



# HERMANAS PROJECT SECURED BONDS ISSUE

INVESTOR PRESENTATION

UAB "S3 Business"

May 2025

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# Disclaimer

This presentation has been prepared by UAB “S3 Business” (the Issuer) to provide the recipient with an overview of the Issuer and its Project Development Team.

The Issuer is in the process of developing an A class business centre, “Hermanas” (the Project), situated at H. ir O. Minkovskio St. 41C, Kaunas, Lithuania. To finance this project, the Issuer plans to issue secured fixed-term bonds amounting to up to EUR 23,500,000.

This document is not a prospectus within the meaning of Regulation (EU) No 2017/1129 and is intended solely for informational purposes. Investing entails risks, so in order to comprehensively understand the terms and conditions of the Issuer’s bond and risks associated with acquisition of bonds of the Issuer, each prospective investor should carefully read the base prospectus of the Issuer, approved by the Bank of Lithuania on 5 May 2025 and final terms of the 1<sup>st</sup> tranche of bonds (an inseparable part of the base prospectus), both published at [www.nemunaiciai.lt](http://www.nemunaiciai.lt), and consult with his/her/its financial, business, legal, and tax advisors before making an investment decision. However, please note that the information contained in this presentation is consistent with the information in the base prospectus and final terms of the 1<sup>st</sup> tranche of bonds.

This presentation is neither an advertisement for the Issuer or its bonds, nor is it intended to form the basis of any decision to purchase the Issuer’s bonds or make any other investment decisions. It does not constitute an offer, invitation, or recommendation to purchase the Issuer’s bonds.

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In addition, this presentation includes forward-looking statements that reflect the current view of the Issuer. All forward-looking statements address matters involving risks and uncertainties. Furthermore, these forward-looking statements speak only as of the date of this presentation. Accordingly, there are or will be important factors that could cause the Issuer’s actual results to differ materially from those indicated in these statements. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances. The Issuer is under no obligation and expressly disclaims any obligation to update or revise forward-looking statements in this presentation, whether as a result of such changes, new information, subsequent events, or otherwise.

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# @ Presenters



**Andrius Mikalauskas**

CEO at Urban LIVE, part of  
SBA Urban

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 Vilnius Prekyba holding, as well as CEO and CFO positions of Barbora. Mr. Mikalauskas currently serves as CEO and the Chairman of the Management Board of the Issuer and CEO of UAB Urban LIVE. Early career experience in Ernst & Young Baltics.

*MSc from Rotterdam School of Management*



**Kasparas Juška**

Head of Investments at SBA  
Urban

8+ years of experience in real estate financing and investment management. Responsible for capital sourcing and investment management of SBA Urban investment portfolio, including “Hermanas” project. Previously part of Zabolis Partners, where he held finance positions in real estate businesses.

*BSc from Stockholm School of Economics in Riga*





## Summary

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# @ Overview of the A Class Business Centre “Hermanas”

"Hermanas" is an A Class business center offering 10,600 m<sup>2</sup> of leasable office space in Nemunaičiai, central Kaunas—one of the largest and most promising mixed-use districts currently under development in Lithuania. The project is under construction and is scheduled for completion in Q4 2025.



Address	H. ir O. Minkovskių str. 41C, Kaunas, Lithuania
District	Nemunaičiai district, central Kaunas
Land plot	8,271 m <sup>2</sup> (freehold)
Property type	A-class business centre
Gross leasable area (GLA)	10,600 m <sup>2</sup>
Parking	520 parking spaces in multi-storey facility
Sustainability targets	A++ energy class BREEAM In-use Excellent, FITWEL
Total investment	EUR 35 million
Construction period	Q3 2024 – Q4 2025

