

UAB S3 Business

ISSUE FOR THE OFFERING OF BONDS OF UAB S3 BUSINESS IN THE AMOUNT OF UP TO EUR 23,500,000 AND ADMISSION THEREOF TO TRADING ON THE FIRST NORTH

This base prospectus (the **Prospectus**) has been drawn up and published by UAB S3 Business, legal entity code 306204660, with its registered address at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania (the **Company** or **Issuer**) in connection with the public offering, listing and admission to trading of the Bonds (as defined below) to be issued by the Company from time to time under the Issue (as defined below) to the alternative market First North (the **First North**), administered by the regulated market operator AB Nasdaq Vilnius (**Nasdaq**).

Under this EUR 23,500,000 bond issue (the **Issue**), the Company may from time to time publicly offer and issue up to 23,500 bonds with the nominal value of EUR 1,000 each (the **Bonds**) to retail and institutional investors of the Republic of Lithuania, Latvia and Estonia (the **Offering**), but the Issuer may also choose to offer the Bonds to investors in any Member State of the European Economic Area (the **EEA**) under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation (as defined below). All Bonds offered, issued, listed and admitted to trading under this Prospectus from time to time by way of all separate series (the **Tranche**) under respective final terms (the **Final Terms**) will form one and the same Issue and have the same ISIN code LT0000133472. Each Final Terms of the respective Tranche will be decided and announced separately.

All Bonds of the Company (when issued) will be dematerialized registered bonds and will be registered with Lithuanian branch of Nasdaq CSD, SE (the merged central securities depository of the Republic of Lithuania, Latvia and Estonia, the **Nasdaq CSD**) that operates a central security depository in the Republic of Lithuania (the **Register**).

The function of this Prospectus is to give information about the Company and its developed business centre "Hermanas", located at H. ir O. Minkovskių st. 41C, Kaunas, the Republic of Lithuania (the **Project**), the Issue and the Bonds.

The Bank of Lithuania (in Lithuanian: *Lietuvos bankas*) in its capacity as the competent authority in the Republic of Lithuania under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**) has approved this document as a Prospectus and has notified the approval of the Prospectus to the Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksiioon*; the **EFSA**) and to the Bank of Latvia (in Latvian: *Latvijas Banka*).

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

NOTICE TO ALL INVESTORS

Neither this Prospectus nor any Final Terms constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Bonds offered by any person in any jurisdiction in which such an offer or solicitation is unlawful, in particular this Prospectus and any Final Terms may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful

or require measures other than those required under Lithuanian laws, including the United States of America (the **United States** or **U.S**), Australia, Canada, Hong Kong and Japan.

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

The Bonds have not been and will not be registered under the relevant laws of any state, province or territory other than the Republic of Lithuania, Estonia and Latvia and may not be offered, sold, transferred or delivered, directly or indirectly, within any other jurisdiction than the Republic of Lithuania, Estonia and Latvia, except pursuant to an applicable exemption. Notwithstanding anything to the contrary contained in this Prospectus, the Bonds shall not be offered, sold, transferred or delivered, directly or indirectly, to (i) any Russian or Belarusian national or natural person residing in Russia or Belarus, or (ii) any legal person, entity or body established in Russia or Belarus, and (iii) regardless of nationality, residence or establishment, to any person to whom such offering, sale, transfer or delivery of the Bonds is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the European Union (the **EU**), the United Nations or the United States. For the avoidance of doubt, the Issuer and/or entities involved in the Offering shall have the right to request any Russian or Belarusian national investor (either directly or through their financial intermediary) to provide documents evidencing the investor's residency in the Republic of Lithuania, Latvia, or Estonia. A refusal to provide such information within the time established by the respective entity engaged by the Issuer in connection with the Offering shall be a legal ground to declare that the investor is not eligible for the allocation of the Bonds offered under this Prospectus.

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

INFORMATION FOR UNITED STATES INVESTORS

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

VALIDITY OF PROSPECTUS

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

ARRANGER AND DEALER

Luminor Bank AS, legal entity code 11315936, registered address at Liivalaia 45, 10145, Tallinn, the Republic of Estonia, operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch, legal entity code 304870069, registered address at Konstitucijos ave. 21A, Vilnius, the Republic of Lithuania, which is

assigned by the Issuer for the purposes of arranging the Issue, Offering in the Republic of Lithuania, Latvia and Estonia (the **Arranger** and/or **Dealer**), and/or for any other purposes and services as provided for in the Prospectus.

Arranger and Dealer

Luminor

CERTIFIED ADVISER

Law firm Ellex Valiunas, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania is the certified adviser (the **Certified Adviser**) in the Republic of Lithuania for the purposes of listing and admission of the Bonds to trading on the First North.

Certified Adviser

Ellex[®] Valiunas

The date of this Prospectus is 5 May 2025

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1. INTRODUCTORY INFORMATION

1.1. Applicable Law

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

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

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

1.2. Persons Responsible

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

[signed digitally]

CEO of the Company

Andrius Mikalauskas

Without prejudice to the above, no responsibility is accepted by the person responsible for the information given in this Prospectus solely on the basis of the summary of any Tranche issued under this Prospectus and respective Final Terms, including any translation thereof, unless such summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

1.3. Presentation of Information

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

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

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

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

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

Date of Information. This Prospectus is drawn up based on information which was valid as of the date of the Prospectus. Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Company, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Prospectus, this is identified by specifying the relevant date.

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

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

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

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

1.4. Historical Financial Information and Accounting Standards

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

- (i) the audited financial statements of the Company for the year ended 31 December 2024 (the **2024 Audited Financial Statements**);

- (ii) the audited financial statements of the Company for the year ended 31 December 2023 (the **2023 Audited Financial Statements**) and the 2024 Audited Financial Statements together with the 2024 Audited Financial Statements jointly referred to as the **Audited Financial Statements**)).

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

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

The Audited Financial Statements are audited by UAB "In salvo", legal entity code 135687548, registered address at Gedimino st. 47, Kaunas, the Republic of Lithuania.

1.5. Forward-Looking Statements

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

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

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

1.6. Use of Prospectus

This Prospectus and any Final Terms are prepared solely for the purposes of the Offering of the Bonds and admission to trading of the Bonds on the First North. This Prospectus and any Final Terms shall not be published in any jurisdiction other than the Republic of Lithuania, Latvia and Estonia and consequently the dissemination of this Prospectus and any Final Terms in other countries may be restricted or prohibited by law. This Prospectus and any Final Terms may not be used for any other purpose than for making the decision of participating in the Offering or investing into the Bonds. You may not copy, reproduce (other than for private and non-commercial use) or disseminate this Prospectus or any Final Terms without express written permission from the Company.

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

1.7. Approval of Prospectus

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

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

1.8. Availability of Prospectus and Other Information

This Prospectus is available as of 5 May 2025 in an electronic format on the website of the Company (www.nemunaiciai.lt). After the Bonds admission to trading on the First North, the Prospectus shall also be available on the website of Nasdaq (www.nasdaqbaltic.com). Any investor may request delivery of an electronic copy of this Prospectus (or any documents incorporated herein by reference as disclosed in Section 4 “*Information incorporated by Reference*”) from the Company or Trustee without charge by sending request by e-mail of the Company info@sbaurban.lt or the Trustee info@audifina.lt.

This Prospectus (or the documents incorporated herein by reference as disclosed in Section 4 “*Information incorporated by Reference*”) also the relevant Final Terms can be obtained free of charge in electronic format by any investor upon requesting the Company by e-mail info@sbaurban.lt.

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

1.9. Definitions

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

Term	Definition
Audited Financial Statements	shall mean the audited financial statements of the Company for the years ended 31 December 2024 and 31 December 2023, prepared in accordance with the IFRS, including the independent auditor’s report on the financial statements.
Articles of Association	shall mean the Articles of Association of the Company effective as at the date of this Prospectus.
Bank of Lithuania	shall mean the Bank of Lithuania with its registered office in Vilnius, the Republic Lithuania. The Lithuanian financial supervision authority.
Bonds	shall mean any and all the Company’s bonds offered in accordance with this Prospectus.

Company or Issuer	shall mean UAB S3 Business, legal entity code 306204660, with its registered address at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania. The Company's data is collected and stored with the Register of Legal Entities of the Republic of Lithuania (the Register of Legal Entities).
Demerger	shall mean the reorganisation of the Company through the partial demerger which was completed on 28 April 2025, wherein a newly established entity, UAB S3 Leaders, legal entity code 307156777, registered address at Upės g. 21-1, Vilnius, the Republic of Lithuania acquired certain rights, liabilities and assets of the Company for the development, construction, and fit-out of the "Oskaras" real estate project in Nemunaičiai district, Kaunas, the Republic of Lithuania, as disclosed in the Prospectus. More information about the completed Demerger is provided in Section 10 " <i>General Corporate Information and Articles of Association</i> " and the Company's unaudited balance sheet as of 31 March 2025, which reflects the Company's financial position as a result of the Demerger, is presented in Section 8 " <i>Historical Financial Information</i> " of this Prospectus.
EEA	shall mean the European Economic Area.
EU	shall mean the European Union.
EUR, €, euro	shall mean the official currency of Eurozone countries, including the Republic of Lithuania, Latvia, Estonia, the euro.
Final Terms	shall mean the final terms of the relevant Tranche of the Bonds, where the form of the Final Terms is provided in Section 7 " <i>Form of Final Terms</i> ".
First North	shall mean a multilateral trading facility (alternative market) administered by Nasdaq.
General Meeting	shall mean the General Meeting of the Direct Shareholders of the Company, the supreme body of the Company.
IFRS	shall mean the International Financial Reporting Standards as adopted by the EU.
Issue	shall mean the aggregate of the Bonds to be issued under ISIN code LT0000133472 by way of all Tranches in the amount of up to EUR 23,500,000.
Key Executives or Management	shall mean the following persons (separately or collectively) within the Company and/or its Shareholders' organization structure, as applicable: the Chief Executive Officer (the CEO), the Head of Development, the Head of Treasury, the Head of Investments, the members of the Management Board.
Offering	shall mean the offering of the Bonds to institutional and retail investors of the Republic of Lithuania, Latvia and Estonia, which is a public offering of securities within the meaning of the Law on Securities and the Prospectus Regulation.
Prospectus	shall mean this document, including the registration document of the Company and the securities notes of the Bonds.
Prospectus Regulation	shall mean Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when

	securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Related Parties	shall mean the third party, as defined in the International Accounting Standard, 24 <i>Related Party Disclosures</i> .
Shareholders	Shall mean direct or indirect shareholders of the Company, as disclosed in Section 11.2 " <i>Shareholders of Company</i> " of this Prospectus.
Terms and Conditions	shall mean the terms and conditions of the Bonds which are provided in Section 6 " <i>Terms and Conditions</i> " of this Prospectus, applicable to all the Bonds to be issued in each of the respective Tranches, as completed by the relevant Final Terms.
Tranche	shall mean a portion of the Bonds of the Issue issued from time to time during the validity term of this Prospectus under the respective Final Terms as contemplated by the Terms and Conditions.

2. OVERVIEW OF ISSUE

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

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

Issuer	UAB S3 Business
Legal Entity Identifier (LEI) of the Issuer	89450017VCN15B0NEE85
Issue Approval	The Issue has been approved by a Decision of the Shareholders dated 3 April 2025 and by a decision of the Management Board of the Issuer dated 3 April 2025.
Issue Amount	Up to 23,500,000 EUR, i.e., up to 23,500 Bonds can be issued under the Issue.
Description	Bond Issue secured with a real estate Collateral and pledge over the Issuer's Shares.
ISIN code	LT0000133472
Method of Issue	The Bonds will be issued in Tranches under the same ISIN code. Each Tranche will be issued on different Issue Dates. The Bonds of each Tranche will all be subject to identical terms as provided in the Terms and Conditions, except that the Final Terms of different Tranches may (or will) establish different Issue Dates, Issue Prices, Yield.
Final Terms	The Bonds issued under the Issue will be issued pursuant to the Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of the Bonds will be the Terms and Conditions as completed by the relevant Final Terms.
Currency	The Bonds will be denominated in euros.
Denomination	The Nominal Value (denomination) of each Bond is EUR 1,000.
Maturity	The Bonds are to be issued with a maturity of up to 2.5 years (i.e. the Bonds issued under the Issue by way of all Tranches will be redeemed on the Final Maturity Date which will be specified in the Final Terms of the first Tranche), unless redeemed earlier as prescribed further.
Status of Bonds	The Bonds of the Issue will be issued as secured fixed-term Bonds only. The Bonds constitute secured, unsubordinated, direct, and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves. The payment obligations of the Issuer under the Bonds together with interest thereon, in as much as such payment obligations have not been settled in due time and from the value of the established

	Collateral shall rank at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Form of Bonds	The Bonds shall be issued in dematerialized form and book-entered with Nasdaq CSD. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the First North (alternative market), shall be made by Nasdaq CSD. The Bonds shall be valid from the date of their registration with Nasdaq CSD until the date of their redemption. No physical certificates will be issued to the Bondholders. Principal and interest accrued will be credited to the Bondholders' Securities Accounts through Nasdaq CSD.
Collateral	<p>The whole Issue shall be secured by:</p> <p>(a) the Mortgage over Property; and</p> <p>(b) the Pledge over Shares,</p> <p>both to be created in favour of the Trustee acting on behalf of the Bondholders in accordance with the Terms and Conditions.</p> <p>Please see Section 6.17 "<i>Collateral</i>" of the Terms and Conditions for more information in respect to the Collateral.</p>
Rights attached to Bonds	<p>The rights attached to the Bonds have been established in the Terms and Conditions. The main rights of the Bondholders arising from the Bonds are the right to the redemption of the Bonds and the right to receive payment of interest.</p> <p>The rights arising from the Bonds can be exercised by the Bondholders in accordance with the Prospectus and the applicable law. According to the Terms and Conditions as prescribed further in the Prospectus, any dispute between the Company and a Bondholder shall be solved by amicable negotiations and if the amicable negotiations have no outcome during a reasonable period of time, the dispute shall be settled by the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration (the number of arbitrators shall be three; the place of arbitration shall be Vilnius; the language of arbitration shall be English). Claims arising from the Bonds shall expire in accordance with the statutory terms arising from applicable law.</p> <p>After the contemplated admission of the Bonds to trading on First North, all material information in relation to the Company, Issue and Bonds will be disclosed on Nasdaq website at www.nasdaqbaltic.com.</p>
Issue Price	The Bonds may be issued at any price (at a Nominal Value or at a discount or at a premium or adding to the price the interest accrued on the Bonds from the last Interest Payment Date (in case the last Interest Payment Date was before the Issue Date of the relevant Tranche)). The Issue Price and amount of each Tranche of the Bonds to be issued will be determined by the Company in accordance with prevailing market conditions and

	established in the relevant Final Terms.
Interest	<p>The Bonds will bear a fixed annual interest rate to be indicated in the Final Terms, which will be determined and calculated in accordance with Section 6.9 “<i>Interest</i>” of the Terms and Conditions and the respective Final Terms.</p> <p>The accrued interest for the Bonds will be computed using the Act/Act (ICMA) day count convention, as per the formula detailed in the Terms and Conditions.</p>
Redemption	<p>The Bonds shall be redeemed, i.e. the Redemption Price shall be paid to the Bondholders on the Final Maturity Date or, if applicable, on the relevant Early Redemption Date, Early Maturity Date or the De-listing Event or Listing Failure Put Date.</p> <p>The Redemption Price paid to the Bondholder on the Final Maturity Date equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Final Maturity Date (unless early redeemed, as indicated below).</p>
Early Redemption	<p>Except for cases specified in Section 6.11(d) “<i>De-listing Event or Listing Failure (put option)</i>” and Section 6.11(e) “<i>Extraordinary Early Redemption</i>” of the Terms and Conditions, there are no other cases where the Bondholders have a right to demand redemption of the Bonds prior the Final Maturity Date.</p>
De-listing Event or Listing Failure (put option)	<p>If at any time while any Bond remains outstanding, there occurs (a) a De-listing Event, or (b) a Listing Failure, each Bondholder will have the option to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of, all or part of its Bonds on the De-listing Event or Listing Failure Put Date, as determined in accordance with these Terms and Conditions, paying to the Bondholder full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant De-listing Event or Listing Failure Put Date (exclusive). More details in Section 6.11(d) “<i>De-listing Event or Listing Failure (put option)</i>”.</p>
Early Optional Redemption of Bonds by the Company	<p>The Bonds shall be redeemable wholly or partially at the option of the Issuer prior to the Final Maturity Date on the following conditions:</p> <ul style="list-style-type: none"> (i) the Bondholders and Trustee shall be notified at least 20 calendar days in advance on the anticipated early redemption of the Bonds; (ii) on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 1 % (to be calculated from the Nominal Value of the Bonds) if the Early Redemption Date occurs between the Issue Date of the first Tranche and 12 months thereafter (inclusive). (iii) If the Early Redemption Date occurs more than 12 months after the Issue Date of the first Tranche, but within 12 months thereafter (inclusive), on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together

	<p>with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 0.5 % (to be calculated from the Nominal Value of the Bonds);</p> <p>(iv) no premium shall be paid if the Early Redemption Date is after 24 months following the Issue Date of the first Tranche, and on the Early Redemption Date the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding).</p>
Listing and Trading	<p>Application(s) will be made for the Bonds issued under the Issue to be listed and admitted to trading on the First North. The Company expects that the Bonds of the respective Tranche shall be listed and admitted to trading on the First North within 1 month as from placement thereof to the investors the latest. The Final Terms will indicate the respective Tranche's expected listing and admission date.</p>
Covenants	<p>(i) LTC ratio;</p> <p>(ii) Negative Borrowing;</p> <p>(iii) Negative Pledge;</p> <p>(iv) Subordination;</p> <p>(v) Restriction on Payouts;</p> <p>(vi) Mortgage over Property;</p> <p>(vii) Pledge over Shares;</p> <p>(viii) Disposal of Property;</p> <p>(ix) Corporate Status;</p> <p>(x) Decisions;</p> <p>(xi) Reporting obligations;</p> <p>(xii) Bank Account.</p> <p>Full descriptions on the above listed covenants are provided for in Section 6.12 "<i>Covenants of Issuer</i>" of the Terms and Conditions.</p>
Transfer Restrictions	<p>There are no restrictions on transfer of the Bonds as they are described in the applicable Lithuanian laws. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the United States, except for the exceptions to registration obligation allowed by the securities laws of the United States and its states, Australia, Canada, Hong Kong and Japan. Any person into whose possession this Prospectus or any part of it and/or any Final Terms comes to shall observe all such restrictions.</p>

Taxation	All payments to be made in connection with the Bonds shall be calculated and paid taking into account any taxes and other deductions mandatory under applicable laws respectively in the Republic of Lithuania, Latvia and Estonia. Please see Section 15 " <i>Taxation</i> " of the Prospectus for more information in respect to taxation in each jurisdiction.
Risk Factors	Investing in the Company's Bonds involves certain risks. The principal risk factors that may affect the ability of the Company to fulfil its respective obligations under the Bonds are discussed under Section 3 " <i>Risk Factors</i> " of the Prospectus.
Governing Law	The Bonds shall be governed by Lithuanian law.
Ratings	Neither the Issuer nor the Bonds have been rated by any credit rating agencies.
Waiver of Set-Off	No holder of the Bonds shall be entitled to exercise any right of set off or counterclaim against moneys owed by the Company in respect of the Bonds.
Estimated Expenses charged to Investor	No expenses will be charged to the investors by the Issuer in respect to the Offering, transfer of the Bonds to the Securities Account of an investor upon Bonds' issuance and admission of the Bonds to trading on the First North. However, investors may be responsible for covering expenses related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions charged by these institutions or firms for executing purchase or sale orders, holding the Bonds, or performing any other operations related to the Bonds. The Issuer will not compensate investors for any such expenses.
Use of Proceeds	Financing the development, construction and fit-out of the "Hermanas" Project in Kaunas, Republic of Lithuania, including associated financing costs.
Arranger and Dealer	Luminor Bank AS operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch.
Distributor	In case the Company would assign any Distributor for the purpose of the Offering of the Bonds, contacts of such Distributor will be indicated in the Final Terms of the respective Tranche.
Trustee	UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, Vilnius, the Republic of Lithuania.

