



**AB "AGATHUM"**

*(incorporated in Lithuania with public limited liability, corporate ID code 302762212)*

**Information Document for the offering of bonds of AB "AGATHUM" in the amount of up to EUR 4,000,000 and admission thereof to trading on the alternative market First North, administered by Nasdaq Vilnius AB**

This Information Document for the offering of bonds in amount of up to EUR 4,000,000 and admission thereof to trading on the alternative market First North, administered by Nasdaq Vilnius AB (the "**Information Document**") has been drawn up by AB "AGATHUM" (the "**Company**" or the "**Issuer**") in connection with the public offering of bonds of the Company (the "**Bonds**") in the amount of up to EUR 4,000,000 in the Republic of Lithuania and in the Republic of Latvia (the "**Offering**") and admission thereof (the "**Admission**") to trading on the First North in Lithuania (the "**First North**"), a multilateral trading facility (alternative market in Lithuania) administered by the regulated market operator Nasdaq Vilnius AB (the "**Nasdaq**").

This Information Document is not a prospectus within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") and the Law on Securities of the Republic of Lithuania (the "**Law on Securities**") and was not approved by the Bank of Lithuania (the "**LB**") or any securities regulation authority of any other jurisdiction as such. The prospectus for the Offering and Admission is not prepared following Article 3(2) of the Prospectus Regulation and Article 5(2) of the Law on Securities.

Following Article 78(2) of the Law on Companies of the Republic of Lithuania (the "**Law on Companies**") this Information Document was prepared pursuant to the requirements of the Decision of the Board of the LB No. 03-185 on Approval of Description of Requirements for the Preparation of the Information Document, dated 7 December 2023 (the "**Decision of LB**") from the Lithuanian law perspective and following Article 16<sup>1</sup> of the Financial Instrument Market Law of the Republic of Latvia (the "**Financial Instrument Law**") and Bank of Latvia Regulation No. 261 "Regulations on the preparation and publication of the information document for a public offer", dated 18 December 2023 (the "**Regulation on Offering Documents**") from Latvian law perspective. In addition to that, the Information Document was also supplemented with information, which is required under the Rules of First North in Lithuania, approved by the decision of the Board of Nasdaq No. 18-60, dated 12 December 2018 as further amended by the decision of the Board of Nasdaq No. 20-31, dated 31 March 2020 (the "**Rules of First North in Lithuania**").

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

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

Although the whole text of this Information Document should be read, the attention of persons receiving this document is drawn, in particular, to the Section headed *Risk Factors* contained in Section II of this Information Document. All statements regarding the Company's and the Group's business, financial

position and prospects as well as the Offering should be viewed in light of the risk factors set out in Section II of this Information Document.

Šiaulių bankas AB (the “**Lead Manager**”, or the “**Offering Broker**”) is the lead manager in Lithuania for the purposes of Offering of the Bonds and Admission thereof to trading on First North. Law Firm TGS Baltic is the certified advisor for the purposes of Admission of the Bonds to trading on First North in Vilnius (the “**Certified Advisor**”).



The date of this Information Document is 12 June 2024

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## I. INTRODUCTION

**Information Document.** This Information Document has been prepared by the Company in connection with the Offering and the Admission, solely for the purpose of enabling any prospective Investor to consider an investment in the Bonds. The information contained in the Information Document has been provided by the Issuer and other sources identified herein. This Information Document has been prepared in accordance with Article 5(2) of the Law on Securities, Article 78(2) of the Law on Companies and provisions of the Decision of LB, Article 16<sup>1</sup> of the Financial Instrument Law and provisions of the Regulation on Offering Documents. In addition to that, the Information Document was also supplemented with information, which is required under the Rules of First North in Lithuania.

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

### 1.1 Responsibility for this Information Document

**Persons responsible.** The person responsible for the information provided in this Information Document is Akcinė bendrovė "Agathum", corporate ID code 302762212, with the registered office at Vaisių str. 16A, Kaunas Lithuania. The Company accepts responsibility for the information contained in this Information Document. To the best of the knowledge and belief of the Company, Manager Algirdas Pukis hereby certifies that, the information contained in this Information Document is true, in accordance with the facts no important information that could affect its meaning is omitted and that all reasonable steps have been taken to ensure it.

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Algirdas Pukis  
Manager

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

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

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

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

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

## 1.2 Notice to prospective investors and selling restrictions

The Offering under this Information Document will be made in one or several Tranches as public offering in Lithuania and in Latvia pursuant to exemption under Article 3(2)(b) of the Prospectus Regulation (for additional information please see Section V *Subscription and Sale of the Bonds*).

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

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

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

## 1.3 Certain provisions, related to presentation of information

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

**Third party information and market information.** With respect to certain portions of this Information Document, some information may have been sourced from third parties, in such cases indicating the source of such information in the Information Document. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted, which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets, on which the Company and its Subsidiaries are operating, is based on the best assessment made by the Management. With respect to the industry, in which the Group is active, and certain jurisdictions, in which its operations are being conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant market or seek professional advice. Information on market shares represents the Management's views, unless specifically indicated otherwise.

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

In particular, such forward-looking statements may be identified by use of words such as strategy, expect, forecast, plan, anticipate, believe, will, continue, estimate, intend, project, goals, targets, would, likely, anticipate and other words and expressions of similar meaning. Forward-looking statements can also be identified by the

fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Information Document whether as a result of such changes, new information, subsequent events or otherwise.

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

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

No documents or content of any website are incorporated by reference in this Information Document in accordance with Item 7 of the Decision of LB, except for the currently valid wording of the Articles of Association of the Company (the "**Articles of Association**"), the Group's consolidated audited financial statements for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 together with the annual reports and independent auditor's reports on the financial statements and on the annual reports (the "**Financial Statements**"), which are available on the website of the Company.

**Documents on Display.** Throughout the lifetime of this Information Document, the Articles of Association and the Financial Statements may also be inspected at the head office of the Company located at Vaisių str. 16A, Kaunas, Lithuania, on business hours of the Company. Any interested party may obtain copies of these documents from the Company without charge.

## II. RISK FACTORS

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

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

### 2.1 General business risk factors

#### **General economic situation**

The Group's business, financial performance and financial condition may be materially affected by changes in general economic, political and financial market conditions, such as a global or local recession, inflation and/or fluctuations in interest rates. The demand for commercial real estate lease services generally correlate with economic activity, including growth in gross domestic product in Lithuania, where the Group operates. Although the commercial real estate lease services industry is normally considered to be less sensitive to economic cycles than number of other industries, both weak and strong economic activity, presents a challenge for the Group. Periods of recession may have an adverse impact on payment terms and on the demand for services. This may adversely affect the Group's financial performance and financial condition.

In periods of rapid economic growth, the Group may encounter problems in recruiting qualified employees and tends to experience inflation-driven increases in certain of its costs, such as staff costs, that are sensitive to rises in the general price levels. Accordingly, high rates of inflation could increase the Group's costs and have a material adverse effect on the Group's financial performance and its financial condition.

#### **Market risk**

The ever changing market situation poses a risk of depreciation of investments because the Company invests in real estate (either directly or through its Subsidiaries), the main risk is fluctuations in the real estate market, which may reduce the rental income of the Company, as well as the liquidity and the value of the assets. The real estate market is directly dependent on the state of the economy. In a contracting economy, rental income generally decreases and unemployment increases. As a result, the Company may find it challenging to collect the projected rental income. An economic downturn may also lead to a decrease in property values. The real estate market may fluctuate due to higher interest rates and limited financing options. This may lead to a decline in buyer activity and an increase in seller activity. A fall in real estate prices and a decrease in liquidity would make it substantially more challenging to sell the assets under management, which may impair the Company's ability to redeem the Bonds.

#### **Inflation**

The upcoming years may maintain steady inflation. Relevant expenses of the Group, e. g., investment to equipment, workforce and interest payments for bank loans, are closely related to the general price level. Continued inflation may prevent the Group from changing the prices of its products and/or services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Group's expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless the Issuer manages to increase its prices. Thus, continued inflation may have a considerable adverse influence on the Issuer's financial situation and business results.

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

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

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

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

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

In addition, in February 2022, the Russian Federation invaded Ukraine. The military actions affect not only the economy in Ukraine, Russia and Belarus, but also the European Union and global economy. The situation in Ukraine is extremely volatile and inherently uncertain. Currently, considering the ongoing and dynamic nature of the situation, a reliable estimate of the financial and non-financial impact cannot be presently made, although war in Ukraine did not have a significant impact on the Group's operations and results in year 2022 and 2023. Nonetheless, the Group management is continuously assessing the potential impact of key war factors on the Group's strategic goals, cash flows, financial results and continuously monitoring the quality of trade receivables, growth of energy resources prices and inflation growth.

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

## **2.2 Group specific risk factors**

### ***Termination risk of existing leases***

The Company is primarily invested in commercial real estate and thus derives its principal income from the rental of premises. Therefore, the proper execution of lease agreements is very crucial for the Company. In addition, not all leases are long term. Some leases are renewable by mutual agreement of the parties. There is no guarantee that all leases will be renewed beyond their current term. The Company also does not guarantee that the renewal of any lease agreement will result in the same or higher rental payments. A high level of non renewal of leases or failure to negotiate with tenants for at least the same level of rent could have a material adverse effect on the Company's business, results of operations and financial condition.

### ***Tenants' Insolvency Risk***

Changes in the economic environment, as well as recurring restrictions on business activities due to pandemics, quarantines, etc may put pressure on the financial condition of tenants and on their ability to meet their lease obligations, which could affect the Company's rental income and negatively impact the Company's overall business, results of operations, and financial condition.

### ***A decrease in demand for commercial real estate***

Various economic factors (including pandemics, quarantines, etc) may cause a reduction in demand for commercial space. This could adversely affect rental income and negatively impact the Company's business, results of operations and financial condition.

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

Group's business depends on the team of the top managers, responsible for the development, growth of business and appropriate day-to-day activities and key personnel. Therefore, the Group's ability to survive in the competitive environment and to implement its growth strategy is mostly determined by their experience, knowledge, personal



relations and other characteristics. The Group's ability to attract and hire highly competent managers also contributes to the Group's success. As the competition for high qualification personnel is strong and constant, it is probable that the Group's managers and main employees can decide to change their jobs and to leave the Group. Loss of such employees or the Group's inability to hire new managing personnel with appropriate knowledge and capabilities or shortage of such people in the market can have a negative effect on the prospects of the Group's business, financial situation and performance.

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

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

The Issuer's ability to serve its payment obligations under the Bonds depends on the receipt of sufficient funds from its Subsidiaries which in turn depends on the business, financial condition and the financial performance of these Subsidiaries. Furthermore, the transfer of funds from Subsidiaries may be or become subject to legal and contractual restrictions entered into by the Subsidiaries. The realization of any of these risks could have a material adverse effect on the Group's cash flows, financial condition and financial performance.

***Competition risk***

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

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

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

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

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

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

In the past, the Group has acquired businesses in order to expand its operations, for example, UAB "Kauno anūkėlis" shares bought in year 2021. The Group intends to continue to acquire businesses in a targeted manner in the future. In this regard, there is no guarantee that the Group will be able to identify suitable businesses and to acquire them on favourable terms. Moreover, the Group cannot guarantee that it will be able in the future to generate sufficient funds to finance envisaged corporate acquisitions. There is also a risk that not all material risks in connection with the acquisition of a company will be identified in the due diligence process and will not be or could not be sufficiently taken into account in the decision on the acquisition and in the purchase agreement. These risks could materialize only after a company has been acquired and may not be covered by the warranties in the purchase agreement or by insurance policies.

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

#### ***Dependence on IT and cyber security risks***

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

In addition, the Group companies are managing the data with customer data used for invoicing and internal financial information. Therefore, the Group is subject to cyber-attacks and viruses, which could lead to private data leak. This could have a material adverse effect on the net assets, financial position and financial performance of the Group.

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

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

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

Currently major part of the Group's and the Company's borrowings are bonds, which are subject to fixed interest rates which create no interest rate risk. The remaining financial debt (real estate loans and other obligations) are subject to variable rates, related to EURIBOR rates, which create interest rate risk. This exposes the Group to a risk that borrowing costs might increase in the event that the relevant benchmark market interest rates rise. Adverse interest rate fluctuations, if not hedged, may negatively impact the Group's financial performance and its financial position.