Developer



General contractor



Architect



Arranger and Dealer of the Bonds



# @ Overview of the Issuer and the Bonds

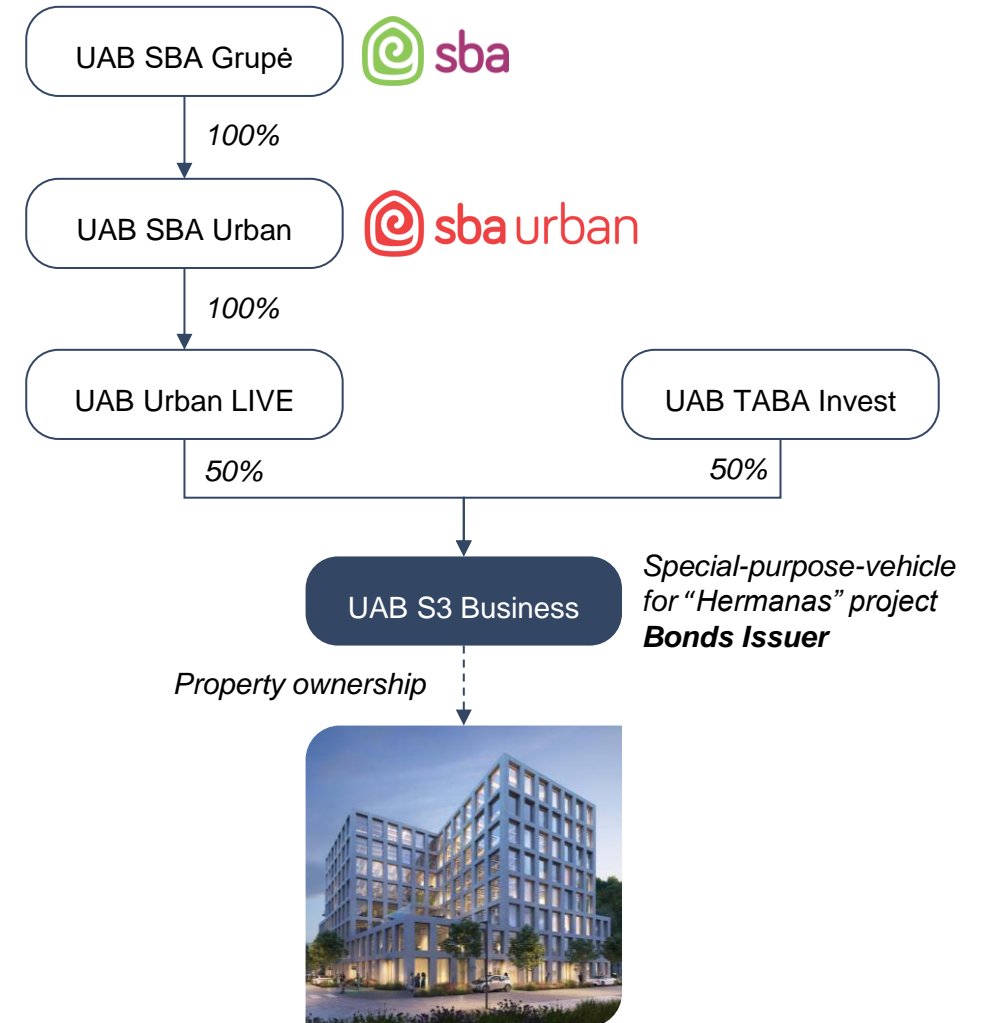
## Hermanas is developed by SBA Urban in partnership with TABA Invest

SBA Urban is one of the largest real estate developers in the Baltics, having developed over 280,000 m<sup>2</sup> of building space since 2007. It is part of the SBA Group – privately-owned business group active in furniture, apparel, and real estate fields. Operating since 1991, SBA Group reported €400 million in revenue and employed more than 3,500 people at the end of 2023. TABA Invest is the investment holding company of Mr. Tautvydas Barštys, a prominent Lithuanian entrepreneur and investor.

## Main bond parameters

Issuer	UAB S3 Business, company code 306204660
Use of proceeds	Financing the development of “Hermanas” project
Type of security	Secured bonds
Collateral	1 <sup>st</sup> rank mortgage (building and land plot) and share pledge
Total issue size	Up to EUR 23.5 million
1 <sup>st</sup> tranche size	Up to EUR 5 million (with a possibility to increase)
Interest	8.00% (fixed) per annum, paid semi-annually
Maturity	29 November 2027
Denomination	EUR 1,000
1 <sup>st</sup> tranche issue price	EUR 1,000
Offering	Public offering to retail and institutional investors in Lithuania, Latvia and Estonia
1 <sup>st</sup> tranche offering period	12 May 2025 – 26 May 2025

## Company structure





# @ Overview of the Development Status

## Construction Photos as of 5 May 2025



## Development Status as of 12 May 2025

### Construction:

- Monolithic frame of all 8 floors completed of the Hermanas business centre
- Ongoing installation of internal engineering networks, windows, and facade
- 5 out of 8 floors of the multi-storey car parking monolithic frame completed
- Overall construction process in line with the established schedule

### Leasing:

- Letter of intents signed for 985 m<sup>2</sup> of leased space (9% of total GLA)
- Ongoing negotiation processes with several large potential tenants

## Development Timeline







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# @ Key Investment Highlights



## 1. HIGHLY PROSPECTIVE LOCATION

The Nemunaičiai district in central Kaunas is one of the most promising new mixed-use areas in the Baltics, where SBA Urban plans to develop over 600 apartments and 30,000 m<sup>2</sup> of office space.

## 2. LEADING BUSINESS CENTRE IN KAUNAS

Designed by Paleko Architektų studija, “Hermanas” is set to lead the local office market in functionality and sustainability, targeting A++ energy class, BREEAM In-Use Excellent, and FITWEL certifications.

## 3. LOW VACANCY IN KAUNAS OFFICE MARKET

Kaunas office market vacancy has remained below 5% since 2022 H2. With no major developments expected in 2025 aside from the Hermanas project, market timing is highly favorable.