3. RISK FACTORS

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

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

3.1. Risks related to Company

3.1.1. Financial Risks

Construction cost and Project success risk

The Company invests in real estate development. This type of investment is generally riskier than investments in completed properties as operating income is not generated at the start of the investment, while significant costs are incurred, such as construction and development costs, taxes, insurance, and other costs. Real estate development also poses the potential risk of investing financial resources in projects that may be canceled for legal and regulatory reasons, may take excessive time to complete, or may incur higher-than-expected costs.

In addition, the Company outsources the construction works of the Project to a third-party general contractor, thus there is a risk of losses due to the inability of third parties to complete the construction or other development works successfully, which may result in construction delays, cost overruns, or other negative outcomes. Subsequently, the Project under development may be completed and start to generate revenue later than expected, may generate less operating income than planned, or may not generate operating income at all. This may have a significant negative impact on the Company's financial position and may hinder its ability to meet its obligations to the Bondholders.

Furthermore, global market conditions, such as the ongoing Russian invasion of Ukraine, other geopolitical tensions, volatility in energy markets, and fluctuations in the supply chain for construction materials could greatly influence key variables such as financing costs, operating expenses, construction, and other development costs. Consequently, the Project could encounter delays, generate less or no revenue, or incur higher costs than initially expected. These delays may also lead to prospective tenants not signing or terminating the lease agreements, which could further impact the Company's financial position and its ability to meet its obligations to Bondholders.

Notably, due to the current geopolitical situation, as of the date of this Prospectus, the Lithuanian real estate market presents a risk that the planned large-scale development of military infrastructure in

Lithuania could drive up the cost of materials and services related to real estate in 2025 and beyond. Although the general contractor agreement for the Project is based on the maximum guaranteed price principle, significant inflation during the construction period could place additional pressure on the general contractor to fulfill its contractual obligations within the initially agreed cap, potentially negatively impacting the Project. This situation could lead to disputes over the renegotiation of key agreement terms, such as pricing, potentially causing delays in the timely execution of essential agreements for the Project. In the less favorable scenario, this could also result in an increase in construction costs.

Therefore, the Company considers the risks outlined herein to be significant. Should these risks materialize, the Bondholders may not receive the expected return on their investment or could lose the entirety of their investment.

Tenants' risk

As of the date of the Prospectus, the Company has not yet secured any signed lease agreements for the multi-tenant Project. However, given that the Project is scheduled for completion by Q4 of 2025, the Company has already initiated its marketing campaign to attract potential tenants. As of the date of the Prospectus, the Company has signed letter of intents with several potential tenants regarding 985 m² of the Project's space, and has ongoing negotiation processes with other potential tenants, with the Management's expectation that these will lead to signed lease agreements.

Due to lower overall office market activity in Kaunas compared to Vilnius, the Company may need to offer unplanned discounts to attract tenants or make significant additional investments to the tenant fit out. This may result in lower-than-expected rental income and/or higher investments, which could negatively impact the financial viability of the Project. Additionally, broader economic factors, such as fluctuations in interest rates, changes in demand for office spaces, or shifts in tenant preferences, could also impact leasing efforts. Despite that the Company considers the competition in Kaunas office market to be limited, possible market slowdown and lower-than-expected demand for premises may lead to higher and prolonged vacancies and increased pricing competition.

Additionally, any signed lease agreements in the future with prospective tenants may be terminated due to the fault of the Company and/or tenant in the event of a material breach. For example, the contracts may be terminated due to the Company's failure to hand over the premises to the lessee or the lessee's failure to take over the premises from the Company. The termination may also occur due to other contractual grounds, subject to penalties and other sufficient compensation. Therefore, lease agreement terminations may pose the risk that the Company generates rental income later than expected, generates lower rental income, or does not generate rental income at all.

The Company considers that, because it has not yet secured any signed lease agreements as of the date of the Prospectus, tenants' related risks outlined herein are significant and the materialization of these risks could significantly affect the overall financial viability of the Project. Should these risks materialize, the Project may not achieve the anticipated return and/or could incur significant losses, meaning that the Bondholders may not receive the expected return on their investment or could lose the entirety of their investment.

Credit and default risk of the Company

The Company is a special purpose vehicle established for the construction, development, and fit-out, and operation of a single real estate Project. As of the date of this Prospectus, considering the development stage of the Project, the Company does not generate revenue from the operations of the properties under development. All activities of the Company are financed by capital injections from the Shareholders and further, also by the Bonds to be issued under this Prospectus. It is expected that total investment cost of the Project at its completion will amount to EUR 35 million. The Project is expected to be financed by EUR 23.5 million in Bonds, and EUR 11.5 million capital provided by the Shareholders. The Company's financial statements will show a continuing increase in liabilities with the Bonds to be

issued under this Prospectus. Therefore, despite that the value of the Project under development is increasing with the construction progress as well, reliance on external financing, including the Bonds and capital from the Shareholders, poses a credit risk for the Company if its capital needs relating to the Project are not met.

Furthermore, the Shareholders' equity is injected into the Company by subscribing of its share capital and extending the shareholder loans. The injected equity capital provided by the Shareholders, shall be deemed fully subordinated and ranking below the Bonds of the Issue (including all payments under the Prospectus, if any). This indicates that in the event of insolvency or default, the Bondholders will have a higher priority than the Shareholders in the repayment of the Issuer's debt obligations. In other words, any outstanding debt obligations to the Shareholders will be repaid only after all Bondholders' claims have been fully settled.

Even though all of the Company's debt obligations to the Shareholders are fully subordinated in favor of the Bondholders, the Company's ability to fulfill these obligations, and the Bondholders' ability to receive payments, still depends on the Company's financial health and operational performance, which are subject to the additional risks detailed in this Prospectus. Therefore, investing in the Bonds carries credit risk which means that the Company may not meet its obligations on time or in full due to the materialization of the credit risk. In the event of the Company's insolvency, the Bondholders' claims would be firstly satisfied from the Collateral securing the Issue, however the Bondholders may not receive full payments related to the Bonds, as the value of the Collateral may be insufficient.

The Company cannot guarantee that defaults will not occur before the Bonds' Final Maturity Date. Therefore, investors should consider that the Company assesses the credit and default risk as medium and independently assess the Issuer's creditworthiness before investing in the Bonds.

Reorganisation related risk

Investors should be aware that prior to the approval of the Prospectus, the Company on 28 April 2025 has completed a reorganisation, that resulted in demerging from the Company a separate entity UAB S3 Leaders. The reorganisation was a strategic and long-planned decision, aimed at creating separate legal entities to effectively develop and manage two distinct real estate projects. Following the reorganisation, the Company is now solely focused on the "Hermanas" Project, while UAB S3 Leaders has assumed responsibility for the "Oskaras" real estate project.

As part of the Demerger, certain assets, rights, and liabilities of the Company were transferred to UAB S3 Leaders, including, without limitation, the ownership of 3,745/12,016 m² of the land plot located at H. ir O. Minkovskiu St. 41C, Kaunas, Republic of Lithuania, designated for the "Oskaras" project, which is currently in the planning phase and holds a building permit dated 21 October 2024. Furthermore, the reorganisation led to a reduction in the Company's share capital from 250 ordinary registered shares, each with a nominal value of EUR 28.96 to 200 ordinary registered shares, each with a nominal value of EUR 28.96.

Investors should also note that the available Audited Financial Statements of the Company present financial information as of the period prior to the completion of the aforementioned reorganisation. As a result, the Company's historical financial data do not fully reflect its current financial position, as it is now affected by the Demerger. The separation of assets and responsibilities between the Company and UAB S3 Leaders may result in differences in the Company's future financial standing compared to historical data.

While the reorganisation was carried out with careful planning, the Company considers that there are medium-level risks associated with the separation of assets, operational continuity, and its future financial standing, as its asset structure has been materially altered. Therefore, investors should

carefully consider the potential impact of this completed reorganisation on the Company's operations, as well as on the structure of its share capital and assets moving forward, including the fact that there are no financial statements reflecting the Company's financial data, and the balance sheet of the Company as of 31 March 2025 (available to the investors as provided for in the Prospectus) should be evaluated with due diligence.

Liquidity risk

Liquidity risk is the risk that the Company may not have enough cash or liquid assets to meet its payment obligations and redeem the Bonds when due. Maintaining liquidity, accessing financing, and securing operating cash inflows when the Project development is completed are essential for the Company to meet its financial commitments. However, possible future difficulties in securing liquidity could make obtaining funding more challenging or costly. For example, the Company may not be able to obtain sufficient bank financing to redeem the Bonds if the Company does not generate enough rental income based on the lease agreements. There is no guarantee that the Company will be able to secure financing at a reasonable cost, or at all. Additionally, if during any Tranche of the Bonds, the Company does not raise sufficient financing to fund the development, construction and fit-out of the "Hermanas" Project, the Company may fail to secure the necessary liquidity in a timely manner to meet its monthly payment obligations to the Project's suppliers, which are issuing the invoices on a monthly basis. This could result in disputes and/or the termination of key Project development agreements.

Additionally, the Company may also face risks from the solvency of its counterparties, such as Shareholders, suppliers, and later clients (tenants). While the Management actively monitors the financial standing of its counterparties, their solvency issues, and ability to deliver on the agreements, could negatively impact its business, financial condition, and operational results of the Company.

While the Management actively manages the liquidity risk of the Company and after considering various internal and external factors, the Company has assessed liquidity risk as medium. A decline in the Company's liquidity could materially harm its business, financial health, and ability to redeem the Bonds at maturity if it does not receive the necessary capital injections.

3.1.2. Business activities and industry risks

Real estate market risk

The real estate market can be volatile, and there is a risk that real estate investments may lose value over time. Since the Company's operations are closely tied to real estate construction, development, and leasing, the Company faces a risk of fluctuation in the real estate market, which could decrease the liquidity and value of its assets.

Firstly, real estate market is competitive, which arises from the current supply of business centres in Kaunas, as well as other business centres that are under construction and scheduled for completion around a similar time as the Project. Although the Company assesses that the competition in Kaunas modern business centre market is limited, the Company still faces competition in attracting the clients (tenants). Given that the real estate market is closely linked to the overall state of local and global economy, the Company's target clients may slow their expansion and growth plans, thus interest in the Company's services may decrease and it may be difficult to find suitable tenants for the Project. Subsequently, the competition in the local real estate market for the tenants may increase, which could negatively impact the operations of the Company. In particular, although the vacancy rate in the Kaunas office market is low and the planned new supply is limited (as detailed in Section 13.6 "*Trend Information*" of the Prospectus), this does not necessarily indicate that there will be demand for the new office space provided by the Project. As a result, the Project may face prolonged vacancy periods and/or may require the Company to lease the premises at lower-than-anticipated rental rates.

Secondly, fluctuations in the real estate market may be driven by changes in financial and investment markets such as rising interest rates and reduced access to financing, which can dampen buyer activity while increasing the number of properties for sale. This could result in declining asset prices and lower transaction volumes, potentially harming the Company's financial position if it seeks to sell the completed Project. Moreover, a decrease in the value and liquidity of real estate assets used as Collateral for Bondholders could affect the Company's ability to meet its obligations to Bondholders, thereby impacting their claims against the Issuer regarding the Bonds.

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

Risk of limited investment diversification

The Company's business activities are concentrated on a single Project. This increases the risk profile of the Company. Although the Project's development and construction progress, financing plan, and budget management are advancing as planned, a lack of diversification renders the Company more vulnerable to adverse changes specific to this Project.

In case of any Project setbacks, such as construction issues, financing difficulties, slower leasing progress, or other adverse events encountered during the development of the Project could have a significant negative impact to the Company's financial standing. Such issues could disrupt the progress of the Project, increase costs, delay Project completion, or cause other negative effects. The impact of the risks specific to this Project would not be counterbalanced by other activities due to the lack of diversification. Therefore, the Company's ability to meet its obligations to the Bondholders could be compromised.

Therefore, due to the lack of diversification, the Company's ability to meet its obligations to the Bondholders could be compromised and the Company assesses this risk as medium.

3.1.3. Legal risks

Risk of legal disputes

While the Company is not currently involved in any legal proceedings and regards the likelihood of such risks as low, it cannot guarantee that disputes with tenants or other parties will not arise in the future. The outcomes of potential disputes are uncertain and may lead to the early termination of key agreements related to the Project. If a dispute were to be resolved unfavorably for the Company, it could negatively affect its operations, financial position, and reputation, and might lead to the realization of the aforementioned credit risk. The Company may also be required to pay damages, including the opposing party's legal costs, as well as its own legal expenses. Furthermore, disputes could cause delays in the timely completion of the "Hermanas" Project or result in vacancies in the Property's premises, which could reduce Project-related revenue. For example, the general contractor (or any other significant third-party as detailed in Section 13.4 "*Material Agreements*" of the Prospectus) is a key counterparty in the implementation of the Project. Consequently, any legal disputes arising from the general contractor agreement (or other material agreements) related to the Project's schedule, costs, or other matters could have a negative impact on the Project and its timely completion as well as the financial standing of the Company. Similar developments may impact the Company's ability to meet its obligations to investors and potentially diminish the attractiveness and liquidity of the Bonds.

3.1.4. Governance and internal control risks

Management and human resources risk

The Company is a special purpose vehicle established for the development of the Project. Its success and growth depend not only on the equity financing provided by the Shareholders for the Project, but also on the expertise of its CEO, Key Executives and other personnel from the Shareholders, who are qualified and possess specialized skills in project development, financing, operation, and real estate maintenance. The departure of these individuals, due to their industry knowledge, understanding of the Company's and Project related processes, and relationships with local partners and having a wide-ranging network of real estate industry connections, could have a significant impact on the Company's business and developed Project, financial stability, operational performance, and future prospects.

As the Company heavily relies on the Shareholders' human resources for real estate development, any delay in appointing qualified successors for departing employees, along with challenges in managing temporary gaps in expertise, could materially affect the Company's business, financial health, and long-term outlook, including the timely completion of the Project and the generation of the anticipated return.

3.2. Risks related to Bonds

3.2.1. Risks concerning the terms of the Bonds

Refinancing risk

The Company may need to refinance some or all of its debts, including the Bonds. It plans to use a bank loan to redeem the Bonds at their Final Maturity Date (or earlier if early redemption is exercised by the Issuer), but no agreements are in place yet. If securing a loan is not possible due to market conditions or other issues, the Issuer may consider selling the "Hermanas" Project or issuing new bonds. The success of refinancing will depend on market conditions and the Issuer's creditworthiness. In unfavorable conditions, obtaining financing may be challenging, and failure to refinance could negatively impact the Issuer's financial health and the Bondholders' recovery of their investments. Specifically, the Bonds are intended to be refinanced primarily by a bank loan. Typically, bank loans for similar commercial real estate projects are granted based on the rental income generated from lease agreements. Therefore, there is a risk that the Company may not generate sufficient rental income to secure the bank loan and redeem the Bonds. Additionally, the size of the bank loan is highly dependent on prevailing market interest rates. If interest rates rise, the Company may be unable to secure a loan of the needed size to fully redeem the Bonds, even if a significant number of lease agreements are signed.

Given that refinancing depends on the completion of the "Hermanas" Project and the Company's financial standing, the Company considers this risk to be medium, when assessed alongside other risks in the Prospectus.

Risk of insufficient value of the Collateral

The Issue will be secured by Pledge over Shares and Mortgage over Property (i.e., mortgage over the Land Plot and Building, constituting the "Hermanas" Project). However, as of the date of the Prospectus, no Collateral is yet in place. Collateral will be established and registered with Lithuanian public register no later by the Issue Date of the first Tranche, as detailed in the Final Terms.

Apart from the Collateral established for the benefit of the Bondholders during the Offering pursuant to the Prospectus, there will be no other securities of the Issuer and/or third parties securing the Issue. Notably, the prospective investors should consider that although the Issuer anticipates offering the Bonds primarily through the Nasdaq Auction, with the proceeds being transferred to the Issuer by the Dealer (organizer of the Auction) only after the Bonds are registered with Nasdaq CSD, the Issuer may decide to offer the Bonds itself or engage additional Distributors. In cases where the subscription for the Bonds is not conducted through an Auction via the Exchange Members, payments for the Bonds subscribed to will have to be transferred to the Issuer's bank account, which will not be pledged in favour

of the Bondholders and only will be subject to the Trustee's monitoring and disposal restrictions. A breach of these restrictions would constitute an Extraordinary Early Redemption Event and may lead to the early redemption of the Bonds.