#### ***Counterparty risk***

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

#### ***Real estate liquidity risk***

Real estate can be potentially illiquid because of its characteristics. This may affect the Issuer's ability to modify its real estate portfolio or to dispose of its holdings promptly and (or) at a desired price. If it were suddenly necessary to dispose of a property under management, there is no guarantee that market conditions would be favourable. If the Company fails to secure the desired price for the disposal, it could have a material adverse effect on its financial position and limit its ability to pay Bondholders properly.

#### ***Real estate renovation risk***

The Issuer also invests in real estate renovation. Such investments are generally riskier than investments in completed properties as they do not yet generate operating income (e.g. rent). At the same time, significant costs are incurred, including construction and renovation costs, real estate taxes and insurance. Real estate renovation also poses the potential risk of that these projects may take a very long time to complete or may incur higher than expected costs. In addition, there is the potential for significant losses due to the inability of third parties

(contractors) to complete the renovation works successfully. This may have a significant negative impact on the Company's financial position and may limit its ability to pay Bondholders properly.

### **Technical Risk**

Although the Company invests in the upkeep and maintenance of its existing assets, problems may arise about the technical characteristics of the managed assets, such as construction defects, other hidden defects or contamination. Remedying these problems may require significant investments, thus adversely affecting the Issuer's financial position and cash flows.

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

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Information Document;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

### **Credit risk**

Credit risk should be evaluated as a possibility that the Issuer might become insolvent, go bankrupt, its business being suspended or terminated, and as a result, it would be impossible to redeem the Bonds and/or pay the accrued interest to the Bondholders. Moreover, should the Issuer become insolvent, legal protection proceedings or out-of-court legal protection proceedings of the Issuer are initiated during the term of the Bonds, an investor may forfeit interest payable on, and the principal amount of, the Bonds in whole or in part. An investor is always solely responsible for the economic consequences of its investment decisions. The Bonds constitute direct, unsecured, but guaranteed obligations of the Issuer, ranking *pari passu* without any preference among each other and with all unsecured, and unsubordinated indebtedness of the Issuer. In addition to that the state guarantee (insurance) is not applicable in case of investments into the Bonds.

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

### **Interest rate risk**

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

### **Inflation risk**

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

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

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

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

The Law on Protection of Interests of Bondholders requires and the terms of the Bonds contain provisions for calling Bondholders' Meetings to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant Bondholders' Meetings and Bondholders who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Bondholders, including such Bondholders who did not attend and vote at the relevant Bondholders' Meetings and Bondholders who voted in a manner contrary to the majority.

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

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

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

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

#### ***Refinancing risk***

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

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

The Bonds contain several provisions designed to protect the Bondholders from a reduction in the creditworthiness of the Issuer. In particular, the terms of the Bonds do not, except for the Events of Default conditions, restrict the Issuer's ability to increase or decrease its share capital, to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organization or regulatory regime and/or its composition and business. In addition, generally none of the covenants, which the Company undertakes to follow guarantees that the creditworthiness of the Issuer will not be reduced. Therefore, in the event that the Issuer enters into any of the above transactions, Bondholders could be materially adversely affected.

#### ***Bonds are unsecured***

No one other than the Issuer obliges to redeem the Bonds. There are neither guarantees nor warranties assuming or securing liability for the Issuer's performance of its obligations under the Bonds. Therefore, if the Issuer becomes insolvent, the Bondholders will not have access to supplementary measures to secure the performance

of their liabilities In the event of the insolvency of the Issuer or any of its controlled entities, their assets will be used primarily to satisfy the claims of those creditors whose claims are secured by the property and (or) mortgages of the Issuer and its controlled entities Therefore, there is a risk that in such an event, the assets of the Company may not be sufficient to pay the Bondholders.

### III. INFORMATION ABOUT THE ISSUER

#### 3.1 Structure of the Group and Shareholders of the Issuer

##### General information of the Issuer

Legal and commercial name of the Issuer	AB "AGATHUM"
Place of registration of the Issuer (registered office)	Vaisių str. 16A, Kaunas, Lithuania
Corporate ID code of the Issuer	302762212
Authorized capital	EUR 1,000,000 divided into 200,000 ordinary registered shares with a nominal value of EUR 5 per share
Legal form of the Issuer	Public limited liability company
Legislation under which the Issuer operates	Lithuanian
Country of incorporation of the Issuer	Republic of Lithuania
Date of incorporation of the Issuer	16 April 2012
Telephone number	+370 676 87574
Email	<a href="mailto:info@agathum.com">info@agathum.com</a>
Internet address	<a href="http://www.agathum.com">www.agathum.com</a>
Auditors of the Issuer	Financial Statements for the financial years 2016-2023 have been audited by Uždaroji akcinė bendrovė "AUDITORIŲ BIURAS", audit company's licence number 001526.

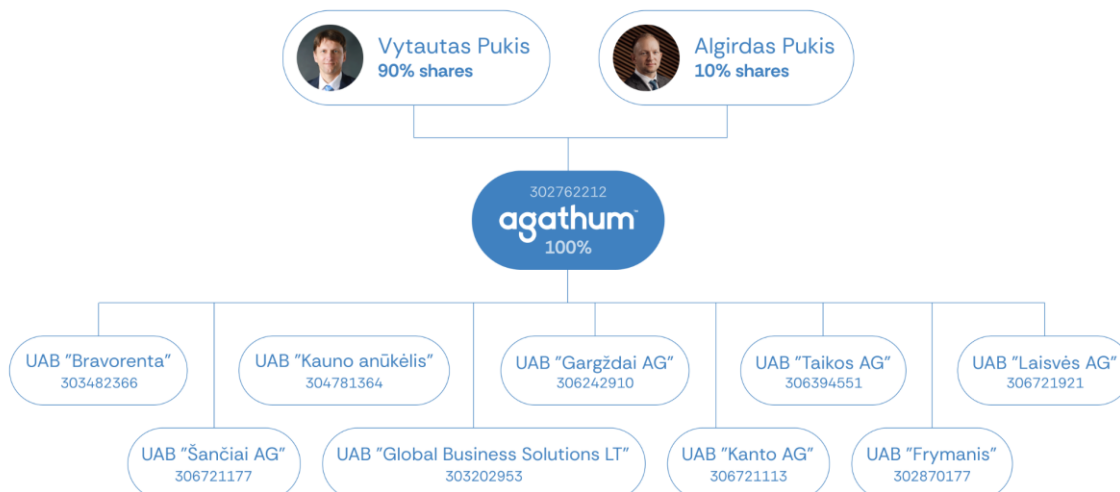
##### Organization structure and Shareholders of the Issuer

The Company is a holding company that unites a Group of companies offering a full range of high-quality services in the fields of integrated real estate facility management, maintenance, and operation. The Company successfully invests into strategically located real estate by purchasing properties, managing, and administering them.

The Shareholders of the Company are Vytautas Pukis, holding 90% of shares of the Company and voting rights in the General Meeting, and Algirdas Pukis, holding 10% of shares of the Company and voting rights in the General Meeting.

The Group's structure is presented in figure below.

**Figure 1. Structure of the Group**



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

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

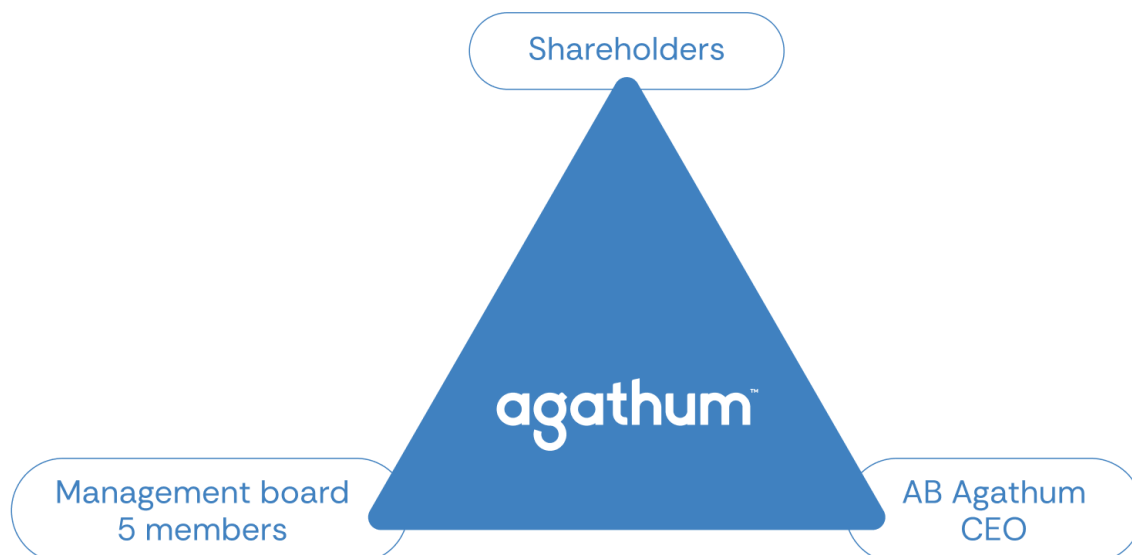
Country	Company	Company code	Registration address	Shareholder(s)
Lithuania	UAB Taikos AG	306394551	Kaunas, I. Kanto str. 25	The Issuer, 100%
Lithuania	UAB Gargždai AG	306242910	Kaunas, Laisvės ave. 84B	The Issuer, 100%
Lithuania	UAB “Bravorenta”	303482366	Šiauliai, Lingailių str. 6	The Issuer, 100%
Lithuania	UAB “Kauno anūkėlis”	304781364	Kaunas District, Rasos str. 30, Ringaudų v.	The Issuer, 100%
Lithuania	UAB “Frymanis”	302870177	Kaunas, I. Kanto str. 25	The Issuer, 100%
Lithuania	UAB “Global Business Solutions LT”	303202953	Kaunas, I. Kanto str. 25	The Issuer, 100%
Lithuania	UAB „Šančiai AG“	306721177	Kaunas, I. Kanto str. 25	The Issuer, 100%
Lithuania	UAB „Kanto AG“	306721113	Kaunas, I. Kanto str. 25	The Issuer, 100%
Lithuania	UAB „Laisvės AG“	306721921	Kaunas, I. Kanto str. 25	The Issuer, 100%

### 3.2 Management

#### Management structure of the Issuer

Management structure of the Issuer is indicated in figure below.

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



#### Administrative and management bodies

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

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

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

Following Article 4.1.2. of the Articles of Association, the Management Board shall be elected for a term of 4 (four) years and shall be constituted from 5 (five) members. Currently, the Company has appointed all 5 (five) members of the Management Board, 2 (two) of whom are independent members. The Management Board elects the Chairman of the Management Board from among its members. Current term of office of the Management Board started on 17 June 2021. Thus, following the Law on Companies its term of office shall last for 4 (four) years, however, no longer than until the annual General Meeting, to be held in the year, when the term of office of the Management Board adjourns.

