordinated debt instruments permitted under point (b) below.

Costs of the Project shall mean (without double-counting) expenditure by the Issuer in carrying out the Project, including each of the following:

- (i) costs incurred by the Issuer with respect to the Project by 30 June 2024 (inclusive) in the amount of EUR 20,779,109.82;
- (ii) all sums paid from 1 July 2024 (inclusively) under the design, construction and other contracts with respect to the development of the Project;
- (iii) the aggregate of the invoices issued to the Issuer from 1 July 2024 (inclusively) for other costs such as legal, accounting, notarial, project management, and other professional fees, costs and expenses (including the costs of registries and any related taxes) incurred by the Issuer in connection with the Project; operating costs, including but not limited to administrative, management and employee costs and similar book-keeping entries and other costs with respect to the Project starting from 1 July 2024 (inclusively);
- (iv) the premium paid in respect of the insurances (other than insurances to be effected and paid for by any construction contractor) starting from 1 July 2024 (inclusively);
- (v) debt financing costs which become due and payable with respect to the Project.

Costs of the Project shall not include VAT.

- (a) **Negative borrowing.** The Issuer shall not assume any Financial Indebtedness. The respective restriction does not apply to the Issuer in the following cases:
- (i) issue of the Bonds in the Maximum Aggregate Nominal Value of the Issue;
 - (ii) Financial Indebtedness not exceeding EUR 50,000 in aggregate during the year;

- (iii) non-interest bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer; or
 - (iv) fully subordinated debt from the direct and indirect shareholders of the Issuer and/or Related Parties, including Subscription of Bonds under these Terms and Conditions by the Related Parties. For the avoidance of doubt, the Bonds subscribed under these Terms and Conditions by the Related Parties starting from the date of their subscription shall be deemed as fully subordinated and ranking below other Bonds of the Issue (including all payments under these Terms and Conditions and Final Terms); or
 - (v) financing provided to the Issuer by a third party/financier to fund redemption of the Bonds issued under these Terms and Conditions and Final Terms(i.e., refinancing of the Bonds).
- (b) **Mortgage over Property.** The Issuer undertakes to ensure that on the Issue Date of the first Tranche of the Bonds the Collateral Agreement is concluded and registered with the Real Estate Register of the Republic of Lithuania (the **Real Estate Register**). For the sake of clarity, the Bondholders give their consent to the Issuer in advance for the following actions related to the Property and neither Bondholders, nor the Trustee's consent will be needed at the later stage:
- (i) to carry out and authorize third parties to carry out land and/or construction work on the Land Plot, to construct new buildings and to register them/the changes in the level of completion in the name of the Issuer;
 - (ii) to carry out and authorize third parties to carry out construction works on the mortgaged Building;
 - (iii) to register with state authorities and/or public registers any applications/requests to complete the Project and Issuer's ownership to the Property;
 - (iv) if it is necessary for the completion and development of the real estate, to change the purpose of the real estate mortgaged (or a part of it), to adjust the technical design or technical detail design, to implement the new procedure for design proposals, to apply for a new or update the current construction permit, to make cadastral measurements and to implement the procedure of the division of the mortgaged real estate (or part of it) in parts and/or separate premises, including but not limited to the submission of the applications/requests to any state or private entity.
- (c) **Disposal of Property.** Until full redemption of the Bonds the Issuer shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose and or/transfer the ownership of the Property to any third person nor conclude any agreements for such transfer of ownership, except that:
- (i) the Issuer has the right to conclude constructions' or other relevant services' agreements under the applicable laws with third persons, provided that such agreements are concluded on terms and conditions that enable the Issuer to complete the Project and fulfil its obligations under these Terms and Conditions and Final Terms;
 - (ii) upon completion of the Project, the Issuer shall have a right to sell the Property to a third party and sale proceeds shall be used to finance the redemption of the Bonds issued under these Terms and Conditions and Final Terms;

- (iii) before or upon completion of the Project, the Issuer has a right to lease all or any part of the Building to third parties under the conditions corresponding to the market standard.

For the avoidance of doubt, this clause does not restrict the Issuer from starting or participating in negotiations on the transfer of ownership of the Property (or part of it) before the Final Maturity Date, but the transfer of ownership of the Property (or part of it) in any case shall not occur before the Final Maturity Date, or Early Redemption Date as regulated under these Terms and Conditions.

- (d) **Corporate status.** Until full redemption of the Bonds the Issuer shall not change its legal form or jurisdiction of incorporation and will not change its business activities, with an exception to the legal form that may be changed from a general private limited liability company to a private limited liability company operating as a closed-ended investment company for informed investors in accordance with Lithuanian laws.
- (e) **Decisions.** To the extent it is compliant with Lithuanian laws, the Issuer undertakes to ensure that the Issuer will not make any decisions regarding the Issuer's reorganization, liquidation, bankruptcy or restructuring procedures initiation.
- (f) **Reporting obligations (until Bonds' admission to trading on the Bond List of Nasdaq Vilnius).**
 - (i) Until full redemption of Bonds, the Issuer shall provide the Trustee (that shall provide to the Bondholders upon their request) with a copy of its:
 - (a) annual audited financial statements – within 4 months after the end of the reporting year. If this timeline is not feasible due to legal arrangements with auditors, the Issuer shall provide the statements no later than 5 months after the end of the reporting year;
 - (b) unaudited semi-annual interim financial statements – within 3 months after the end of reporting period of 6 months;
 - (c) semi-annual report on performance of the LTC ratio together with the report on total amount of Costs of the Project incurred till date of the respective report, and reconciliation of such costs against the construction budget – alongside with the unaudited semi-annual interim financial statements under point (b) above.
 - (ii) In case the investors through the Trustee request additional documents evidencing Costs of the Project, the Issuer within 30 calendar days as of receipt of such request of the Trustee, shall provide invoices received and accounted within the last reporting period.
 - (iii) In case the Trustee from other reliable sources receives information that the Issuer's financial situation has deteriorated materially when compared to the latest available financial statements of the Issuer and/or the LTC covenant may be breached, the Trustee by sending a grounded written request to the Issuer may request the copies of the documents listed in point (g)(i)(c) above before the end of the reporting period indicated therein and the Issuer has an obligation to provide the Trustee with written explanation of the situation as well as requested documents within 30 calendar days from the receipt of the respective Trustee's request.
- (g) **Reporting obligations (after the Bonds' admission to trading on the Bond List of Nasdaq Vilnius).**
 - (i) The Issuer shall publish the following on Nasdaq operated CSF at www.crib.lt:

- (a) its annual audited financial statements – within 4 months after the end of the reporting year;
 - (b) its unaudited semi-annual interim financial statements – within 3 months after the end of reporting period of 6 months;
 - (c) semi-annual report on performance of the LTC ratio together with the report on total amount of Costs of the Project incurred till date of the respective report, and reconciliation of such costs against the construction budget – alongside with the unaudited semi-annual interim financial statements under point (b) above.
- (ii) Points (g)(ii) and (g)(iii) above shall also apply in respect to this point (h). However, the Issuer will not publish documents under point (g)(ii) on Nasdaq operated CSF at www.crib.lt and these documents shall be available only through the Trustee.

The Issuer may deviate from the covenants set forth in this Section upon the consent provided in the decision of the Bondholders' Meeting which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders' Meeting and having voting rights. Upon receiving the consent of the Bondholders in respect of particular covenant it shall be deemed that Bondholders waive their rights in respect of the Extraordinary Early Redemption Event.

6.13. Protection of Bondholders Interest

Bondholders shall have the rights provided in the Law on Protection of Interests of Bondholders of the Republic of Lithuania (the **Law on Protection of Interests of Bondholders**), the Civil Code of the Republic of Lithuania (the **Civil Code**), the Law on Companies of the Republic of Lithuania (the **Law on Companies**) and other laws regulating the rights of Bondholders and the Trustee Agreement.

The Bondholders shall have the following main rights:

- (i) to receive the interest accrued;
- (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Redemption Date or on the Early Maturity Date;
- (iii) to sell or transfer otherwise all or part of the Bonds only strictly following the Terms and Conditions and applicable laws;
- (iv) to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);
- (v) to pledge all or part of the Bonds owned;
- (vi) to participate in the Bondholders' Meetings;
- (vii) to vote in the Bondholders' Meetings;
- (viii) to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (ix) to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (x) to obtain (request) the information about the Issuer, the Issue of Bonds or other information related to the protection of his/her/its interests from the Trustee;

- (xi) to receive a copy of the Trustee Agreement and once concluded, a copy of the Collateral Agreement;
- (xii) other rights, established in the applicable laws, the Trustee Agreement or in the constitutional documents of the Issuer.

No Bondholder shall be entitled to exercise any right of set-off against moneys owed by the Issuer in respect of the Bonds. The rights of Bondholders shall be executed during the term of validity of Bonds as indicated in these Terms and Conditions and applicable Lithuanian laws.

More detailed rights of the Bondholders, rights and obligations of the Trustee being a representative of Bondholders is provided in the Trustee's Agreement.

6.14. Bondholder's Meeting

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

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

A notice of convocation of the Bondholders' Meeting no later than 15 Business Days before the date of the Bondholders' Meeting shall be sent to each Bondholder via parties' e-mails, if indicated in the Subscription Order, and shall be published on the website of the Trustee, and if specifically required by the Trustee – on the website of the Issuer. If any of the Bondholders expressed his/hers/its request to get notifications on the convocation of the Bondholders' Meetings via e-mail and provided the e-mail address, the notice of convocation of the Bondholders' Meeting no later than 15 Business Days before the date of the Bondholders' Meeting shall also be send via the indicated e-mail through Trustee. The notice of convocation of the Bondholders' Meeting shall specify the details of the Issuer, the ISIN of the Bonds, time, place and agenda of the meeting.

The Trustee is obliged to ensure proper announcement on the convocation of the Bondholders' Meetings.

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

A Bondholders' Meeting may take decisions and shall be held valid if attended by the Bondholders who hold more than ½ of Bonds of the Issue (excluding the Bonds held by or for the account of the Fund or any legal entity controlled by the Fund), providing voting right in the Bondholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Bondholders' Meeting. If the quorum is not present, the Bondholders' Meeting shall be considered invalid and a repeated Bondholders' Meeting shall be convened.

A repeated Bondholders' Meeting shall be convened after the lapse of at least 5 Business Days and not later than after the lapse of 10 Business Days following the day of the Bondholders' Meeting which was

not held. The Bondholders must be notified of the repeated Bondholders' Meeting not later than 5 Business Days before the repeated Bondholders' Meeting following the order, indicated above.

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

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

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

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

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

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

Disputes regarding the decisions, adopted in the Bondholders' Meetings shall be settled in the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration. The number of arbitrators shall be three. The place of arbitration shall be Vilnius. The language of arbitration shall be English. The claim may be brought to the Vilnius Court of Commercial Arbitration by the Trustee, the Issuer or any Bondholder, if there are suspicions, that the content of the decision and/or its form, and/or its adoption procedure contradict to the laws regulating these issues or infringes the legitimate interests of the Bondholders. The term of 20 Business Days is established for provision of such claims as from the date on which the claimant found out or had to find out the respective decision.

6.15. Notices

Bondholders shall be advised on matters relating to the Bonds by a notice published in English and Lithuanian on the Issuer's website at www.savarzele.lt and, after the Bonds are admitted to the Bond List of Nasdaq Vilnius, also on the CSF at www.crib.lt. Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified in this Section.

6.16. Trustee

- (a) **Representation of Bondholders.** On 14 November 2024 the Issuer has concluded the Trustee Agreement with Grant Thornton Baltic UAB, a private limited liability company, legal entity code 300056169, with its registered address at Upės st. 21-1, Vilnius, the Republic of Lithuania.

Under the Trustee Agreement the Trustee has undertaken to safeguard the interests of all Bondholders under the Issue and the Issuer has undertaken to pay remuneration to the Trustee indicated therein and the fee shall be paid until full execution of the obligations, indicated in the respective decision to issue the Bonds, except for the cases when the Trustee Agreement ceases earlier.

The Trustee, acting on behalf of and for the benefit of the Bondholders shall also act as Collateral agent (mortgagee) under the Collateral Agreement.