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

The Property to be mortgaged in favour of the Bondholders will include the Company's owned Land Plot designated for the "Hermanas" Project and Building. According to the real estate valuation report by UAB Newsec valuations dated 16 January 2025, the value of the Land Plot and the Building as of 31 December 2024 was EUR 7,216,000. Valuations will be conducted annually.

The value of the Property is expected to increase as construction progresses and the "Hermanas" Project nears completion. However, if the Company defaults before construction is finished, the Property's value may not be sufficient to cover all the Issuer's obligations to the Bondholders. Additionally, if the Lithuanian real estate market declines, leading to a significant reduction in the Property's value after the "Hermanas" Project is completed, it may still fall short of meeting all Bondholder claims. Therefore, it is important to recognize that the value of the mortgaged Property may fluctuate over time. In the event of enforcement, the Trustee's and Bondholders' claims will be settled based on the Property's value at the time of realization, as determined and executed in accordance with the Code of Civil Procedure of the Republic of Lithuania.

Investors should be aware that the value of the Shares anticipated to be pledged in favour of the Bondholders is subject to fluctuations based on the Issuer's financial performance, market conditions, and other factors that may affect the net company value, and no external valuation has been or is anticipated to be conducted to assess the Shares' value.

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

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

Interest rate risk

The Bonds will accrue interest at a fixed rate on their outstanding Nominal Value. The applicable fixed interest rate for the Bonds until redemption will be specified in the Final Terms of the first Tranche. Although the interest rate will remain fixed until redemption, scheduled for 2.5 years from issuance of the first Tranche of Bonds, capital market rates are subject to daily fluctuations. The fixed annual interest rate of the Bonds, as per the Corporate Decisions, will be determined in the Final Terms of the first Tranche, with a minimum possible interest of 7,00% and maximum possible interest rate of 9,00% (as of the date of this Prospectus, prevailing market rates for the secured debt instruments are either lower than or similar to this range). The applicable annual interest rate will be determined based on the market conditions prevailing on the date of approval of the Final Terms of the first Tranche.

However, if the market conditions change (such as increase in interest rates) after the annual interest rate for the Bonds is fixed, including changes due to global or local inflationary pressures that cause interest rates to rise (such as a potential increase in EURIBOR rates), the market value of the Bonds

may decline. This could lead to reduced demand for the Bonds in secondary markets, potentially making it more difficult for investors to sell them. Additionally, competition within the real estate sector and broader economic conditions, such as inflation, can impact investor behaviour, further influencing the liquidity and attractiveness of the Bonds. Therefore, any significant increase in interest rates, *inter alia* influenced by inflation trends in Lithuania or globally, may negatively affect the market value and the ability to sell these Bonds, which could result in a loss of value for investors. Given the 2,5-year term of the Bonds and the potential fluctuations in interest rates during this period, the Company assesses the interest rate risk as medium.

Early redemption risk

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

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

The Company has assessed this risk as remote.

3.2.2. Offering and admission to trading on the First North related risks

Lack of active trading market / Risk of De-listing or Listing Failure (Put Option)

The Bonds are newly issued securities with limited distribution and no active trading market yet. If a market develops, its liquidity may be limited, and there is no guarantee of the ability to sell the Bonds or obtain favorable prices. Market disruptions or volatility could negatively impact the Bonds' value, regardless of the Company's performance.

While applications will be made for the Bonds to be listed on Nasdaq, approval is not guaranteed, and the Bonds may not be admitted to or may be de-listed from the First North. The First North has relatively low liquidity and limited secondary trading compared to other international debt markets, which could result in losses for Bondholders if they are unable to sell or are forced to sell at unfavorable prices. The Company considers the risk of no active market forming to be high, while the risk of de-listing or listing failure is low.

Bonds may not be appropriate to some investors

The Bonds may not be suitable for all investors. Before investing, individuals should assess whether the Bonds are appropriate for their financial situation and risk capacity, particularly given the potential for significant losses. This is especially important as the Issuer will not assess the appropriateness of the Bonds for investors, which is the responsibility of the Exchange Members or Distributors, if required by law. Therefore, subscribing directly through the Issuer, provided that such a subscription channel is outlined in the Final Terms of the respective Tranche, without proper evaluation could lead to an unsuitable investment decision.

Investors should ensure they: (i) have the expertise to understand the risks; (ii) can evaluate the Bonds' impact on their portfolio; (iii) possess the financial capacity to manage the risks, especially if the Bonds are in a different currency; (iv) comprehend the Bonds' terms and market dynamics; and (v) consider potential economic or interest rate changes.

The Issuer assesses this risk as low.

Cancelation of the Offering

The Issuer has complete discretion over this Offering and may, at any point before the Issue Date, cancel the Offering of any Tranche of Bonds, without needing approval from investors or the Trustee. Such a decision may be influenced by factors like market conditions, regulatory matters, or unforeseen events. If a Tranche is cancelled, all Subscription Orders will be nullified, and any payments made will be refunded without interest or compensation. The Issuer will not be responsible for any costs, losses, or damages incurred by potential investors, including legal, due diligence, or other professional fees.

Although the Issuer carefully plans the Offering, it considers the risk of cancellation to be minimal.

4. INFORMATION INCORPORATED BY REFERENCE

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

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

- Company's Articles of Association – available in English and Lithuanian at www.nemunaiciai.lt under Section “Investors” (in Lithuanian – “Investuotojams”);
- 2024 Audited Financial Statements – available in English and Lithuanian at www.nemunaiciai.lt under Section “Investors” (in Lithuanian – “Investuotojams”);
- 2023 Audited Financial Statements – available in English and Lithuanian at www.nemunaiciai.lt under Section “Investors” (in Lithuanian – “Investuotojams”).

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

5. FINAL TERMS

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

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

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

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

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

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

Within the validity term of this Prospectus (5 May 2026), the Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Bonds, prepare a supplement to this Prospectus.

6. TERMS AND CONDITIONS

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

6.1. Introduction to Offering

- (a) **Terms and Conditions:** the Issuer (LEI of the Issuer – 89450017VCN15B0NEE85) has established these Terms and Conditions of the Bonds for the issuance of up to EUR 23,500,000 in aggregate principal amount of Bonds.
- (b) **Final Terms:** the Bonds issued under the Terms and Conditions are issued in Tranches. Each Tranche is subject to its respective Final Terms, which complete these Terms and Conditions. The Bonds of each Tranche will all be subject to identical terms as prescribed in these Terms and Conditions, except that the Issue Dates (as defined below) and the Issue Prices (as defined below), Yield (as defined below) thereof may be different in respect of different Tranches.
- (c) **Bonds:** all subsequent references in these Terms and Conditions to "Bonds" are to the Bonds with ISIN code LT0000133472, which are the subject of the relevant Final Terms. Bonds will be secured fixed-term Bonds only.

6.2. Definitions

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

“Arranger” or **“Dealer”** shall mean Luminor Bank AS, legal entity code 11315936, registered address at Liivalaia 45, 10145, Tallinn, the Republic of Estonia, operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch, legal entity code 304870069, registered address at Konstitucijos ave. 21A, Vilnius, the Republic of Lithuania.

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

“Auction Rules” shall mean each Rules of UAB S3 Business Bonds Subscription Process (Auction) published on the website of Nasdaq at www.nasdaqbaltic.com before opening of the Auction (Subscription Period) of the relevant Tranche.

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

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

“Bondholders’ Meeting” shall mean a meeting of the Bondholders of the Issuer convened following

the requirements and procedure set forth in Law of the Republic of Lithuania on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies (the **Law on Protection of Interests of Bondholders**) and these Terms and Conditions.

“Building” shall mean a building consisting of a “Hermanas” business centre and a multi-storey car parking under construction situated on the Land Plot, unique No. 4400-6394-5384.

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

“Certified Adviser” shall mean the Law firm Ellex Valiunas, with its registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania, that is assigned by the Issuer for the purposes of Admission of the Bonds to trading on the First North.

“Certified Adviser’s Agreement” shall mean an agreement on provision of certified adviser’s services between the Issuer and Certified Adviser, dated 6 March 2025.

“Collateral” shall mean jointly or separately, the Property mortgaged by the Company and/or Shares pledged by the Direct Shareholders in favour of the Trustee under the respective Collateral Agreement.

“Collateral Agreement” shall mean, as applicable, (i) a Lithuanian law governed maximum mortgage agreement creating a first ranking mortgage over the Property between the Trustee and the Company (the **Mortgage over Property**). The Mortgage over Property shall be executed and register with the relevant Lithuanian register before or on the Issue Date of the first Tranche, and (ii) a Lithuanian law governed maximum pledge agreement creating a first ranking pledge over the Shares between the Trustee and the Direct Shareholders (the **Pledge over Shares**).

“Corporate Decisions” shall mean separately or jointly, the decision of the Direct Shareholders on the approval of the Issue and subordination of claim rights dated 3 April 2025 and (ii) the decision of the Management Board of the Issuer on the approval of the Issue dated 3 April 2025.

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

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

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

“Direct Shareholders” shall mean jointly or separately, (i) UAB Urban Live, legal entity code 306150789, registered address at Upės st. 21-1, Vilnius, the Republic of Lithuania, and (ii) UAB TABA Invest, legal entity code 305916181, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania, each directly owning 50% of the Issuer’s Shares.

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

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

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

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

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

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

“Final Maturity Date” shall mean a final date on which the Bonds of the Issue within all Tranches must be redeemed by the Issuer from the Bondholders, which shall be 2.5 years from the Issue Date of the first Tranche as indicated in the respective Final Terms. The Issuer will determine the Final Maturity Date at its sole discretion and specify it in the Final Terms of the first Tranche.

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

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

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

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

“Land Plot” shall mean 8,271 m² land plot owned by the Company at H. ir O. Minkovskij st. 41C, Kaunas, the Republic of Lithuania, unique No. 4400-5823-6609. Please note that this part 8,271 m² owned by the Company is a part of the larger 12,016 m² land plot with the same unique No. and the remaining part 3,745 m² is co-owned by UAB S3 Leaders, developing the “Oskaras” project. The use of the land plot co-owned by the Company and UAB S3 Leaders may be governed by the land use agreement, to be concluded after the date of this Prospectus.

“Listing Failure” shall be deemed to have occurred if the Bonds are not listed on the First North within 1 month as from placement of the Bonds of the respective Tranche to the Bondholders at the latest.

“Mandate Letter” shall mean the agreement (whether titled as a mandate letter or otherwise) for provision of Issue related services concluded between the Issuer and the Arranger on 25 February 2025.

“Maximum Aggregate Nominal Value of the Issue” shall mean the maximum aggregate Nominal Value of the Bonds to be issued under this Prospectus, which amounts to EUR 23,500,000.

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

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

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

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

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

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

“Property” shall mean jointly the Land Plot (i.e., 8,271 m² part owned by the Company) and Building subject to the Mortgage over Property.

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

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

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

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

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

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

“Securities Account” shall mean an account for dematerialized securities opened in the name of

Bondholder or the Issuer with credit institution or investment brokerage firm which is licensed to provide such services within the territory of the Republic of Lithuania or Latvia, or Estonia, including without limitation the Dealer.

“**Shares**” shall mean 200 ordinary registered shares of the Issuer, each with a nominal value of EUR 28.96, as of the date of the Prospectus. The Shares are subject to the Pledge over Shares.

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

“**Subscription Order**” shall mean a document provided by the Issuer or the Dealer/Distributor to the investor, which is submitted by the investor to the Issuer or the Dealer/Distributor for the Subscription of the Bonds. In the case of subscription through the Issuer, the Subscription Order form will be available on the Issuer's website at www.nemunaiciai.lt. Alternatively, for subscriptions through the Dealer/Distributor, the Subscription Order form will be provided by the respective entity. In respect to the Auction, if any, the Subscription Order shall mean a document and/or instruction, which is submitted by the investor to the Exchange Member for the Subscription of the Bonds in the form as used and approved by the Exchange Member and that contains all information required under the Auction Rules.

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

“**Trustee**” means the Bondholders' trustee under these Terms and Conditions from time to time; initially UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, Vilnius, the Republic of Lithuania.

“**Trustee Agreement**” means the agreement entered into on 9 April 2025 between the Issuer and the Trustee, or any replacement Trustee agreement entered into during the validity term of the Prospectus.

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

6.3. Principal Amount and issuance of Bonds, Offering Jurisdictions

- (a) Under these Terms and Conditions, the Issuer may issue Bonds:
 - (i) to an aggregate principal amount of EUR 23,500,000;
 - (ii) in Tranches under the relevant Final Terms.
- (b) By subscribing for the Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and the Final Terms, and by acquiring the Bonds each subsequent Bondholder confirms these Terms and Conditions and the Final Terms;
- (c) In the course of the Offering, the Bonds may be publicly offered to retail and institutional investors in any or all of the Republic of Lithuania, Latvia and Estonia and the relevant Offering jurisdictions for the respective Tranche will be indicated in the Final Terms. The Issuer may also choose to offer the Bonds to investors in any Member State of the EEA under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation.

6.4. Status of Bonds

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

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

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

- (i) **Denomination:** denomination (Nominal Value) of each Bond is EUR 1,000.
- (ii) **Title to Bonds:** title to the Bonds will pass to the relevant investors when the respective entries regarding the ownership of the Bonds are made in their Securities Accounts on the relevant Issue Date.
- (iii) **Issue Price:** Bonds may be issued at any price (at a Nominal Value or at a discount or adding to the price the interest accrued on the Bonds from the last Interest Payment Date (in case the last Interest Payment Date was before the Issue Date of the relevant Tranche)). The Issue Price shall be determined by the Issuer and specified in the applicable Final Terms.
- (iv) **Yield:** Yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future Yield.
- (v) **Transfer of Bonds:** Bonds are freely transferrable. The Bonds subscribed and paid for shall be entered to the respective book-entry Securities Accounts of the investors on a date set out in the Final Terms in accordance with the Lithuanian legislation governing the book-entry system and book-entry accounts as well as the Nasdaq CSD rules.
- (vi) **No charge:** no expenses will be charged to the investors by the Issuer in respect to the Offering, transfer of the Bonds to the Securities Account of an investor upon Bonds' issuance and admission of the Bonds to trading on the First North. However, investors may be responsible for covering expenses related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions charged by these institutions or firms for executing purchase or sale orders, holding the Bonds, or performing any other operations related to the Bonds. The Issuer will not compensate investors for any such expenses.
- (vii) **Underwriting:** no underwriting agreement has been signed with any person for the purposes of this Offering.

6.6. Bonds in Book-Entry Form

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

6.7. Payments to Bondholders

- (a) **Payments:** payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Bonds will be made to the Bondholders thereof, as appearing in Nasdaq CSD on the third (3rd) Business Day preceding the due date for such payment (the **Record Date**). Payment of amounts due on the final or early redemption of the Bonds, including cases when the Bonds are redeemed due to De-listing Event of Listing Failure, will be made simultaneously with deletion of the Bonds. The Bondholders shall not be required to provide any requests to redeem the Bonds, as upon the Final Maturity Date, Early Redemption Date, Early Maturity Date or the

De-listing Event or Listing Failure Put Date, payable amounts to the Bondholders shall be transferred to the Bondholders through Nasdaq CSD.

- (b) **Payments on Business Days:** if the due date for any payment in relation to the Bonds is not a Business Day, the Bondholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Terms and Conditions.

6.8. Taxation

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

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

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

6.9. Interest

- (a) **Interest rate:** the Issuer shall pay annual fixed interest on the Nominal Value of a Bond specified in the Final Terms. Coupon of the Bonds will be paid semi-annually on the Interest Payment Dates and will be calculated on the aggregate outstanding principal amount of the Bonds (i.e., the Nominal Value).
- (b) **Interest periods:** interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period. The first interest period commences on the Issue Date determined in the Final Terms of the first Tranche and ends on the first Interest Payment Date (excluding) indicated in the Final Terms, or if applicable, on the Early Redemption Date (excluding), Early Maturity Date (excluding) or De-listing Event or Listing Failure Put Date (excluding). The consecutive interest period begins on the previous Interest Payment Date (including) and ends on the following Interest Payment Date (excluding), or, if applicable, on the Final Maturity Date (excluding), on the Early Redemption Date (excluding), the Early Maturity Date (excluding) or De-listing Event or Listing Failure Put Date (excluding).
- (c) **Interest calculation formula:** accrued interest in respect of the Bond will be calculated using Act/Act (ICMA) day count convention, calculated according to the formula below:

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

CPN – value of interest in EUR;

F – Nominal Value on the relevant Interest Payment Date;

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

D – number of days in the interest period;

A – actual number of days in the year.

- (d) **Calculation agent:** the Issuer shall calculate the interest payments and any other payable amounts to the Bondholders under these Terms and Conditions. The Issuer is responsible for

transferring all amounts payable to the Bondholders under these Terms and Conditions to Nasdaq CSD, which will then distribute the payments to the Bondholders.

6.10. Offering and Admission of Bonds

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

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

The Bonds shall be offered to the investors up to the Maximum Aggregate Nominal Value of the Issue under the respective Final Terms and in the Maximum Amount of the respective Tranche as indicated in the Final Terms. However, if the demand for the Bonds of the respective Tranche exceeds the Maximum Aggregate Nominal Value of the Tranche indicated in the Final Terms, the Issuer may decide to increase the Maximum Aggregate Nominal Value of the respective Tranche by publishing an updated Final Terms on the Issuer's website at www.nemunaiciai.lt (and after the Bonds' admission to trading on the First North, on the on Nasdaq website at www.nasdaqbaltic.com on or before the relevant Issue Date (inclusive).

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

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

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

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

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

Subscription through the Issuer

If the Final Terms indicate that the Offering is conducted by the Issuer, the Subscription Order form for the respective Tranche, which will be accepted by the Issuer, will be published on the Issuer's website at www.nemunaiciai.lt before the opening of the respective Subscription Period. Alternatively, the Issuer will provide the Subscription Order form upon the investor's request after notifying the investor of the Offering for the respective Tranche. Subscription Orders for Estonian and Latvian investors will be available in English, while those for Lithuanian investors will be available in either English or Lithuanian.