## 4. DEVELOPER WITH OFFICE MARKET EXPERTISE

SBA Urban is one of the leading developers in the Baltics, with over 280,000 m<sup>2</sup> of properties developed since 2007. SBA Urban has developed and manages landmark A class business centres – Green Hall in Vilnius and BLC in Kaunas.

## 5. BALANCED BOND ISSUE STRUCTURE

The bonds are secured by a first-ranking mortgage on the project's real estate and the issuer's shares, along with a comprehensive set of covenants. Listing is planned on the Baltic First North Bond List.

# @ Exceptional Location in Central Kaunas

“Hermanas” is central to the Phase II in the Nemunaičiai district:

- Nemunaičiai is a mixed-use development by SBA Urban, situated on a distinctive 6-hectare site along the left bank of the Nemunas River in central Kaunas.
- By 2031, the district will comprise over 600 apartments and more than 30,000 m<sup>2</sup> of office space, with total investments exceeding EUR 250 million.
- Phase I, completed in 2023, saw successful sale of 165 apartments.
- Phase II will feature the “Hermanas” business centre, alongside “Pasaka” residential project, offering 90 new apartments.



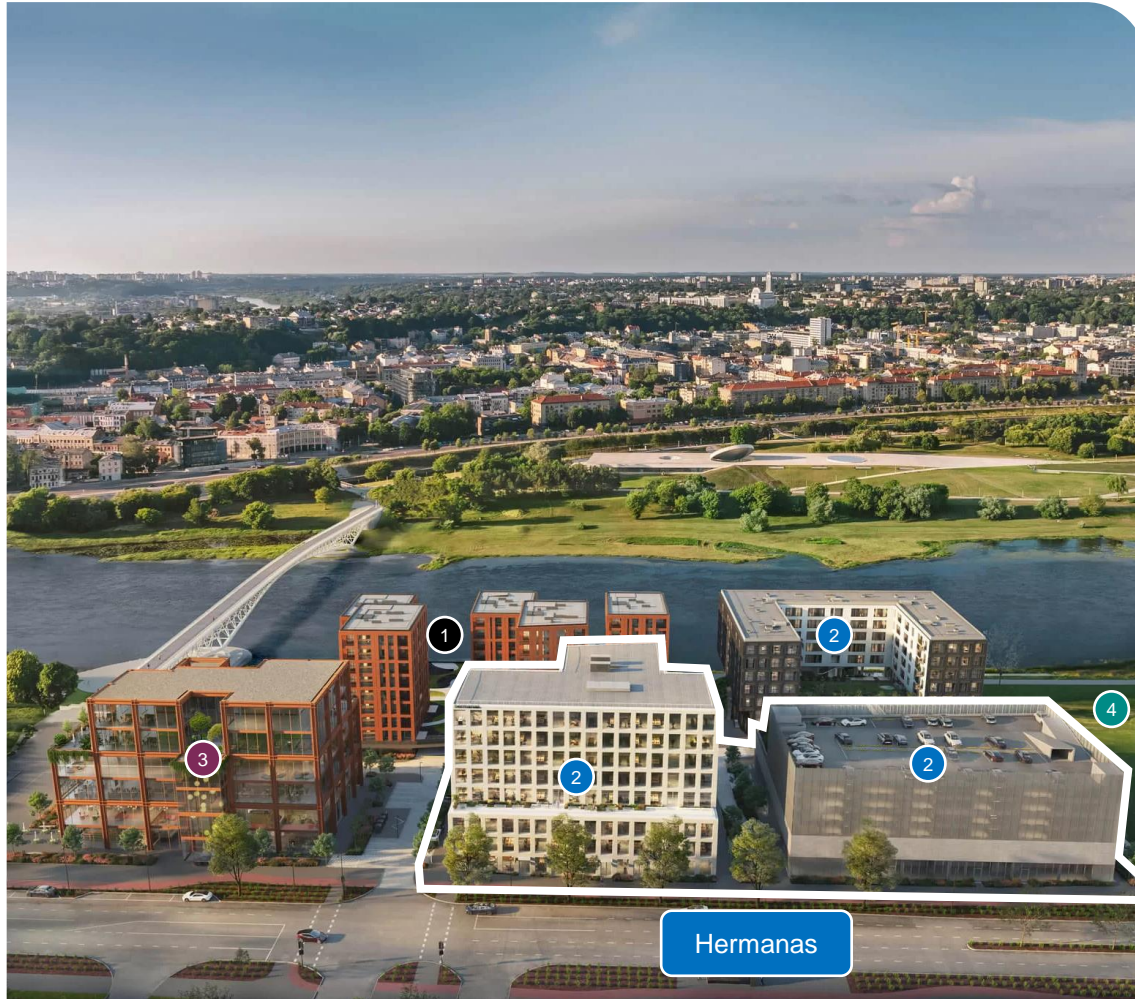
Significant infrastructure developments are ongoing near Nemunaičiai:

- New Pedestrian Bridge to Nemunas Island: Expected completion in 2026.
- H. O. Minkovskiai str. reconstruction: Scheduled for completion in 2026.
- M.K. Čiurlionis Concert Hall: Currently in the planning stages.