The CEO of the Issuer has the right to terminate the Trustee Agreement pursuant to its provisions.

- (b) **Contact data of the Trustee.**

E-mail: info@lt.gt.com

Representative: Genadij Makušev

Website: <https://www.grantthornton.lt/en/>.

Each Bondholder is entitled to receive a copy of the Trustee Agreement concluded between the Issuer and the Trustee, applying via an e-mail of the Trustee indicated above.

- (c) **Trustee Agreement expires:**

- (i) once the Issuer fulfils all its obligations to the Bondholders;
- (ii) upon redemption of the Bonds by the Issuer on the Final Maturity Date or earlier, as provided and to the extent permitted by these Terms and Conditions;
- (iii) if the Trustee ceases to meet the requirements established for a Trustee in the Law on Protection of Interests of Bondholders, including but not limited to when the Trustee acquires a status of "bankrupt" or "in liquidation";
- (iv) if other conditions established in the Law on Protection of Interests of Bondholders, the Civil Code, the Law on Insolvency of Legal Entities of the Republic of Lithuania and the Trustee Agreement exist.

- (d) **Main rights of the Trustee:**

- (i) to receive a list of Bondholders from the Issuer;
- (ii) to receive a copy of the Decision of Sole Shareholder;
- (iii) to get acquainted with the documents and information which are necessary to fulfil its functions and to receive the copies of such documents;
- (iv) after having obtained the consent of the Bondholders' Meeting, to conclude contracts with third parties when it is necessary to ensure the protection of the interests of the Bondholders;
- (v) to bring an action to the Vilnius Court of Arbitration for the purpose of safeguarding the rights of the Bondholders.

(e) **Main obligations of the Trustee:**

- (i) to take actions in order that the Issuer fulfilled its obligations towards the Bondholders;
- (ii) to convene the Bondholders' Meetings;
- (iii) to publish information regarding the Bondholders' Meetings being convened under procedure of the Law on Protection of Interests of Bondholders;
- (iv) to provide the Bondholders' Meetings with all relevant documents and information;
- (v) to provide the Bondholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Bondholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;
- (vi) to execute the decisions of the Bondholders' Meetings;
- (vii) no later than within 5 Business Days as from the day of receipt of a request of the Bondholder to provide information, to gratuitously present all the information about the Issuer, the Issue or other information related to the protection of his/her/its/their interests;
- (viii) no later than within 3 Business Days from the receipt date of the Bondholder's request to provide a copy of the Trustee Agreement and Collateral Agreement free of charge;
- (ix) to provide the Bondholders with all other information related to the protection of their interests;
- (x) no later than on the next Business Day to inform the Issuer that the Trustee has lost the right to provide audit services (in this particular case) or acquired legal status "in bankruptcy" or "in liquidation".

6.17. Collateral

(a) **Establishment, valuation, release and enforcement of the Collateral:**

- (i) The Issue shall be secured by the first ranking Mortgage over Property (Land Plot and Building).
- (ii) The Collateral Agreement shall be created and registered with the Real Estate Register on or before the Issue Date of the first Tranche.
- (iii) Pursuant to the real estate valuation report by UAB "NEWSEC VALUATIONS" (legal entity code 126212869, registered address at Konstitucijos ave. 21C, Vilnius, certificate No. 000170) dated 8 November 2024 (the **Report**), by 30 September 2024 the market value of the entire Collateral was EUR 31,520,000. The Collateral's valuation was conducted by a property appraiser Linas Daukus, qualifications' certificate No. A 000552. It shall be noted, that property appraiser has given its written consent to the Issuer on disclosure of information related to the Report in the Prospectus and neither UAB "NEWSEC VALUATIONS", nor property appraiser have any material interest in the Issuer or the Collateral appraised. Each investor shall have the right to request the Issuer to provide the Report for review via e-mail info@lordslb.lt.
- (iv) It is anticipated that the Collateral's valuations will be carried out at least once a year. The Issuer will provide each valuation report to the Trustee (that shall provide to the Bondholders upon their request) upon the respective report is prepared and the Issuer

received all necessary consents to disclose it, if any is required.

- (v) Notwithstanding the above, the investors shall acknowledge that the value of the Collateral may vary and in case of the enforcement against the Collateral, subject to the extent and priority noted under Section (b) below, the claims of the Trustee and Bondholders shall be fulfilled from all value of the Collateral existing at the moment of the Collateral realization that is determined and carried out in accordance with the Code of Civil Procedure of the Republic of Lithuania.
- (vi) The Trustee shall take all actions that the Trustee as the holder of the Collateral may reasonably take with the purpose to enforce mortgage over the Collateral according to the procedure provided for in the Collateral Agreement and applicable laws in case:
 - (a) the Secured Obligations are not performed in accordance with its respective terms; and
 - (b) Bondholders' Meeting has adopted a decision to enforce mortgage over the Collateral.
- (vii) The Bondholders' Meeting has the right to instruct the Trustee to take specific actions to enforce mortgage over the Collateral according to the procedure provided for in the Collateral Agreement. The Bondholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the Collateral only through the Trustee pursuant to the Agreement on Bondholders' Protection.
- (viii) The Trustee shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Bondholders as to whether, and in what manner, the Trustee should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the Collateral. Upon such request, the Bondholders shall give their instructions or clarifications to the Trustee within the time period specified in the Trustee's request for instructions or clarifications. The Trustee may refrain from acting unless and until the Bondholders' Meeting has provided the Trustee with requested instructions or clarifications.
- (ix) The Trustee is obligated to comply with these instructions submitted under this Section unless such instructions, in reasonable opinion of the Trustee, may be contrary to the Prospectus, Collateral Agreement, Trustee Agreement, or applicable laws. Any such instruction from the Bondholders' Meeting will be binding on all Bondholders. The Trustee shall not be liable in front of the Bondholders for acting (or refraining from acting) as described in this Section.

(b) **Application of the proceeds from enforcement of the Collateral**

- (i) The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
 - (a) as a first priority – to the satisfaction and payment of all costs and expenses (including, without limitation, state duties, notary fees and valuation costs and fees) related to or arising from enforcement of the Collateral by the Trustee within the limits set forth in the Agreement on Bondholders' Protection;
 - (b) as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (a) above) – payment of the claims of the Bondholders (other than the Related Parties) arising from the Bonds;

- (c) as a third priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (b) above) – payment of the claims of the Bondholders which are the Related Parties.
- (ii) The Trustee shall withhold the proceeds necessary for satisfying the costs, expenses specified in point (i)(a) above and transfer the remaining proceeds to the Bondholders for satisfying their claims under points (i)(b) and (i)(c) above as further specified respectively below. The Trustee shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims under the order of priority established above to the Issuer.
- (iii) In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under point (i)(a) above do not cover the claims under point (i)(b) above in full, the claims arising from the Bonds shall be satisfied *pro rata*.
- (iv) In case the proceeds remaining after satisfying the claims of the Bondholders which are other than the Related Parties under point (i)(b) above do not cover the claims under point (i)(c) above in full, the claims arising from the Bonds subscribed by the Related Parties shall be satisfied *pro rata*.
- (v) The Trustee is not obliged to pay to the Bondholders or any other person any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- (vi) In case the Trustee is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Trustee hereunder, the amount to be paid by the Trustee shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Trustee.

6.18. Other matters

- (a) **Purchases:** The Issuer, any Related Party may at any time purchase the Bonds in any manner and at any price on the secondary market. Bonds held by or for the account of the Issuer and/or Related Parties will not carry the right to vote at the Bondholders' Meetings and will not be taken into account in determining how many Bonds are outstanding for the purposes of the Issue.
- (b) **Force Majeure:** The Issuer, the Arranger/Dealer/ and/or Nasdaq CSD, and/or any other party involved in the Offering (the **Affected Party**) shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:
 - (i) action of any authorities, war or threat of war, rebellion or civil unrest;
 - (ii) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of Affected Party, and that materially affect operations of any of the Affected Party;
 - (iii) any interruption of or delay in any functions or measures of the Affected Party as a result of fire or other similar disaster;
 - (iv) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of Affected Party even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or
 - (v) any other similar Force Majeure which makes it unreasonably difficult to carry on the activities of the Affected Party.

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

- (c) **Governing law:** These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of the Republic of Lithuania.
- (d) **Jurisdiction:** The disputes related to these Terms and Conditions, Final Terms or the Bonds shall be resolved through negotiations. If the parties fail to reach an agreement, the claim for resolving the dispute shall be submitted to the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration which is granted with exclusive jurisdiction to hear, settle and/or determine any dispute, controversy or claim (including any non-contractual dispute, controversy or claim) arising out of or in connection with these Terms and Conditions, Final Terms or the Bonds. All procedural documents shall be served via parties' e-mails indicated in the Terms and Conditions or Subscription Order. The number of arbitrators shall be three. The place of arbitration shall be Vilnius. The language of arbitration shall be English.

7. FORM OF FINAL TERMS OF THE BONDS

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

FINAL TERMS OF THE BONDS

[Date]

UAB "KVARTALAS"

Issue of EUR [Aggregate Nominal Value of the Tranche] Bonds

under the EUR 50,000,000 Bond Issue

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Company's base prospectus drawn up by the Company, dated 18 November 2024 (the **Prospectus**) and Terms and Conditions which are provided therein. Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Prospectus. The Prospectus (including all its supplements (if any)) is and will be available for acquaintance at the Company's website (www.savarzele.lt). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds.

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

A summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been approved by a Decision of Sole Shareholder dated 13 November 2024. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	UAB "Kvartalas"
2.	Number of Tranche	[number]
3.	Maximum Aggregate Nominal Value of the Issue	EUR 50,000,000
4.	Maximum Aggregate Nominal Value of the Tranche	EUR [amount] ² .
5.	Maximum Aggregate Nominal Value of the Tranche for Offering through the Auction	EUR [amount]. [n/a]
6.	Issue currency	EUR
7.	Nominal Value	EUR 100
8.	Issue Price	EUR [amount]

² The aggregate Nominal Value of the Tranche may be increased by the Issuer before or on the Issue Date. The Issuer shall amend the Final Terms and publish the updated Final Terms on the Company's website before or on the Issue Date.

9.	Minimum Investment Amount	EUR [amount]
10.	Issue Date	[date]
11.	Final Maturity Date	[date]
12.	Redemption/Payment Basis	Redemption at par
13.	Interest	
	(i) Interest Payment Dates	[dates]
	(ii) Interest Rate	[number]% (fixed) annually
	(iii) Interest calculation method	Act/Act (ICMA) count convention
14.	Yield	[number]% per annum. Yield is calculated based on the Nominal Amount and on the Issue Date. Actual yield may differ depending on the price paid for a specific bond by an investor.
15.	Record Date	Fourth Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, whichever is relevant.
16.	Offering jurisdictions	The Republic of Lithuania, Estonia and Latvia
17.	Subscription Period	[beginning and end times of period]
18.	Payment Date	[if applicable, date]
19.	ISIN code	LT0000411167
20.	Expected listing and admission to trading on the Bond List of Nasdaq date	[date]
21.	Placing and underwriting	[Not applicable/description of entities agreeing to underwrite the Issue on a firm commitment basis and/or agreeing to place the issue without a firm commitment or on a “best efforts” basis and respective arrangements]
22.	Subscription channels	[description]
23.	Allocation rule (in case of oversubscription)	[description]

24. Collateral

[description, including but not limited to the latest value of the Collateral, ranking, deadline for execution of the Collateral Agreement or date of the Collateral Agreement, notarial register No. and mortgage identification code]

Signed on behalf of UAB "Kvartalas"

[signatory's full name, position]

8. HISTORICAL FINANCIAL INFORMATION OF THE ISSUER

The following table is a summary of the Issuer's financial information for the financial years ended 31 December 2022 (audited) and 31 December 2023 (audited), also for the 6-month period ended 30 June 2024 (unaudited).

The information set out in the table below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with the Issuer's Audited Financial Statements for the years ended 31 December 2023 and 31 December 2022, and Unaudited Interim Financial Statements for the 6-month period ended 30 June 2024, that are incorporated by reference to this Prospectus and form an integral part hereof (please see Section 4 "Information incorporated by Reference"). The Financial Statements have been prepared in accordance with the LFAS.