In case the respective Final Terms indicate that respective Tranche's subscription channel include subscription through the Issuer, the investors shall submit their Subscription Orders at any time during the Subscription Period at the office of the Issuer, at the address K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania, or by e-mail of the Issuer info@sbaurban.lt, if signed with a qualified e-signature.

Subscription through the Dealer or Distributor

If the Final Terms indicate that the Offering is conducted by the Dealer and/or Distributor, the Subscription Order form for the respective Tranche, which will be accepted by the Dealer and/or Distributor, will be provided by the Dealer and/or Distributor and shall be provided by the investor to the Dealer and/or Distributor by any means accepted and used by the Dealer and/or Distributor (e.g., physically, via the internet banking system or by any other available means).

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

Subscription through Exchange Members

If an Auction of the Bonds is organized through Nasdaq, the Subscription Orders shall be

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

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

Validity of the Subscription Order

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

- (i) the purchase amount indicated in the Subscription Order is less than the Minimum Investment Amount; or
- (ii) the Subscription Order was received after the Subscription Period, unless the Issuer decides otherwise; or
- (iii) subscription for the Bonds by the investor has not been fully paid by the relevant Payment Date, unless the Issuer decides otherwise; or
- (iv) the Issuer, the Dealer, Distributor or Exchange Members rejects the Subscription Order due to violation of legal acts governing anti-money laundering prevention and/or sanctions and/or because the investor has not provided additionally requested information and/or documents, for example documents evidencing country of residency (either directly or through a financial intermediary through which it subscribed to the Bonds).

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

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

By placing a Subscription Order each investor will be deemed to have read these Terms and Conditions together with the Prospectus, the Issuer’s constitutional documents, also the Audited Financial Statements. The investor may also familiarize with other documents of the Bonds, including the Corporate Decisions and Trustee Agreement before or after placing a Subscription Order by requesting the Trustee via e-mail info@audifina.it.

By placing a Subscription Order the investors shall be considered as have consented to being allotted a lower number of Bonds than the number specified in such investor’s Subscription Order, or to not being allotted any Bonds at all, pursuant to these Terms and Conditions.

An investor must ensure that all information contained in the Subscription Order is correct, complete and legible. The entities accepting the Subscription Orders reserve the right to reject any Subscription Orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/or have not been supported by the necessary additional

documents, requested by the entities accepting the Subscription Orders.

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

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

Each investor can review the Subscription Order submitted by her/him/it by requesting the Issuer via e-mail info@sbaurban.lt. When the Subscription Order is placed through the Dealer/Distributor or in case of an Auction, through the Exchange Member, each respective investor can request the Dealer/Distributor or Exchange Member to provide the Subscription Order that was submitted by the investor.

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

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

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

- (i) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to arrange the settlement of the subscription on its/his/her behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the subscription;
- (ii) shall ensure that when submitting a Subscription Order there are sufficient funds on the cash account connected to its/his/her Securities Account to cover the amount subscribed (i.e. the Issue Price multiplied by the amount of the Bonds subscribed);
- (iii) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to block the whole Subscription amount on the investor's cash account connected to its/his/her Securities Account until the allotment of Bonds pursuant to these Terms and Conditions and Auction Rules, and registration with the Register is completed on the Issue Date;
- (iv) authorizes the Exchange Member, Issuer, Dealer and Nasdaq to process, forward and exchange its/his/her personal data and information in the Subscription Order in order to participate in the Offering, to accept or reject the Subscription Order and comply with these Terms and Conditions and fulfill the Issuer's obligations under these Terms and Conditions;

- (v) acknowledges that the Offering does not constitute an offer (in Lithuanian: *oferta*) of the Bonds by the Issuer in legal terms, and that the submission of a Subscription Order does not constitute the acceptance of an offer, and therefore does not in itself entitle the investor to acquire the Bonds, nor results in a contract for the sale of the Bonds between the Issuer and the investor, unless the Bonds are allotted to the investor pursuant to these Terms and Conditions and Bonds are registered with the Register on the Issue Date;
- (vi) confirms that it/she/he has got familiarized with the Prospectus, Final Terms of the Tranche and Auction Rules.

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

- (e) **Withdrawal of the Subscription Orders.** Subscription Orders for the Bonds of the respective Tranche may be withdrawn at any time until the end of the relevant Subscription Period, including when a supplement is made public concerning an event or circumstances occurring before the end of the relevant Subscription Period. The supplement to the Prospectus will be published on the Issuer's website at www.nemunaiciai.lt (and after the Bonds' admission to the First North, also on Nasdaq website at www.nasdaqbaltic.com). The investor who has made a Subscription Order before the publication of the supplement may withdraw such Subscription Order by notifying (e.g., via the internet banking system or by any other available and acceptable means) the institution where the Subscription Order was made within 3 Business Days after the publication of the supplement.

Where the Bonds are purchased or subscribed through a financial intermediary (e.g. Exchange Member, Dealer/Distributor or other firms providing investment services to the investor), that financial intermediary shall inform investors of (i) the possibility of a supplement being published, (ii) investors who agree to be contacted by electronic means will be informed by the end of the first working day following that on which the supplement to the Prospectus is published on the website of the Issuer at www.nemunaiciai.lt (and after the Bonds' admission to the First North, also on Nasdaq website at www.nasdaqbaltic.com) and financial intermediary's website, (iii) those investors that do not agree to be contacted by electronic means and refuse the opt-in for electronic contact solely for the purpose of receiving the notification of the publication of a supplement to the Prospectus shall monitor the Issuer's or the financial intermediary's website (and after the Bonds' admission to the First North, the Nasdaq website at www.nasdaqbaltic.com) to check whether a supplement is published and (iv) assure that the financial intermediary would assist them in exercising their right to withdraw Subscription Orders in such case.

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

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

The repayments, if any, will be made by the Issuer in accordance with the Subscription Order within 5 Business Days after making the statement on the subscription cancellation or the blocked

funds will be released in accordance with the rules of the financial intermediary through which the Subscription Order was placed and the Issuer shall not be responsible for any relationships between the investor and its financial intermediary. An investor will be liable for the payment of all fees charged by the intermediary, used by the investor for the subscription of Bonds in connection with the withdrawal of the Subscription Order.

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

In case of an Auction, the Issue Price payable by the investors subscribing to the Bonds through the Exchange Members is blocked in advance as prescribed in these Terms and Conditions and settled by the Exchange Members in accordance with these Terms and Conditions and Auction Rules (i.e., Delivery versus Payment method). The investors who have not been allotted any Bonds or whose Subscription Orders have been reduced will receive reimbursements from the Exchange Members (i.e., block on the funds will be removed). The Issuer shall not be responsible for any relationships between the investor and Exchange Member in connection with any operations happening on the cash account connected to the investor's Securities Account.

Where the Tranche is subject to subscription (as a sole or additional subscription channel) through the Issuer or Distributor, if any, investors shall transfer the Issue Price, which is payable for the Bonds, to the Issuer's bank account specified in the Subscription Order on the relevant Payment Date. Regarding the Issuer's bank account designated for receiving the Issue Price payments, investors shall acknowledge that this account will not be pledged in favour of the Bondholders. However, the Issuer will have the right to dispose of the proceeds of the Offering only after obtaining the written consent of the Trustee, once the Bonds are duly registered with Nasdaq CSD on the respective Issue Date, and, if applicable, only after the Issuer repays the investors who have not been allotted any Bonds or whose Subscription Orders have been reduced, as outlined in the paragraph below.

Where the Tranche is subject to subscription (as a sole or additional subscription channel) through the Dealer, the settlement for the Bonds shall be carried out using the Delivery versus Payment method.

The Issuer has the right (but not an obligation) to accept also payments made with delay, but not later than until the Issue Date. Please note that in case any payments were made by the investor, the investors who have not been allotted any Bonds or whose Subscriptions Orders have been reduced will receive reimbursements of the payment made upon placing the Subscription Order. The reimbursement will take place within 3 Business Days as from the end of the Issue Date. The payments shall be returned without any reimbursement for costs incurred by the investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

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

When an Auction is organized, Nasdaq will record buying orders entered in Nasdaq trading system by the Exchange Members during the Subscription Period and will provide the records journal to the Dealer in accordance with the Auction Agreement. The Dealer shall verify the Nasdaq records journal and, if necessary, clarify with the Exchange Members regarding the Subscription Orders and investor-related details. If needed, the Dealer may also request information and/or documents to evidence compliance with the requirements set out in this Prospectus. For the Issuer to make a decision on the Bonds allotment, after the Subscription

Period but not later than until the Issue Date, the Dealer shall provide to the Issuer all gathered data on received Subscription Orders (i.e., by Nasdaq), comment if all Subscription Orders are recognized as valid pursuant to point (b) “*Subscription Orders. Invalidity of the Subscription Orders*” above, and in case of oversubscription, in accordance with its allocation policy recommend to the Issuer to allocate the Bonds to the investors that provided the Subscription Orders during the Auction (the applicable allocation rule for a Tranche shall be specified in the respective Final Terms and in the Auction Rules).

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

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

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

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

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

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

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

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

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

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

The Issuer expects that the Bonds of the respective Tranche shall be admitted to trading on the First North within 1 month as from placement thereof to the investors the latest.

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

The costs which are related to the admission of the Bonds to the First North will be covered by the Issuer.

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

The Issuer does not intend to appoint any firm to act as intermediary in secondary trading on the First North, providing liquidity through bid and offer rates.

6.11. Redemption

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

- (a) **Redemption Price:** The Redemption Price paid to the investor on the Final Maturity Date or, if applicable, on the Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Final Maturity Date or the Early Maturity Date, Early Redemption Date or De-listing Event or Listing Failure Put Date, and early redemption premium, if applicable pursuant to these Terms and Conditions.
- (b) **Early optional redemption of Bonds by the Issuer:** The Bonds shall be redeemable wholly or partially at the option of the Issuer starting from the Issue Date of the first Tranche and prior to the Final Maturity Date on the following conditions:
- (i) early redemption may occur at the sole discretion of the Issuer on the Early Redemption Date, which will be designated in a written notice sent to the Bondholders and the Trustee at least 20 calendar days in advance.
 - (ii) the Issuer's written notice on early redemption (i) will be published on the Issuer's website at www.nemunaici.ai. After the Bonds' admission to trading on the First North, the Issuer's obligation to notify the Bondholders and Trustee shall be fulfilled when the Issuer at least 20 calendar days before the Early Redemption Date announces its decision on early redemption of the Bonds on Nasdaq website at www.nasdaqbaltic.com and (ii) may be sent to investors via email, but only to those Bondholders whose email addresses are known to the Issuer and/or Dealer or Distributor (if applicable according to their internal procedures);
 - (iii) the Issuer reserves the right to cancel the early redemption of the Bonds or increase the redeemable amount at any time prior to the anticipated Early Redemption Date (including) by notifying the Trustee and Bondholders until the Early Redemption Date (including) in a manner prescribed in point above;
 - (iv) in case of a partial redemption of the Bonds, the Bonds shall be redeemed from the Bondholders proportionally, if necessary, by rounding up the redeemable number of Bonds from an individual Bondholder to the nearest whole number. In the respective case, the Redemption Price shall be equal to the Nominal Value of the redeemable Bonds and interest accrued on the redeemable Bonds;
 - (v) on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 1 % (to be calculated from the Nominal Value of the Bonds) if the Early Redemption Date occurs between the Issue Date of the first Tranche and 12 months thereafter (inclusive);
 - (vi) if the Early Redemption Date occurs more than 12 months after the Issue Date of the first Tranche, but within 12 months thereafter (inclusive), on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 0.5 % (to be calculated from the Nominal Value of the Bonds);
 - (vii) no premium shall be paid if the Early Redemption Date is after 24 months following the Issue Date of the first Tranche, and on the Early Redemption Date the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding).

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

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

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

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

To exercise the De-listing Event or Listing Failure put option, the Bondholder must notify the Issuer by e-mail info@sbaurban.lt not later than 3 Business Days (i.e., Record Date) before the De-listing Event or Listing Failure Put Date. Payment in respect of any Bonds subject to the put option shall be carried out on the designated De-listing Event or Listing Failure Put Date through the Register by Nasdaq CSD. The notice by a Bondholder to exercise the put option, once given, shall be irrevocable.

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

- (ii) **Breach of covenants.** The Issuer breaches any of the covenants set forth in Section 6.12 “*Covenants of Issuer*” of these Terms and Conditions and the Issuer has not remedied the breach in 20 Business Days as of receipt of the breach notice or has not remedied the breach within other term granted by the Trustee and/or approved by a decision of the Bondholders’ Meeting adopted by majority of Bondholders participating in the Bondholders’ Meeting and having voting rights (other than the Related Parties).
- (iii) **Insolvency.** An application to initiate insolvency, restructuring or administration of the Issuer, or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by any third party.

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

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

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

Upon the occurrence of any of the circumstances specified above and (i) if the Issuer has not sent the Rejection to the Trustee and the Bondholders’ Meeting in accordance with the procedure established by the law, adopts a decision (which shall be adopted by a simple majority of votes of the Bondholders, participating in the Bondholders’ Meeting and having a voting right) to demand extraordinary early redemption of the Bonds or (ii) the Bondholders’ Meeting does not approve the Rejection and due to this the Bondholders’ Meeting, in accordance with the procedure established by the law, adopts a decision (which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders’ Meeting and having a voting right) to demand extraordinary early redemption of the Bonds, the Issuer within 20 Business Days upon receiving the respective Bondholders’ Meeting decision from the Trustee shall redeem all outstanding Bonds from all Bondholders holding Bonds on the Record Date by paying the Redemption Price. The Redemption Price payable to the Bondholders on the relevant Early Maturity Date shall be determined by the Issuer following the rules set forth in Section 6.11(a) of these Terms and Conditions. The 20th Business Day calculated from the day the Issuer received the abovementioned Bondholders’ Meeting decision to demand extraordinary early redemption of the Bonds from the Trustee shall be the Early Maturity Date.

If the Bondholders’ Meeting has not passed a decision as prescribed above within 3 months after the occurrence of any of the Extraordinary Early Redemption Event, the Bondholders shall lose the right to demand early redemption of the Bonds under this Section.

6.12. Covenants of Issuer

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

- (i) **LTC ratio.** The Issuer undertakes to ensure that until full redemption of the Bonds the Issuer's LTC ratio does not exceed 75 % (at the date of the Prospectus the LTC ratio is 0%). The LTC shall be calculated based on the following formula:

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

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

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

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

- (i) independent "Hermanas" Project valuation dated 31 December 2024 by UAB Newsec valuations in the amount of EUR 7,216,000;
- (ii) all sums paid from 1 January 2025 (inclusively) under the design, construction and other contracts with respect to the development of the "Hermanas" Project;
- (iii) the aggregate of the invoices issued to the Issuer from 1 January 2025 (inclusively) for other costs such as legal, accounting, notarial, project management, and other professional fees, costs and expenses (including the costs of registries and any related taxes) incurred by the Issuer in connection with the Project; operating costs, including but not limited to administrative, management and employee costs and similar book-keeping entries and other costs with respect to the "Hermanas" Project starting from 1 January 2025 (inclusively);
- (iv) the premium paid in respect of the insurances (other than insurances to be effected and paid for by any construction contractor) starting from 1 January 2025 (inclusively);
- (v) debt financing costs which become due and payable with respect to the Project.

Costs of the Project shall not include VAT.

- (c) **Negative borrowing.** The Issuer shall not assume any Financial Indebtedness. The respective restriction does not apply to the Issuer in the following cases:

- (i) issue of the Bonds in the Maximum Aggregate Nominal Value of the Issue, EUR 23,500,000;
- (ii) Financial Indebtedness not exceeding EUR 50,000 in aggregate during the year;
- (iii) non-interest bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer; or
- (iv) fully subordinated debt from the Shareholders of the Issuer and/or other Related Parties, including Subscription of Bonds under these Terms and Conditions by the

Related Parties. For the avoidance of doubt, the Bonds subscribed under these Terms and Conditions by the Related Parties starting from the date of their subscription shall be deemed as fully subordinated and ranking below other Bonds of the Issue (including all payments under these Terms and Conditions and Final Terms); or

- (v) financing provided to the Issuer by a third party/financier to fund redemption of the Bonds issued under these Terms and Conditions and Final Terms (i.e., refinancing of the Bonds).
- (d) **Subordination.** The Issuer undertakes to ensure that any debt owed to the Shareholders and/or other Related Parties will be duly subordinated in favour of the Bondholders until full redemption of the Bonds, except for the debt owned under service or other contracts related to development and fit-out of the Project, if any. Subordination means that no debt shall be repaid by the Issuer to the Shareholders and/or other Related Parties until all outstanding payment obligations to the Bondholders under these Terms and Conditions are satisfied. The Issuer shall promptly provide the respective subordination documents to the Trustee upon request.
- (e) **Restriction on Payouts.** The Issuer undertakes to ensure that until full redemption of the Bonds, no dividends or other distributions shall be paid to its Shareholders. This restriction applies unless the Issuer's financial position allows for such payments without adversely affecting its ability to meet its obligations under the Bonds. The Issuer shall notify the Trustee in advance of any anticipated payments restricted by this covenant and shall be responsible for evidencing to the Trustee that the Issuer's financial position allows for such payments. As the pledge creditor under the Pledge over Shares, the Trustee shall be entitled to object to such payments without undue delay, and any reasoned objection by the Trustee shall be binding on the Issuer.
- (f) **Mortgage over Property.** The Issuer undertakes to ensure that on the Issue Date of the first Tranche of the Bonds the Collateral Agreement concerning Mortgage over Property (i.e., the Land Plot and Building) is concluded and registered with the Real Estate Register of the Republic of Lithuania (the **Real Estate Register**). For the sake of clarity, the Bondholders give their consent to the Issuer in advance for the following actions related to the Property and neither Bondholders, nor the Trustee's consent will be needed at the later stage:
 - (i) to carry out and authorize third parties to carry out land and/or construction work on the Land Plot, to construct new buildings and to register them/the changes in the level of completion in the name of the Issuer;
 - (ii) to carry out and authorize third parties to carry out construction works on the mortgaged Building;
 - (iii) to register with state authorities and/or public registers any applications/requests to complete the "Hermanas" Project and Issuer's ownership to the Property;
 - (iv) if it is necessary for the completion and development of the real estate, to change the purpose of the real estate mortgaged (or a part of it), to adjust the technical design or technical detail design, to implement the new procedure for design proposals, to apply for a new or update the current construction permit, to make cadastral measurements and to implement the procedure of the division of the mortgaged real estate (or part of it) in parts and/or separate premises, including but not limited to the submission of the applications/requests to any state or private entity;

- (v) if necessary, the Issuer together with UAB S3 Leaders, may enter into, amend, supplement or otherwise modify the Land Plot use agreement.