**These developments are set to transform Nemunaičiai into a vital hub within Kaunas.**



# @ “Hermanas” as part of the Nemunaičiai District (I/II)



5 May 2025



- 1 Phase I (completed in 2023)
- 2 Phase II (under development)
- 3 Phase III (planned)
- 4 Further phases (planned)



# @ “Hermanas” as part of the Nemunaičiai District (II/II)





# @ Modern A-class Business Centre for Diverse Tenants

8,271 m<sup>2</sup>

Land plot

10,600 m<sup>2</sup>

GLA

≤ 1,500 m<sup>2</sup>

Floorplates<sup>1</sup>

520

Parking spaces<sup>2</sup>

8

Number of floors

A++

Energy class

Hermanas business centre



Multi-storey car parking



<sup>1</sup> The business centre will offer large floorplates of up to 1,500 m<sup>2</sup>, which can be subdivided into smaller units to accommodate a wide range of tenants, from individual occupants to multiple enterprises.

<sup>2</sup> The multi-storey car park will offer over 520 spaces in a 16,649 m<sup>2</sup> building, including e-charging stations and micro-mobility storage.



# @ An Inviting and Comfortable Business Centre

Common hall interior



5<sup>th</sup> floor terrace



Multi-storey car parking



District alleyways







## To be started

# @ Kaunas Office Market Overview

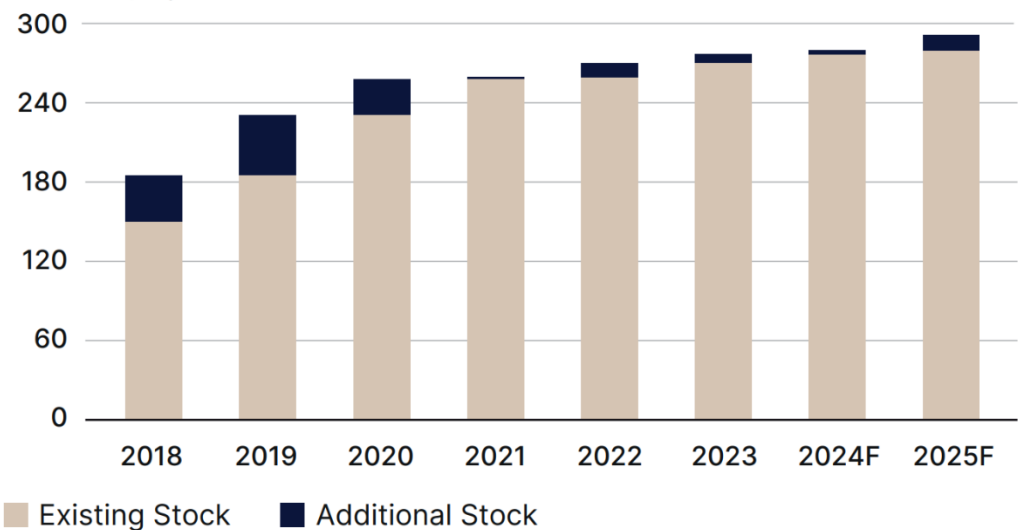
## Low vacancy and limited supply provides market opportunity<sup>1</sup>:

- **Limited supply growth:** Total modern office stock reached 277,300 m<sup>2</sup> (0.9 m<sup>2</sup>/capita) in 2024 H1. Total estimated supply at 2024-end: 279,400 m<sup>2</sup>.
- **High Demand, Low Vacancy:** Vacancy consistently at below 5% since 2022 H2. Short-term demand estimated at: 30,000–40,000 m<sup>2</sup>.
- **Good market timing:** market remains undersupplied. No major starts are planned for 2024-25, apart from “Hermanas” with 10,600 m<sup>2</sup> GLA.