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

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

<b>Name</b>	<b>Position in the Company</b>
Algirdas Pukis	Chairman of the Management Board, Manager (or “CEO”)
Ignas Kučinskas	Member of the Management Board, Manager of all Subsidiaries of the Company, indicated in Table 1 of this Information Document.
Vytautas Pukis	Member of the Management Board
Romanas Zontovičius	Member of the Management Board (an independent member)
Asta Liutkevičienė	Member of the Management Board (an independent member)

**Education and experience of the Management Board and the Manager**

<b>Algirdas Pukis</b> Chairman of the Management Board, Manager	
<i>Education</i> Vilnius University, Bachelor of Information Technology (2004-2008) Erasmus studies in Free University of Bozen-Bozano (Italy), Informatics (2006-2007) Vilnius University, Master of Economics: Finance, Accounting and Banking (2008-2010)	<i>Experience</i> AB “AGATHUM”, CEO (2012-present) AB “AGATHUM”, member of the Management Board (2016-present) Lengvosios atletikos federacija, member of the Management Board (2016-present) Happspace co-working, co-founder (2016-2019) VšĮ “Kauno maratono klubas” founder (2012-present), CEO (2012-2016) UAB “Miesto platforma” co-founder, CEO (2011-2013)
<i>Licenses &amp; certifications</i> Investment advisor, ID4788, Baltic Financial Advisors Association - BFAA (2020)	

<b>Ignas Kučinskas</b> Member of the Management Board, Manager of all Subsidiaries of the Company	
<i>Education</i> Vilnius University, Master of Economics (2009-2011) Vilnius University, Bachelor of Information Technology (2004-2008)	<i>Experience</i> AB “AGATHUM”, member of the Management Board (2016-present) All Subsidiaries of AB “AGATHUM”, Manager (2013-present)



<b>Vytautas Pukis</b> Member of the Management Board	
<i>Education</i> Lithuanian University of Health Sciences, Master of Science, Medicine (1998-2004) Lithuanian University of Health Sciences, Doctor of Medicine (M.D.), Internship, General Medicine (2004-2005) Cleveland Clinic (USA), Doctor of Medicine (M.D.), Residency, Internal Medicine (2006-2009)	<i>Experience</i> Blossomwood Medical (USA), Owner, Physician (2009-present) VšĮ "Kauno maratono klubas", Co-founder, Advisor (2009-present) AB "AGATHUM", member of the Management Board (2016-present) Medical Director for Huntsville Health and Rehab (2014-2017) Advisor for Brookdale Therapy (2016-2017)
<i>Other</i> A member of International Association of Physicians in Aesthetic Medicine (2009-present) A member of American College of Physicians (2007-present)	

<b>Romanas Zontovičius</b> Member of the Management Board (an independent member)	
<i>Education</i> Kaunas University of Technology. Master of Business Management, Innovation Management & Entrepreneurship (2021-2023) Vytautas Magnus University, Kaunas. Bachelor of Arts, History Science (1998-2003)	<i>Experience</i> Innovation Agency of Lithuania, Industry Manager (ICT sector) (2023-present) AB "AGATHUM", member of the Management Board (2021-present) Tech-Park Kaunas, Director of Innovation (2021-2023) Waymo/Google Inc, Senior Instructor / Operations (2018-2020) Nextury Ventures, Partner, San Francisco Representative (2016-2018) Spigot Inc., Vice President of Mobile Sales (2014-2016) GetJar Inc., Sales Operation Manager (2007-2014)

<b>Asta Liutkevičienė</b> Member of the Management Board (an independent member)	
<i>Education</i> KK JVMF. Bachelor's degree, Graphic Design (2009 - 2012)	<i>Experience</i> AB "AGATHUM", member of the Management Board (2021-present) Smarter Museum, CEO & Co-founder (2014-present) Happspace, CEO (2016-2019) Meška studijos, Freelance Graphic Designer (2012-2016) Advision, Graphic Designer, Web Designer (2013-2014) All design, Graphic Designer (Jan 2013 - Aug 2013)

### Principal activities outside the Company of members of the Management Board and Manager

Member of the Management Board Mr. Vytautas Pukis, together with his wife, has co-founded Blossomwood Foundation, a non-profit organization, working in the field of children's and youth education in Sub-Saharan Africa with its main projects located in Uganda. It has been giving shelter, food, and education to 100-150 children yearly. In Company's opinion this activity does not result in any conflict with the interest of the Group.

Mr. Vytautas Pukis is also a co-founder, advisor, and a participant in the leadership team of another non-profit project, VšĮ "Kauno maratono klubas, the largest running event in his hometown Kaunas. In Company's opinion this activity does not result in any conflict with the interest of the Group.

Algirdas Pukis was a team member in European Capital of Culture 2022 "Kaunas 2022" project initial stage during 2015-2016.

Algirdas Pukis is an active member of Lithuania Athletics federation, supporting track and field athletes. Also is a member of running club VŠĮ "Kauno maratono klubas" and triathlon club " VŠĮ Kauno triatlono klubas.

Ignas Kučinskas is also a Manager of all Subsidiaries of the Issuer. Romanas Zontovičius serves as Industry Manager at the Innovation Agency of Lithuania. Asta Liutkevičienė is a co-founder and a Manager of Smarter Museum.

As of the date of this Information Document, neither the Manager of the Company, nor any member of the Management Board engage in any other activities, which have or may have significant effect on the Company, competence of management and experience.

### **Litigation statement of the members of the Management Board and Manager**

Within the last 2 (two) years neither the Manager, nor any members of the Management Board have been liable for violations of legal acts, regulating the markets in financial instruments. In addition, neither the Manager of the Issuer nor any member of the Management Board: (i) have been already convicted of fraud or other economic offences; nor (ii) have held an executive function in the form of a senior manager or a member of the administrative management or supervisory bodies, of any company, or a partner in any partnership, at the time of or preceding any bankruptcy, receivership or forced liquidation; nor (iii) have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

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

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

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

## **3.3 Business Description**

### **Principal activities of the Issuer**

The Issuer is a steadily growing holding company, which controls 9 (nine) directly owned Subsidiaries, as indicated in Table 1 (the "**Group**"). Its journey started in 2002 by buying, renovating, and renting residential apartments in Vilnius and Kaunas. As the capital base grew, the operations have successfully transitioned into commercial real estate, and the Issuer was established in 2012.

Since the establishment, the Issuer has been purchasing strategically well-located properties with long-term tenants already in place or renovating and leasing the space out after acquiring the real estate. The Issuer strives to grow sustainably over time, its clients are their long-term partners. The Group aims to manage and help create productive industrial environments and inspiring urban spaces for everyone to thrive.

The Group is primarily focused on acquiring real estate for lease. The Issuer is constantly growing their cash flow from operations by acquiring new properties and incrementally renovating existing ones. Also, practically all lease contracts are CPI (*consumer price index*, available at <https://osp.stat.gov.lt/en>) indexed.

The Group is not doing ground-up developments or major renovation projects, but continuously renovating its properties. The Group tries to minimise the risks of development and construction and work mostly on the management and investment part of real estate. The Group is carefully selecting real estate properties to invest in and maximising the value of them while owning it. The Group tries to find well-located properties that already have a good starting yield, and work on incrementally increasing it over time with small renovations, good management and optimising tenant mix. Renovations usually are focused on increasing buildings sustainability (heating systems, solar panels, new windows, air-conditioning units, rooftops, LED lighting) or its visual appeal (exterior cosmetic renovation, interior design, lighting, cleaning, flowers). The Group uses every opportunity to minimise the environmental impact of its managed buildings and general activities. In recent years, main areas of renovation have been done:

- **Installation of solar panels:** 7 (seven) out of 9 (nine) buildings now have fully operational solar panels with a total capacity of 306 KW, which currently meets 60% of the Groups' electricity needs;

- Upgrading lighting fixtures: most of the Group's owned spaces now use LED lighting to conserve energy;
- Renovating heating systems: the Group is upgrading heating units to ensure more efficient heating systems;
- Enhancing air conditioning units: new, more efficient air conditioning units have been installed;
- Sustainable transport: since 2022, the main company car of the Group is an electric vehicle;
- Paperless operations: main office activities of the Group are practically paperless.

However, the Group avoids ground-up development and has no investments in residential real estate. As of the end of the year 2023, the Group owns 9 (nine) real estate properties via its Subsidiaries:

1. The Issuer's main activity is real estate rental. The Issuer owns 3 (three) properties in Kaunas, Lithuania: Kanto str, 25, Laisvės ave. 84B, and Ukrainiečių str. 4. In 2024, these properties are planned to be moved to 3 (three) newly established subsidiaries:
  - a. Kanto str. 25, Kaunas, Lithuania. Total area 2417 sq.m. Office premises in Kaunas Old Town, Center, were leased to UAB "Kelprojektas" until 2019 and then renovated and leased to multiple tenants during the turbulent 2020s. Currently, over 40 (forty) private and legal entities occupy the premises.
  - b. Laisvės ave. 84B, Kaunas, Lithuania. Total area 807 sq.m. Office premises in Kaunas Center. Ground-up renovation done by the Issuer in 2016. First floor is leased to the restaurant "Holas". Upper floors for architects, lawyers, software engineers.
  - c. Ukrainiečių str. 4, Kaunas, Lithuania. Total area 2002 sq.m. Stock office premises in Kaunas, 9 min from the Center, underwent a ground-up renovation in 2017 by UAB Mana Ranga. Ideal for loading, storing goods, or having an office, the site offers a loading ramp, ample parking, and 7 (seven) fully autonomous units with separate entrances and utility meters.
2. UAB "Frymanis" (Subsidiary): established in 2013, its' main activity is real estate rental. The company owns a property in Šilutė (M.Jankaus str. 12) and recently successfully sold a property in Panevėžys, (Senamiesčio str. 100):
 

M.Jankaus str. 12, Šilutė, Lithuania. Total area 902 sq.m. Healthcare center and gym premises in Šilutė were purchased at the end of 2021 through a leaseback deal with a long-term contract. These premises are leased to a gym and SPA services provider.
3. UAB "Bravorenta" (Subsidiary): established in 2014, its' main activity is real estate rental. The company owns a property in Šiauliai (Lingailių str. 6):
 

Lingailių str. 6, Šiauliai, Lithuania. Total area 4651 sq.m. Manufacture, storage, and office premises in Šiauliai were purchased at the end of 2019, with subsequent improvements including roof repairs and enhanced heat insulation. In 2023, a new long-term lease was signed with a railroad electrification company as the tenant.
4. UAB "Global Business Solutions LT" (Subsidiary): established in 2013, its' main activity is real estate rental. In 2023, it acquired premises for rent in Kaunas (Laisvės ave. 51A-111):
 

Laisvės ave. 51A-111, Kaunas, Lithuania. Total area 519 sq.m. Office space in Kaunas Center underwent a ground-up renovation in 2021 and was purchased at the end of 2023. The entire area is leased to a co-working space.
5. UAB "Taikos AG" (Subsidiary): established in 2023, its' main activity is real estate rental. The company owns a property in Kaunas (Taikos ave. 106B and Taikos ave. 106C):
 

Taikos ave. 106B and Taikos ave. 106C, Kaunas, Lithuania. Total area 4191 sq.m. Manufacturing and office premises in Kaunas were purchased at the end of 2021 through a leaseback deal with a long-term contract. The tenants are IT solutions and advertising companies
6. UAB "Gargždai AG" (Subsidiary): established in 2023, its' main activity is real estate rental. The company owns a property in Gargždai (Geležinkelio pylimo str. 2 and Geležinkelio pylimo str. 4):
 

Geležinkelio pylimo str. 2 and Geležinkelio pylimo str. 4, Gargždai, Lithuania. Total area 8923 sq.m. Manufacturing, warehouse, and office premises in Gargždai, situated on a large 5.25-hectare plot with potential for expansion, were purchased at the start of 2023 through a leaseback deal with a long-term contract. The tenant is a wooden houses manufacturer.
7. UAB "Kauno anūkėlis" (Subsidiary): established in 2018, its' main activity is real estate rental. The company owns a property in Kaunas (Savanorių ave. 280):

Savanorių ave. 280, Kaunas. Total area 3452 sq.m. A shopping center in Kaunas, purchased at the end of 2021, has undergone renovations including the roof, exterior, lighting, and heating. Its main tenants are clothing and furniture manufacturers and sellers, as well as a Brazilian jiu-jitsu gym.

In April 2024, 3 (three) new Subsidiaries were established, with the purpose of transferring 3 real estate properties from the Issuer as mentioned above. Those Subsidiaries are UAB "Kanto AG", UAB "Laisvės AG" and UAB "Šančiai AG". The main activities of the Subsidiaries UAB "Frymanis," UAB "Bravorenta," and UAB "Kauno anūkėlis" remained unchanged in 2023. UAB "Global Business Solutions LT" did not operate its main activities in 2022, but acquired a real estate property and increased its capital in 2023. New companies UAB "Taikos AG" and UAB "Gargždai AG" were established in 2023, both owning and renting out real estate.

The Group has extensive experience in managing many small tenants, as from 2016 to 2019 the Issuer has created and managed a co-working project *Happspace*™. It united a community of over 350 specialists located in three different co-working spaces with a total area of 2800 sq.m. In May 2019, the *Happspace*™ project was successfully sold to the international coworking space network *Workland*.

In addition to this, the Group's goal is to achieve consistent investment returns through rental income growth and appreciation of property values over the long term. The Issuer always keeps a significant portion of its equity capital in more liquid investments, such as stocks, bonds, and exchange traded funds (the "ETFs"). This ensures that the Group always has plenty of liquidity at hand. It also adds another diverse source of income and allows the Issuer to take advantage of market opportunities (for more information please see Section *Securities portfolio of the Issuer* below).