- (g) **Pledge over Shares.** The Issuer undertakes to ensure that on the Issue Date of the first Tranche of the Bonds the Collateral Agreement concerning the Pledge over Shares is concluded and registered with the Register of Contracts and Liens of the Republic of Lithuania (the **Register of Contracts and Liens**).

- (h) **Disposal of Property.** Until full redemption of the Bonds the Issuer shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose and or/transfer the ownership of the Property (i.e., the Land Plot and Building) to any third person nor conclude any agreements for such transfer of ownership, except that:
 - (i) the Issuer has the right to conclude constructions' or other relevant services' agreements under the applicable laws with third persons, provided that such agreements are concluded on terms and conditions that enable the Issuer to complete the "Hermanas" Project and fulfil its obligations under these Terms and Conditions and Final Terms;
 - (ii) upon completion of the Project, the Issuer shall have a right to sell the Property to third party and sale proceeds shall be used to finance the redemption of the Bonds issued under these Terms and Conditions and Final Terms;
 - (iii) before or upon completion of the Project, the Issuer has a right to lease all or any part of the Building to third parties under the conditions corresponding to the market standard.

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

- (i) **Corporate status.** Until full redemption of the Bonds the Issuer shall not change its legal form or jurisdiction of incorporation and will not change its business activities.

- (j) **Decisions.** To the extent it is compliant with Lithuanian laws, the Issuer undertakes to ensure that the Issuer will not make any decisions regarding the Issuer's reorganisation, liquidation, bankruptcy or restructuring procedures initiation.

- (k) **Reporting obligations (until Bonds' admission to trading on the First North).**
 - (i) Until full redemption of Bonds, the Issuer shall provide the Trustee (that shall provide to the Bondholders upon their request) with a copy of its:
 - (a) annual audited financial statements – within 4 months after the end of the reporting year. If this timeline is not feasible due to legal arrangements with auditors, the Issuer shall provide the statements no later than 5 months after the end of the reporting year;
 - (b) unaudited semi-annual interim financial statements – within 3 months after the end of reporting period of 6 months;
 - (c) semi-annual report on performance of the LTC ratio together with the report on total amount of Costs of the Project incurred till date of the respective report, and

reconciliation of such costs against the construction budget – alongside with the unaudited semi-annual interim financial statements under point (b) above.

- (ii) In case the investors through the Trustee request additional documents evidencing Costs of the Project, the Issuer within 30 calendar days as of receipt of such request of the Trustee, shall provide invoices received and accounted within the last reporting period.
 - (iii) In case the Trustee from other reliable sources receives information that the Issuer's financial situation has deteriorated materially when compared to the latest available financial statements of the Issuer and/or the LTC covenant may be breached, the Trustee by sending a grounded written request to the Issuer may request the copies of the documents listed in point (k)(i)(c) above before the end of the reporting period indicated therein and the Issuer has an obligation to provide the Trustee with written explanation of the situation as well as requested documents within 30 calendar days from the receipt of the respective Trustee's request.
- (l) **Reporting obligations (after the Bonds' admission to trading on the First North).**
- (i) The Issuer shall publish the following on Nasdaq website at www.nasdaqbaltic.com:
 - (a) its annual audited financial statements – within 4 months after the end of the reporting year;
 - (b) its unaudited semi-annual interim financial statements – within 3 months after the end of reporting period of 6 months;
 - (c) semi-annual report on performance of the LTC ratio together with the report on total amount of Costs of the Project incurred till date of the respective report, and reconciliation of such costs against the construction budget – alongside with the unaudited semi-annual interim financial statements under point (b) above.
 - (ii) Points (k)(ii) and (k)(iii) above shall also apply in respect to this point (l). However, the Issuer will not publish documents under point (k)(ii) on Nasdaq website at www.nasdaqbaltic.com and these documents shall be available only through the Trustee.
- (m) **Bank Account.** If any Tranche is subject to subscription (either as a sole or an additional subscription channel) through the Issuer or Distributor, if applicable, and the Issue Price payable for the Bonds is transferred to the Issuer's bank account specified in the Subscription Order, the Issuer undertakes not to dispose of the proceeds of the Offering credited to such bank account without first obtaining the written consent of the Trustee. This consent will be provided by the Trustee to the Issuer on the same day once the Issuer provides evidence to the Trustee that the Bonds are duly registered with Nasdaq CSD on the respective Issue Date, and, if applicable, only after the Issuer repays investors who have not been allotted any Bonds or whose Subscription Orders have been reduced, in accordance with the Terms and Conditions. Additionally, if any funds are received in the Issuer's bank account as payment for the Bonds subscribed to before the Issuer announces the cancellation, suspension, or postponement of any Tranche, the Issuer not later than on the day of announcement shall inform the Trustee of each payment received before such announcement and provide evidence on the proper repayment of the funds in accordance with the Terms and Conditions.

The Issuer may deviate from the covenants set forth in this Section upon the consent provided in the decision of the Bondholders' Meeting which shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Bondholders, participating in the Bondholders' Meeting and having voting rights. Upon receiving the

consent of the Bondholders in respect of particular covenant it shall be deemed that Bondholders waive their rights in respect of the Extraordinary Early Redemption Event.

6.13. Protection of Bondholders Interest

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

The Bondholders shall have the following main rights:

- (i) to receive the interest accrued on each Interest Payment Date;
- (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Redemption Date or on the Early Maturity Date or De-listing Event or Listing Failure Put Date, and if applicable under these Terms and Conditions, an early redemption premium;
- (iii) to sell or transfer otherwise all or part of the Bonds only strictly following the Terms and Conditions and applicable laws;
- (iv) to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);
- (v) to pledge all or part of the Bonds owned;
- (vi) to participate in the Bondholders' Meetings;
- (vii) to vote in the Bondholders' Meetings;
- (viii) to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (ix) to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (x) to obtain (request) the information about the Issuer, the Issue of Bonds or other information related to the protection of his/her/its interests from the Trustee;
- (xi) to receive a copy of the Trustee Agreement and once concluded, a copy of each Collateral Agreement;
- (xii) other rights, established in the applicable laws, the Trustee Agreement or in the constitutional documents of the Issuer.

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

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

6.14. Bondholders' Meetings

The right to convene the Bondholders' Meeting shall be vested in the Trustee, the Bondholders who hold no less than one-tenth of the Bonds of the Issue, providing voting right in the Bondholders' Meeting and the Issuer. As a general rule, the Bondholders' Meetings are convened by a decision of the Trustee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.15. Notices

Bondholders shall be advised on matters relating to the Bonds by a notice published in English and Lithuanian on the Issuer's website at www.nemunaiciai.lt and, after the Bonds are admitted to the First North, also on Nasdaq website at www.nasdaqbaltic.com. Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified in this Section.

6.16. Trustee

- (a) **Representation of Bondholders.** On 9 April 2025 the Issuer has concluded the Trustee Agreement with UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, Vilnius, the Republic of Lithuania.

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

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

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

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

E-mail: info@audifina.lt

Representative: Jolanta Ruzgienė

Website: <https://www.audifina.lt/>.

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

(c) **Trustee Agreement expires:**

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

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

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

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

- (i) to take actions in order that the Issuer fulfilled its obligations towards the Bondholders;
- (ii) to convene the Bondholders' Meetings;
- (iii) to publish information regarding the Bondholders' Meetings being convened under procedure of the Law on Protection of Interests of Bondholders;
- (iv) to provide the Bondholders' Meetings with all relevant documents and information;
- (v) to provide the Bondholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Bondholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;

- (vi) to execute the decisions of the Bondholders' Meetings;
- (vii) no later than within 5 Business Days as from the day of receipt of a request of the Bondholder to provide information, to gratuitously present all the information about the Issuer, the Issue or other information related to the protection of his/her/its/their interests;
- (viii) no later than within 3 Business Days from the receipt date of the Bondholder's request to provide a copy of the Trustee Agreement and Collateral Agreement free of charge;
- (ix) to provide the Bondholders with all other information related to the protection of their interests;
- (x) no later than on the next Business Day to inform the Issuer that the Trustee has lost the right to provide audit services (in this particular case) or acquired legal status "in bankruptcy" or "in liquidation".

6.17. Collateral

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

- (i) The Issue shall be secured by the first ranking Mortgage over Property (the Land Plot and Building) and Pledge over Shares.
- (ii) The Collateral Agreement concerning the Mortgage over Property and Pledge over Shares shall be created and registered respectively with the Real Estate Register and/or Register of Contracts and Liens on or before the Issue Date of the first Tranche.
- (iii) Pursuant to the real estate valuation report by UAB Newsec valuations (legal entity code 126212869, registered address at Konstitucijos ave. 21C, Vilnius, the Republic of Lithuania, certificate No. 000170) dated 16 January 2025 (the **Report**), by 31 December 2024 the market value of the entire Property (i.e., 8,271 m² Land Plot at H. ir O. Minkovskiu st. 41C, Kaunas, the Republic of Lithuania, unique No. 4400-5823-6609 and the Building located on the Land Plot with unique No. 4400-6394-5384) subject to the Mortgage over Property was EUR 7,216,000. The Property's valuation was conducted by a property appraiser Linas Daukus, qualification's certificate No. 6510302. It shall be noted that property appraiser has given its written consent to the Issuer on disclosure of information related to the Report in the Prospectus and neither UAB Newsec valuations, nor property appraiser have any material interest in the Issuer or the Property appraised. Each investor shall have the right to request the Issuer to provide the Report for review via e-mail info@sbaurban.lt.
- (iv) It is anticipated that the Property's valuations will be carried out at least once a year. The Issuer will provide each valuation report to the Trustee (that shall provide to the Bondholders upon their request) upon the respective report is prepared and the Issuer received all necessary consents to disclose it, if any is required.
- (v) In respect to the Shares anticipated to be pledged in favour of the Bondholders, no external valuation of the Shares is anticipated to be conducted before or after the creation of the Pledger over Shares. The value of the Shares will primarily depend on the financial standing and performance of the Issuer, including factors such as profitability, assets, liabilities, market conditions, and any other material financial indicators that may affect the Issuer's valuation. The net company value (or business value to the owners), which is used to determine the value of Shares, may be calculated by subtracting the company's debts and obligations from its asset (business) value as of the valuation date. The total value of the Shares will be based on the net company value, and the value of a single Share is

determined by dividing the net company value by the total number of the Shares. As such, the Shares' value will not be fixed and may fluctuate in line with the Issuer's financial health, business outlook, and market perception.

- (vi) Notwithstanding the above, the investors shall acknowledge that the value of the Collateral may vary and in case of the enforcement against the Collateral, subject to the extent and priority noted under Section (b) below, the claims of the Trustee and Bondholders shall be fulfilled from all value of the Collateral existing at the moment of the Collateral realization that is determined and carried out in accordance with the Code of Civil Procedure of the Republic of Lithuania.
 - (vii) The Trustee shall take all actions that the Trustee as the holder of the Collateral may reasonably take with the purpose to enforce mortgage/pledge over the respective Collateral according to the procedure provided for in the relevant Collateral Agreement and applicable laws in case:
 - (a) the Secured Obligations are not performed in accordance with its respective terms; and/or
 - (b) Bondholders' Meeting has adopted a decision to enforce mortgage/pledge over the respective Collateral.
 - (viii) The Bondholders' Meeting has the right but not an obligation to instruct the Trustee to take specific actions to enforce mortgage/pledge over the respective Collateral according to the procedure provided for in the relevant Collateral Agreement. The Bondholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the respective Collateral only through the Trustee pursuant to the Trustee Agreement.
 - (ix) The Trustee shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Bondholders as to whether, and in what manner, the Trustee should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the respective Collateral. Upon such request, the Bondholders shall give their instructions or clarifications to the Trustee within the time period specified in the Trustee's request for instructions or clarifications. The Trustee may refrain from acting unless and until the Bondholders' Meeting has provided the Trustee with requested instructions or clarifications.
 - (x) The Trustee is obligated to comply with these instructions submitted under this Section unless such instructions, in reasonable opinion of the Trustee, may be contrary to the Prospectus, relevant Collateral Agreement, Trustee Agreement, or applicable laws. Any such instruction from the Bondholders' Meeting will be binding on all Bondholders. The Trustee shall not be liable in front of the Bondholders for acting (or refraining from acting) as described in this Section.
- (b) **Application of the proceeds from enforcement of the Collateral**
- (i) The proceeds from the enforcement of the respective Collateral shall be applied in the following order of priority:
 - (a) as a first priority – to the satisfaction and payment of all costs and expenses (including, without limitation, state duties, notary fees and valuation costs and fees) related to or arising from enforcement of the Collateral by the Trustee within the limits set forth in the Trustee Agreement;

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

6.18. Other matters

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

- (v) any other similar Force Majeure which makes it unreasonably difficult to carry on the activities of the Affected Party.

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

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

7. FORM OF FINAL TERMS

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

FINAL TERMS OF THE BONDS

[Date]

UAB S3 BUSINESS

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

under the EUR 23,500,000 Bond Issue

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Company's base prospectus drawn up by the Company, dated 5 May 2025 (the **Prospectus**) and Terms and Conditions which are provided therein. Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Prospectus. The Prospectus (including all its supplements (if any)) is and will be available for acquaintance at the Company's website (www.nemunaiciai.lt). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds.

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

A summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been approved under the Decision of the Shareholders dated 3 April 2025 and the decision of the Management Board of the Issuer dated 3 April 2025. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	UAB S3 Business
2.	Number of Tranche	[number]
3.	Maximum Aggregate Nominal Value of the Issue	EUR 23,500,000
4.	Maximum Aggregate Nominal Value of the Tranche	EUR [amount] ² .
5.	Maximum Aggregate Nominal Value of the Tranche for Offering through the Auction	EUR [amount]. [n/a]
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	EUR [amount]

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

9.	Minimum Investment Amount	EUR [amount]
10.	Issue Date	[date]
11.	Final Maturity Date	[date]
12.	Redemption/Payment Basis	Redemption at par
13.	Interest	
	(i) Interest Payment Dates	[dates]
	(ii) Interest Rate	[interest rate]
	(iii) Interest calculation method	Act/Act (ICMA) day count convention
14.	Yield	[number]% per annum. Yield is calculated based on the Nominal Amount and on the Issue Date. Actual yield may differ depending on the price paid for a specific bond by an investor.
15.	Record Date	Third Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, whichever is relevant.
16.	Offering jurisdictions	The Republic of Lithuania, Estonia and Latvia
17.	Subscription Period	[beginning and end times of period]
18.	Payment Date	[if applicable, date]
19.	ISIN code	LT0000133472
20.	Expected listing and admission to trading on the First North	[date]
21.	Placing and underwriting	[Not applicable/description of entities agreeing to underwrite the Issue on a firm commitment basis and/or agreeing to place the issue without a firm commitment or on a “best efforts” basis and respective arrangements]
22.	Subscription channels	[description]
23.	Allocation rule (in case of oversubscription)	[description]

24. Collateral

[description of the respective Collateral, including but not limited to ranking, deadline for execution of the relevant Collateral Agreement or date of the Collateral Agreement, notarial register No. and identification code in the public register]

Signed on behalf of UAB S3 Business

[signatory's full name, position]

8. HISTORICAL FINANCIAL INFORMATION

The following tables provide a summary of the Company's financial information for the financial years ended 31 December 2024 (audited) and 31 December 2023 (audited).

The information set out in the tables below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with the Audited Financial Statements for the years ended 31 December 2024 and 31 December 2023, that are incorporated by reference to this Prospectus and form an integral part hereof (please see Section 4 "*Information incorporated by Reference*"). The Audited Financial Statements have been prepared in accordance with the IFRS.

Please note that the Audited Financial Statements reflect the Company's financials prior to the completion of its reorganisation by way of the Demerger on 28 April 2025. No financial statements are yet available for the period following the reorganisation, but investors should evaluate the Company's unaudited balance sheet as of 31 March 2025, presented in Table 4 below.