Table 1: balance sheet summary of the Company as of 30 June 2024 and 31 December 2023 as well as 31 December 2022

		2024-06-30 (unaudited)	2023-12-31 (audited)	2022-12-31 (audited)
A	NON-CURRENT ASSETS	20,622,305	15,877,055	13,784,581
1	Intangible Assets	-	-	-
2	Property, Plant and Equipment	20,390,568	15,877,055	13,784,581
3	Financial Assets	-	-	-
4	Other Non-current Assets	231,737	-	-
B	CURRENT ASSETS	238,656	1,478,719	338,368
1	Inventories	17,103	1,333	722
2	Receivables Within One Year	70,067	31,666	178,223
3	Short-term Investments	-	-	-
4	Cash	151,486	1,445,720	159,423
C	DEFERRED EXPENSES AND ACCRUED INCOME	7,283	10,381	21
	TOTAL ASSETS	20,868,244	17,366,155	14,122,970
D	EQUITY	2,269,852	2,644,634	3,102,513
1	Capital	4,034,000	4,034,000	4,034,000
2	Share premium	-	-	-
3	Revaluation Reserve (Results)	-	-	-
4	Reserves	-	-	-
5	Retained Earnings (Loss)	(1,764,148)	(1,389,366)	(931,487)
E	PROVISIONS	-	-	-
F	PAYABLES AND OTHER LIABILITIES	18,593,742	14,715,271	11,014,607
1	Payables After One Year and Other Liabilities	17,406,296	14,533,046	10,971,286
2	Payables Within One Year and Other Liabilities	1,187,446	182,225	43,321
G	ACCRUALS AND DEFERRED INCOME	4,650	6,250	5,850
	TOTAL EQUITY AND LIABILITIES	20,868,244	17,366,155	14,122,970

Source: the Financial Statements

Table 2: income statement of the Company for the 6-month period ended 30 June 2024, years ended 31 December 2023 and 31 December 2022

	2024-01-01 – 2024-06-30 (unaudited)	2023 (audited)	2022 (audited)
I. Sales revenue	947	135,335	90,867
II. Cost of sales	-	-	-
III. Change in fair value of biological assets		-	-
IV. GROSS PROFIT (LOSS)	947	135,335	90,867
V. Selling expenses	-	-	-
VI. General and administrative expenses	(110,686)	(130,179)	(120,619)
VII. Other operating results	150	-	-
VIII. Income from investments in the shares of a parent company, subsidiaries and associated companies	-	-	-
IX. Income from other non-current investments and loans	-	-	-
X. Other interest and similar income	5,328	4,592	-
XI. Impairment of financial assets and current investments	-	-	-
XII. Interest and other similar expenses	(270,521)	(467,627)	(530,475)
XIII. PROFIT (LOSS) BEFORE TAX	(374,782)	(457,879)	(560,227)
XIV. Income tax	-	-	-
XV. NET PROFIT (LOSS)	(374,782)	(457,879)	(560,227)

Source: the Financial Statements

Table 3: cash flow statement summary of the Company for the 6-month period ended 30 June 2024, years ended 31 December 2023 and 31 December 2022

	2024-06-30 (unaudited)	2023-12-31 (audited)	2022-12-31 (unaudited, but comparative figures for 2022 included in the Audited Financial Statements for the year ended 31 December 2023)
Net Cash flows from operating activities	(92,363)	620,459	(20,757)
Net Cash flows from financing activities	2,400,000	2,500,000	1,550,000
Net Cash flow from investing activities	(3,601,871)	(1,834,252)	(1,600,022)

Source: the Financial Statements

Please note that, under the Law on Law on Financial Accountability of Companies of the Republic of Lithuania that in 2024 was repealed by the Law on Financial Accountability of Companies and Groups of Companies of the Republic of Lithuania, the Company was not required to prepare cash flow statements as it met the criteria for very small enterprises and was not considered a public interest entity. The cash flow statements were prepared for the purposes of the Prospectus. The cash flow statements were produced for the 6-month period ended 30 June 2024 and retrospectively for the years ended 31 December 2023 and 31 December 2022. The Audited Financial Statements for the year ended 31 December 2023 include comparative cash flow figures for 2022.

9. REASONS FOR OFFERING AND USE OF PROCEEDS

The overall purpose of the Issue and the Offering is to finance (i) the construction and fit-out of the Project (incl. financing costs related to the Project) in an amount up to EUR 47,000,000; and (ii) to finance redemption of the subordinated intercompany bonds together with accrued interest from the Fund up to the maximum amount of EUR 3,000,000. The Company may also use the proceeds from the Issue to support its working capital needs. For further details regarding the financing of the Company's activities and the Project's cost structure, please refer to Sections 13.2 "*Financing of Activities*" and 14.4 "*The Project Schedule and Cost*" of the Prospectus.

Provided that all the Bonds under the Issue are subscribed for and issued by the Company, the expected amount of gross proceeds would be up to EUR 50,000,000 (fifty million euros) less the amounts of costs and expenses incurred in connection with the Offering, as prescribed below.

The Company will bear approximately up to EUR 650,000 of fees and expenses in connection with the Offering (including the maximum amount of any discretionary commission, admission to trading on the Bond List of Nasdaq Vilnius related costs, legal costs, etc.) under the Issue. These costs of the Offering will be covered from proceeds of the Offering.

10. GENERAL CORPORATE INFORMATION AND ARTICLES OF ASSOCIATION

The legal and commercial name of the Company is UAB "Kvartalas", legal entity code 305475438.

The Company was registered in the Register of Legal Entities of the Republic of Lithuania on 24 February 2020.

Legal entity identifier (LEI) code is 98450090J5CC5A19F957.

The Company has been established and is operating under the laws of the Republic of Lithuania (including without limitation, the Law on Companies, Civil Code) in the form of a private limited company (in Lithuanian: *uždaroji akcinė bendrovė*) and is established for an unlimited period.

The latest Articles of Association of the Company have been registered in the Register of Legal Entities on 23 December 2023 (please see Section 4 "*Information Incorporated by Reference*").

The Company has not been assigned with the credit rating nor such a process have been initiated.

During the validity of the Prospectus, and subject to the preparation and publication of a supplement to the Prospectus, the Company is expected to become a collective investment undertaking, a private limited liability company operating as a closed-ended investment company for informed investors upon receiving authorization from the Bank of Lithuania. Following this change, the Company will comply *inter alia* with the Law on Collective Investment Undertakings of the Republic of Lithuania, the Law on Collective Investment Undertakings for Informed Investors of the Republic of Lithuania, and other relevant laws. Management will be transferred to the Management Company. The Company is anticipated to have an operational term similar to the Fund's, with the possibility of extension, starting from the date the Bank of Lithuania approves its Articles of Association. Upon transitioning into an investment company, the Company will pool the combined assets of informed investors and will invest them in assets aligned with the investment strategy outlined in the Company's Articles of Association, including but not limited to further investments in the Project.

Please note that the Issuer's conversion to a collective investment undertaking will not affect neither the Collateral granted in favour to the Bondholders (it will remain effective and registered with the Register of Real Estate), nor the Issuer's obligations arising from the Bonds.

The contact details of the Company are the following:

Registered address	Jogailos st. 4, Vilnius, the Republic of Lithuania
Country of registration	Republic of Lithuania
Phone number	+370 5 261 9470
E-mail	info@lordslb.lt
Website	www.savarzele.lt where all Bonds related information and documents are uploaded or will be uploaded by the Company. The information on the website does not form part of the Prospectus, unless certain of this information is incorporated by reference into the Prospectus (please see Section 4 " <i>Information Incorporated by Reference</i> ").

11. SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE

11.1. Share Capital and Shares

The current registered and fully paid-in share capital of the Company is EUR 4,034,000 which is divided into 4,034,000 ordinary shares of the Company (the **Shares**) with the nominal value of EUR 1. All Shares issued by the Company are dematerialized ordinary registered Shares.

Pursuant to Lithuanian law, the main rights afforded to holders of ordinary shares are the right to participate and vote in the general meeting of shareholders and in the distribution of profits and, upon dissolution, of the remaining assets of the private limited company, as well as other rights provided by law or prescribed by the Articles of Association of the Company.

11.2. Shareholders of Company

As at the date of this Prospectus, the Issuer is controlled by the Sole Shareholder – Fund and there are no other shareholders holding directly over 5% of Shares:

Table 4: shareholders of the Issuer

Name of shareholder	Number of Shares	Proportion	Ultimate Beneficial Owner
Closed-ended real estate investment fund intended for informed investors Right Bank Development Fund	4,034,000	100%	Marius Žemaitaitis (as the manager of the Fund assigned by the Management Company)

Source: the Issuer

The Company's share capital and shareholding structure may be subject to changes if the circumstances specified in Section 10 "*General corporate information and Articles of Association*", occur.

The Sole Shareholder of the Issuer is a collective investment undertaking that pools the combined assets of informed investors and invests them in real estate in Lithuania, in line with the investment strategy outlined in the Fund's operational documents. The Fund's only investment is through the Issuer in the Project as described in Section 14 "*Development of the A++ Class Business Centre*"). The Fund was established in 2021 for a 5-year period with the possibility of extending its operational term by additional 2 years.

12. MANAGEMENT

This Section profiles of key decision-makers, whose collective expertise and leadership contribute to the overall success of the Project and Issuer’s ability to redeem the Bonds.

12.1. Management Structure

The Issuer has no Supervisory Council or Management Board, and its CEO is Mr. Marius Žemaitaitis (more information about Mr. Marius Žemaitaitis is provided in Section 12.5 “Other Key Executives of the Management Company”).

The CEO is in charge of daily management of the Issuer and has authority to represent the Issuer. More detailed information about the competences of the CEO of the Company may be found in the Articles of Association of the Issuer which are incorporated by reference into this Prospectus (please see Section 4 “Information Incorporated by Reference”).

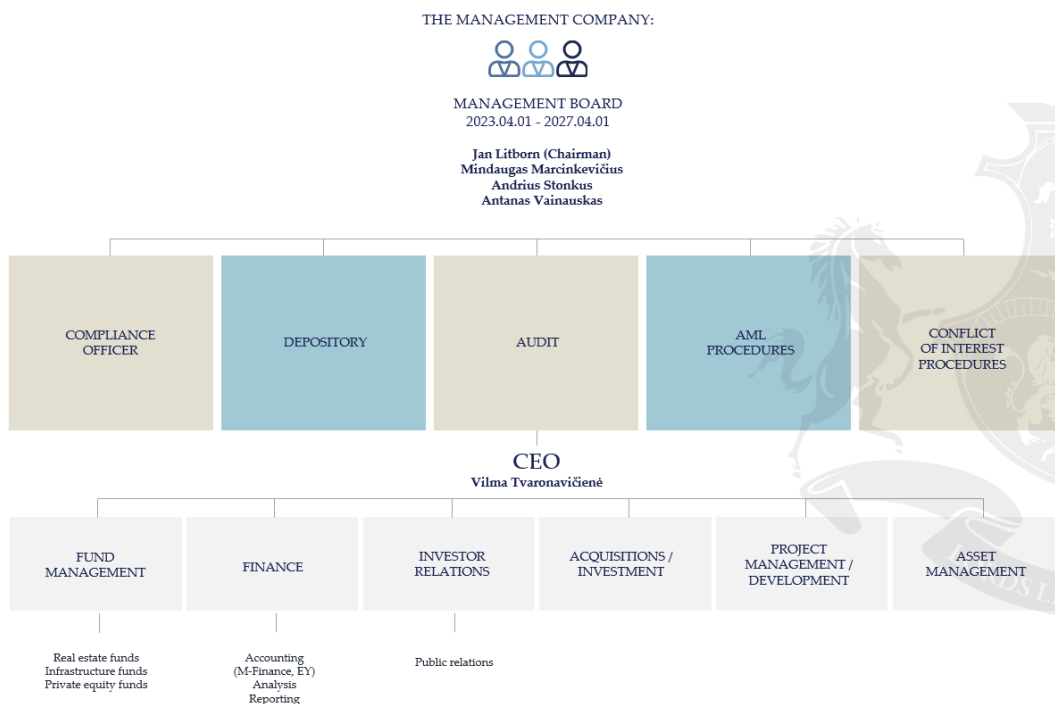
12.2. Management Company

UAB “Lords LB Asset Management” is a licensed investment management company supervised by the Bank of Lithuania. The Management Company is authorized to manage real estate and private equity collective investment undertakings (licence), collective investment undertakings established in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania for Informed Investors (licence), collective investment undertakings for professional investors (license).