### Summary of real estate portfolio of the Group:

- Market value equal to EUR 15,500,000 (based on asset valuation reports in May 2023).
- Total managed area ~28,000 sq.m.
- Mainly commercial use.
- 98% occupancy rate.
- Yearly net income from leases equal to EUR 1,400,000.
- Average lease price is equal to EUR 4,4000 per sq.m.
- Lease profitability 9,3%.
- Remaining bank credit on real estate equal to EUR 7,600,000EUR (as of 31 March 2024).
- Real estate loan-to-value equal to 49%.
- Weighted average unexpired lease term (*WAULT*) equal to 4,09 years.

**Table 3. Key features of the Group's assets and liabilities**

Premises and their type	Address	Area, sq. m	Occupancy rate	Market value, 2023-05	Gross revenue monthly	Real estate yield	Bank credit remaining
Administrative premises	I. Kanto g. 25, Kaunas	2,417	99%	1,455,000 EUR			
Administrative and warehouse building	Ukrainiečių g. 4, Kaunas	2,002	81%	1,234,000 EUR			
Commercial building	Laisvės al. 84B, Kaunas	807	96%	1,163,000 EUR			
Commercial premises	Laisvės al. 51A-111, Kaunas	519	100%	704,000 EUR			
Manufacturing and administrative buildings, with owned 1.00 ha of land	Taikos pr. 106B ir 106C, Kaunas	4,191	100%	3,121,000 EUR			
Shopping center	Savanorių pr. 280, Kaunas	3,452	100%	2,633,000 EUR			
Healthcare center	M. Jankaus g. 12, Šilutė	902	100%	562,600 EUR			
Manufacturing, warehouse and office buildings, with owned 5.25 ha of land	Geležinkelio pylimo g. 2/4, Gargždai	8,923	100%	2,640,000 EUR			
Warehouse and office building	Lingailių g. 6, Šiauliai	4,651	100%	1,634,000 EUR			
Solar powerplants, 306 kW, 7 units	Kaunas, Šiauliai			312,550 EUR			
<b>Real estate total</b>		<b>27,863</b>	<b>98%</b>	<b>15,459,150 EUR</b>	<b>119,299 EUR</b>	<b>9.3%</b>	<b>7,646,078 EUR</b>
							<b>Real estate loan-to-value (LTV) 49.7%</b>
Securities portfolio AB "AGATHUM"				4,370,000 EUR			
Bonds							3,000,000 EUR
Cash in bank accounts				218,000 EUR			
<b>Total</b>				<b>20,047,150 EUR</b>			<b>10,646,078 EUR</b>

**Source:** *the Issuer* (not audited financial data as of 31 March 2024)

“*Real estate yield*” is calculated by multiplying “*Gross revenue monthly*” 12 (twelve) times and dividing by “*Market value*” (data from latest asset valuation reports of May 2023).

“*Real estate loan to value (LTV)*” is calculated by dividing “*Bank credit remaining*” by “*Market value*” (data from latest asset valuation reports of May 2023).

## Securities portfolio of the Issuer

The Issuer holds a securities portfolio which is an important part of the long-term business strategy of the Issuer. The main purpose of it is to have good liquidity, alongside illiquid real estate investments. A securities portfolio would help to maintain the Group's day-to-day operations in case real estate revenues fall significantly for some time e.g. if unexpected turbulences in the market occur. In addition, it gives the Issuer opportunities to buy good real estate properties fast and get into more profitable investments over time. This securities portfolio diversifies the Group's assets, and will always remain a significant permanent holding of the Group.

### Summary of securities portfolio of the Issuer:

- Consists of publicly traded securities (mainly equities) which total amount is equal to EUR 4,000,000.
- Buy-and-hold approach.
- More than 250 individual positions.
- Investments in all main continents (Europe, North and South America, Asia, Africa).
- Covers all major market sectors (Energy, Materials, Industrials, Utilities, Healthcare, Financials, Consumer Discretionary, Consumer Staples, Information Technology, Communication Services, and Real Estate).
- Portfolio level tail hedging "insurance" strategy overlay to protect from larger than 25% drawdowns.
- The goal is to keep the portfolio size significantly larger than the total outstanding bond issuance.

## Social involvement of the Group

The Issuer and its shareholders are actively involved in local as well as global social activities and communities as well as charities all over the world.

The Issuer and its shareholders are actively involved in the Lithuanian sports community via VšĮ "Kauno maratono klubas" sport club – supporting young runners, who become Olympians, as well as organising the largest running events in Kaunas – *Kaunas Marathon* and a charity run *Pink Run* supporting breast cancer survivors.

The Issuer also supports art and culture. The Issuer has financed multifunctional art gallery *POST* for multiple years. In addition, the Issuer recently purchased A. Marozovas photography with all proceeds going to charity that supports Ukraine and donated that photography to *Vytautas the Great War Museum*.

The main shareholder, Vytautas Pukis, together with his wife Džene, have established the *Blossomwood* foundation which focuses on creating a more self-sufficient and happier community in central Uganda. The foundation provides shelter, food, and schooling for children as well as courses for teachers for more than 5 (five) years now.

## 3.4 Overview of the Financial Information

UAB „Auditorių biuras“, independent auditors audited the financial statements of the Issuer for the year 2021, 2022 and 2023 and issued auditors' reports on the aforementioned financial statements.

### Short overview of the Financial Information of the Issuer

In 2021, the Issuer has successfully issued bonds with an aggregate nominal amount equal to EUR 3,000,000. This helped the Issuer to grow its assets under management from EUR 9,000,000 to EUR 19,000,000 and EBITDA from EUR 500,000 to EUR 1,230,000.

As of December 31, 2023, The Group employed 5 (five) people in Lithuania. The Group's sales revenue for 2023 was equal to EUR 1,414,292, with equity of EUR 4,890,299. The net profit for 2023 was equal to EUR 277,168. Compared to 2022, the Group's revenues increased by 5.6 percent in 2023. The Group's EBITDA for 2023 was equal to EUR 1,230,299, up 82.8% from the previous year.

The Group's equity grew by 141% to EUR 4,890,299 in 2023, compared to EUR 2,028,911 in 2022. In 2021, it was equal to EUR 3,677,245. The increase was influenced by the positive change in the value of securities and property revaluation at market value which was done in May 2023.

The Group's managed assets increased from EUR 13,738,845 to EUR 19,035,259, with a 38.6% increase. In 2023, two new real estate properties were acquired in Gargždai and Kaunas, with a total acquisition cost equal to EUR 2,900,000.

The Group has consistently increased its long-term shareholder capital, real estate and securities portfolios and EBITDA for many years.

**Table 4. EBITDA and Equity Growth of the Group**

	2021	2022	2023
Authorized capital	1,000,000	1,000,000	1,000,000
<b>Shareholder equity</b>	3,677,245	2,028,911	4,890,299
Growth of shareholder equity	303.96%	-44.83%	141.03%

	2021	2022	2023
<b>EBITDA</b>	533,341	672,962	1,230,229
EBITDA growth	-29.71%	26.18%	82.81%

**Source:** *the Issuer* (audited financial data)

"Growth of shareholder equity" is calculated by dividing current period "Shareholder equity" by previous period "Shareholder equity" and then subtracting 1 (100%).

"EBITDA growth" is calculated by dividing current period "EBITDA" by previous period "EBITDA" and then subtracting 1 (100%).

## Financial statements

The following tables set forth a summary of consolidated and audited financial information of the Issuer as of and for the periods ended 31 December 2020, 31 December 2021, 31 December 2022, and 31 December 2023, respectively.

### Consolidated statement of financial position

FINANCIAL POSITION (EUR)	31-12-2022	31-12-2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	5,175	0
Other intangible assets	0	0
Property, Plant, and Equipment	8,798,542	14,069,587
Right-of-use assets	0	0
Other investments	4,102,570	3,955,416
Deferred income tax assets	0	0
Loans granted	0	0
Other amounts receivable LT	0	0
<b>Total non-current assets</b>	<b>12,906,287</b>	<b>18,025,003</b>

**Current assets**

Inventories	0	0
Contract assets	28,629	25,850
Trade receivables	622,433	196,210
Other amounts receivable	7,917	571,627
Other current assets	17,889	32,599
Cash and cash equivalents	155,690	183,970
<b>Total current assets</b>	<b>832,558</b>	<b>1,010,256</b>
<b>TOTAL ASSETS</b>	<b>13,738,845</b>	<b>19,035,259</b>

**EQUITY AND LIABILITIES****Equity**

Share capital	1,000,000	1,000,000
Retained earnings	(465,194)	128,495
Revaluation reserve	1,483,943	3,751,642
Legal reserve	10,162	10,162
<b>Equity attributable to shareholders of the Parent</b>	<b>2,028,911</b>	<b>4,890,299</b>
<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>2,028,911</b>	<b>4,890,299</b>

**Liabilities****Non-current liabilities**

Borrowings	846,493	951,316
Bank loans	5,631,529	7,260,555
Lease liabilities	0	0
Other payables	3,760,962	3,285,643
Deferred income tax liability	0	0
Provisions	382,297	992,481
Other non-current liabilities	3,444	2,778
<b>Total non-current liabilities</b>	<b>10,624,725</b>	<b>12,492,773</b>

**Current liabilities**

Borrowings	55,593	65,672
Bank loans	667,870	588,266
Lease liabilities	0	0
Trade payables	115,150	64,792
Contract liabilities	138,781	272,948
Income tax liability	13,952	0

Other current liabilities	93,863	660,509
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<b>Total current liabilities</b>	<b>1,085,209</b>	<b>1,652,187</b>
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<b>Total liabilities</b>	<b>11,709,934</b>	<b>14,144,960</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,738,845</b>	<b>19,035,259</b>
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## Consolidated statement of profit or loss and other comprehensive income

<b>PROFIT / LOSS (EUR)</b>	<b>2022-12-31</b>	<b>2023-12-31</b>
Revenue from contracts with customers	1,339,466	1,414,292
Cost of sales	(343,627)	(306,749)
<b>Gross profit</b>	<b>995,839</b>	<b>1,107,543</b>
Distribution expenses	(3,401)	(24,905)
Administrative expenses	(1,208,200)	(1,331,395)
Impairment of financial assets	0	0
Other income	0	0
Other gains (losses) – net	226,916	11,864
<b>Results from operating activities</b>	<b>11,154</b>	<b>(236,893)</b>
Interest and other similar income	751,004	3,775,425
Interest and other similar expenses	(1,420,231)	(3,315,673)
<b>Profit before income tax</b>	<b>(658,073)</b>	<b>222,859</b>
Income tax expense	20,976	54,309
<b>Profit for the period</b>	<b>(637,097)</b>	<b>277,168</b>
Other comprehensive loss		0
<b>Total comprehensive income for the period – net of tax</b>	<b>(637,097)</b>	<b>277,168</b>
<b>Profit for the period and total comprehensive income attributable to:</b>		
Parent's shareholders	(637,097)	277,168
Non-controlling interest	0	0

### **Capitalisation of the Group**

The Issuer confirms that the Group has sufficient working capital for its present requirements, i.e., for at least the next 12 (twelve) months commencing as of the date of this Information Document.

The table below present the information on the consolidated capitalisation of the Group as of 31 December 2023. The table below should be read in conjunction with Financial Statements of the Issuer.

**Table 5: Capitalisation of the Group (EUR)**

<b>Capitalisation of the Group (EUR)</b>	<b>31-12-2023</b>
<b>Current debt:</b>	
Current portion of non-current borrowings	1,277,982
Current portion of non-current obligations under finance lease	0



Short-term borrowings from banks, legal entities and private individuals	0
<b>Total</b>	<b>1,277,982</b>
<b>Guaranteed</b>	<b>0</b>
<b>Secured</b>	<b>689,716</b>
<b>Unguaranteed/Unsecured</b>	<b>588,266</b>
<b>Non-Current debt (excluding current portion of long-term debt):</b>	
Non-current borrowings from banks, legal entities and private individuals	11,497,514
Obligations under finance lease	0
<b>Total</b>	<b>11,497,514</b>
<b>Guaranteed</b>	<b>0</b>
<b>Secured</b>	<b>7,260,555</b>
<b>Unguaranteed/Unsecured</b>	<b>4,236,959</b>
<b>Shareholder's equity:</b>	
Share capital	1,000,000
Share premium	0
Revaluation reserve	3,751,642
Legal reserve	10,162
Reserve for granting of shares	0
Currency exchange differences	0
Retained earnings / (accumulated deficit)	128,495
Minority interest	0
<b>Total</b>	<b>4,890,299</b>
<b>Total Capitalization (total current debt + total non-current debt + total equity)</b>	<b>17,665,795</b>

### 3.5 Other information

#### Dividend policy

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

- (i) the management of the respective Subsidiaries intends to suggest to the General Meetings of Shareholders of the Subsidiaries concerned for distribution not more than 50% of annual profit of the respective Subsidiary. If the stability of activities of the Company further raises, this amount may be reviewed in the future and increased.
- (ii) the management of the respective Subsidiaries may suggest to the General Meetings of Shareholders of the Subsidiaries concerned for the financial year also if during the respective accounting period the Subsidiary has incurred loss, however, it has undistributed profit from the previous accounting periods. This provision is applied only in case, the necessary need is in place for the Issuer to receive the dividends to finance the business development.