Table 1: balance sheet summary of the Company as of 31 December 2024 as well as 31 December 2023 (values are presented in EUR)

	31.12.2024 (audited)	31.12.2023 (audited)
ASSETS		
Non-current assets		
Investment property		
Land	4,000,000	2,007,000
Buildings under construction	4,720,000	1,160,636
Total investment property	8,720,000	3,167,636
Total non-current assets	8,720,000	3,167,636
Current assets		
Prepayments to suppliers	479	-
Trade receivables	16,177	-
Tax receivables	61,865	27,555
Cash	333,847	4,264
Total current assets	412,368	31,819
Total assets	9,132,368	3,199,455
EQUITY AND LIABILITIES		
Equity		
Share capital	7,240	3,620
Share premium	2,721,854	825,474
Mandatory reserve	362	-
Retained earnings	3,074,529	806,197
Total equity	5,803,985	1,635,291
Non-current liabilities		
Loans from related parties	1,266,809	1,211,352
Deferred income tax liabilities	666,418	222,079
Total non-current liabilities	1,933,227	1,433,431
Current liabilities		
Current portion of long-term loans from related parties	244,646	-
Trade payables	644,126	1,073
Taxes payable	498,368	129,660
Other current liabilities	8,016	-
Total current liabilities	1,395,156	130,733
Total equity and liabilities	9,132,368	3,199,455

Source: the Audited Financial Statements

Table 2: income statement of the Company for the years ended 31 December 2024 and 31 December 2023 (amounts are presented in EUR)

	31.12.2024 (audited)	31.12.2023 (audited)
Operating expenses	(88,148)	(4,633)
Change in fair value of investment property	2,797,230	(917,731)
Operating profit (loss)	2,709,082	(922,364)
Financial expenses		
Interest expenses	(349)	(229)
Profit (loss) before tax	2,708,733	(922,593)
Income tax (expense) benefit	(440,039)	146,259
Net profit (loss)	2,268,694	(776,334)

Source: the Audited Financial Statements

Table 3: cash flow statement summary of the Company for the years ended 31 December 2024 and 31 December 2023 (amounts are presented in EUR)

	31.12.2024 (audited)	31.12.2023 (audited)
Net cash flows from operating activities	983,716	(8,882)
Net cash flows from financing activities	2,101,000	33,000
Net cash flows from investing activities	(2,755,133)	(19,854)
Net cash flow	329,583	4,264
Cash balance at beginning of period	4,264	-
Cash balance at end of period	333,847	4,264

Source: the Audited Financial Statements

Table 4: balance sheet summary of the Company as of 31 March 2025 in comparison to the pre-demerger balance sheet summary of the Company as of 31 December 2024 (values are presented in EUR)

	31.03.2025 (unaudited)	31.12.2024 (audited)
ASSETS		
Non-current assets		
Investment property		
Land	2,753,329	4,000,000
Buildings under construction	7,107,375	4,720,000
Total investment property	9,860,704	8,720,000
Total non-current assets	9,860,704	8,720,000
Current assets		
Prepayments to suppliers	11,654	479
Trade receivables	16,502	16,177
Tax receivables	125,371	61,865
Cash	68,466	333,847

Total current assets	221,993	412,368
Total assets	10,082,697	9,132,368
EQUITY AND LIABILITIES		
Equity		
Share capital	5,792	7,240
Share premium	2,259,430	2,721,854
Mandatory reserve	570	362
Retained earnings	2,197,966	3,074,529
Total equity	4,463,758	5,803,985
Non-current liabilities		
Loans from related parties	3,606,698	1,266,809
Deferred income tax liabilities	471,888	666,418
Total non-current liabilities	4,078,587	1,933,227
Current liabilities		
Trade payables to related parties	202,926	244,646
Trade payables	1,337,405	644,126
Taxes payable	-	498,368
Other current liabilities	22	8,016
Total current liabilities	1,540,352	1,395,156
Total equity and liabilities	10,082,697	9,132,368

Source: the Company's unaudited balance sheet as of 31 March 2025

9. REASONS FOR OFFERING AND USE OF PROCEEDS

The overall purpose of the Issue and the Offering is to attract debt financing up to total EUR 23,500,000 required for the purpose of financing the development, construction and fit-out of the “Hermanas” Project in Kaunas, Republic of Lithuania, including associated financing costs. Total investment cost of the Project is estimated at up to EUR 35 million, of which EUR 23.5 million is expected be financed by the Bonds and EUR 11.5 million by the Shareholders’ capital. For further details regarding the financing of the Company’s activities and the Project’s cost structure, please refer to Sections 13.2 “*Financing of Activities*” and 14.3 “*Hermanas*” *Project Schedule and Cost*” of the Prospectus.

Provided that all the Bonds under the Issue are subscribed for and issued by the Company, the expected amount of gross proceeds would be up to EUR 23,500,000 less the amounts of costs and expenses incurred in connection with the Offering, as prescribed below.

The Company will bear approximately up to EUR 250,000 of fees and expenses in connection with the Offering (including the maximum amount of any discretionary commission, admission to trading on the First North related costs, legal costs, etc.) under the Issue. These costs of the Offering will be covered from proceeds of the Offering.

10. GENERAL CORPORATE INFORMATION AND ARTICLES OF ASSOCIATION

The legal and commercial name of the Company is UAB S3 Business, legal entity code 306204660.

The Company was registered in the Register of Legal Entities on 27 December 2022.

Legal entity identifier (LEI) code is 89450017VCN15B0NEE85.

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

The latest Articles of Association of the Company have been registered in the Register of Legal Entities on 28 April 2025 (please see Section 4 “*Information Incorporated by Reference*”).

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

The contact details of the Company are the following:

Registered address	K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania
Country of registration	Republic of Lithuania
Phone number	+37067103323
E-mail	info@sbaurban.lt
Website	www.nemunaiciai.lt (Section “ <i>Investors</i> ”) where all Bonds related information and documents are uploaded or will be uploaded by the Company. The information on the website does not form part of the Prospectus, unless certain of this information is incorporated by reference into the Prospectus (please see Section 4 “ <i>Information Incorporated by Reference</i> ”).

Important information regarding the recently completed reorganisation of the Company

Please note that on 28 April 2025 the Company completed a reorganisation through a Demerger resulting in establishment a separate entity – UAB S3 Leaders, legal entity code 307156777.

The reorganisation was initiated by a decision of the Company’s Direct Shareholders dated 28 February 2024 and decision of the Management Board of the Company dated 4 March 2025 to separate two real estate projects, along with their respective assets, rights, and obligations: the “Hermanas” Project and the “Oskaras” project, which will be developed, respectively, by the Company and UAB S3 Leaders.

As a result of the Demerger, which was completed in accordance with the Demerger terms approved by the Company’s CEO on 4 March 2024, the following main changes in the Company’s share capital, assets, rights and liabilities occurred:

- (i) the prior Demerger Company’s share capital was EUR 7,240, divided into 250 ordinary shares of the Company, each with a nominal value of EUR 28.96. This was reduced to EUR 5,792, and the share capital is now divided into 200 ordinary shares of the Company, each with a nominal value of EUR 28.96 (i.e., Shares subject to the Pledge over Shares);
- (ii) prior to the Demerger, the Company owned the entire 12,016 m² land plot at H. ir O. Minkovskių St. 41C, Kaunas. After the Demerger, the Company owns 8,271/12,016 m² of the land plot designated for the “Hermanas” Project and which is subject to the Mortgage over Property, while

the remaining 3,745/12,016 m² of the land plot (together with other engineering structures, including the yard, unique No. 4400-6394-5422) designated for the “Oskaras” real estate project in Nemunaičiai district, currently in the planning phase and for which the building permit was received in 21 October 2024, was transferred to UAB S3 Leaders;

- (iii) the Company transferred to UAB S3 Leaders only those rights, obligations, and liabilities arising from or related to these contracts/agreements that are associated with the assets being transferred to UAB S3 Leaders under point (ii) above.

The Company confirms that the Demerger had no effect on the Company’s shareholding structure or management structure, and it will not affect the Company’s obligations under the Bonds.

The Company’s unaudited balance sheet as of 31 March 2025 is presented in Section 8 “*Historical Financial Information*” of this Prospectus. It, along with the demerger terms and corporate resolutions approving the Demerger, can be obtained by any investor upon request to the Company via email at info@sbaurban.lt.

11. SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE

11.1. Share Capital and Shares

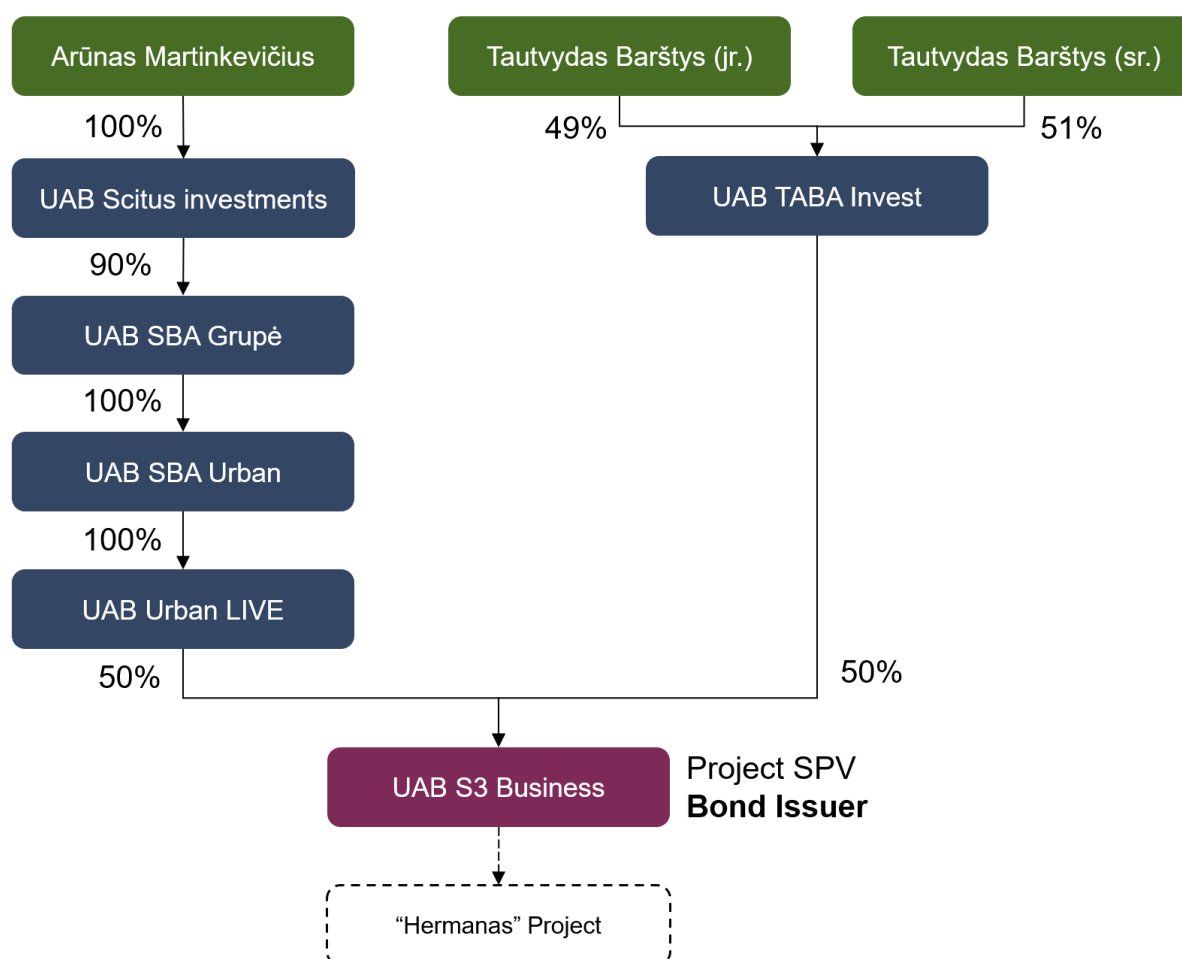
The current registered and fully paid-in share capital of the Company is EUR 5,792 which is divided into 200 ordinary Shares of the Company with the nominal value of EUR 28,96. All Shares issued by the Company are dematerialized ordinary registered Shares.

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

11.2. Shareholders of Company

As of the date of this Prospectus, the Company's shareholding structure is as follows:

Figure 1: Shareholders of the Company



Source: the Company

One of the Direct Shareholders of the Company, holding 50% of the Shares, is UAB Urban LIVE, which is owned by UAB SBA Urban, one of the leading Lithuanian real estate developers. Since 2007, UAB SBA Urban has successfully developed over 280,000 m² of real estate space.

UAB SBA Urban invests in three strategic directions:

- Urban LIVE – mixed-use large-scale district developments. The projects include the Nemunaičiai district in central Kaunas. The “Hermanas” Project is part of the second development phase of Nemunaičiai.
- Urban HUB – prime stock-office developments. The projects include Vilnius HUB and Kaunas HUB stock-office properties.
- Urban WIND – seaside resort developments. The projects include Vėjo Miestelis, a 36-hectare resort project in Svencelė, Lithuania, focused on wind sports, leisure, and nature.

Additionally, UAB SBA Urban has developed and currently manages landmark A-class office complexes such as Green Hall in Vilnius and Business Leaders Centre in Kaunas.

UAB SBA Urban is part of the SBA group, which operates in furniture production, apparel manufacturing, real estate development, and fund management. For the year 2023, SBA group’s turnover was around EUR 400 million, employing over 3,500 people and exporting to more than 50 countries.

Another Direct Shareholder of the Company, holding the remaining 50% of the Shares, is UAB TABA Invest, which invests in various real estate projects in Lithuania and is managed by the family of prominent Lithuanian entrepreneur Mr. Tautvydas Barštys.

12. MANAGEMENT

This Section profiles of Key Executives, whose collective expertise and leadership contribute to the overall success of the “Hermanas” Project and Issuer’s ability to redeem the Bonds.

12.1. Management Structure of Issuer

As of the date of this Prospectus, The CEO of the Issuer is Mr. Andrius Mikalauskas (more information about Mr. Mikalauskas is provided below).

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

As of the date of this Prospectus, the Issuer has a Management Board consisting of the following members:

1. Mr. Andrius Mikalauskas – 15+ years of experience in management, business development, and finance. Previously part of Vilnius Prekyba Group in which he held Chairman and CEO position of Vilniaus Prekyba holding, as well as CEO and CFO positions of Barбора. Mr. Mikalauskas currently serves as CEO and the Chairman of the Management Board of the Issuer and CEO of UAB Urban LIVE, which is a Direct Shareholder of the Company. Early career experience in Ernst & Young Baltics. Mr. Andrius Mikalauskas holds a MSc degree from Rotterdam School of Management.
2. Mr. Tautvydas Barštys (Jr.) – 15+ years of experience in management and business development. Previously, he served as an executive and Board Member in KG Group. Currently, Mr. Barštys also serves as CEO and shareholder of UAB TABA Invest, which is a Direct Shareholder of the Company. Mr. Barštys holds a BSc degree from Lithuanian Sports University.
3. Mr. Justinas Barniškis (independent member) – 15+ years of experience in construction projects and real estate development in Lithuania. During his career, Mr. Barniškis headed the development of various real estate projects, such as “K22”, “Europos sodo namai” and “Ažuolyno namai” in Kaunas. Mr. Barniškis holds a BSc degree from Kaunas University of Technology.
4. Mr. Lionginas Šepetys – 30+ years of experience in management in various industries. Previously Mr. Šepetys served as a CEO and Board Member in Hanner, Business Director in Bitė Group, CEO and Chairman of the Board in Pergalė (part of VP Group), COO and Board member of Sparta. Currently, Mr. Šepetys also serves as CEO and Chairman of the Board of SBA Urban, an indirect shareholder of the Company. Mr. Šepetys holds a MSc degree from ISM University of Management and Economics.

The Management Board is responsible for making the most important decisions within the Issuer, including matters related to investments, financing, business plans, and other key operational aspects. More detailed information about the competences of the Management Board may be found in the Articles of Association of the Issuer which are incorporated by reference into this Prospectus (please see Section 4 “*Information Incorporated by Reference*”).

12.2. Other Key Executives

The separate and collective experience and expertise of the following individuals contribute to the smooth operation, positive results, and financial standing of the Company in developing the “Hermanas” Project.

Key Executives (“Hermanas” Project Development Team)

1. Mrs. Ernesta Railė – Head of Development at Urban LIVE (part of SBA Urban), responsible for the design and development management of the Nemunaičiai district, including “Hermanas” Project. 15+ years of experience in real estate development. Mrs. Railė previously served as Head of Design at Hanner. During her career, she has been involved in the development of A-class offices “Business Stadium Central”, and “Business Stadium North East” in Vilnius, as well as residential projects such as “Šnipiškių solo”, “Naujamiesčio Trio”, “Karoliniškių namai”, “Live up”, “Ozo gama”, “Hill city”, “Renesanso”, and others. Mrs. Ernesta Railė holds a MA degree from Kaunas University of Technology.
2. Mr. Nerijus Aukščiūnas – Head of Treasury at SBA Group. Responsible for capital management and sourcing of SBA Group. 20+ years of experience in credit financing and executive management in the Baltics and Nordics banking sector. Previously Head of Branch Lithuania and Latvia at Nordea Sweden. Currently, Mr. Aukščiūnas also serves as a Member of the Board in UAB Capitalica Asset Management, part of SBA Group. Mr. Aukščiūnas holds an MBA degree from Vilnius University International Business School.
3. Mr. Kasparas Juška – Head of Investments at SBA Urban. Responsible for capital sourcing and investment management of SBA Urban investment portfolio, including “Hermanas” Project. 8+ years of experience in real estate financing and investment management. During his career, Mr. Juška has been responsible for raising over EUR 100 million in debt and equity financing. Previously part of Zabolis Partners, in which he held various finance positions in real estate businesses. Mr. Juška holds a BSc degree from Stockholm School of Economics in Riga.

12.3. Conflicts of Interests

(a) Internal conflicts of interests.

The member of the Management Board of the Issuer, Mr. Tautvydas Barštys is an indirect Shareholder of the Issuer (through the Direct Shareholder – UAB TABA Invest). Therefore, it is possible that this Shareholder may favour his own interests over those of the Issuer. To mitigate this risk, independent oversight has been implemented through the appointment of an independent board member, and clear conflict of interest policies have been established, including full disclosure of any related-party transactions, ensuring that decisions are made in the best interest of the Issuer.

Aside from the above, there are no conflicting interests within the organizational structure of the Issuer.

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

The Arranger/Dealer, Luminor Bank AS operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch, is appointed by the Issuer as responsible person in the Republic of Lithuania, Latvia and Estonia for the purposes of arranging the Issue, Offering in the Republic of Lithuania, Latvia and Estonia, and/or for any other purposes and services as provided for in the Prospectus. The Issuer is paying fees (commissions) established in the Mandate Letter for the services provided to the Issuer.

The law firm Ellex Valiunas is appointed by the Issuer as legal adviser for the purposes of this Prospectus related matters and Issuer’s representation at the Bank of Lithuania. Law firm Ellex Valiunas is also the Issuer’s Certified Adviser in the First North. The Issuer is paying fees established in the representation agreement dated 21 January 2025 and in the Certified Adviser’s Agreement dated 6 March 2025 for the services provided by law firm Ellex Valiunas.

The Trustee, UAB „AUDIFINA“, is appointed by the Issuer as Bondholders’ trustee as required under the Law on Protection of Interests of Bondholders. The Issuer is paying fees established in the Trustee’s Agreement for the services provided by the Trustee.

There are no other persons appointed by the Issuer in connection with this Prospectus, Offering and admission of the Bonds to trading on the First North as of the date of this Prospectus.

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

12.4. Statutory Auditors

The Audited Financial Statements for the years ended 31 December 2024 and 31 December 2023 were prepared in accordance with the IFRS and audited by the audit company UAB "In salvo", legal entity code 135687548, having its registered address at Gedimino st. 47, Kaunas, the Republic of Lithuania.