The Management Company currently manages these collective investment undertakings: 15 real estate funds, 1 private capital fund, 1 energy and infrastructure fund and 3 investment companies. The total value of assets managed by the collective investment undertakings reached EUR 1.34B at the end of June 2024.

The Management Company’s organization structure is presented in figure below.

Figure 1: Organizational Structure of the Management Company

















Source: the Management Company

12.3. Management of the Management Company

The management team of the Management Company is presented in Figure 2 below in order to create a full picture of the professionals contributing to the success of the Company and its investments. The experience and competence of these persons both individually and jointly ensure the operations, results and financial standing of the Company.

Figure 2: Management team of the Management Company

								
	VILMA TVARONAVIČIENĖ	KIRILAS KUNDUŠAS	RASA BARTUSEVIČIENĖ	DANA ČESŪNĖ	GIEDRIUS ŽILINSKAS	ANASTASIJA POCIENĖ	RYTIS ZALOGA	ROKAS ADLIS
Position	CEO	CFO	Investor relations manager	Investor relations manager	Chief Risk Officer	Fund manager	Fund manager	Fund manager
						Special Fund III, Special Fund IV, Uptown Development Fund	Small Cap Fund, European Property Fund, Baltic Residential Fund	Baltic Opportunity
Career highlights	Achema group	PwC, EY	Swedbank	SEB Bank	Danske Bank	Hanner, SBA Group	Hanner	EQT Exeter, Cerberus
								
	PAULIUS NEVINSKAS	MARIUS ŽEMAITAITIS	MARIUS ŽEMAITIS	MANTAS AURUŠKEVIČIUS	ARTŪRAS ŠILINIS	GRĖTĖ BUKAUSKAITĖ		
Position	Fund manager	Fund manager	Fund manager	Fund manager	Fund manager	Fund manager		
	TEWOX	BGFV Inter Cap Fund, Right Bank Development Fund	Central Development Fund, Special Fund I Subfund A	Green Energy Growth Fund	Private Equity Fund I	Energy & Infrastructure SME Fund, Atsinaujančios energetikos investicijos		
Career highlights	VP Group, SBA Group	EY, Hanner	Newsec, McKinsey & Company	EY	Kapitalo srutai, Ūkio bankas	Ludwig-Maximilian-University Munich		

Source: the Management Company

12.4. Management Board of the Management Company

Andrius Stonkus – member of the Management Board, founder and shareholder of the Management Company.

Mr. Stonkus is the founder of the leading real estate advisory and asset management company in the Baltic States Re&Solution, which was later partly acquired by Newsec and became Newsec / Re&Solution.

Mr. Stonkus founded UAB “Lords LB Asset Management” in 2008 where he is responsible for raising funds and acquisitions. Before Re&Solution, during 2001 – 2004, Mr. Stonkus was the Director of real estate investment company Prime Real Estate and held several financial and management positions at Prime Investment. During his career, Mr. Stonkus was managing and participating in real estate transactions totaling EUR one billion.

Mr. Stonkus holds a bachelor’s degree in banking from Vilnius University and has taken various courses in finance and analysis.

Mindaugas Marcinkevičius – member of the Management Board, shareholder of the Management Company.

Mr. Marcinkevičius has over 21 years of experience in real estate development within Vilniaus prekyba group, the largest business consortium in the Baltics. In the Management Company, Mr. Marcinkevičius is responsible for real estate development and project management.

For ten years, he was a Chairman of Akropolis, the largest and most successful shopping centre developer in the Baltics with operations in the Republic of Lithuania, Latvia, Estonia, and Bulgaria. Under Mr. Marcinkevičius' management, Akropolis developed over 250,000 m² of flagship retail and office space, which was recognized as the most valuable commercial real estate asset in the Republic of Lithuania.

Mr. Marcinkevičius holds a master's degree in real estate valuation and management from Vilnius Gediminas Technical University.

Jan Ake Gustaf Litborn – member of the Management Board, chairman of the management board of the Management Company.

Mr. Jan Ake Gustaf Litborn is a partner and honorary chairman of Glimstedt Law Firm. Jan Litborn is also founder of the Baltic offices of Glimstedt law firm. He is a member of the Swedish and International Bar Associations, and has been practicing law as such since 1982. Jan Litborn has extensive experience representing several of the largest Swedish property and private equity companies, in matters regarding primarily merger and acquisitions, financing, and securitization.

Mr. Litborn has also been involved in several large cross-border transactions. He is a graduate from the University of Stockholm and Stockholm School of Economics.

Antanas Vainauskas – member of the Management Board, shareholder of the Management Company.

Mr. Vainauskas is a co-founder of leading oil exploration and production companies in the Republic of Lithuania TAN Oil (indirectly controlled by Tethys Oil) and LL Investicijos, which was later partly acquired by an American multinational energy corporation Chevron. In the Lords LB Management Company Mr. Vainauskas is responsible for energy and infrastructure projects.

Mr. Vainauskas has been a board member of various companies in one of the largest business groups in the Republic of Lithuania, SBA Concern, whose activities concentrate on four business areas – furniture, apparel, business centres and energy.

Mr. Vainauskas holds master's degree in European Law from Stockholm University and a bachelor's degree with specialization in law from Vilnius University.

12.5. Other Key Executives of the Management Company

Vilma Tvaronavičienė – CEO of the Management Company.

Mrs. Vilma Tvaronavičienė has been a part of the Management Company since 2011, starting from the investors relations manager position, she became the CEO in 2019. Her role consists of supervision of the Management Company and activities of the funds under management of the Management Company, she contributes to the development of funds investment strategies, establishment and maintaining of the relationships with the investors of the investment funds.

Mrs. Tvaronavičienė holds a degree of mechanical engineering from Kaunas University of Technology, has an international certificate "Foundation Award in Management principles" from Institute of Leadership and Management. Mrs. Tvaronavičienė is also studying at Kaunas University of Technology in master's program "Business management".

Marius Žemaitaitis – fund manager in the Management Company.

Mr. Žemaitaitis has 6 years of experience in finance, audit and real estate property management.

His prior experience includes Hanner and EY companies.

In the Management Company, Mr. Žemaitaitis is responsible for managing Lords LB Baltic Green Fund (V) and Right Bank Development Fund.

Mr. Žemaitaitis holds a master 's degree in Financial Economics from ISM University of Management and Economics.

Kirilas Kundušas – CFO of the Management Company.

Mr. Kundušas is a financial management executive who has more than 14 years of experience in finance and asset management. His previous workplaces include BAA Training, EY Baltic, Deloitte Lithuania, National Audit Office of Lithuania.

Mr. Kundušas holds a Magna Cum Laude Master's degree in accounting and audit from Vilnius University.

Giedrius Žilinskas – CRO of the Management Company.

Mr. Žilinskas has more than 5 years of experience working with regulatory, risk and compliance change and implementation projects. Before joining the Management Company, Mr. Žilinskas have been working in business advisory filed as a consultant and freelance consultant.

Mr. Žilinskas holds a master 's degree in International business and Management from Groningen university, Netherlands.

Table 5: shares held by the Management of the Management Company

<i>Name, surname</i>	<i>Position in the Management Company</i>	<i>Indirectly owned Shares in the Management Company, %</i>	<i>Clarifying comments</i>
Andrius Stonkus	Member of the Management Board	26,01	Mr. Andrius Stonkus is the sole shareholder of UAB "Aemulus", legal entity code 302578408, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania that directly owns 26% of the authorized capital of the Management Company. Andrius Stonkus directly owns 0,1% of the authorized capital of the Management Company.
Mindaugas Marcinkevičius	Member of the Management Board	47	Mr. Mindaugas Marcinkevičius is the sole shareholder of UAB "Glera", legal entity code 302576414,

<i>Name, surname</i>	<i>Position in the Management Company</i>	<i>Indirectly owned Shares in the Management Company, %</i>	<i>Clarifying comments</i>
			registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania that directly owns 47% of the authorized capital of the Management Company.
Antanas Vainauskas	Member of the Management Board	9	Mr. Antanas Vainauskas is the sole shareholder of UAB „Serenus“, legal entity code 300612833, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania that directly owns 9% of the authorized capital of the Management Company.

Source: the Company

12.6. Conflicts of Interests

(a) Internal conflicts of interests.

The members of the Management Board of the Management Company, Mr. Andrius Stonkus, Mr. Mindaugas Marcinkevičius and Mr. Antanas Vainauskas are direct and/or indirect shareholders of the Management Company. Therefore, considering that the Management Company is involved in the development of the Project success of which is closely related to the Issuer's ability to redeem the Bonds, it is possible that these shareholders may favour any of their own interests rather than those of the Management Company or the collective investment undertakings (or their owned entities) managed by it, also it is possible that the Issuer's, Fund's and the Management Company's interests in certain situation may differ.

Nevertheless, it shall be noted that the Management Company implements conflicts of interest procedures in the Management Company in order to monitor and control conflicts of interest risk and ensure transparency of investment and investment supervision.

(b) Interest of natural and legal persons involved in the Offering.

The Arranger/Dealer, "Swedbank", AB, is appointed by the Issuer as responsible person in the Republic of Lithuania, Latvia and Estonia for the purposes of arranging the Issue, Offering in the Republic of Lithuania, Latvia and Estonia and Admission of the Bonds to trading on the Bond List of Nasdaq Vilnius, and/or for any other purposes and services as provided for in the Prospectus. The Issuer is paying fees (commissions) established in the Mandate Letter for the services provided to the Issuer.

The law firm Ellex Valiunas is appointed by the Issuer as legal adviser for the purposes of this Prospectus related matters and Issuer's representation at the Bank of Lithuania. The Issuer is paying fees established in the representation agreement dated 1 October 2024 for the services provided by law firm Ellex Valiunas.

The Trustee, Grant Thornton Baltic UAB, is appointed by the Issuer as Bondholders' trustee as required under the Law on Protection of Interests of Bondholders. The Issuer is paying fees established in the Trustee's Agreement for the services provided by the Trustee.

There are no other persons appointed by the Issuer in connection with this Prospectus, Offering and Admission of the Bonds to trading on the Bond List of Nasdaq Vilnius as of the date of this Prospectus.

To the best knowledge of the Issuer neither the Arranger/Dealer nor the legal adviser or the Trustee has any conflict of interest pertaining to the responsibilities assigned to them by the Issuer.

12.7. Statutory Auditors

The Audited Financial Statements for the years ended 31 December 2023 and 31 December 2022 were prepared in accordance with the LFAS and audited by the audit company UAB "KPMG Baltics", legal entity code 111494971, having its registered address at Lvivo st. 101, Vilnius, the Republic of Lithuania. The Audited Financial Statements are incorporated into this Prospectus by reference. The auditor Ieva Voverienė is the independent auditor of the respective Financial Statements for the years ended 31 December 2022 and 31 December 2023.

Audit company issued unqualified auditor's opinions regarding the Audited Financial Statements for the years ended 31 December 2023 and 31 December 2022.

Please note that in 2024, the Sole Shareholder of the Company appointed PricewaterhouseCoopers, UAB, legal entity code 111473315, having its registered address at J. Jasinskio st. 16B, Vilnius, the Republic of Lithuania, as the Company's new auditors for the financial years 2024-2026.

All other information concerning the Company within this Prospectus has not been subject to audit.

13. BUSINESS OVERVIEW

13.1. History and development of Company; Principal Activities

Principal activities of the Company

As of the date of the Prospectus, the Company is constructing an A++ class business centre at Konstitucijos ave. 14A, Vilnius. The Project will consist of seven above-ground floors, offering a total gross floor area of 19,235 m² dedicated to office and commercial spaces. Additionally, there will be two underground levels with a gross floor area of 11,048 m², primarily serving as a car parking facility.

The ground floor of the business centre will be dedicated for office, retail, commercial, and other service providers. Floors 2 through 7 will primarily be dedicated to office spaces. Collectively, these areas will constitute the primary income-generating components of the Project.