#### Profit forecasts or estimates

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

## **Legal and arbitration proceedings**

There are no ongoing material legal proceedings or legal proceedings in previous reporting periods against the Issuer, and petitions of insolvency, instituted bankruptcy proceedings. In addition, the Issuer is not engaged in or, to the management's knowledge, has currently threatened against it any governmental, legal, or arbitration proceedings which may have, or have had during the 12 (twelve) months preceding the date of this Information Document, a significant effect on the financial position or profitability.

## **Related party transactions**

The Issuer has not been involved in any transactions with related parties.

## **Other securities issued by the Issuer**

### *Bond issue in 2021*

The first bond issue of the Issuer was completed in 2021, and 30,000 units of ordinary non-convertible fixed-rate bonds (7.5%) with a maturity of up to 3 (three) years were issued with an aggregate nominal amount equal to EUR 3,000,000 (ISIN LT0000405425). Maturity Date is 28 June 2024.

## **Incentive programmes for the employees**

There are no approved incentive programmes for its administrative employees, nonetheless, the management of the Company are entitled to annual bonus system as variable remuneration motivation tool.

Specific bonus amounts due to employees are approved: (i) for the Manager – by the Management Board; (ii) for other employees – by the Manager of the Company.

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

Neither the Company nor its Subsidiaries have any significant contracts, patents and other documents<sup>1</sup>, other than agreements related to the borrowings among the Group companies and with credit institutions.

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

## IV. DESCRIPTION OF THE BONDS

### 4.1 General Terms and Conditions of the Bond

#### GENERAL TERMS AND CONDITIONS OF AB "AGATHUM"

*(a public limited liability company incorporated and existing under the laws of the Republic of Lithuania,  
registration No. 302762212)*

#### FOR THE ISSUANCE UP TO EUR 4,000,000 FIXED RATE BONDS WITH THE MATURITY UP TO 2 YEARS

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

#### 1. Introduction

- a) **General Terms and Conditions:** AB "AGATHUM" (the "**Issuer**") has established these General Terms and Conditions (the "**Terms and Conditions**") of AB "AGATHUM" for the issuance of up to EUR 4,000,000 (four million euros) in aggregate principal amount of fixed rate Bonds (the "**Bonds**") for maturity up to 2 years.
- b) **Final Terms:** Bonds under the Terms and Conditions will be issued in one series (a "**Series**") and the Series will comprise one tranche (a "**Tranche**") of Bonds. The Tranche is the subject of a final terms (the "**Final Terms**") which completes these Terms and Conditions. The terms and conditions applicable to any particular Tranche of Bonds are these Terms and Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Terms and Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- c) **The Bonds:** All subsequent references in these Terms and Conditions to "Bonds" are to the Bonds which are the subject of the relevant Final Terms. Bonds will be unsecured fixed rate Bonds only. Copies of the relevant Final Terms may be obtained from the Issuer at Vaisių str. 16A, Kaunas, the Republic of Lithuania.
- d) By subscribing for 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 Bonds each subsequent Bondholder confirms these Terms and Conditions and the Final Terms.

#### 2. Interpretation

- a) **Definitions:** In these Terms and Conditions the following expressions have the following meanings:
  - "**Accounting Principles**" means the local financial reporting standards pursuant to the applicable law.
  - "**Bank of Lithuania**" shall mean the Bank of Lithuania, the Lithuanian financial supervision authority.
  - "**Business Day**" means a day on which banks in Vilnius are open for general business.
  - "**Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day.
  - "**Compliance Certificate**" means a certificate, in form and substance reasonably satisfactory to the Trustee, signed by an authorised signatory of the Issuer certifying that (A) there was no breach of any undertakings set forth in Clause 13; (B) so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it
  - "**CSDR**" means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 as amended.

"**Certified Advisor**" means Advokatų kontora TGS Baltic, registered at address Konstitucijos ave. 21A, Vilnius, the Republic of Lithuania.

"**Dealer**" and "**Arranger**" means Akcinė bendrovė Šiaulių bankas, registration No 112025254, registered at address Tilžės str. 149, Šiauliai, the Republic of Lithuania, registered in the Lithuanian Register of Legal entities.

"**ESMA**" means the European Securities and Markets Authority, or such replacement or successor authority as may be appointed from time to time.

"**EUR**" means the lawful currency of Lithuania.

"**Event of Default**" means an event or circumstance specified in Clause 14

"**Financial Report**" means the annual consolidated and stand-alone financial statements of the Issuer and the quarterly consolidated and stand-alone interim statements of the Issuer prepared in accordance with the applicable law.

"**First North**" means the multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments) *First North* in Lithuania, administrated by the market operator Nasdaq Vilnius.

"**Group**" means the Company and its Subsidiaries collectively.

"**Interest**" means the interest on the Bonds calculated in accordance with Clauses 11(a) to 11(12) of these General Terms and Conditions.

"**Interest Commencement Date**" means the Issue Date of the Bonds as specified in the relevant Final Terms.

"**Interest Payment Date**" means dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and to the extent such day is not a Business Day, adjusted in accordance with the relevant Business Day Convention.

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

"**Interest Rate**" has the meaning given in the relevant Final Terms.

"**Issue Date**" has the meaning given in the relevant Final Terms.

"**Issuer**" means AB "AGATHUM", a public limited liability company, registration No 302762212, registered at address Vaisių str. 16A, Kaunas, the Republic of Lithuania.

"**Maturity Date**" means the date specified in the relevant Final Terms.

"**Nasdaq CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds from time to time; initially Nasdaq CSD SE, registration No 40003242879, address Valnu str. 1, Riga, the Republic of Latvia.

"**Nasdaq Vilnius**" means AB Nasdaq Vilnius, registration No 110057488, address Konstitucijos ave. 29, Vilnius, the Republic of Lithuania.

"**Nominal Amount**" has the meaning set forth in Clause 6.

"**Bondholder**" means the Person who's Bonds are registered on the Securities Account.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, unincorporated organisation, contractual fund, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount and/or the Optional Redemption Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms.

"**Redemption Date**" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause •C)12 (*Redemption and repurchase of the Bonds*).

"**Relevant Period**" means each period of 3 (three), 6 (six) or 12 (twelve) consecutive calendar months of the relevant Financial Report.

"**Securities Account**" means the account for dematerialised securities opened in the name of Bondholder with a financial institution which is a member of Nasdaq CSD.

"**Subsidiaries**" or "**Group Company**" means, in relation to the Issuer, any legal entity, in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more

than 50 (fifty) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than 50 (fifty) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

"**Trustee**" means the Bondholders' Trustee under these Terms and Conditions from time to time; initially UŽDAROJI AKCINĖ BENDROVĖ "AUDIFINA", a private limited liability company, established and existing under the laws of the Republic of Lithuania, registration No 125921757, address at A. Juozapavičiaus str. 6, Vilnius, the Republic of Lithuania.

"**Trustee Agreement**" means the agreement entered into on or before the Issue Date between the Issuer and the Trustee, or any replacement Trustee agreement entered into after the Issue Date between the Issuer and the Trustee.

b) *Interpretation*: In these Terms and Conditions:

any reference to principal shall be deemed to include the Redemption Amount, any withheld amounts in respect of principal which may be payable under Clause 10 (*Taxation*), any premium payable in respect of a Bond and any other amount in the nature of principal payable pursuant to these Terms and Conditions;

(i) any reference to interest shall be deemed to include any withheld amounts in respect of interest which may be payable under Clause 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Terms and Conditions;

(ii) if an expression is stated in Clause 2 (a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Bonds;

(iii) Unless a contrary indication appears, any reference in these Terms and Conditions to:

- "assets" includes present and future properties, revenues and rights of every description;
- any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- a "regulation" includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- a provision of law is a reference to that provision as amended or re-enacted; and
- a time of day is a reference to Lithuanian local time.

(iv) An Event of Default is continuing if it has not been remedied or waived.

(v) When ascertaining whether a limit or threshold specified in EUR has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against EUR for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). If no such rate is available, the most recently published rate shall be used instead.

(vi) A notice shall be deemed to be sent by way of press release if it is made available to the public within Lithuania promptly and in a non-discriminatory manner.

(vii) No delay or omission of the Trustee or of any Bondholder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

### 3. Principal Amount and Issuance of the Bonds

Under these Terms and Conditions for the issuance of Bonds the Issuer may issue Bonds up to an aggregate principal amount of EUR 4,000,000 (four million euros) (the "**Bonds**").

### 4. Status of the Bonds

The Bonds constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and 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.

### 5. Use of Proceeds

- The net proceeds from the issue of Bonds will be used to refinance maturing bonds under ISIN LT0000405425 and for other general corporate purpose of the Issuer and its Group.

## 6. Denomination, Title, Issue Price, Transfer and Underwriting

**Denomination:** Denomination of each Bond is EUR 100 (one hundred euros) (the “**Nominal Amount**”) unless otherwise specified in the Final Terms.

- a) **Title to Bonds:** The 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.
- b) **Issue Price:** The Bonds may be issued at their Nominal Amount or at a discount or a premium to their Nominal Amount (the “**Issue Price**”). The Issue Price shall be determined by the Issuer and specified in the applicable Final Terms.
- c) **Transfers of Bonds:** The Bonds are freely transferrable. Bonds subscribed and paid for shall be entered to the respective book-entry Securities Accounts of the subscriber(s) 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.
- d) **No charge:** The transfer of a Bond will be effected without charge by or on behalf of the Issuer. However, the investors may be obliged to cover expenses which are related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions which are charged by the credit institutions or investment brokerage firms in relation to the execution of the investor’s purchase or selling orders of the Bonds, the holding of the Bonds or any other operations in relation to the Bonds. The Issuer and or the Dealer will not compensate the Bondholders for any such expenses.
- e) **Underwriting:** None of the Tranches of Bonds will be underwritten.

## 7. Bonds in Book-Entry Form

The Bonds shall be issued as registered book-entry (dematerialised) securities as entries within Nasdaq CSD, which is regional Baltic central securities depository (CSD) with a business presence in the Republic of Lithuania, the Republic of Latvia, and the Republic of Estonia. Nasdaq CSD is licensed under the CSDR and authorised and supervised by the Bank of Latvia. Nasdaq CSD operates as the operator of the Lithuanian securities settlement system, which is governed by Lithuania law and notified to the ESMA in accordance with the Settlement Finality Directive 98/26/EC and provides central securities deposit services, clearance and settlement of securities transactions and maintenance of the dematerialised securities and their Bondholders in accordance with the applicable Lithuania legislation. Consequently, the Bonds exist as an electronic entry in a securities account with Nasdaq CSD. Only persons holding the Bonds directly or indirectly (e.g., through omnibus accounts maintained by investment firms) with Nasdaq CSD will be considered by the Issuer as the Bondholders of such Bonds.

## 8. Right to Act on Behalf of a Bondholder

If any Person other than a Bondholder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

- a) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- b) The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8 (and 8(a)) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## 9. Payments to the Bondholders

**Payments:** Payments of principal amounts (including on the final redemption) due on the Bonds will be made to the Bondholders thereof, as appearing in Nasdaq CSD on the 3<sup>rd</sup> (third) Business Day preceding the due date for such payment, and payments of interest (including any other final redemption) due on the Bonds will be made to the Bondholders thereof, as appearing in Nasdaq CSD on the 3<sup>rd</sup> (third) Business Day preceding the due date for such payment (the “**Record Date**”). Payment of amounts due on the final redemption of the Bonds 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 Maturity Date of the Bonds, the nominal value thereof with the cumulative

interest accrued shall be transferred to the accounts indicated by the Bondholders without separate requests/requirements of the Bondholders. As of that moment the Issuer shall be deemed to have fully executed the obligations, related to the Bonds and their redemption, disregarding the fact, whether the Bondholder actually accepts the funds or not.