## Office Stock

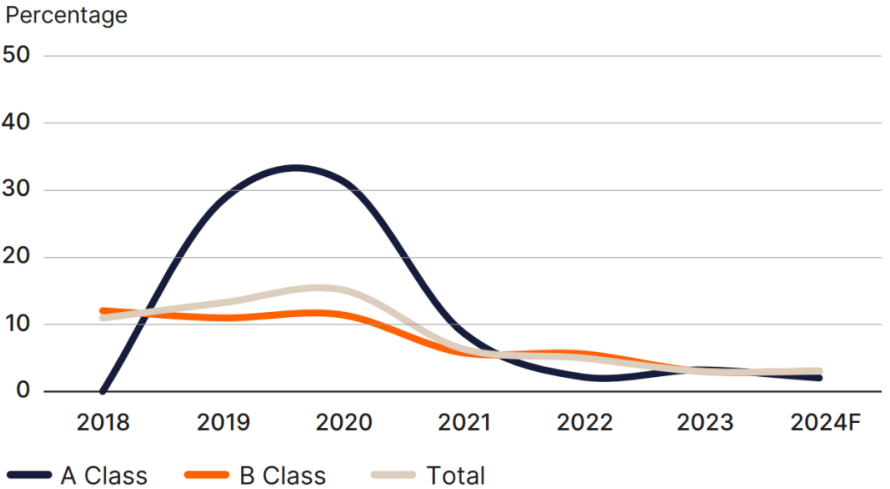
Thousand, sqm

Source: Newsec, F-forecast



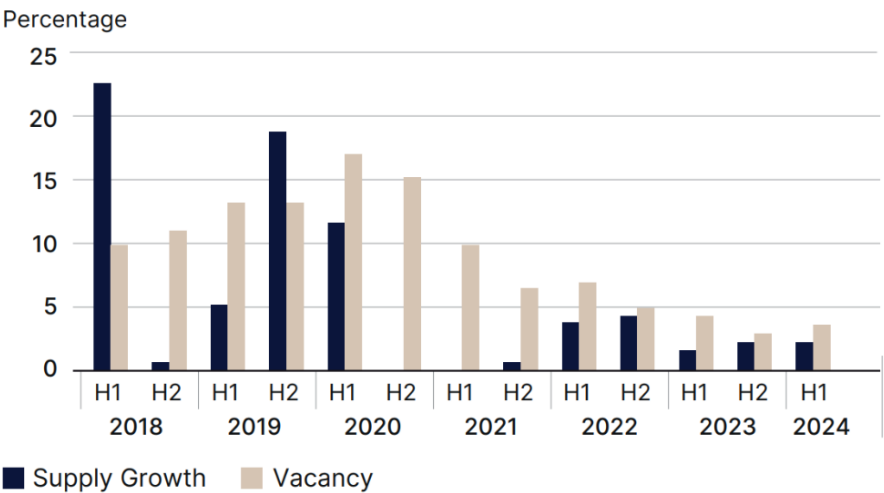
## Vacancy Rate

Source: Newsec, F-forecast



## Supply and Vacancy

Source: Newsec



<sup>1</sup> Source: Newsec, 2024 H1 report



# @ Lithuanian Real Estate Developer – SBA Urban

**SBA Urban** is one of the leading Lithuanian real estate developers. The company has successfully developed more than 280,000 m<sup>2</sup> since 2007.

SBA Urban invests in four strategic fields: stock-office projects through **Urban HUB**, mixed-use large-scale districts (including Nemunaičiai) through **Urban LIVE**, and seaside resort projects through **Urban WIND**. SBA Urban has also developed and manages landmark office complexes, such as Green Hall in Vilnius and BLC in Kaunas.

SBA Urban is part of the SBA Group, which operates in furniture production, apparel manufacturing, real estate development, and fund management sectors. **SBA Group's** turnover for 2023 was over EUR 400 million, it employs more than 3,500 personnel, and exports to over 50 countries.

*SBA Urban vision for the future of cities encompasses intelligent architecture, green building philosophy, and community collaboration.*