The underground car parking offers 343 car parking spaces and is designed to accommodate electric vehicle charging stations, with an estimated capacity for 70 electric vehicle parking spaces. It will also feature dedicated areas for bicycles, scooters, e-scooters, as well as shower and locker facilities available for the tenants of the business centre. The underground car parking will constitute a second income generating unit. It will be operated by the leading parking company in the Republic of Lithuania – “Unipark”.

The completion of the Project is estimated around the Q4 of 2025. The Issuer estimates that the total investment cost of the Project at its completion will amount to EUR 78.1 million.

For further details on the Project, please refer to Section 14 “*Development of the A++ Class Business Centre*” below.

History and development of the Company

The Company was established on 24 February 2020. On 28 April 2021 the Issuer has acquired the Land Plot at Konstitucijos ave. 14A, Vilnius for the development of the Project. On 1 October 2021 the Fund has acquired 100% of shares of the Issuer.

The Issuer being a real estate development company engages in the following activities: project initiation (concept and initial set of goals), market research and business analysis, requirements, estimates, planning, procurement, architecture and design, project implementation and construction, testing, market launch and closing sale/rent of the premises and buildings. The Company performs no other principal activities and provides no other services, neither creates new products. The Issuer carries out these activities primarily through contractual agreements with local or international third-party professionals and service providers. This includes, but is not limited to, engaging external experts for architecture and design, construction, cost estimation, planning, procurement, and project execution and management. Additionally, the Issuer relies on third-party specialists for leasing and selling the developed premises, as well as other essential services related to the completion and commercialization of the Project.

The sole purpose of the Issuer is to develop the Project which does not generate any income as of the date of this Prospectus. The Issuer does not intend to make any other investments except those relevant to the Project. The Fund does not intend to make any other investments except those related to the Issuer.

13.2. Financing of Activities

The Company uses a combination of equity injections and debt to fund its activities and development of the Project.

The Fund which is the sole shareholder of the Company that provides equity injections either through the intercompany bonds (that can be capitalized), as detailed in Section 13.5 "*Related Party Transactions*," or through an increase in the Company's share capital.

The total Project cost is estimated to be EUR 78.1 million. The Company is planning to use the proceeds of up to EUR 47 million from the Bonds to finance the development and construction of the Project. The remaining amount of the Project cost will be financed from equity. As of the date of the Prospectus, the Sole Shareholder has secured a sufficient amount of investor commitments to finance the Project's equity part.

As of 30 September 2024, the Company issued intercompany bonds to the Fund amounting to EUR 21,950,000 and the proceeds were used for the development and construction of the Project. The outstanding balance of these bonds is EUR 18,106,002. Bonds amounting to EUR 3,843,998 (nominal value) were capitalized in December 2022, i.e., the conversion to equity and the share capital increase were reflected in the Articles of Association of the Company, registered in the Register of Legal Entities of the Republic of Lithuania on 23 December 2022. The mentioned intercompany bonds are subordinated to the Bonds issued under this Prospectus.

As at the date of the Prospectus, the Company has not concluded any financing agreements (credits, syndicated loans, credit lines, overdrafts, financial leasing) with external parties.

The Bonds will have a maturity of 2 years from the Issue Date of the first Tranche. The Company plans to secure a refinancing bank loan for the redemption of the Bonds, with the likelihood of obtaining financing significantly increasing when the Building is occupied by tenants. Upon completion of construction, the first tenants are expected to move into the Building in Q4 2025 or early 2026.

However, if the bank loan is not secured, the Company may explore alternatives, such as selling the Project and using the proceeds for the redemption of the Bonds, or issuing new bonds for refinancing of the Bonds.

13.3. Competitive Position and Competitive Strengths

The Issuer, the Fund and the Management Company operate in a competitive business environment. The competition arises from the current supply of business centers in Vilnius, as well as several other business centers that are under construction and scheduled for completion around a similar time as the Project. The operations are also affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors.

Experienced Management Company

The Management Company has extensive experience in managing commercial real estate developments in Lithuania. Established in 2008, real estate investment funds managed by the Management Company developed such projects in Vilnius central business district as "SEB" headquarter at Konstitucijos ave. 24, "Lvivo" Business Centre at Lvivo st. 37, "Artery" at Konstitucijos ave. 18b, all of which have been awarded with the highest rating BREEAM³ sustainability certificates,

³ The BREEAM (*Building Research Establishment Environmental Assessment Method*) certificate is an internationally recognized certification system used to evaluate the environmental performance of buildings and infrastructure. BREEAM provides a comprehensive assessment of a building's sustainability across various categories. The BREEAM certificate is issued by the Building Research Establishment (BRE), a UK-based organization.

achieving outstanding ratings in “*New Construction*” category, and the “K29” business centre at Konstitucijos ave. 29 with BREEAM “*In-use Excellent Sustainability*” certificate.

The Management Company’s managed real estate investments funds with their developed business centres were multiple times awarded for their visionary, sustainable, and impactful projects.

Having developed successful projects in Vilnius central business district, the Management Company has gained reputation on the market for developing sustainable, forward-looking and innovative business centres in Vilnius. Therefore, the Management Company and the team responsible for the development of the Project has extensive experience in the development and management of business centres, allowing for a successful expansion of Vilnius office market with the ongoing development of the Project.

Respectable general contractor

UAB “Conres LT” is a general contractor with respect to the construction and development of the Project. The general contractor will also be responsible for completing the fit-out of tenant office spaces for a half of the aboveground floor area of the business centre.

UAB “Conres LT” has 15 years of experience in real estate construction, having developed over 750,000 square meters of space across commercial, public, residential, and industrial sectors. UAB “Conres LT” has constructed such business centres in Vilnius as “BH Meraki”, “GIRTEKA PARK”, “UNIQ”, and others.

Solid anchor tenant

AB Šiaulių bankas will occupy 46% of the total Project’s gross leasable area. AB Šiaulių bankas will be an anchor tenant of the Project with a strong reputation in the market as the longest-established and largest bank with Lithuanian capital. AB Šiaulių bankas brings a strong and stable presence to the Project, enhancing its overall commercial value and appeal.

Prime location in central business district of Vilnius

The Project is located in a prime location between the city center and the central business district of Vilnius. Just steps away from the Neris River and Vilnius municipality, it is also in close proximity to the headquarters of major banks, shopping malls, multiple business centers, hotels, and more. With easy access by public and private transport, it ensures both convenience and connectivity.

High sustainability standards

The business center was designed to the highest standards of environmental sustainability. Advanced amenities and technical solutions of this business center will ensure a healthy environment for employees.

The Project is expected to achieve a BREEAM “*Outstanding Sustainability*” certification in “*New Construction*” category and an A++ energy class rating.

On 2 September 2024 the Project has received an interim certificate (Nr. BREEAM-0122-7438) for the design stage of the Project and achieved an “*Outstanding*” rating. The interim certificate evaluates the design of the Project in following categories: management, health and wellbeing, energy, transport, water, materials, waste, land use and ecology, pollution, and innovation.

For further details of the Project please refer to Section 14 “*Development of the A++ Class Business Centre*”.

13.4. Material Agreements

The Company has not entered into other than contracts entered into in the ordinary course of business, contracts for development of the Project and Related Party transactions, as reflected below, and/or contracts entered for the purposes of the Offering and admission to trading on the Bond List of Nasdaq Vilnius as indicated in the Terms and Conditions, which could result in the Company being under an obligation or an entitlement that is material to the Company's ability to meet its obligations to the Bondholders in respect of the Bonds being issued.

Below are the described material contracts (material financial agreements and other contracts) entered into in the ordinary course of business which are valid as at the date of the Prospectus.

Financial agreements

The Company has not concluded any financing agreements (credits, syndicated loans, credit lines, overdrafts, financial leasing) with external parties, except that in March 2024, the Company issued a bank performance guarantee to AB Vilniaus šilumos tinklai, required for the commencement and execution of the reconstruction of heat supply networks owned by the Company. The guaranteed amount is EUR 231,737 and it is provided for a period of 5 years.

Lease agreements:

The Project's anchor tenant, AB Šiaulių bankas, has leased 46% of the total Project's GLA under the lease agreement dated 30 January 2023, supplemented by additional agreements signed on 25 April 2024 and 22 August 2024. As the longest-established and largest bank with Lithuanian capital, AB Šiaulių bankas brings a strong and stable presence to the Project, enhancing its overall commercial value and appeal.

AB Šiaulių bankas is the only tenant as of the date of this Prospectus. However, the lease agreement with AB Šiaulių bankas may be terminated due to the fault of either party in the event of a material breach, for example the Company's failure to hand over the premises to the lessee (AB Šiaulių bankas) or the lessee's failure to take over the premises from the Company, or the termination may occur due on their contractual grounds, subject to penalties and other sufficient compensation.

Once material lease agreements are concluded, the Company will make announcements on the Company's website and after the Bonds are admitted on the Bond List of Nasdaq Vilnius, also on the CSF at www.crib.lt.

Other material Project related agreements

- (i) General Works Agreement concluded by the Issuer and UAB „Conres LT“ on 15 of March 2024 (the **General Works Agreement**), supplemented by additional agreements on 18 March 2024, 4 July 2024, and 2 August 2024.
- Subject matter of the General Works Agreement: constructions works, and other works provided in the General Works Agreement.
 - Price of the General Works Agreement (excl. VAT): EUR 47,542,491.
 - Start of construction works: 15 of March 2024.
 - End of construction works: 20 of October 2025.
 - Applicable law and dispute resolution: the General Works Agreement is governed by Lithuanian law. The disputes arising out of or in connection with the General Works Agreement shall be settled by Vilnius Court of Commercial Arbitration.

- Termination: the General Works Agreement may be terminated in case the Company fails to fulfill its obligations, and fails to remedy the situation within an agreed time period, or in the event of other material breach.

Please note that before the conclusion of the General Works Agreement, 1) installation of heat networks, installation of temporary tracks and permanent tracks; 2) ground preparation works, and 3) foundation construction works at Konstitucijos ave. 14A, Vilnius, were carried out by 1) UAB “DS-1”, 2) UAB “Vaidva”, and 3) UAB “Vilniaus rentinys”. The above works were completed and respective agreements expired after the conclusion of the General Works Agreement.

(ii) Design Contract concluded by the Issuer, RSHP LLP (the **Designer 2**) and UAB “Unitectus” (the **Designer 1**) on 22 of June 2023 (the **Design Work Agreement**)

- Subject matter of the Design Work Agreement: design works of the building and its surrounding located at Konstitucijos ave. 14A, Vilnius, the Republic of Lithuania and preparation of technical and work projects, management project, other documents as provided in the Design Work Agreement and its annexes, amendments or supplements.

Designer 2 is an author of concept design and the party responsible for execution of works and provision of services described in the Design Work Agreement. The Designer 1 is assisting the Designer 2 in the performance of the above described functions, verifying (including verification of compliance to requirements of legal acts), supplementing and formalising of the design documentation prepared by the Designer 2 in accordance with applicable legal acts as well as for performance of all remaining Designers’ duties under the Design Work Agreement and applicable legal acts.

- Term of the Design Work Agreement: until June 2025
- Applicable law and dispute resolution: the Design Work Agreement is governed by Lithuanian law. The disputes arising out of or in connection with the Design Work Agreement shall be settled by the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.
- Termination: the Design Work Agreement may be terminated in the event of a material or persistent breach of obligations, which the Company fails to remedy within an agreed time period.

(iii) Building process Management Agreement concluded by the Issuer and UAB “Contestus” on 2 of April 2024 (the **Building Maintenance Agreement**)

- Subject matter of the Building Maintenance Agreement: construction maintenance and other related construction consultancy services to ensure the timely and proper completion of the construction of the building located at Konstitucijos ave. 14A, Vilnius, the Republic of Lithuania.
- Start of construction maintenance: 4 of January 2024.
- End of construction maintenance: on the day the building complex is declared fit for use in accordance with applicable laws.
- Applicable law and dispute resolution: the Building process Management Agreement is governed by Lithuanian law. The disputes arising out of or in connection with the Agreement shall be settled by Vilnius Court of Commercial Arbitration.
- Termination: the Building Maintenance Agreement may be terminated in case the Company fails to fulfill its obligations in a timely and proper manner, and the Company fails to remedy the situation within an agreed time period.