- a) **Payments subject to fiscal laws:** All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Clause 10 (*Taxation*). No commissions or expenses shall be charged to the Bondholders in respect of such payments by the Issuer except for taxes applicable under Lithuania law. However, the investors may be obliged to cover commissions and/or other expenses, which are charged by the credit institutions or investment brokerage firms in relation to such payments. The Issuer and/or the Dealer will not compensate the Bondholders for any such expenses.
- b) **Payments on Business Days:** If any date for payment in respect of any Bond or Interest is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

## 10. Taxation

**No gross-up:** There is no gross-up obligation in relation to the Bonds. According to the Terms and Conditions, the Issuer shall withhold and deduct taxes on payments made under the Bonds in accordance with the applicable Lithuanian tax laws. In situations where the tax should not be withheld by the Issuer under the applicable tax law, but the respective circumstances are not known or available to the Issuer, the Bondholders are expected to provide any relevant information and certificates for lowering or avoiding the withholding rates in advance of any payments by the Issuer. The Issuer shall not compensate any amounts it has withheld or deducted under the applicable tax law. Accordingly, if any such withholding or deduction were to apply to any payments of principal under any Bonds, Bondholders may receive less than the full amount of principal due under such Bonds upon redemption.

- **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Lithuania, references in these Terms and Conditions to the Republic of Lithuania shall be construed as references to the Republic of Lithuania and/or such other jurisdiction.

## 11. Interest

**Accrual of interest:** Interest shall accrue for each Interest Period from and including the first day of the Interest Period to (but excluding) the last day of the Interest Period on the principal amount of Bonds outstanding from time to time. The first Interest Period commences on the Issue Date and ends on the first Interest Payment Date (the “**First Interest Period**”). Each consecutive Interest Period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last Interest Period ends on the Maturity Date.

- The Interest payment on all Interest Payment Dates is determined according to the Day Count Convention 30/360 (“European 30/360”). Also, Interest is being calculated by rounding up to two decimal places per each Bond. For example:

The accrued Interest is calculated presuming there are 360 days in one year (European 30/360). Accrued Interest between Interest Payment Dates shall be calculated as follows:

$AI = F * C / 360 * D$ , where:

AI – accrued Interest for one Bond;

F – Nominal Amount of one Bond;

C – fixed annual Interest Rate (%) payable on the Bonds;

D – the number of days from the beginning of the Interest accrual period according to European 30/360 day count method.

- When Interest is required to be calculated in respect of a period of less than a full year other than in respect of the First Interest Period, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which Interest begins to accrue (the “**Accrual Date**”) but excluding the date on which it falls due, divided by (b) the actual number of days from and including the Accrual Date, but excluding the next following Interest Payment Date.

## 12. Redemption of the Bonds

**Scheduled redemption at the Maturity Date:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their Nominal Amount together with accrued but unpaid Interest on the Maturity Date, subject as provided in Clause 9 (*Payments to the Bondholders*).

- a) **Redemption at the option of the Issuer (call option):** Bonds may be redeemable at the option of the Issuer prior to their Maturity Date in accordance with the following conditions:
- (i) early redemption may occur at the discretion of the Issuer no earlier than 1 (one) year after the Issue Date;
  - (ii) if early redemption date occurs 12 (twelve) months after the Issue Date but not later than 18 (eighteen) months after the Issue Date, the respective Early Optional Redemption Amount will be equal to 101.00% of Nominal Amount plus accrued Interest from last Interest payment date;
  - (iii) if early redemption date occurs during the last 6 (six) months before the Maturity Date, the respective Early Optional Redemption Amount will be equal to 100.00% of Nominal Amount plus accrued Interest from last Interest payment date.

Redemption in accordance with Clause 12(b) shall be made by the Issuer giving not less than 30 (thirty) calendar days' notice to the Bondholders and the Trustee (which notice shall be irrevocable and shall specify the date fixed for redemption).

b) **De-listing Event or Listing Failure Put Option**

If at any time while any Bond remains outstanding, there occurs (A) a **De-listing Event** (as defined below), or (B) a **Listing Failure** (as defined below), each Bondholder will have the option (the "**De-listing Event or Listing Failure Put Option**") (unless, prior to the giving of the **De-listing Event or Listing Failure Event Notice** (as defined below), the Issuer gives notice to redeem the Bonds under Clause 12 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 defined below) at a price per Bond equal to 101.00 (one hundred and one) per cent of the Nominal Amount together with interest accrued to, but excluding, the De-listing Event or Listing Failure Put Date.

Where:

A "**De-listing Event**" shall be deemed to have occurred if at any time following the listing of the Bonds, trading in the Bonds on First North is suspended for a period of 15 (fifteen) consecutive Business Days (when First North is at the same time open for trading).

A "**Listing Failure**" shall be deemed to have occurred if the Bonds issued under these Terms and Conditions are not listed on the First North within 3 (three) months after the Issue Date.

Promptly upon the Issuer becoming aware that a De-listing Event or Listing Failure has occurred, the Issuer shall give notice (a "**De-listing Event or Listing Failure Notice**") to the Bondholders in accordance with Clause 16 (*Notices*) specifying the nature of the De-listing 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 contained in this Clause 12(c).

To exercise the De-listing Event or Listing Failure Put Option, the Bondholder must notify the Issuer at any time falling within the period of 30 (thirty) days after a De-listing Event or Listing Failure Notice is given (the "**De-listing Event or Listing Failure Put Period**"), accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Issuer within the De-listing Event or Listing Failure Period (a "**De-listing Event or Listing Failure Notice**"). Payment in respect of any Bonds will be made, if the Bondholder duly specified a bank account in the De-listing Event or Listing Failure Put Exercise Notice to which payment is to be made, on the date which is the 5<sup>th</sup> (fifth) Business Day following the expiration of the De-listing Event or Listing Failure Put Period (the "**De-listing Event or Listing Failure Put Date**") by transfer to that bank account. A De-listing Event or Listing Failure Put Exercise Notice, once given, shall be irrevocable.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder's exercise or purported exercise of, or otherwise in connection with, any De-listing Event or Listing Failure Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).



If 75 (seventy-five) percent or more in principal amount of the Bonds have been redeemed pursuant to this Clause 12 (b), the Issuer may, on not less than 30 (thirty) but not more than sixty (60) calendar days' irrevocable notice to the Bondholders in accordance with Clause 16 (*Notices*) given within 30 (thirty) days after the De-listing Event or Listing Failure Put Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Bonds at a price per Bond equal to 101.00 (one hundred and one) per cent. Of the Nominal Amount, together with interest accrued to, but excluding, the Redemption Date.

The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.(i)b), if a third party in connection with the occurrence of a De-listing Event or Listing Failure, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 11.(i)b) (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.(i)b), the Issuer shall repurchase any such Bonds within 5 (five) Business Days after the expiry of the time limit.

- c) **Redemption at the option of Bondholders upon a Change of Control.** If at any time while any Bond remains outstanding, there occurs a Change of Control Event (as defined below) each Bondholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Event Notice (as defined below), the Issuer gives notice to redeem the Bonds under Clause 12 to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of all of its Bonds, on the Change of Control Put Date (as defined below) at a price per Bond equal to 101.00 (one hundred and one) per cent. of the Nominal Amount together with interest accrued to, but excluding, the Change of Control Put Date.

Where:

A "**Change of Control Event**" shall be deemed to have occurred if at any time following the Issue Date of the Bonds Algirdas Pukis and Vytautas Pukis (directly or indirectly) cease to own, directly or indirectly, at least 50 (fifty) per cent +1 share of the paid-up share capital of the Issuer.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Bondholders in accordance with Clause 16(*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Clause 12(c).

To exercise the Change of Control Put Option, the Bondholder must notify the Issuer at any time falling within the period (the "**Change of Control Put Period**") of 30 (thirty) days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Issuer or Trustee within the Change of Control Put Period (a "**Change of Control Put Exercise Notice**"). Payment in respect of any Bonds will be made, if the Bondholder duly specified a bank account in the Change of Control Put Exercise Notice to which payment is to be made, on the date which is the 5<sup>th</sup> (fifth) Business Day following the expiration of the Change of Control Put Period (the "**Change of Control Put Date**") by transfer to that bank account. A Change of Control Put Exercise Notice, once given, shall be irrevocable.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Bondholder may incur as a result of or in connection with such Bondholder's exercise or purported exercise of, or otherwise in connection with, Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

If 75 (seventy-five) percent or more in principal amount of the Bonds then outstanding have been redeemed pursuant to this Clause 12(c), the Issuer may, on not less than 30 (thirty) but not more than 60 (sixty) calendar days' irrevocable notice to the Bondholders in accordance with Clause 16 (*Notices*) given within 30 (thirty) days after the Change of Control Put Date, redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Bonds at a price per Bond equal to 101.00 (one hundred and one) per cent. of the Nominal Amount, together with interest accrued to but excluding the Redemption Date.

The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 12(d) if a third party in connection with the occurrence of a Change of Control Event, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 12(d) (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.(i)c)12(d), the Issuer shall repurchase any such Bonds within 5 (five) Business Days after the expiry of the time limit

- d) **Purchase:** The Issuer may at any time purchase Bonds in the open market or otherwise and at any price. Such Bonds may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Bonds held by or for the account of the Issuer for their own account will not carry the right to vote at the Bondholders' meetings or within procedure in writing and will not be taken into account in determining how many Bonds are outstanding for the purposes of these Terms and Conditions of the Bonds.

### 13. Special Undertakings

- So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 13.

- a) **Financial covenants:** The Issuer shall, during as long as any Bond is outstanding ensure compliance with the following financial covenants:

- (i) **Net Debt to Assets of the Group Ratio:** the consolidated Net Debt of the Group will not exceed 70% (seventy percent) of the Asset of the Group. This ratio shall be tested annually for the last 12 (twelve) months.

Where:

A "**Net Debt**" shall mean the Financial Debt less Cash and Cash Equivalents of the latest annual consolidated Financial Report.

A "**Financial Debt**" shall mean a sum of:

- a) debt obligations, obligations to credit institutions, other financial obligations arising out of credit agreements;
- b) debt securities issued; and
- c) other transactions of financial debt nature, excluding: i) current payment obligations (to suppliers, employees, taxes payable and etc.), arising from the main activity of the company that are to be settled on the arm's length basis and ii) tax loans.

The "**Assets of the Group**" shall mean the market value of the real estate (buildings and land) and securities (bonds and shares that are on the stock exchange) owned by the Group. The value of the real estate should be determined by an independent valuer, and as disclosed in the annual accounts of the relevant Group Company, which may be audited or unaudited. A full valuation shall be carried out at least annually. If a full valuation is not carried out, then a consultancy report on the valuation must be provided in the intervening years. However, if a material event occurs prior to the scheduled consultative valuation report which may affect the value of the real estate and securities, then the Issuer undertakes to carry out a full valuation. The value of the securities should be determined according to the current price on the exchange, except for cases when the issuer owns bonds that are not publicly quoted, then such bonds the value is determined based on the purchase price or nominal value, whichever is lower.

- (ii) **Minimum balance in the Investment Account:** The Nominal Amount of the Bonds shall not exceed 150% (one hundred and fifty percent) of the balance of the Investment Account. This indicator shall be tested quarterly for the last 3 (three) months according to the extract from the Investment Account which will be provided to the Trustee by AB Šiaulių bankas no later than 5 (five) days after the Relevant Period.

Where:

The value of the securities shall be determined on the basis of the closing price published on Nasdaq or Bloomberg on the last business day of the relevant month. In the event that market data is not available from the specified source, the value of the Investment Account balance shall be determined by AB Šiaulių bankas at its sole discretion, in accordance with market practice and on the basis of other market data published or otherwise available at the time.

The value of the Investment Account balance shall be calculated in Euro. If the securities or cash are denominated in another currency, the currency conversion rate shall be determined in accordance with the exchange rate published by AB Šiaulių bankas.