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Green Hall



BLC



Kaunas HUB



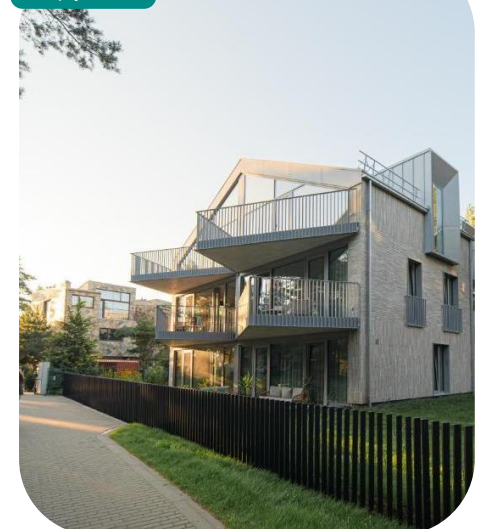
Vilnius HUB



Nemunaičiai I



Kopų slėnis





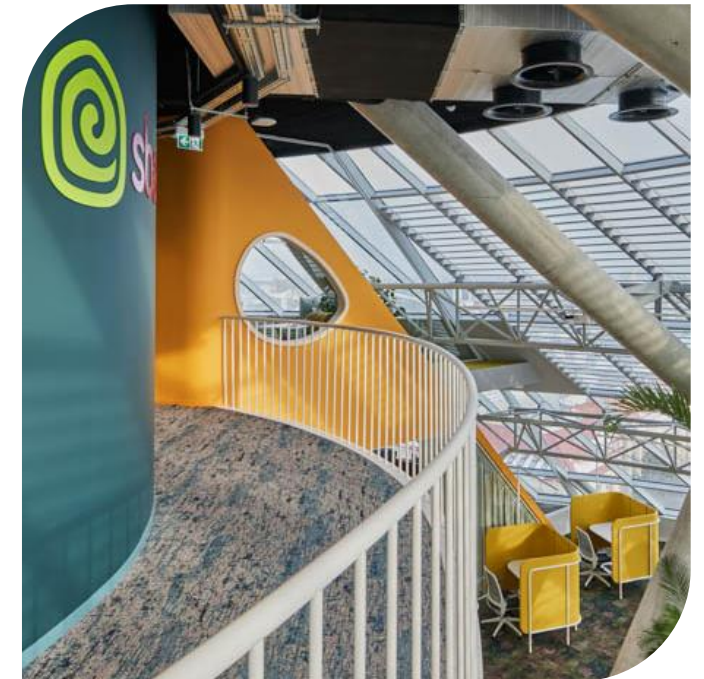
# @ Office Developments by SBA Urban - Green Hall

Location  
Vilnius

Total GLA  
> 20,000 m<sup>2</sup>

Completion year  
2009, 2017, 2020  
Phases I / II / III

Certifications  
**BREEAM In-use**  
**Excellent**





# @ Office Developments by SBA Urban - BLC





# @ Experienced Project Team



**Andrius Mikalauskas**

CEO at Urban LIVE, part of  
SBA Urban

15+ years of experience in management 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 Barbora. Early career experience in Ernst & Young Baltics.

*MSc from Rotterdam School of  
Management*



**Ernesta Railė**

Head of Development at Urban  
LIVE, part of SBA Urban

20+ years of experience in real estate development and project management. Ernesta previously led the design department at Hanner, and has been involved in the development of A-class offices “Business Stadium Central”, and “Business Stadium North East” in Vilnius.

*MA from Kaunas University of  
Technology*

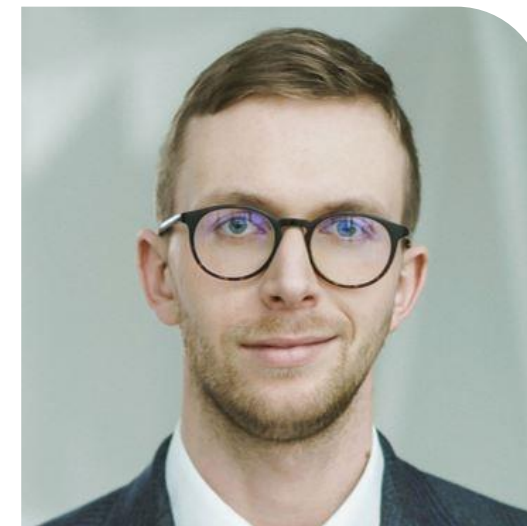


**Lionginas Šepetys**

CEO and Chairman of the Board  
at SBA Urban

30+ years of management experience in various industries. Previously 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.

*Msc from ISM University of  
Management and Economics*



**Kasparas Juška**

Head of Investments at SBA  
Urban

8+ years of experience in real estate financing and investment management. Responsible for capital sourcing and investment management of SBA Urban portfolio, including “Hermanas” Project. Previously part of Zabolis Partners, in which he held finance positions in real estate businesses

*BSc from Stockholm School of  
Economics in Riga*



# @ First-Ranking Mortgage and Comprehensive Covenants

## Collateral



The first-ranking mortgage over the land plot and building, along with the pledge of shares

## Covenants<sup>1</sup>

- **Loan-to-cost:** external interest-bearing debt will constitute less than 75% of the total costs of the Project
- **Mortgage over property and shares:** the Issuer will conclude a collateral agreement and register it with the Register.
- **Corporate status:** No change of legal form, jurisdiction or business activity.
- **Reporting obligations:** Semi-annual and audited annual financial reporting.
- **Negative borrowing:** the Issuer will not raise external interest-bearing debt other than the Bonds<sup>2</sup> and/or fully subordinated debt from related parties in favour of the Bonds
- **Disposal of property:** the Issuer is only permitted to sell the property for funding the redemption of the bonds
- **Negative payouts:** Payouts to shareholders are subordinated to the bonds.
- **Decisions:** No decisions on reorganisation, liquidation, bankruptcy or restructuring of the Company.

<sup>1</sup> For the full description of the covenants see section 6.12 “Covenants of the Issuer” in the Prospectus, available at [www.nemunaiciai.lt](http://www.nemunaiciai.lt) under Section “Investors” (in Lithuanian – “Investuotojams”)

<sup>2</sup> Except for debt raised for the purpose of refinancing of the Bonds and debt not exceeding EUR 50,000 during a year.