13.5. Related Party Transactions

At the date of the Prospectus, the Company has one outstanding bond subscription agreement with the Related Party under which the Company's bonds are acquired by the Related Party, as disclosed below:

Table 6: Related Party transactions (2024-09-30)

Related Party	Type	Currency	Outstanding nominal amount	Annual interest rate
Closed-ended real estate investment fund intended for informed investors Right Bank Development	Intercompany bonds	EUR	18,106,002	4.00%

Source: the Company

The Related Party is the Fund – the Sole Shareholder of the Company. The intercompany bonds mentioned are subordinated to the Bonds issued under this Prospectus, including the Terms and Conditions and Final Terms. This means the Issuer cannot redeem the intercompany bonds or make any payments to the Fund related to the intercompany bonds until all payment obligations to the Bondholders have been fully met, except as to redemption of the subordinated intercompany bonds together with accrued interest from the Fund up to the maximum amount of EUR 3,000,000.

As noted above, the Company engages in intra-group contractual arrangements. Under applicable transfer pricing regulations, such transactions must be conducted on an arm's length basis, with sufficient documentation provided in accordance with regulatory requirements. Non-compliance with these regulations, including inadequate documentation, could have an adverse impact on the Company and/or the relevant Related Party.

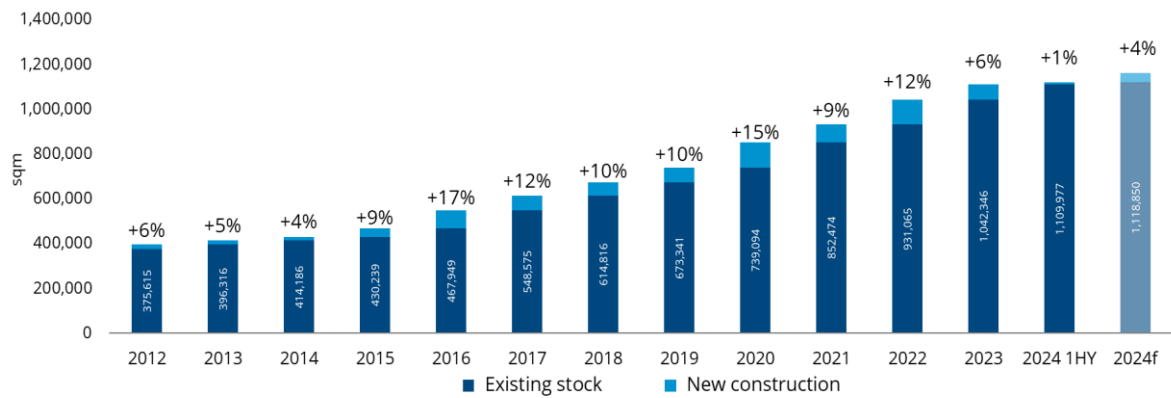
13.6. Trend Information

The information presented in this Section is a brief overview of the real estate & office market analysis conducted by Colliers, a trusted global real estate services and investment management firm.

Vilnius office market stock

By the end of 2023, Vilnius had an office stock of 1.042 million sqm, which increased to 1.11 million sqm by the end of the first half (the **H1**) of 2024. It is projected to reach 1.119 million sqm by the end of 2024. The city's office stock is distinguished by its high quality, with about 57% of office buildings holding international "green" certifications, making Vilnius the leader in sustainability among the Baltic States. Additionally, 40% of the office buildings in Vilnius are less than five years old, showcasing rapid growth and development in the commercial real estate sector over recent years.

Figure 3: Vilnius office market stock*



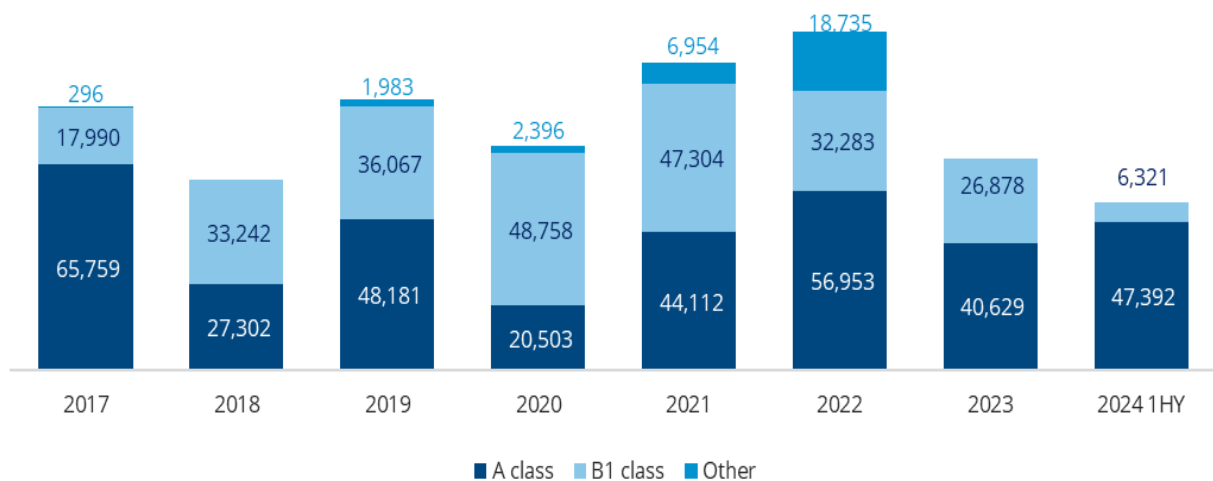
*2024 1HY stands for the first half of 2024, while 2024f denotes the 2024 forecast

Source: Colliers

Vilnius office market take-up

In 2023, the office market in Vilnius saw a take-up of approximately 68,000 square meters, though the year started with an atypically low demand, as only about 10,000 square meters were leased in Q1. Overall, there was a 37% decline in tenant activity compared to 2022, with the information and communication technology (ICT) and professional services sectors leading the demand, accounting for 29% and 23% of the total leased space, respectively. However, the market rebounded in the first half of 2024, showing a 64% increase in new lease signings compared to the same period in 2023. The financial and insurance sectors played a dominant role, occupying 28% of the leased space. A major contribution in 2023 came from AB Šiaulių bankas, which pre-leased at that time 8,569 square meters in the Project being developed by the Company.

Figure 4: Vilnius office market take-up



Source: Colliers

Vilnius office rent rates

Rent rates for Vilnius offices saw an upward trend in 2023, particularly in Class A and Class B properties. High inflation had a notable impact on the office market, with indexation becoming a central concern for both landlords and tenants when negotiating lease agreements, including both new and existing contracts.

In Q2 2024, the trend of rising rents continued, with a slight increase in top A-class office rent rates and a more pronounced rise in B1-class offices compared to the end of 2023. Although vacancy rates have been impacted by market developments and ongoing construction delays due to rising costs, the combination of increased demand and limited supply is expected to reduce vacancy in both A-class and B-class office buildings moving forward.

Table 7: Vilnius office market rent rates (EUR/sqm per month, NNN)

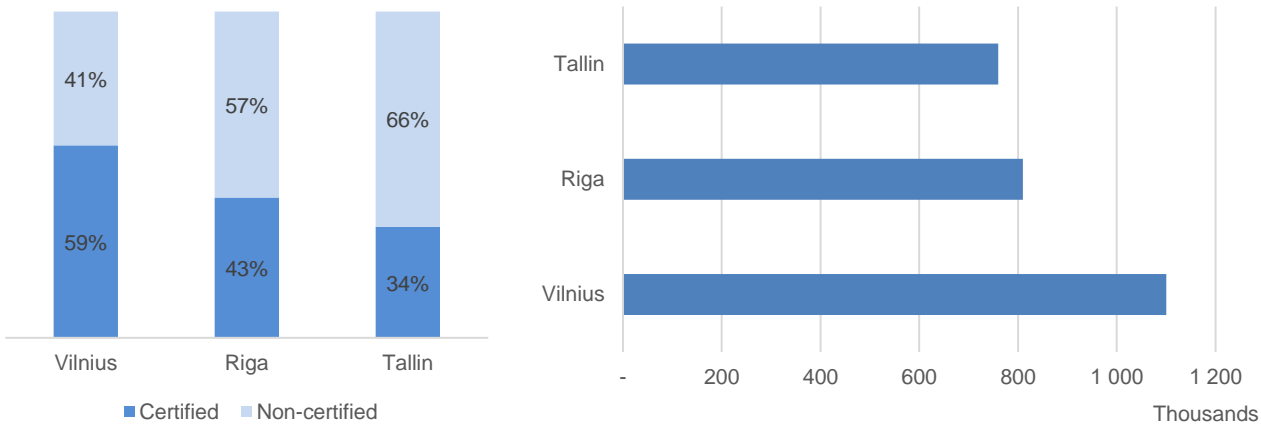
Class	2022	2023	2024 Q2	Trends for 2024
A	15.5-18.0	16.5 - 21.0	16.5 - 22.0	unchanged
B1	10.0-14.5	10.5 -16.0	12.0 -16.0	unchanged
B2	6.6-9.8	7.0 -11.0	7.0 -11.0	unchanged

Source: Colliers

Growing Focus on Green Buildings

Sustainability and energy efficiency have become increasingly important in the office market across the EMEA (Europe, Middle East, and Africa) region, with Lithuania following this trend closely. In Vilnius, over 50% of office buildings now hold green certifications, such as BREEAM, LEED (Leadership in Energy and Environmental Design – a globally recognized certification program for green buildings, focusing on energy efficiency and sustainability), and DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen – the German Sustainable Building Council, which offers a certification system for sustainable buildings based on various criteria, including ecological quality, economic quality, and social quality), which are commonly seen in new and modern developments. Developers are also incorporating renewable energy solutions, including solar panels, and some are even participating in larger energy initiatives like wind farms to manage and reduce energy costs. This growing focus on sustainability has resulted in an increasing number of energy-efficient and environmentally friendly office spaces in Vilnius.

Figure 5: Certified stock in the Baltics, GLA, % of total GLA



Source: Colliers

13.7. Profit Forecasts or Estimates

The Company is not providing financial forecasts or estimates.

13.8. Significant Change in Financial Position

There has been no significant, material adverse change in the Company's financial position since the last reporting year, except for the Company's principal amount of debt obligations disclosed under Section 13.5, "*Related Party Transactions*", which increased to EUR 18,106,002. The Management is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year outside the course of its regular business activities.

13.9. Legal Proceedings

The Company is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Company's financial position or profitability.

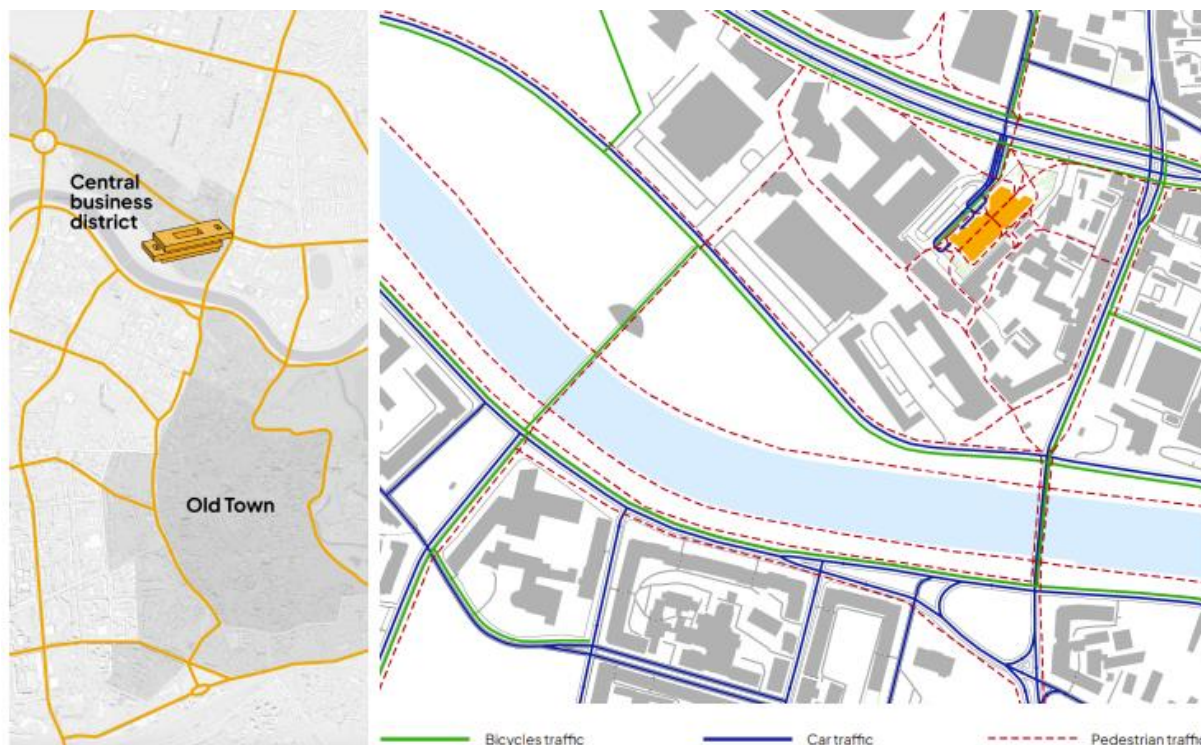
14. DEVELOPMENT OF A++ CLASS BUSINESS CENTRE “SAVARŽELĖ”

14.1. Location

The Issuer is developing the Project on a land plot at Konstitucijos ave. 14A, located in the central business district of Vilnius, the capital of the Republic of Lithuania.