The Audited Financial Statements are incorporated into this Prospectus by reference. The auditor Eglė Žiemienė is the independent auditor of the respective Audited Financial Statements for the years ended 31 December 2024 and 31 December 2023.

Audit company issued unqualified auditor's opinions regarding the Audited Financial Statements for the years ended 31 December 2024 and 31 December 2023.

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

13. BUSINESS OVERVIEW

13.1. History and development of Company; Principal Activities

Principal activities of the Company

As of the date of the Prospectus, the Company is developing an A-class business centre “Hermanas” in H. ir O. Minkovskių st. 41C, Kaunas, the Republic of Lithuania.

“Hermanas” will be the first office project in Nemunaičiai district. Nemunaičiai district, developed by UAB SBA Urban, is a 6-hectare area in central Kaunas, on the other river side from Nemunas Island. Over 30 000 m² of office space and over 600 apartments are planned to be developed in the district with a goal to create mixed-use, well-planned, lively extension of Kaunas city centre.

“Hermanas” Project will consist of an A-class business centre and a multi-storey car parking building nearby, both of 8 above-ground floors. The Project will provide approx. 10,600 m² of leasable space. The ground floor of the business centre will be dedicated to retail and commerce while floors 2 to 8 will be dedicated to office users. Multi-storey car parking will provide approx. 520 car parking spaces as well as e-charging stations and micro-mobility storage units. Multi-storey car parking will be leased to the business centre users as well as residents of the Nemunaičiai district in the nearby apartment buildings. Leasing of “Hermanas” Project business centre and multi-storey car parking building will comprise the income-generating component of the Project.

The completion of the “Hermanas” Project is estimated around the Q4 of 2025. The Management estimates that the total investment cost of the Project at its completion will amount to up to EUR 35 million.

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

History and development of the Company

The Company was established on 27 December 2022 through a reorganisation via a demerger from UAB “S3 Invest”, legal entity code 303358639, with its registered address at K. Donelaičio g. 62-1, Kaunas. As a result of the demerger, the Company acquired the 12,016 m² land plot at H. ir O. Minkovskių St. 41C, Kaunas, Lithuania with unique No. 4400-5823-6609. In September 2024, UAB TABA Invest acquired 50% of Shares in the Company, and together with UAB Urban LIVE provides equity financing for the “Hermanas” Project.

In 2025, the Company completed a reorganisation by way of the Demerger, resulting in the establishment of UAB S3 Leaders. Following the reorganisation, the Company retained ownership of 8,271/12,016 m² of the land plot at H. ir O. Minkovskių St. 41C, which is dedicated solely to the “Hermanas” Project. The remaining part of the land plot was transferred to and is now owned by UAB S3 Leaders for the development of the “Oskaras” real estate project in Nemunaičiai district. Post-reorganisation, the sole purpose of the Company is to successfully complete the “Hermanas” Project, which has not generated any income as of the date of this Prospectus. Until the completion of the “Hermanas” Project, the Company does not plan to make any investments other than those related to the Project.

13.2. Financing of Activities

The Company uses a combination of shareholders’ capital and debt to fund its activities and development of the “Hermanas” Project, the total cost of which is estimated to be EUR 35 million.

The Company intends to receive shareholders' capital from the Direct Shareholders totalling EUR 11.5 million. The Direct Shareholders provide financing in the Company through shareholders' equity as well as intercompany loans.

As of the date of this Prospectus, the shareholders' equity in the Company amounted to EUR 4,463,758. The Direct Shareholders also provide financing through intercompany loans. As of the date of this Prospectus, the intercompany loans amounted to EUR 4,627,035 as detailed in Section 13.5 "*Related Party Transactions*" that will be subordinated to the Bonds (including any other intercompany loans granted to the Company after the date of the Prospectus) issued under this Prospectus.

Accordingly, the total Shareholder capital in the Company at the date of this Prospectus is EUR 9,090,793. It is planned that the remaining Shareholder capital required for the Project will be provided to the Company until the completion of the Project, in the form of the intercompany loans, based on the signed shareholder loan agreements (which will be fully subordinated in favour to the Bondholders).

The Company is planning to use the proceeds of up to EUR 23.5 million from the Bonds to finance the development and construction of the Project.

The Bonds will have a maturity of 2.5 years from the Issue Date of the first Tranche. The Company plans to secure a refinancing bank loan for the redemption of the Bonds, with the likelihood of obtaining financing significantly increasing when the Property is occupied by tenants. Upon completion of construction, the first tenants are expected to move into the Project's premises in Q4 2025.

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

13.3. Competitive Position and Competitive Strengths

Key competitive advantages of the "Hermanas" Project are its prime location, market-leading solutions, and experienced developer.

Prime Location

The "Hermanas" Project is located in a unique and highly prospective area within the Nemunaičiai district, which is being developed by UAB SBA Urban. Nemunaičiai spans 6 hectares in central Kaunas, on the opposite river side of the Nemunas Island. Over 30,000 m² of office space and more than 600 apartments are planned in the district, with the goal of creating a mixed-use, well-planned, and vibrant extension of Kaunas city centre. The first phase of Nemunaičiai, which consists of 165 apartments, was completed and fully sold in 2024, bringing over 200 new residents to the district.

The second phase of Nemunaičiai, of which the "Hermanas" Project is a part, also includes the development of the new residential building "Pasaka," offering 90 A++ energy class apartments. It is expected that, as the district continues to develop, Nemunaičiai will become an increasingly attractive location for living, working, and leisure.

In addition, significant investments in city infrastructure are underway in the vicinity of the Project. These include the reconstruction of H. ir O. Minkovskių Street, which provides the main access to the Nemunaičiai district. The new street will contain pedestrian sidewalks, dedicated car and bicycle lanes, as well as intersections to enter the Nemunaičiai district. Furthermore, construction of the new Nemunas pedestrian bridge began in 2024, which will connect the district to Nemunas Island, Žalgiris Arena, and the historical centre of Kaunas, all within a 10-minute walk. Finally, the city has planned the construction of the M. K. Čiurlionis concert hall in the waterfront area near the district. These developments are expected to greatly enhance the attractiveness and accessibility of the district, as well as the "Hermanas" Project.

Market-leading Solutions and Sustainability

The “Hermanas” Project will implement various market-leading solutions designed to appeal to prospective clients.

The “Hermanas” business centre will be the first office building in Kaunas to seek both BREEAM In-Use “Excellent” and WELL certifications, reflecting its environmentally friendly solutions and focus on the well-being of tenants. To support this goal, preliminary design assessments have been conducted by third-party experts and recommendations for design solutions have been received to facilitate the achievement of the targeted certifications. These certifications are expected to make the project more attractive to clients and financing partners, as well as increase its liquidity in the investment market. The Project will also feature chilled beams for indoor cooling, modern humidification systems, and central heating via convectors to provide flexible and effective climate control throughout the building. The project will achieve an A++ energy class rating, making it more energy-efficient compared to older business centres in Kaunas.

Additionally, the “Hermanas” Project is suitable for a wide range of tenants. The business centre will offer large floorplates of up to 1,500 m², which can be divided into smaller units, accommodating various tenants from single occupants to multiple enterprises. Moreover, the nearby multi-storey car park ensures a sufficient supply of parking spaces, which is crucial for attracting prospective tenants. These solutions are expected to make the business centre appealing to a broad range of tenants, thereby increasing its competitive advantage in the market.

Finally, the “Hermanas” Project will offer a variety of amenities and services for its clients. The ground floor is planned to be dedicated to retail, services, food, sports, and other amenity providers. Additionally, the business centre will feature several open-air terraces with greenery and leisure infrastructure. Technological solutions will also be implemented to ensure air quality, natural daylight, and noise reduction, all of which will enhance tenants' well-being. These solutions provide a competitive edge for the “Hermanas” Project by attracting prospective tenants seeking modern, environmentally friendly, and attractive office space in Kaunas.

Experienced Developer

The “Hermanas” Project is being developed by SBA Urban, an experienced developer and an indirect shareholder of the Company. Since its founding in 2007, SBA Urban has developed over 280,000 m² of properties across a wide range of real estate segments. The company has collaborated with globally renowned architects and has received numerous awards for its market-leading projects.

In the office segment, SBA Urban developed one of the leading A-class office properties in Kaunas, the “Business Leaders Centre,” which offers over 20,000 m² of leasable space. This project was the first in the Baltic States to receive a two-star “Fitwel” rating, reflecting its commitment to tenant well-being and community building. As part of the development, Kaunas Unity Square was created, which has won several international awards for excellence in public infrastructure.

Additionally, SBA Urban developed the landmark A-class office building “Green Hall” in Vilnius, offering over 20,000 m² of office space. Completed in its first phase in 2009, this project was one of the first in the local market to implement numerous innovative solutions, including a double façade, geothermal heating, and advanced microclimate management systems. The project is certified under BREEAM In-Use “Excellent.”

SBA Urban also provided development management services for the “Kauno Dokas” project, an A-class office centre in Kaunas with over 10,000 m² of leasable space. This project incorporated pioneering solutions, such as cooling from river water, and was the first business centre in Kaunas to receive BREEAM In-Use “Excellent” certification. Kauno Dokas is owned by one of the funds managed by Capitalica Asset Management, which is part of SBA Group.

The reputation and experience of the developer behind the “Hermanas” Project are expected to enhance its appeal to prospective tenants, development contractors, financing partners, and other stakeholders.

13.4. Material Agreements

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

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

Financial agreements

The Company has not concluded any financing agreements (credits, syndicated loans, credit lines, overdrafts, financial leasing) with external parties.

Lease agreements:

The Company has not yet concluded any lease agreements regarding the Project “Hermanas”. Once material lease agreements are concluded, the Company will make announcements on the Company’s website at www.nemunaiciai.lt, and after the Bonds are admitted on the First North, also on Nasdaq website at www.nasdaqbaltic.com).

Other material Project related agreements

(i) General contractor agreement:

- General contractor agreement was concluded between the Company and UAB “Veikmės statyba”, legal entity code 300510465, with its registered address at Spaudos st. 8-1, Vilnius, on 1 August 2024.
- Subject matter of the agreement: construction works and other works relating to the “Hermanas” Project.
- Price of the agreement: EUR 21,059,000 (excl. VAT).
- Start of construction works: 1 August 2024
- End of construction works: 12 November 2025
- Applicable law and dispute resolution: the agreement is governed by Lithuanian law. The disputes arising out of or in connection with the agreement shall be settled by the Vilnius district court.
- Termination of the agreement: the agreement may be terminated in case either party of the agreement fails to fulfill its obligations and/or becomes insolvent, and fails to remedy the situation within an agreed time period, or in the event of other material breach.

(ii) Design agreement:

- Design agreement was concluded between UAB S3 Invest and UAB “Paleko Archstudija”, legal entity code 125317632, with its registered address at A. Goštauto st. 8, Vilnius, on 29 August 2019.

- The rights and liabilities arising from the design agreement above has been transferred to the Company as part of the reorganization via a demerger from UAB “S3 Invest” on 27 December 2022, when the Company was established.
- Subject matter of the agreement: preparation of design proposals of commercial and residential projects in H. ir O. Minkovskių st. 41A, 41B, 41C, Kaunas.
- Price of the agreement: EUR 50,000 (excl. VAT).
- Effective date of the agreement: 29 August 2019
- Validity term of the agreement: when the parties complete their obligations based on the agreement.
- Applicable law and dispute resolution: the agreement is governed by Lithuanian law. The disputes arising out of or in connection with the agreement shall be settled based on the Lithuanian law.
- Termination of the agreement: the agreement may be terminated in case either party of the agreement fails to fulfil its obligations, and fails to remedy the situation within an agreed time period, or in the event of other material breach.

(iii) Project management agreement:

- Project management agreement was concluded between the Company and UAB Urban LIVE, on 6 November 2024.
- Subject matter of the agreement: project management of the “Hermanas” Project, including management of construction, design, financing, sales, and other process relating to the Project.
- Price of the agreement: 4,5% from the budget of the Project, excluding the value of the Land Plot and financing costs (excl. VAT).
- Effective date of the agreement: 1 October 2024
- Validity term of the agreement: when the parties complete their obligations based on the agreement.
- Applicable law and dispute resolution: the agreement is governed by Lithuanian law. The disputes arising out of or in connection with the agreement shall be settled by the Vilnius Court of Commercial Arbitration.
- Termination of the agreement: the agreement may be terminated in case either party of the agreement fails to fulfil its obligations, and fails to remedy the situation within an agreed time period, or in the event of other material breach.

13.5. Related Party Transactions

As of the date of the Prospectus, the Company has the following debt obligations towards the Related Parties:

Table 5: Related Party transactions

Related Party	Type	Currency	Outstanding principal amount	Annual interest rate
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UAB Urban LIVE	Intercompany loan	EUR	2,243,527	2.50% + 6M EURIBOR
UAB TABA Invest	Intercompany loan	EUR	2,383,508	2.50% + 6M EURIBOR
TOTAL	Intercompany loans	EUR	4,627,035	2.50% + 6M Euribor

Source: the Company

For clarification, based on the unaudited balance sheet as of 31 March 2025, the outstanding principal amount of shareholder loans was EUR 3,419,035. Since then, and up to the date of this Prospectus, the Shareholders have extended an additional EUR 1,208,000 in shareholder loans. As a result, as of the date of this Prospectus, the outstanding principal amount of shareholder loans is EUR 4,627,035, as shown in Table 5 above.

The intercompany loans mentioned above (as well as any other intercompany loans granted to the Company after the date of the Prospectus) will be subordinated to the Bonds issued under this Prospectus. This means that the Company will not repay the intercompany loans or make any related payments to the Related Party until all payment obligations to the Bondholders have been fully satisfied.

As the Company is involved in intra-group contracts, these transactions must adhere to transfer pricing rules, ensuring they are conducted at market terms and supported by proper documentation in line with legal requirements. Failing to comply with these standards, including not providing adequate documentation, could result in negative consequences for both the Company and the associated Related Party.

13.6. Trend Information

The information provided in this section is a brief overview of real estate and office market analysis conducted by Newsec, an international real estate services provider, in their publication „Kaunas Office Outlook 2024 H1”³.

Kaunas office market stock supply

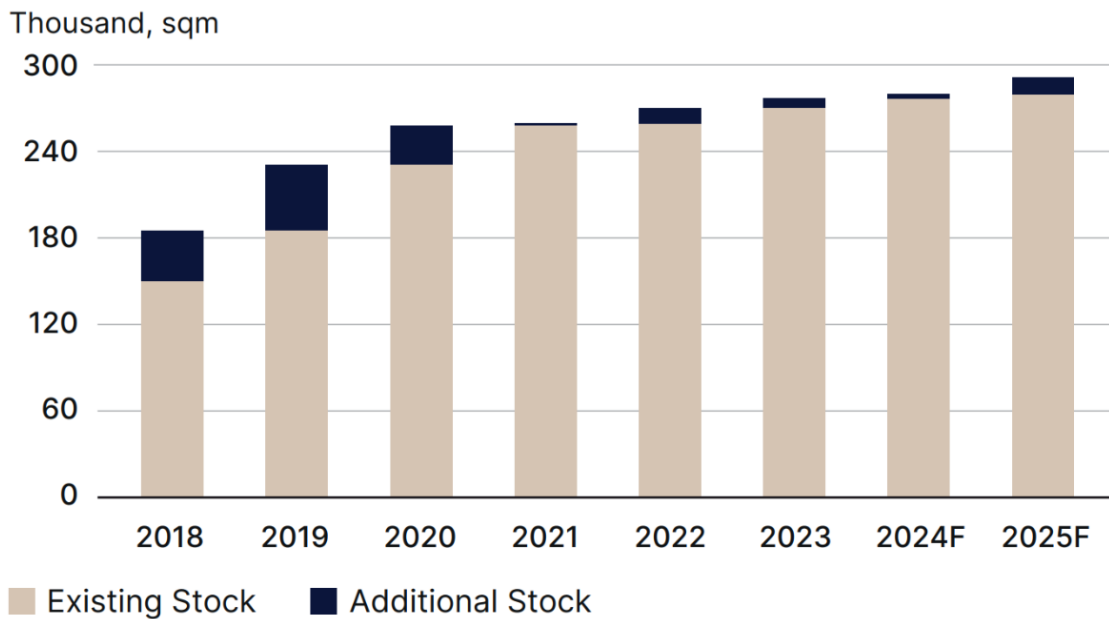
At the end of the first half (the **H1**) of 2024, Kaunas had approximately 277,300 m² of modern office space, or 0.9 m² per capita. The supply increased by only 1,200 m² in H1 2024, with the addition of space in an existing office building. By the end of 2024, the completion of a small office project is planned, which will bring the total expected supply to 279,400 m². After a significant growth period in 2018 to 2020, the office market supply in Kaunas has grown very modestly in recent years. The most significant recent additions to the modern office market in Kaunas include the “Business Leaders Centre” and “Kauno Dokas,” both developed by SBA Group, as well as “Arka,” “Magnum,” and “Sqveras.” Developers have been hesitant to initiate new projects, opting to wait for pre-lease agreements with anchor tenants before proceeding with construction. This cautious approach has slowed the arrival of additional space, despite strong demand for modern office facilities.

Figure 2: Kaunas office market stock

³ Newsec publication is available here <https://newsec.lt/en/apzvalga/kaunas-office-outlook-2024-h1/>

Office Stock

Source: Newsec, F-forecast



Source: Newsec

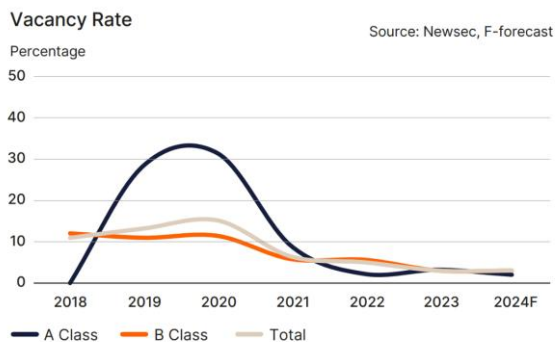
However, the pipeline for new office projects in Kaunas is expanding, with an increasing number of developments being added. Despite this, no major projects have commenced construction in 2024, meaning no new supply is expected to reach the market before 2025-2026. Leading the way will be the Hermanas Business Centre within the Nemunaičiai project, which is set to deliver over 10,000 m² of new space in 2025.