# @ Structured Funding Approach

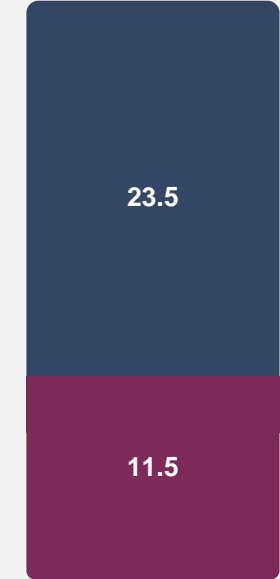
## Budget and Capital Structure

**Total Budget**  
mEUR  
**35.0**



Investments

**Financing Sources**  
mEUR  
**35.0**



Secured bonds Equity

## Capital Structure

Total investment	EUR 35.0m
Planned debt	EUR 23.5m
Loan-to-cost	up to 75%
Shareholders Equity <sup>1</sup>	EUR 11.5m

## Investments Made As of 31 March 2025

Investments made EUR 9.86m

Financing sources 100% shareholders equity  
(equity and shareholder loans<sup>2</sup>)

<sup>1</sup> Includes shareholders equity and shareholder loans, which will be subordinated to the bonds.

<sup>2</sup> Shareholder loans will be subordinated to the bonds.





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# @ Key Terms and Conditions of the Bonds

## Key terms of the secured Bonds

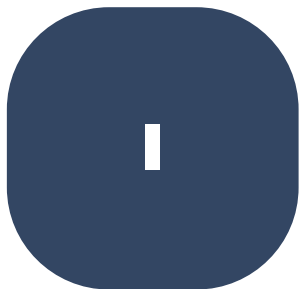
<b>Issuer</b>	UAB "S3 Business", company code 306204660
<b>ISIN</b>	LT0000133472
<b>Use of proceeds</b>	Financing the development, construction and fit-out of the "Hermanas" Project in Kaunas, Lithuania, including associated financing costs
<b>Total issue size</b>	Up to EUR 23,500,000
<b>Interest</b>	8.00% (fixed) per annum, paid semi-annually
<b>Maturity</b>	29 November 2027 (2.5 years from the issue date of the 1 <sup>st</sup> tranche)
<b>Early redemption</b>	<ul style="list-style-type: none"><li>• 1% premium if it occurs within 12 months after the issue date of the first tranche</li><li>• 0.5% premium if it occurs more than 12 months after the issue date of the first tranche, but within the following 12 months</li><li>• At par within the period of 6 months to maturity</li></ul>
<b>Collateral</b>	1 <sup>st</sup> rank mortgage on land plot and the building, and pledge over shares
<b>Covenants</b>	< 75% Loan-to-Cost, Negative Borrowing, Mortgage Over Property, Disposal of Property, Corporate Status, Decisions, Reporting Obligations
<b>Denomination</b>	EUR 1,000
<b>Offering</b>	Public offering to retail and institutional investors in Lithuania, Latvia and Estonia
<b>Listing</b>	Baltic First North Bond List, admitted within 1 month from an issue date of each tranche
<b>Arranger and dealer</b>	"Luminor Bank" AS

## 1<sup>st</sup> tranche

<b>Tranche size</b>	Up to EUR 5,000,000 (with possibility to increase)
<b>Issue price</b>	EUR 1,000
<b>Issue yield</b>	8.00% per annum
<b>Offering period</b>	12 May 2025 – 26 May 2025
<b>Issue date</b>	29 May 2025
<b>Subscription</b>	Subscription through a Nasdaq auction via banks and investment firms that hold Exchange Member status on Nasdaq Vilnius/Riga/Tallinn

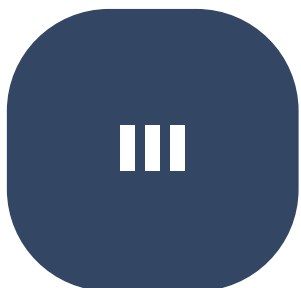
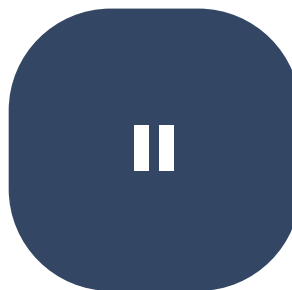


# @ How to Subscribe for the Bonds?

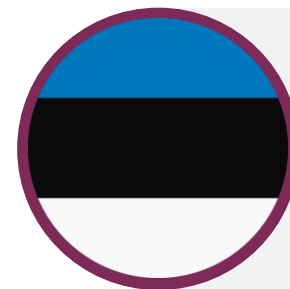


A securities account is required for investment purposes. If one is not already available, it can be opened at any financial institution in the Baltic region that offers investment services.

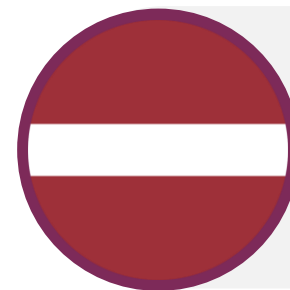
You can subscribe to the Bonds by submitting orders through any Baltic financial institution where you hold a securities account, either via internet banking or another accepted method<sup>1</sup>.



Subscription orders can be submitted from  
**12 May 2025 until 26 May 2025**



Luminor Swedbank  
SEB LHV Redgate Capital



Luminor Swedbank  
SEB Citadele  
SIGNET BANK BluOr Bank



Luminor Swedbank  
SEB ŠIAULIŲ BANKAS Citadele  
EVERNORD ORION  
CAPITAL MARKETS | INVESTMENT BANKING

<sup>1</sup> Please contact your financial institution to learn about the specific procedures and methods they accept for submitting a subscription order.

<sup>2</sup> The deadline for submitting your subscription order can vary depending on your financial institution. Please contact them to confirm the specific cutoff time.





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# @ Financial Statements: Balance Sheet

EUR	2024-12-31 (audited)	2023-12-31 (audited)
<b>NON-CURRENT ASSETS</b>	<b>8,720,000</b>	<b>3,167,636</b>
Property, Plant and Equipment	8,720,000	3,167,636
<b>CURRENT ASSETS</b>	<b>411,889</b>	<b>31,819</b>
Receivables Within One Year	78,042	27,555
Cash	333,847	4,264
<b>DEFFERED EXPENSES AND ACCRUED INCOME</b>	<b>479</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>9,132,368</b>	<b>3,199,455</b>
<b>EQUITY</b>	<b>5,803,985</b>	<b>1,635,291</b>
Capital	7,240	3,620
Share Premium	2,721,854	825,474
Reserves	362	-
Retained Earnings (Loss)	3,074,529	806,197
<b>PAYABLES AND OTHER LIABILITIES</b>	<b>3,328,383</b>	<b>1,564,164</b>
Payables After One Year and Other Liabilities	1,933,227	1,433,431
Payables Within One Year and Other Liabilities	1,395,156	130,733
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,132,368</b>	<b>3,199,455</b>



# @ Financial Statements: Balance Sheet after Demerger <sup>1</sup>

EUR	2025-03-31 (unaudited)	2024-12-31 (audited)
<b>NON-CURRENT ASSETS</b>	<b>9,860,704</b>	<b>8,720,000</b>
Property, Plant and Equipment	9,860,704	8,720,000
<b>CURRENT ASSETS</b>	<b>221,993</b>	<b>411,889</b>
Receivables Within One Year	141,873	78,042
Cash	68,466	333,847
<b>DEFERRED EXPENSES AND ACCRUED INCOME</b>	<b>11,654</b>	<b>479</b>
<b>TOTAL ASSETS</b>	<b>10,082,697</b>	<b>9,132,368</b>
<b>EQUITY</b>	<b>4,463,758</b>	<b>5,803,985</b>
Capital	5,792	7,240
Share Premium	2,259,430	2,721,854
Reserves	570	362
Retained Earnings (Loss)	2,197,966	3,074,529
<b>PAYABLES AND OTHER LIABILITIES</b>	<b>5,618,939</b>	<b>3,328,383</b>
Payables After One Year and Other Liabilities	4,078,587	1,933,227
Payables Within One Year and Other Liabilities	1,540,352	1,395,156
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,082,697</b>	<b>9,132,368</b>

<sup>1</sup> 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. Minkovskiy 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. The provided balance sheet of the Company as of 2025-03-31 show a financial standing of the Company as a result of the demerger.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

## @ Financial Statements: Income Statement

EUR	2024-12-31 (audited)	2023-12-31 (audited)
Sales revenue	-	-
Cost of sales	(88,148)	(4,633)
Change in fair value of investment property	2,797,230	(917,731)
<b>GROSS PROFIT (LOSS)</b>	<b>2,709,082</b>	<b>(922,364)</b>
Interest and other similar expenses	(349)	(229)
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>2,708,733</b>	<b>(922,593)</b>
Income tax	(440,039)	146,259
<b>NET PROFIT (LOSS)</b>	<b>2,268,694</b>	<b>(776,334)</b>

## @ Financial Statements: Cash Flow Statement

EUR	2024-12-31 (audited)	2023-12-31 (audited)
Net Cash flows from operating activities	983,716	(8,882)
Net Cash flows from financing activities	2,101,000	33,000
Net Cash flow from investing activities	(2,755,133)	(19,854)
<b>Net Cash flow</b>	<b>329,583</b>	<b>4,264</b>
Cash balance at beginning of period	4,264	-
Cash balance at end of period	333,847	4,264





**UAB “S3 Business”**

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**”Luminor Bank” AS, represented within  
the Republic of Lithuania by “Luminor  
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