The Project is situated on Konstitucijos avenue in a central business district, close to the Neris river and Vilnius city municipality. The infrastructure surrounding the Project is well-developed with an easy and quick access to the main destinations in the city.

The location of the Project is presented below in the pictures:



14.2. Building

The Project is located on the 6,430 m² Land Plot, and expected to have 30,283 m² of gross building area, out of which 19,235 m² will be aboveground and 11,048 m² will be underground, including 343 parking spaces, of which 70 are estimated to be suitable for electric vehicles. The underground parking will additionally accommodate bicycle and e-scooter storage and charging facilities, showers and lockers.

The gross leasable area will be around 20,779 m² and the building will have 7 floors aboveground and 2 floors underground.

The Project is designed by the international British architectural firm RSHP, known for such projects as the Pompidou Center in Paris, the European Court of Human Rights headquarters in Strasbourg, 3 World Trade Center in New York, the International Towers in Sydney, and the Lloyd's and Leadenhall buildings in London. For this Project RSHP partnered with the architectural studio Unitectus from Lithuania.

The visualisations of the Project are presented below:



Source: the Company

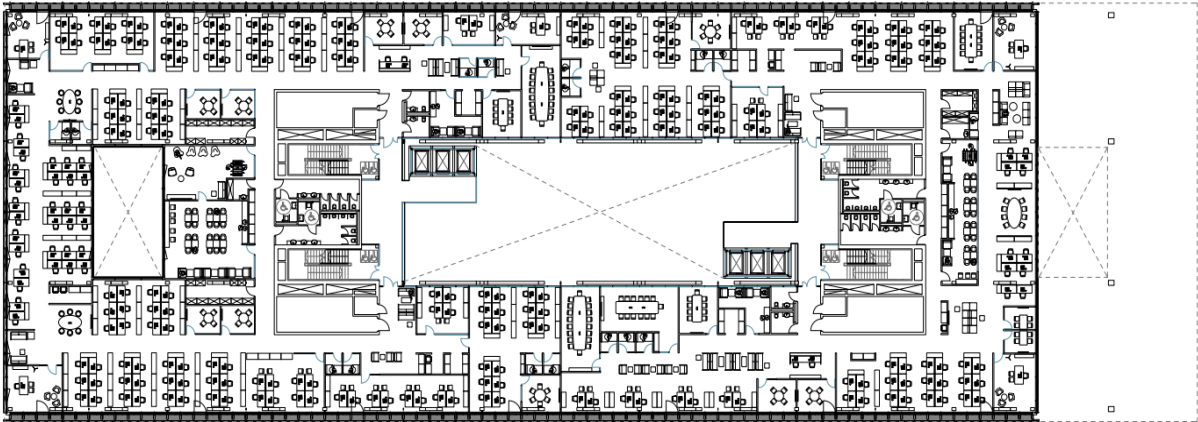


Source: the Company

The Project offers office spaces tailored to the unique needs and scale of most potential companies. Each floor features flexible layouts to accommodate a range of tenants, from single occupants to multiple

enterprises, with office areas spanning from 250 to 3,500 square meters, some of the largest floor plates in Vilnius, suitable for housing larger companies to establish headquarters.

Plan of 3rd floor:



Source: the Company

The typical floor plate is rectangular and the floors from 3 to 4 and from 6 to 7 floors are approx. 3,450 m², with a 5th floor comprising 2,090 m² with two private terraces. The terrace on the Southern part of the building comprises 685 m² and is overlooking the Gediminas tower and Vilnius old town, while the other terrace on the Northern part of the building comprises 160 m² and is overlooking the Konstitucijos avenue. The 2nd floor comprises 2,400 m² with its unique curvy shape. The 2,250 m² ground level will accommodate a restaurant, commercial and retail services.

14.3. Sustainability

The business center was designed and will be constructed to the highest standards of environmental sustainability, including features such as a rooftop solar power plant, rooftop vegetation, double-glazed facades with external shades, a cooling system based on water circulation in compliance with the EU regulations to reduce the use of freon gas by 2027 and onwards.

Advanced amenities and technical solutions of this business center will ensure a healthy environment for employees. High-performance façade with mechanical ventilation and heat recovery for both summer and winter. Blinds offer adaptable solar and glare protection while maintaining outward views.

Modern ventilation and air purification systems will provide clean air, while ergonomic workspaces and natural light will enhance overall well-being. The atrium form offers flexibility and efficient, rectangular office space planning with great interconnectivity.

The Project is expected to achieve the highest BREEAM Outstanding sustainability certification in New Construction category and an A++ energy class rating. To achieve the highest ‘Outstanding’ BREEAM rating, the building must integrate cutting-edge technologies and design principles that significantly reduce the environmental impact.

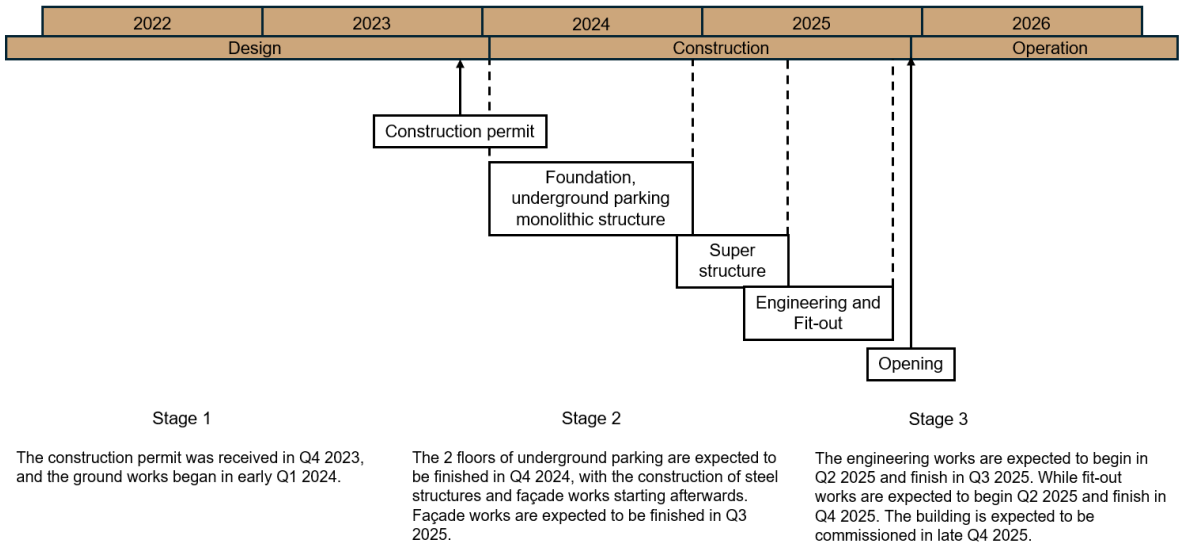
On 2 September 2024 the Project has received an interim certificate (Nr. BREEAM-0122-7438) for the design stage of the Project and achieved an “Outstanding” rating, the highest BREEAM rating achievable, indicating the commitment to sustainability and environmental responsibility. The interim certificate evaluates the design of the Project in following categories: management, health and wellbeing, energy, transport, water, materials, waste, land use and ecology, pollution, and innovation.

14.4. The Project Schedule and Cost

The construction of the Project started in Q1 2024 with the expected completion in Q4 2025. Total costs of the Project are expected to reach EUR 78.1 million.

As of 30 September 2024, the Company has completed the ground and pile foundation works. As of 28 October 2024, the completion of the Building with unique No. 4400-6487-5418 is 12%, as registered in the State Enterprise Centre of Registers. The completion of the foundation and underground parking monolithic structures is expected in Q4 2024.

The development timeline is presented below:



Source: the Company

Facade and engineering works should start in Q1 2025, while the fit-out works expected to begin in Q2 2025. The building is expected to be commissioned in Q4 2025.

The construction works timeline is presented below:

	2024												2025											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Ground works	█	█	█	█	█	█																		
Foundation	█	█	█	█	█	█	█	█	█	█	█	█												
Core & structural engineering													█	█	█	█	█	█	█	█	█	█	█	█
Facades																								
Internal engineering networks																								
Landscaping																								
Fit-out, common areas																								
Fit-out, tenants																								
Building commissioning																								

Source: the Company

14.5. Anchor Tenant

AB Šiaulių bankas will occupy 46% of the total Project's GLA under the lease agreement dated 30 January 2023, supplemented by additional agreements signed on 25 April 2024 and 22 August 2024. AB Šiaulių bankas will be an anchor tenant of the Project with a strong reputation in the market as the longest-established and largest bank with Lithuanian capital. AB Šiaulių Bankas brings a strong and stable presence to the Project, enhancing its overall commercial value and appeal.

AB Šiaulių bankas is the largest independently owned financial institution in Lithuania. It was first established in 1992. Its shares have been listed on NASDAQ Vilnius Stock Exchange since 1994 and

as of 30 June 2024 its market capitalization stood at EUR 457 million. The bank offers a full suite of products consisting of over 50 banking, asset management and life insurance products. AB Šiaulių bankas operates the widest branch network in Lithuania and has over 1,100 employees. At the end of June 2024 its total assets amounted to EUR 5.0bn while deposits stood at EUR 3.3bn.

15. TAXATION

Introductory remarks. The purpose of this Section is to give an overview of the tax regime applicable to the Bondholders and the Issuer. The below summary is in no way exhaustive and is not meant to constitute professional advice to any person. Tax legislation of the Bondholder's member state and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. In order to establish particular tax consequences of the Offering or the ownership of the Bonds, each Bondholder is advised and strongly encouraged to seek specialist assistance.

The tax consequences listed below are described in accordance with respective Lithuanian, Latvian and Estonian laws and provisions of tax treaties that are applicable on the date of this Prospectus, subject to any change in law that may take effect after such date.

Transfers of the Bonds will not be subject to any registration or stamp duties in Lithuania, Latvia, Estonia. Therefore, the information contained in this Section will only cover withholding and income tax issues as applicable to resident and non-resident entities as well as individuals under respective Lithuanian, Latvia and Estonian tax legislation.

Terms and definitions used for the purposes of this Section

A **“resident individual”** means a natural person who is deemed to be a resident of Lithuania / Latvia / Estonia under the national provisions of respectively Lithuanian / Latvian / Estonian Law on personal income tax (**PIT**) if: he / she has permanent place of residence in Lithuania / Latvia / Estonia during the tax period, or his / her personal, social or economic interests during the tax period are located in Lithuania / Latvia / Estonia, or he/she is present in Lithuania / Latvia / Estonia / continuously or intermittently for at least 183 days in the relevant tax period or in case of Lithuania - at least 280 days in two consecutive tax periods and at least 90 days in one of these tax periods. In addition, Lithuanian / Latvian / Estonian citizen employed abroad by the government of the Lithuania / Latvia / Estonia is also considered as resident individual.