- b) **Subordination of shareholders' loans.** As long as the Bonds are not redeemed in full, the Issuer undertakes to ensure that all loans provided by the Issuer's shareholders are subordinate to the Bondholders in the form suitable for the Trustee. The total amount of shareholders' loans on the date of the issuance of the Bonds is EUR 200,000.

The subordination of the loans provided by the Issuer's shareholders means that:

- (i) upon the liquidation (*likvidavimas*) or insolvency (*nemokumas*) of the Issuer, all the claims arising from the loans provided by the Issuer's shareholders shall be satisfied only after the full satisfaction of all claims of Bondholders against the Issuer are fulfilled. Therefore, upon the liquidation or bankruptcy of the Issuer, the Issuers' shareholders that issued loans are not entitled to any payments due under the loans until the full and due satisfaction of all the claims of Bondholders against the Issuer.
  - (ii) as long as there are no liquidation or bankruptcy proceedings initiated against the Issuer, the Issuer neither repays the loans (or any part of it) nor pays any interest to the Issuer's shareholders until the Bonds are redeemed in full and all claims of Bondholders are satisfied pursuant to these General Terms and Conditions.
- c) **Limits on dividends:** the Issuer shall not, as long as the Bonds are not redeemed in full, make any payment of Distribution.

Where:

A "**Distribution**" over the Issuer shall mean any (i) payment of dividend on shares, (ii) repurchase of own shares, (iii) redemption of share capital or other restricted equity with repayment to Issuer's shareholders, or (iv) any other similar distribution or transfers of value to the direct and/or indirect shareholders of the Issuer without mutual consideration.

- d) **Restrictions on lending:** As long as the Bonds are not redeemed in full, any Group Company shall not incur, create or permit to subsist any loan, guarantee or surety by to other entities, which are not direct or indirect Group Companies. This restriction is not applicable for the guarantees or sureties provided for the benefit of Group Companies.
- e) **Negative Pledge:** As long as the Bonds are not redeemed in full, any Group Company shall not incur, create or permit to subsist any security over all or any of Third-party's present or future obligations or enter into arrangements having a similar effect.

Where:

A "**Third-party**" means any other person or legal entity which is not Subsidiary of the Issuer and does not belong to the Group.

- f) **Financial reporting:** The Issuer shall:
  - (i) prepare annual audited consolidated and annual audited stand-alone Financial Reports in accordance with the Accounting Principles and publish them on the Issuer's website [www.agathum.com](http://www.agathum.com) not later than in 4 (four) months after the expiry of each financial year;
  - (ii) prepare quarterly interim unaudited consolidated and quarterly interim unaudited stand-alone Financial Reports in accordance with the Accounting Principles and publish them on the Issuer's website [www.agathum.com](http://www.agathum.com) not later than in 2 (two) months after the expiry of relevant interim period;
  - (iii) prepare and make available a Compliance Certificate to the Trustee (i) when a relevant Financial Report is made available, and (ii) at the Trustee's reasonable request, within 20 (twenty) calendar days from such request.
  - (iv) in addition to (i)-(iii) above, prepare the Financial Reports in accordance with the Accounting Principles and publish them together with Compliance Certificate in accordance with the rules and regulations of Nasdaq Vilnius and the applicable laws upon listing of the Bonds on First North Vilnius.

g) **General warranties and undertakings**

The Issuer warrants to the Bondholders and the Trustee at the date of these Terms and Conditions and for as long as any of the Bonds are outstanding that:

- (i) the Issuer is a duly registered a public limited liability company operating in compliance with the laws of Lithuania.
- (ii) all the Issuer's obligations assumed under the Terms and Conditions are valid and legally binding to the Issuer and performance of these obligations is not contrary to law or the fund rules of the Issuer;
- (iii) the Issuer has all the rights and sufficient authorizations to, and the Issuer has performed all the formalities required for issuing the Bonds;

- (iv) all information that is provided by the Issuer to the Trustee or the Bondholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any respect;
- (v) the Issuer is solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings pending or initiated against the Issuer;
- (vi) there are no legal or arbitration proceedings pending or initiated against the Issuer which may have, or have had significant effects on the Issuer's financial position or profitability; and
- (vii) there are no criminal proceedings pending or initiated against the Issuer.

#### 14. Events of Default

- a) If any of the following events (the "**Events of Default**") (as defined below) occurs, the Issuer shall repay the Bonds at their outstanding principal amount together with the accrued interest, but without any premium or penalty on the 10th (tenth) Business Day after the occurrence of an Event of Default (the "**Early Repayment Date**"). Interest on such Bonds accrues until the Early Repayment Date (excluding the Early Repayment Date).
- b) The Issuer shall notify the Bondholders and the Trustee about the occurrence of an Event of Default immediately and without any delay upon becoming aware of its occurrence i) by way of notification on material event about the occurrence of an Event of Default, and ii) in accordance with Clause 16 (*Notices*).
- c) Each of the following events shall constitute an Event of Default:

- (i) **Non-payment:** The Issuer fails to pay any amount of interest in respect of the Bonds on the due date for payment thereof and the default continues for a period of 20 (twenty) Business Days.
- (ii) **Breach of other obligations:** (i) if the Financial Covenants set out in Clause 13(a) are breached and are not remedied within next Relevant Period; (ii) if any other Special Undertakings set out in Clause 13 (other than Financial Covenants set out in Clause 13(a) are breached and are not remedied within 30 (thirty) Business days of the earlier of the Trustee giving notice or the Issuer should have become aware of the non-compliance.

The result that the breach of the Financial Covenants has been remedied should be reflected in the Financial Report of the Relevant Period.

- (iii) **Cross Default:** Any outstanding indebtedness (including claims under the guarantees) of the Issuer or any of its Subsidiaries in a minimum aggregated total amount of EUR 1,000,000 (one million euro) or its equivalent in any other currency, is accelerated prematurely because of default, howsoever described, or if any such indebtedness is not paid or repaid on the due date thereof or within any applicable grace period after the due date, or if any security given by the Issuer for any such indebtedness becomes enforceable by reason of default.
- (iv) **Cessation of Business:** The Issuer or/and any of its Subsidiaries cease to carry on its current business in its entirety or a substantial part thereof, other than: (i) pursuant to any sale, disposal, demerger, amalgamation, reorganization or restructuring or any cessation of business in each case on a solvent basis and within the Group, or (ii) for the purposes of, or pursuant to any terms approved by the Bondholders' Meeting, or (iii) in relation to a Subsidiary, if the cessation of the respective business (or substantial part thereof) of the Subsidiary is required by any specific EU regulations or laws of the Republic of Lithuania or of other country, the laws of which are applicable to the respective Subsidiary or decisions of any regulatory authority and it does not materially affect the Issuer's ability to fulfil its obligations with regard to the Bonds.
- (v) **Liquidation:** An effective resolution is passed for the liquidation of the Issuer or any of its Subsidiaries other than, in case of a Subsidiary: (i) pursuant to an amalgamation, reorganization or restructuring in each case within the Group, or (ii) as a result of the cessation of the respective business required by any specific EU regulations or laws of the Republic of Lithuania or of other country, the laws of which are applicable to the respective Subsidiary or decisions of any regulatory authority in relation to the operation of the Company or any of its Subsidiaries and it does not materially affect the Issuer's ability to fulfil its obligations with regard to the Bonds, or (iii) for the purposes of, or pursuant to any terms approved by the Bondholders' Meeting.
- (vi) **Insolvency:** The Issuer or any of its Subsidiaries is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts or the Issuer or any of its Subsidiaries

enters into any arrangement with majority of its creditors by value in relation to restructuring of its debts or any meeting is convened to consider a proposal for such arrangement.

- (vii) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 30 (thirty) calendar days of commencement or, if earlier, the date on which it is advertised) in relation to:
- i. winding-up, dissolution, administration, insolvency or legal protection proceedings (in and out of court) (in Lithuanian: *nemokumas, likvidavimas, bankrotas, restruktūrizavimas*) (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer or any of its Subsidiaries;
  - ii. the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of the Issuer or any of its Subsidiaries or any of its assets; or
  - iii. any analogous procedure or step is taken in any jurisdiction in respect of the Issuer or any of its Subsidiaries.
- (viii) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable.
- d) If the Issuer is declared insolvent, the Trustee shall represent the Bondholders in all legal proceedings and take every reasonable measure necessary to recover the amounts outstanding under the Bonds. The Issuer shall notify the Trustee about being declared insolvent in accordance with Clause 16 (*Notices*) promptly upon becoming aware of this occurrence. In such a case, all payments by the Issuer relating to the Bonds shall be transferred to the Trustee, or to someone appointed by the Trustee, and shall constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Bondholders. The Trustee shall arrange for payments of such funds in the following order of priority as soon as reasonably practicable:
- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the protection of the Bondholders' rights, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Trustee in relation to a Bondholders' meeting;
  - (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

If the Trustee makes any payment under this Clause 14(d), the Trustee, as applicable, shall notify the Bondholders of any such payment at least 5 (five) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid.

## 15. Trustee and Bondholders' Meetings

The Law on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies of the Republic of Lithuania (the "**Law on Protection of Interests of Bondholders**") is applicable to the Bonds, issued under these Terms and Conditions. As a result, the Bondholders shall be represented by the Trustee pursuant to the Law on Protection of Interests of Bondholders and the Trustee shall have all the rights and obligations, indicated in the Law on Protection of Interests of Bondholders and in the respective agreement concluded between the Trustee and the Issuer. When acting pursuant to these Terms and Conditions, the Trustee is always acting with binding effect on behalf of the Bondholders.

In addition, the Trustee shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in these Terms and Conditions and as otherwise agreed between the Issuer and the Trustee, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 13(13.f) or other relevant documents supplied together with the Compliance Certificate. The Issuer shall promptly upon request provide the Trustee with such information as the Trustee reasonably considers necessary for the purpose of being able to comply with this clause.

Bondholders Meetings will be organised pursuant to the Law on Protection of Interests of Bondholders and Bondholders' Meeting decisions are binding on all Bondholders.

**16. Notices**

Bondholders shall be advised of matters relating to the Bonds by a notice published in English and Lithuanian:

- a) published on the Issuer's website at [www.agathum.com](http://www.agathum.com); and
- b) as well as on [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com) and in Central Regulated Information Base ([www.crib.lt](http://www.crib.lt)) upon listing.

Any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause 16.

**17. Minor modifications**

Terms and Conditions may be amended by the Issuer without the consent of the Bondholders to correct a manifest error or to comply with mandatory provision of the applicable law. In addition, the Issuer shall have a right to amend the technical procedures relating to the Bonds in respect of payments or other similar matters without the consent of the Bondholders, if such amendments are not prejudicial to the interests of the Bondholders. Corresponding information shall be sent to the Bondholders in accordance with Clause 16 *Notices*.

**18. Governing Law and Jurisdiction**

- a) ***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.
- b) ***Courts of the Republic of Lithuania:*** Any dispute or claim arising out of or in relation to these Terms and Conditions, including any non-contractual obligation arising out of or in connection with the Bonds, shall be finally settled by the courts of the Republic of Lithuania.

## 4.2 Form of Final Terms

### FINAL TERMS

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

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

#### Final Terms dated [●] 2024

##### AB "AGATHUM"

Legal entity identifier (LEI): 485100B2ROTV660EVN19

Issue of [●] Bonds due [●]

under the General Terms and Conditions for the Issuance of Fixed Rate Bonds up to EUR 4,000,000 with the Maturity up to 2 Years

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the General Terms and Conditions for the Issuance of Fixed Rate Bonds up to EUR 4,000,000 with the Maturity up to 2 Years (the "General Terms and Conditions") which forms part of the Information Document dated [●] 2024 which constitutes an offering document for the purposes of the Law on Securities of the Republic of Lithuania. This document constitutes the Final Terms of the Bonds described herein and must be read in conjunction with the Information Document, including General Terms and Conditions, in order to obtain all relevant information.

The Information Document and Final Terms are available for viewing on the Issuer's website [www.agathum.com](http://www.agathum.com). Copies may also be obtained from the registered office of the Issuer at the address Vaisių str. 16A, Kaunas, the Republic of Lithuania.

Upon listing, the Information Document and Final Terms will be also available for viewing on the website of AB Nasdaq Vilnius ("Nasdaq Vilnius") (<https://nasdaqbaltic.com/>).