Demand for office space

There is an estimated short-term demand for 30,000-40,000 m² of new office space in Kaunas. Premises in renovated older buildings serve as a temporary solution for tenants and currently compete with new project developers. The office market has been operating under tight conditions for several years, with high occupancy rates and a limited number of new projects, restricting options for most potential tenants. Office take-up in H1 2024 totalled approximately 6,000 m², a level comparable to that in 2023.

Class A and B vacancy levels stood at 3.6% at the end of H1 2024. The total available office space on the market is less than 10,000 m², and the average size of vacant premises is very small, ranging from approximately 250-350 m². Tenants seeking premium office space still have very limited options. In the absence of new projects, vacancy rates are expected to fall to 2-3% in 2024, leaving only less attractive spaces unlet.

Figure 3: Kaunas office market vacancy rate and supply



Source: Newsec

13.7. Profit Forecasts or Estimates

The Company is not providing financial forecasts or estimates.

13.8. Significant Change in Financial Position

There has been a significant, material adverse change in the Company's financial position since the last reporting year, as the Company completed a reorganisation in April 2025 through its Demerger, which materially affected the Company's financial position. The impact of the reorganisation on the Company's assets, rights, and liabilities is not yet reflected in the financial statements of the Company but is presented in the available unaudited balance sheet as of 31 March 2025, as disclosed in Section 8 "Historical Financial Information" and Section 10 "General Corporate Information and Articles of Association" of this Prospectus.

However, following the reorganisation, the Management is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year, outside the course of its regular business activities.

13.9. Legal Proceedings

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

14. DEVELOPMENT OF BUSINESS CENTRE “HERMANAS”

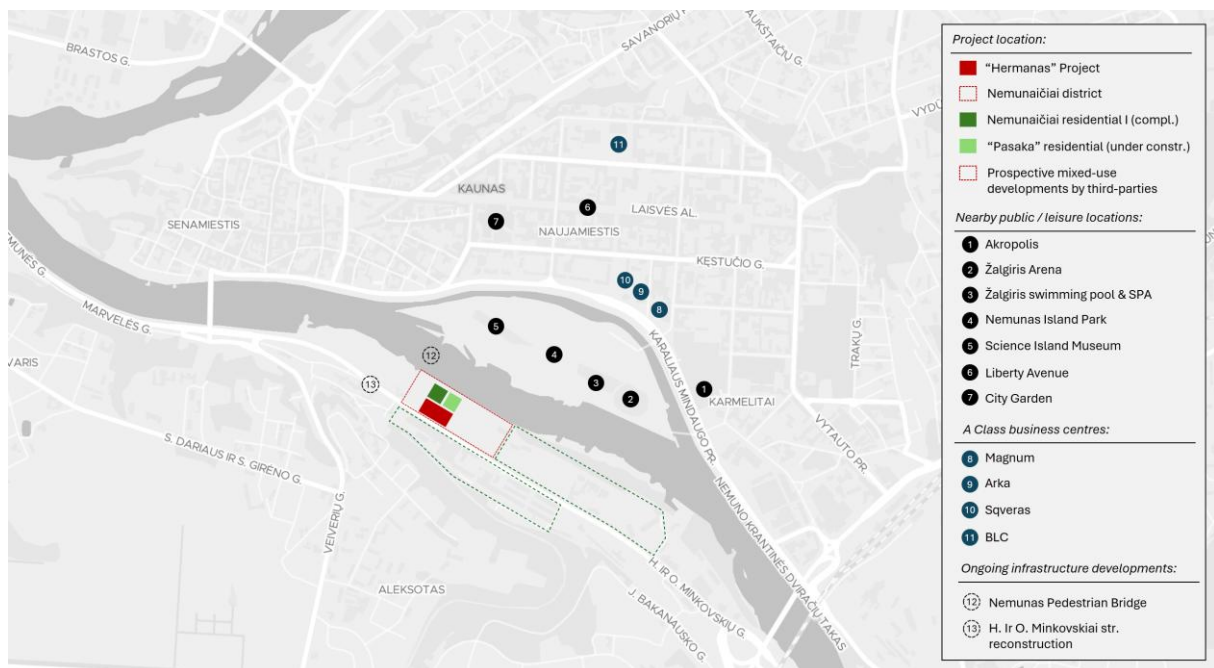
14.1. Location

The “Hermanas” Project is located in the Nemunaičiai district, which is being developed by SBA Urban. Nemunaičiai is a 6-hectare area in Žemoji Freda, in central Kaunas, on the opposite side of Nemunas Island. Over 30,000 m² of office space and more than 600 apartments are planned for development in Nemunaičiai, with the goal of creating a mixed-use, well-planned, and vibrant extension of the Kaunas city centre.

Nemunaičiai, is a fast-growing district, driven in part by significant city infrastructure projects in the vicinity. These include the reconstruction of H. ir O. Minkovskių Street and the construction of the new Nemunas pedestrian bridge, which will connect the Nemunaičiai district to Nemunas Island, Žalgiris Arena, Akropolis Shopping Centre, and the historical city centre of Kaunas, all within a 10-minute walking distance.

These infrastructure developments are expected to significantly improve the district's accessibility and enhance its attractiveness for both businesses and residents. It is anticipated that Nemunaičiai will gradually become an integral part of the Kaunas city centre, with businesses and residents moving into the area.

Figure 4: Project location



Source: the Company

Figure 5: Nemunaičiai district visualisation



Source: the Company

14.2. Business Centre and Multi-storey car parking

The “Hermanas” Project will consist of an A-class business centre “Hermanas” and a multi-storey car parking facility nearby, both featuring 8 above-ground floors. The project is located at H. ir O. Minkovskiu St. 41C.

The project is designed by Paleko Architektų Studija, a well-known local architectural firm founded by Mr. Rolandas Palekas, a recipient of the Lithuanian National Prize, the EUmies Award, and numerous other accolades. Paleko Architektų Studija is recognized for projects such as Rasų Namai, MKIC, SBA Innovation Valley, Mega, and others.

The Project will provide approximately 10,600 m² of leasable space. The ground floor of the business centre will be dedicated to office, retail, commercial, and other service providers, while floors 2 to 8 will be designated for office use. The business centre will offer large floorplates of up to 1,500 m², which can be subdivided into smaller units to accommodate a wide range of tenants, from individual occupants to multiple enterprises.

The multi-storey car parking facility will provide over 520 parking spaces within a 16,650 m² building. The parking facility will also include e-charging stations and micro-mobility storage spaces. It will be leased to business centre tenants as well as residents of the nearby apartment buildings in the Nemunaičiai district. The parking facility is expected to be managed by a professional third-party operator.

Figure 6: Business centre visualization



Source: the Company

Figure 7: Multi-storey car parking visualization



Source: the Company

Figure 8: Indicative plans of business centre floors 3 and 4



Source: the Company

14.3. “Hermanas” Project Schedule and Cost

The Company estimates the total investment cost of the Project to be up to EUR 35 million.

The construction permit for the Project was obtained in Q2 2024. Construction commenced in Q3 2024 and is scheduled for completion in Q4 2025. The first tenants are expected to move into the premises at the end of Q4 2025.

As of the date of this Prospectus, the Company has completed the monolithic frame for all 8 floors of the business centre and 5 (out of 8) floors of the multi-storey car parking. The construction process is in line with the schedule provided in the general contractor agreement. The Building, which includes both the business centre and multi-storey car parking, has been registered with the Real Estate Register under the unique number 4400-6394-5384, with a 4% completion rate (registration made as of 26 September 2024).

It is expected that the monolithic frame for all 8 floors of both the business centre and multi-storey car parking will be completed by Q2 2025. Following this, the construction will proceed with the installation of façades and internal engineering networks from Q2 to Q4 2025. The final phase of construction will involve the completion of fit-out and landscaping works in Q4 2025. The building is expected to be commissioned in Q4 2025, with prospective tenants moving in from that time.

It is anticipated that the Company will begin generating income from the leasing of the Project premises starting in Q4 2025.

Table 6: Project development schedule

Year	2024							2025												
	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
Construction permit received	■																			
Ground works		■	■																	
Building foundations			■	■																
Monolithic frames				■	■	■	■	■	■	■	■	■	■	■	■	■				
Facades								■	■	■	■	■	■	■	■	■	■	■		
Internal engineering networks								■	■	■	■	■	■	■	■	■	■	■	■	
Landscaping & external networks										■	■	■	■	■	■	■	■	■	■	
Fit-out, common areas										■	■	■	■	■	■	■	■	■	■	
Fit-out, tenants																	■	■	■	■
Building commissioning																			■	

Source: the Company

15. TAXATION

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

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

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

Terms and definitions used for the purposes of this Section

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

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

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

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

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

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

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

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

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

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

15.1. Lithuanian Tax Considerations

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

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

- 15%, if the total amount of income (except for employment, self-employment income, remuneration of board members and dividends) received by an individual during a calendar year does not exceed the sum of 120 Lithuanian gross average salaries, used to calculate the base of state social insurance contributions for insured persons (this figure in 2025 is EUR 253,065.60), and
- 20%, which applies to income of an individual received during a calendar year exceeding the above-mentioned threshold.

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

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

Capital gains on disposal of Bonds earned by **Lithuanian resident entity** are included in its taxable profit and are subject to 16% CIT rate or in certain cases a reduced tax rate may apply. Capital gains received from / by collective investment undertaking shall not be taxed with Lithuanian CIT. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million. In tax years of 2023, 2024 and 2025, so called "Temporary solidarity contribution" would also apply to the credit institutions (at a 60 % rate calculated on the part of net interest income that exceeds by more than 50 % the average net interest income of four financial years).

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

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

resident individuals from the Bonds is subject to PIT in Lithuania. Tax is paid by a resident individual himself/herself, however the total amount of interest received by resident individuals during a calendar year not exceeding EUR 500 will be tax exempt. Additionally, natural persons who are Lithuanian tax residents shall consider that if the Issue Price of the Bond of certain Tranche would be higher than the Nominal Value of the Bond, the Nominal Value received after the Bond is redeemed by the Issuer should not be treated as income of the natural person. However, for personal income tax purposes, the difference between the Issue Price and the Nominal Value, i.e., loss, will not reduce the interest received or any other taxable income of the natural person.

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

The Bond interest received by a **Lithuanian resident entity** is included in its taxable profit and is subject to 16% CIT rate or in certain cases a reduced tax rate may apply. Bond interest received from / by collective investment undertaking shall not be taxed with Lithuanian CIT. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million. In tax years of 2023, 2024 and 2025, so called "Temporary solidarity contribution" would also apply to the credit institutions (at a 60 % rate calculated on the part of net interest income that exceeds by more than 50 % the average net interest income of four financial years).

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

In case the Issuer cannot identify the Bondholder in order to determine its eligibility for a lower tax rate or exemption from the withholding tax, payments of Bond interest to any such Bondholder will be subject to the standard 16% CIT rate to be withheld in Lithuania.

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

Investment Account. Effective January 1, 2025, Lithuania has implemented an investment account regime applicable only to individuals - Lithuanian tax residents. Under this regime, investment income (incl. interest from bonds and capital gains from bond sales) within the investment account are taxed only upon withdrawal of funds. Bondholders (Lithuanian tax residents) must notify the State Tax Inspectorate of their investment account by the end of the reporting period (which is May 1, 2026, for the 2025 tax year). If the bondholder opts for this investment account regime, the standard tax regime described above in respect of taxation of interest and capital gain will not apply. Income from investments through the investment account is taxed only when withdrawals exceed the deposited funds (no tax reliefs apply).

15.2. Latvian Tax Considerations

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

Capital Gains from Sale or Exchange of Bonds. Capital gains on alienation of the Bonds received by **Latvian resident individuals** will be subject to Latvian PIT at a rate of 25.5% and an additional PIT of 3% will apply to annual income (including income from Bonds) above EUR 200,000. The expenses of

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

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

Taxation of Interest. Payments of the Bond interest received by a **Latvian resident individual** will be subject to Latvian PIT at the rate of 25.5% and an additional PIT of 3% will apply to annual income (including interest income) above EUR 200,000. Income tax withheld abroad can be credited from the Latvian income tax obligation based on the tax certificate showing the withheld amount, as issued by the relevant foreign withholder or tax authority. Payments of Bond interest received by:

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

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

Investment Account. Latvian resident individual may use an investment account (in Latvian: *leguldījumu konts*). An individual may carry out the transactions with the funds (including the Bonds) of the investment account and accounts associated with it within the framework of the investment account and accounts associated with it. The investment account has to be opened in a credit institution, its branch or a branch of a foreign credit institution, or a merchant which is in conformity with the Financial Instrument Market Law or regulation of the country of residence of the service provider equal thereto has obtained a license for the provision of the investment services, of Latvia or another Member State of the European Union, EEA state or Member State of the OECD, or the resident of such country with which Latvia has entered into a DTT. Payments of income, which is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account) will be subject to Latvian PIT at the rate of 25.5%, to be withheld by the credit institution. Therefore, financial income held in the investment account may be reinvested tax-free until it is withdrawn from the account. An additional PIT of 3% will apply to annual income (including income from the Investment Account) above EUR 200,000. This addition rate will be applied after the submission of the annual tax return.

15.3. Estonian Tax Considerations

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

Capital Gains from Sale or Exchange of Bonds. Gains realised by an **Estonian resident individual** are taxable on a cash-basis. Upon the sale or exchange of securities (including the Bonds) gains are subject to income tax at the rate of 22%. Under the approved Security Tax Act of Estonia, an additional 2%

security tax will apply on natural persons' taxable income (incl. capital gains) between 1 January 2026 and 31 December 2028. Since all earnings of **resident entity**, including capital gains, are taxed only upon distribution of profits at a rate of 22% from gross amount (or 22/78 on the net amount of the distribution), capital gains realised by resident entities are not subject to immediate taxation. Resident legal entities should be aware, however, that under the Security Tax Act of Estonia (to be effective between 1 January 2026 and 31 December 2028), a 2% security tax will be charged on the resident legal entity's unconsolidated accounting profits before tax (incl. capital gains), starting from 1 January 2026.

Taxation of Interest. **Estonian resident individuals** are subject to paying income tax of 22% on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Estonian resident individuals from the Bonds is subject to income tax in Estonia. In addition, a 2% security tax will apply on natural persons' taxable income (incl. interest) between 1 January 2026 and 31 December 2028. Income tax withheld abroad can be credited from the Estonian tax obligation based on the tax certificate showing the withheld amount, as issued by the relevant foreign withholder or tax authority. Since all earnings of **resident entities**, including interest, are taxed only upon distribution of profits at a rate of 22 %, interest received by Estonian resident entities is not subject to immediate taxation. Under the Security Tax Act of Estonia (to be effective between 1 January 2026 and 31 December 2028), a 2% security tax will be charged on the resident legal entity's unconsolidated accounting profits before tax (incl. interest) starting from 1 January 2026.

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

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

COMPANY

UAB S3 Business

(K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania)

ARRANGER AND DEALER

Luminor Bank AS operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch

(Konstitucijos ave. 21A, Vilnius, the Republic of Lithuania)

Luminor

LEGAL COUNSEL TO COMPANY AND CERTIFIED ADVISER

Ellex Valiunas

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

Ellex[®] Valiunas

AUDIT COMPANY

UAB "In salvo"

(Gedimino st. 47, Kaunas, the Republic of Lithuania)



DETALŪS METADUOMENYS

Dokumento sudarytojas (-ai)	S3 Business, UAB 306204660, K. Donelaičio g. 62-1, LT-44248 Kaunas
Dokumento pavadinimas (antraštė)	UAB S3 BUSINESS ISSUE FOR THE OFFERING OF BONDS OF UAB S3 BUSINESS IN THE AMOUNT OF UP TO EUR 23,500,000 AND ADMISSION THEREOF TO TRADING ON THE FIRST NORTH
Dokumento registracijos data ir numeris	2025-05-05 Nr. S3B-S-2025/22
Dokumento gavimo data ir dokumento gavimo registracijos numeris	–
Dokumento specifikacijos identifikavimo žymuo	PDF-LT-V1.0
Parašo paskirtis	Pasirašymas
Parašą sukūrusio asmens vardas, pavardė ir pareigos	Andrius Mikalauskas
Sertifikatas išduotas	ANDRIUS MIKALAUSKAS LT
Parašo sukūrimo data ir laikas	2025-05-05 10:30:46 (GMT+03:00)
Parašo formatas	PADES-BES
Laiko žymoje nurodytas laikas	2025-05-05 10:31:02 (GMT+03:00)
Informacija apie sertifikavimo paslaugų teikėją	EID-SK 2016, AS Sertifitseerimiskeskus EE
Sertifikato galiojimo laikas	2023-06-27 10:26:43 – 2028-06-25 23:59:59
Informacija apie būdus, naudotus metaduomenų vientisumui užtikrinti	"Registravimas" paskirties metaduomenų vientisumas užtikrintas naudojant "RCSC IssuingCA-2, VI Registru Centras - i.k. 124110246 LT" išduotą sertifikatą "Dokumentų valdymo sistema Avilys, SBA Competence and Service Center, UAB, į.k. 304960328 LT", sertifikatas galioja nuo 2024-12-18 13:21:06 iki 2027-12-18 13:21:06
Pagrindinio dokumento priedų skaičius	–
Pagrindinio dokumento priedamų dokumentų skaičius	–
Priedamo dokumento sudarytojas (-ai)	–
Priedamo dokumento pavadinimas (antraštė)	–
Priedamo dokumento registracijos data ir numeris	–
Programinės įrangos, kuria naudojantis sudarytas elektroninis dokumentas, pavadinimas	Dokumentų valdymo sistema Avilys, versija 3.5.80.5
Informacija apie elektroninio dokumento ir elektroninio (-ių) parašo (-ų) tikrinimą (tikrinimo data)	Atitinka specifikacijos keliamus reikalavimus. Visi dokumente esantys elektroniniai parašai galioja (2025-05-05 10:54:17)
Paieškos nuoroda	–
Papildomi metaduomenys	Nuorašą suformavo 2025-05-05 10:54:18 Dokumentų valdymo sistema Avilys