All income of a resident of Lithuania / Latvia / Estonia sourced in and outside Lithuania / Latvia / Estonia is subject to tax in respectively Lithuania / Latvia / Estonia.

A **“non-resident individual”** means a natural person who is not deemed to be a resident of Lithuania / Latvia / Estonia under the above-mentioned national provisions.

Income of a non-resident individuals sourced in Lithuania / Latvia / Estonia is subject to the respective country's income tax.

A **“resident entity”** means a legal person (except for limited partnership fund) registered in accordance with the legal acts of respectively Lithuania / Latvia / Estonia. In case of Lithuania, a collective investment undertaking established in Lithuania without a status of a legal person is also considered as resident entity.

All income of a resident entity earned in Lithuania / Latvia / Estonia and foreign states is subject to respectively Lithuanian / Latvian / Estonian corporate income tax (**CIT**) rules.

A **“non-resident entity”** means a legal person which is not established in Lithuania / Latvia / Estonia. In case of Estonia, provisions concerning non-residents also apply to a foreign association of persons or pool of assets (excluding contractual investment fund) without the status of a legal person, which pursuant to the law of the state of the incorporation or establishment thereof is regarded as a legal person for income tax purposes.

Income of non-resident entities sourced in Lithuania / Latvia / Estonia is subject to the Lithuanian / Latvian / Estonian CIT. A non-resident entity shall be considered to be operating through a permanent establishment (**PE**) in the territory of Lithuania / Latvia / Estonia, where: it permanently carries out

activities in the respective country, or carries out its activities in the respective country through a dependent representative (agent), or uses a building site, a construction, assembly or installation object in the respective country, or makes use of installations or structures in the respective country for extraction of natural resources, including wells or vessels used for that purpose. Taxation of non-resident entities acting through a PE in the respective country is the same as that of resident entities, if such a non-resident entity earns interest income through its PE in the respective country, thus, it is not separately described.

For the purposes of **capital gains taxation**, **gains** derived from the sale of securities (including the Bonds) is the difference between the acquisition cost and the sales price of such securities. Gains derived from the exchange of securities is the difference between the acquisition cost of securities subject to exchange and the market price of the property received as the result of the exchange. The expenses directly related to the sale or exchange of securities may be deducted from the gains but are generally rather limited.

15.1. Lithuanian Tax Considerations

The following is a general overview of the Lithuanian tax regime applicable in Lithuania to interest received and capital gains earned upon transfer of Bonds.

Capital Gains from Sale or Exchange of Bonds. Gains received upon disposal of the Bonds by a **Lithuanian resident individual** are taxable on a cash-basis at progressive PIT rates of:

- 15%, if the total amount of income (except for employment, self-employment income, remuneration of board members and dividends) received by an individual during a calendar year does not exceed the sum of 120 Lithuanian gross average salaries, which is determined on the basis of quarterly gross average salaries as published by the Lithuanian Department of Statistics (this figure in 2024 is EUR 228,324), and
- 20%, which applies to income of an individual received during a calendar year exceeding the above-mentioned threshold.

Capital gains up to EUR 500 received by resident individuals from the sale or exchange of Bonds (including other securities) during a calendar year are tax exempt. However, such tax relief is not applicable if the capital gains are received from entities established or individuals permanently residing in a tax haven included in the List of Target Territories approved by the Minister of Finance of Lithuania.

Capital gains derived upon the disposal of the Bonds by **Lithuanian non-resident individuals** will not be subject to Lithuanian PIT.

Capital gains on disposal of Bonds earned by **Lithuanian resident entity** are included in its taxable profit and are subject to 15% CIT rate or in certain cases a reduced tax rate may apply. Capital gains received from / by collective investment undertaking shall not be taxed with Lithuanian CIT. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million. In tax years of 2023 and 2024, so called "Temporary solidarity contribution" would also apply to the credit institutions (at a 60 % rate calculated on the part of net interest income that exceeds by more than 50 % the average net interest income of four financial years).

Any capital gains on alienation of Bonds received by **Lithuanian non-resident entities** will not be subject to Lithuanian CIT.

Taxation of Interest. **Lithuanian resident individuals** are subject to paying the progressive PIT (15% / 20%, as in case of taxation of capital gains) on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Lithuanian

resident individuals from the Bonds is subject to PIT in Lithuania. Tax is paid by a resident individual himself/herself, however the total amount of interest received by resident individuals during a calendar year not exceeding EUR 500 will be tax exempt.

When interest is earned by a **Lithuanian non-resident individual**, the Company withhold 15% PIT and if it turns out at the end of the year that a part of the amount was actually subject to the 20% rate, the individual has to pay the difference himself/herself. Separate Double Tax Treaty (**DTT**) concluded and brought into effect with Lithuania may establish a lower tax rate for non-resident individuals.

The Bond interest received by a **Lithuanian resident entity** is included in its taxable profit and are subject to 15% CIT rate or in certain cases a reduced tax rate may apply. Bond interest received from / by collective investment undertaking shall not be taxed with Lithuanian CIT. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million. In tax years of 2023 and 2024, so called "Temporary solidarity contribution" would also apply to the credit institutions (at a 60 % rate calculated on the part of net interest income that exceeds by more than 50 % the average net interest income of four financial years).

Bond interest received by **Lithuanian non-resident legal entity**, which is registered or otherwise organized in a state of the European Economic Area (the **EEA**) or in a state with which Lithuania has concluded and brought into effect a DTT, will not be subject to the withholding tax in Lithuania. Other Lithuanian non-resident entities will be subject to the 10% withholding tax on Bond interest in Lithuania.

In case the Issuer cannot identify the Bondholder in order to determine its eligibility for a lower tax rate or exemption from the withholding tax, payments of Bond interest to any such Bondholder will be subject to the standard 15% CIT rate to be withheld in Lithuania.

In order to enjoy DTT benefits for Bond interest **Lithuanian non-resident individuals or entities** shall apply either (i) **a reduced rate of PIT / CIT procedure** (by completing and submitting DAS-1 form to the Company before the pay-out for each calendar year) or (ii) **a special claim for a PIT / CIT refund** (by completing and submitting DAS-2 form to the Lithuanian Tax Authorities).

15.2. Latvian Tax Considerations

The following is a general overview of the Latvian tax regime applicable to interest received and capital gains realised in Latvia as well as to acquisition and transfer of Bonds.

Capital Gains from Sale or Exchange of Bonds. Capital gains on alienation of the Bonds received by **Latvian resident individuals** will be subject to Latvian PIT at a rate of 20%. The expenses of acquisition and holding of the Bonds are also included in the acquisition value of the Bonds. The respective resident individuals are liable for paying the applicable Latvian PIT. Income tax paid from the capital gains in a foreign state may be deducted from PIT payable in Latvia only if the taxpayer submits a certificate issued by the foreign tax administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax. The capital gains on exchange of the Bonds received by Latvian resident individuals will be subject to Latvian PIT only on the day when Latvian resident individuals receive the money (if Bonds are exchanged for other type of financial instrument, then taxation is postponed till the received financial instrument is sold).

Capital gains earned in Latvia and foreign states (i.e., sourced inside and outside of Latvia) on alienation of the Bonds received by **Latvian resident entities** will not be included in resident entity's taxable profit, yet profit distributions will be subject to Latvian CIT at a rate of 20% (tax base is divided by 0.8 and then the tax is applied at the rate of 20% resulting in the effective rate of 25%).

Taxation of Interest. Payments of the Bond interest received by a **Latvian resident individual** will be subject to Latvian PIT at the rate of 20%. Income tax withheld abroad can be credited from the Latvian

income tax obligation based on the tax certificate showing the withheld amount, as issued by the relevant foreign withholder or tax authority. Payments of Bond interest received by:

- a **resident entity** is not subject to the Latvian CIT, yet profit distributions are subject to Latvian CIT at a rate of 20% (effective CIT rate – 25%);
- a **non-resident entity** is not subject to Latvian CIT.

In Latvia corporate profits are not taxed until they are distributed. Latvian CIT is imposed at the level of the company making the distributions at the time when such profit distributions are made. Profit distributions are taxed at the rate of 20% of the gross amount of the distribution (effective CIT rate – 25%). Latvia further does not levy any withholding tax on dividends, interest or royalties, except where payable to persons resident in a statutory low or no tax country.

Investment Account. Latvian resident individual may use an investment account (in Latvian: *leguldījumu konts*). An individual may carry out the transactions with the funds (including the Bonds) of the investment account and accounts associated with it within the framework of the investment account and accounts associated with it. The investment account has to be opened in a credit institution, its branch or a branch of a foreign credit institution, or a merchant which is in conformity with the Financial Instrument Market Law or regulation of the country of residence of the service provider equal thereto has obtained a license for the provision of the investment services, of Latvia or another Member State of the European Union, EEA state or Member State of the OECD, or the resident of such country with which Latvia has entered into a DTT. Payments of income, which is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account) will be subject to Latvian PIT at the rate of 20%, to be withheld by the credit institution. Therefore, financial income held in the investment account may be reinvested tax-free until it is withdrawn from the account.

15.3. Estonian Tax Considerations

The following is a general overview of the Estonian tax regime applicable to interest received and capital gains realised in Estonia as well as to acquisition and transfer of Bonds.

Capital Gains from Sale or Exchange of Bonds. Gains realised by an **Estonian resident individual** are taxable on a cash-basis. Upon the sale or exchange of securities (including the Bonds) gains are subject to income tax at the rate of 20% (22% as from 1 January 2025). Since all earnings of **resident entity**, including capital gains, are taxed only upon distribution of profits (at a rate of 20 % (22 % as from 1 January 2025)), capital gains realised by resident entities are not subject to immediate taxation.

Taxation of Interest. **Estonian resident individuals** are subject to paying income tax of 20% (22% as from 1 January 2025) on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Estonian resident individuals from the Bonds is subject to income tax in Estonia. Income tax withheld abroad can be credited from the Estonian income tax obligation based on the tax certificate showing the withheld amount, as issued by the relevant foreign withholder or tax authority. Since all earnings of **resident entities** are taxed only upon distribution (at a rate of 20 % (22 % as from 1 January 2025)), interest received by Estonian resident entities is not subject to immediate taxation.

Investment Account. Estonian resident individuals may defer the taxation of their investment income by using an investment account (in Estonian: *investeeringuskonto*) for the purposes of making transactions with financial assets (including the Bonds). An investment account is a monetary account opened with the EEA or the OECD member state credit institution, through which the transactions with the financial assets, taxation of income from which (e.g., capital gains; interest, if paid by an Estonian-resident withholder, etc.) a person wants to defer, shall be made. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account

(i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account). Therefore, financial income held at the investment account may be reinvested tax-free until it is withdrawn from the account.

Pension Investment Account. Estonian resident individuals who have decided to grow their Estonian mandatory funded pension (II Pillar) via pension investment account (PIA, in Estonian: *pensionivestteerimiskonto*), can also acquire the Bonds through PIA. Pension investment account is a separate bank account opened with an Estonian credit institution, which, on the one hand, is part of the mandatory funded pension system (incl. relevant benefits, such as additional contributions from the state), but on the other hand allows the person to make their own investment decisions. Like the ordinary investment account, PIA allows making of transactions with financial assets, whereas taxation of income from such assets (e.g., capital gains from the Bonds; interest, if paid by an Estonian-resident withholder) is deferred until income is withdrawn from PIA. Monetary means withdrawn from PIA are, generally, taxed at a 20% income tax rate (22% as from 1 January 2025), unless withdrawn after reaching the retirement age, in which case a 10% income tax rate or a tax exemption (depending on the method of payment) applies.

COMPANY

UAB "Kvartalas"

(Jogailos st. 4, Vilnius, the Republic of Lithuania)

ARRANGER AND DEALER

"Swedbank", AB

(Konstitucijos av. 20A, Vilnius, the Republic of Lithuania)



LEGAL COUNSEL TO COMPANY

Ellex Valiunas

(Jogailos st. 9, Vilnius, the Republic of Lithuania)



AUDITORS

For 2022-2023

UAB "KPMG Baltics"

(Lvivo st. 101, Vilnius, the Republic of Lithuania)