The Bonds under these Final Terms are offered under public offering in the Republic of Lithuania only. Therefore, the distribution of these Final Terms, including Information Document, in certain jurisdictions may be restricted by law. The public offering is made under the Information Document based on Article 3(2)(b) of the Prospectus Regulation in accordance with Articles 5(2) and 7 of the Law on Securities of the Republic of Lithuania.

1.	Issuer:	AB "AGATHUM"
2.	Status of the Bonds:	Unsecured
3.	Specified Currency:	Euro (EUR)
4.	Aggregate Nominal Amount:	
	(i) Series:	EUR [●]
	(ii) Tranche:	EUR [●]
5.	Issue Price:	EUR [●]

6.	<b>Specified Denominations:</b>	EUR 100
7.	<b>(i) Issue Date:</b>	[●]
	<b>(ii) Interest Commencement Date:</b>	Issue Date
8.	<b>Maturity Date:</b>	28 June 2026
9.	<b>Final Redemption Amount:</b>	Subject to any early redemption, the Bonds will be redeemed on the Maturity Date at 100% per Nominal Amount.
10.	<b>Call Option:</b>	Issuer Call ( <i>See paragraph 15 below</i> )
11.	<b>Put Option:</b>	Investor Put ( <i>See paragraph 16 below</i> )
12.	<b>Date of General Meeting decision for issuance of Bonds obtained:</b>	6 June 2024
13.	<b>Trustee:</b>	As of the date of these Final Terms – UŽDAROJI AKCINĖ BENDROVĖ “AUDIFINA”, a limited liability company, established and existing under the laws of the Republic of Lithuania, corporate ID code 125921757, with its registered address at A. Juozapavičiaus str. 6, Vilnius, Lithuania.
<b>PROVISIONS RELATING TO INTEREST PAYABLE</b>		
14.	<b>Fixed Rate Bond Provisions</b>	
	<b>(i) Interest Rate:</b>	The Fixed Rate of Interest is 11% per annum in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date payable in arrears on each Interest Payment Date.
	<b>(ii) Interest Payment Date(s):</b>	28 June, 28 September, 28 December and 28 March in each year
	<b>(iii) Day Count Fraction:</b>	30E/360
<b>PROVISIONS RELATING TO EARLY REDEMPTION</b>		
15.	<b>Call Option</b>	Applicable
	<b>(i) Optional Redemption Date(s):</b>	Any Business Day no earlier than 1 (one) year after the Issue Date.
	<b>(ii) Optional Redemption Amount(s) of each Bond:</b>	If early redemption date occurs 12 months after the Issue Date but not later than 18 months after the Issue Date, the respective Early Optional Redemption Amount will be equal to 101.00% of Nominal Amount plus accrued Interest from last Interest payment date; if early redemption date occurs during the last 6 (six) months prior to the Maturity Date, the respective Early Optional Redemption Amount will be equal to 100.00% of Nominal Amount plus accrued Interest from last Interest payment date.
	<b>(iii) Notice period:</b>	Not less than 30 calendar days
16.	<b>Put Option</b>	Only due to Change of Control, De-listing Event or Listing Failure
	<b>(i) Change of Control Put Date / De-listing Event or Listing Failure Put Date / Optional Redemption Date:</b>	The 5th (fifth) Business Day following the expiration of the Change of Control Put Period / De-listing Event or Listing Failure Put Period
	<b>(ii) Optional Redemption Amount of each Note:</b>	101% per Nominal Amount
	<b>(iii) Change of Control Put Period / De-listing Event or</b>	Not more than 30 days



	Listing Failure Put Period /Notice period:	
<b>GENERAL PROVISIONS APPLICABLE TO THE BONDS</b>		
17.	<b>Form of Bonds:</b>	The Bonds shall be issued in non-material registered form. The book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the First North (Nasdaq Vilnius), shall be made by Nasdaq CSD. Entity to be in charge of keeping the records will be the Issuer. 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 Investors. Principal and interest accrued will be credited to the Bondholders' accounts through Nasdaq CSD.
18.	<b>Governing Law:</b>	The Bonds, 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.
19.	<b>Jurisdiction:</b>	Any dispute or claim arising out of or in relation to the Bonds, including any non-contractual obligation arising out of or in connection with the Bonds, shall be finally settled by the courts of the Republic of Lithuania.

## PART B – OTHER INFORMATION

1.	<b>LISTING AND ADMISSION TO TRADING</b>	
	(i) Admission to Trading:	Application will be made for Bonds issued under these Final Terms to be admitted during the period of 3 (three) months after the date hereof to listing and trading on the First North of Nasdaq Vilnius.
	(ii) Estimate of total expenses related to admission to trading:	EUR [●]
2.	<b>RATINGS</b>	The Bonds to be issued are not rated.
3.	<b>INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER</b>	
	Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer. The Dealer and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.	
4.	<b>YIELD</b>	
	Indication of yield:	[●] %
	<i>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.</i>	
5.	<b>OPERATIONAL INFORMATION</b>	
	(i) ISIN:	[●]
	(ii) Delivery:	Delivery versus payment (“ <b>DvP</b> ”) or Free of Payment (“ <b>FoP</b> ”). FoP delivery shall be applicable to those Bondholders who pay for the subscribed Bonds with the redemption proceeds of the bonds (ISIN LT0000405425) redeemed by the Issuer.
	(iii) Settlement Date	28 June 2024
6.	<b>SUBSCRIPTION AND DISTRIBUTION</b>	
	(i) Subscription period:	[●]

	(ii) Method of Distribution:	Non-syndicated
	(iii) Name of Dealer:	Akcinė bendrovė Šiaulių bankas
	(iv) Minimum Investment Amount	1 Bond
<b>8.</b>	<b>OTHER INFORMATION</b>	
	(i) Use of Proceeds:	The proceeds of the issue of Bonds will be used to refinance maturing bonds under ISIN LT0000405425 and other general corporate purpose.
	(ii) Information about the securities of the Issuer that are already admitted to trading:	No such securities.

## V. SUBSCRIPTION AND SALE OF THE BONDS

***By subscribing the Bonds, each Investor confirms having read this Information Document, including Terms and Conditions, Final Terms and documents incorporated in this Information Document by way of reference (please see Section 1.4 Information incorporated by Reference), having accepted the terms and conditions set out in this Information Document and having made the subscription according to the terms herein. The Investor may also familiarize with the Agreement on Bondholders' Protection before or after placing a Subscription Order by requesting the Trustee via e-mail [info@audifina.lt](mailto:info@audifina.lt).***

### **General information**

The Issuer shall issue the Bonds in the amount of up to EUR 4,000,000. The Bonds shall be offered and issued in Tranches under respective Final Terms.

The subscription of the Bonds will be organized through Nasdaq as an Auction and Auction Rules will be applied. A different subscription procedure is applicable to the existing bondholders who want to pay for the subscribed Bonds with the redemption proceeds of the bonds (ISIN LT0000405425) redeemable by the Issuer, i.e. at the nominal value of the redeemable bonds ("**Existing Bondholders**") as indicated below.

### **General structure of the Offering**

The Offering shall be structured in the following order:

- (i) the Subscription Orders shall be submitted by the Investors through the Exchange Members and Nasdaq Auction Rules. The Existing Bondholders shall submit the Subscription Order directly to the Lead Manager;
- (ii) the Issue Price shall be paid by the investors according to the order described further in this Information Document and the Final Terms;
- (iii) based on the decision of the Issuer together with the Lead Manager the Bonds shall be allocated to the Investors;
- (iv) the Bonds shall be registered with Nasdaq CSD and distributed to the Investors.

### **Cancellation of the Offering**

The Issuer, at its own discretion, may cancel the primary distribution of the Bonds at any time prior to the relevant Issue Date without disclosing any reason for doing so. In such event, 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.

### **Subscription Procedure via Exchange Member for the Investors**

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 only in order for the Exchange Member to enter a buy order in Nasdaq's trading system. The list of Exchange Members is available on the website <https://nasdaqbaltic.com/statistics/en/members>. 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).

The Investor may submit multiple subscriptions which shall be merged for the purposes of allocation. The Subscription Period will be indicated in the Final Terms.

### **Subscription Procedure for the Existing Bondholders**

The Existing Bondholders shall submit the Subscription Order directly to the Lead Manager. In such case, the subscription price of the Bonds payable by the Existing Bondholders will be set off with the redemption proceeds of the bonds (ISIN LT0000405425) on the Settlement Date.

### **Investors and Existing Bondholders confirmations**

By submitting a Subscription Order to the Exchange Member or the Lead Manager, every Investor and Existing Bondholders (besides other acknowledgments and undertakings provided in this Information Document):

- (i) authorizes and instructs the Exchange Member and (or) the Lead Manager 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 and (or) the Lead Manager 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 this Information Document and Auction Rules, and registration with the Register is completed on the Issue Date;

- (iv) authorizes the Exchange Member, Issuer, Lead Manager 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 the Information Document and fulfill the Issuer's obligations under the Information Document;
- (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 this Information Document and Bonds are registered with the Register on the Issue Date;
- (vi) confirms that it/she/he has got familiarized with this Information Document, Final Terms and Auction Rules.

#### **Invalidity of the Subscription Orders**

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

- (i) the Subscription Order does not contain all the information requested in it;
- (ii) the purchase amount indicated in the Subscription Order is less than the Minimum Investment Amount (if any indicated in the Final Terms); or
- (iii) the Subscription Order was received after the Subscription Period; or
- (iv) the Issuer and (or) the Lead Manager rejects the Subscription Order due to any other reasons (e.g. oversubscription, violation of legal acts governing anti-money laundering prevention and/or sanctions).

The Exchange Members and (or) the Lead Manager acting in accordance with internal rules and applicable laws shall inform the investors on rejection of provided Subscription Orders.

An investor shall bear all costs and fees charged by the respective account operator or a custodian accepting the Subscription Order in connection with the submission, cancellation or amendment of a Subscription Order.

#### **Change and Withdrawal of the Subscription Orders**

The Subscription Order may be amended, cancel or withdrawn and new Subscription Order placed at any time until the end of the Subscription Period. The Investor wishing to amend, cancel or withdraw placed Subscription Order shall submit a written statement on the subscription cancellation to the entity through which the Subscription Order has been submitted. This may result in costs and fees charged by the by the intermediary through which the Subscription Order is submitted.

#### **Payment for the Bonds**

By submitting a Subscription Order each Investor authorises and instructs the Exchange Member through which the Subscription Order is submitted to immediately block the whole subscription amount on the Investor's cash account connected to its/his/her securities account until the settlement is completed or funds are released in accordance with these terms and conditions.

Existing Bondholders may pay for the subscribed Bonds with the redemption funds of the Issuer's redeemable bonds (ISIN LT0000405425). In such case, the subscription price of the Bonds payable by the Existing Bondholders will be set off with the redemption proceeds of the bonds (ISIN LT0000405425) on the Settlement Date.

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

Bonds will be allocated by giving priority to the Subscription Order of Existing Bondholders and the scope of the Subscription Orders satisfaction is not greater than the nominal value of the bonds (ISIN LT0000405425) redeemed by the Issuer. After expiry of the relevant Subscription Period, the Issuer on its sole discretion together with the Lead Manager shall decide which Investors shall be allotted with the Bonds and to what amount, and which Investors shall not be allotted with the Bonds.

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 this Information Document.

#### **Return of funds to Investors**

If the Offering or a part thereof is cancelled, or if the Investor has not been allotted any Bonds, or allotted a lower number of Bonds than the number specified in such Investor's Subscription Order, or the Subscription Order has been cancelled or rejected, the funds blocked on the Investor's cash account, or the excess part thereof (the amount in excess of payment for the allocated Bonds), will be released by the respective Exchange Member or the Leader Manager and pursuant to its agreement with the investor.

Regardless of the reason for which funds are released, neither the Issuer nor the Lead Manager shall be responsible for any relationships between the Investor and Exchange Member in connection with any operations happening on the cash account connected to the Investors' Securities Account.

#### **Settlement**

The Bonds allocated to the Investors will be transferred to their securities accounts on or about the Settlement Date provided in the Final Terms through the "delivery versus payment" (DVP) 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.

In case of the Existing Bondholders, the “free of payment” (FoP) method shall be applicable.

The title to the Bonds will pass to the relevant investors when the Bonds are recorded to their securities accounts. If an investor has submitted several Subscription Undertakings through several securities accounts, the Bonds allocated to such investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary.