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ANDRIUS MIKALAUSKAS
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FINAL TERMS OF THE BONDS

9 May 2025

UAB S3 BUSINESS

Issue of up to EUR 5,000,000 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	1st
3.	Maximum Aggregate Nominal Value of the Issue	EUR 23,500,000
4.	Maximum Aggregate Nominal Value of the Tranche	Up to EUR 5,000,000[1].
5.	Maximum Aggregate Nominal Value of the Tranche for Offering through the Auction	Up to EUR 5,000,000[2]
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	EUR 1,000
9.	Minimum Investment Amount	EUR 1,000

[1] 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.
[2] The aggregate Nominal Value of the Tranche for Offering through the Auction 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.

10.	Issue Date	29 May 2025
11.	Final Maturity Date	29 November 2027 Please note that the Bonds may be redeemed, either wholly or partially, at the option of the Issuer prior to the Final Maturity Date on the following conditions: (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 29 May 2025 and 29 May 2026 thereafter (inclusive). (iii) If the Early Redemption Date occurs more than 12 months after the Issue Date of this first Tranche (i.e., from 30 May 2026), but within 12 months thereafter (by 29 May 2027, 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); (iv) no premium shall be paid if the Early Redemption Date is after 24 months following the Issue Date of this first Tranche (i.e., from 30 May 2027), 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).
12.	Redemption/Payment Basis	Redemption at par
13.	Interest	
	(i) Interest Payment Dates	29 November 2025, 29 May 2026, 29 November 2026, 29 May 2027, 29 November 2027 (Final Maturity Date) or if applicable, Early Redemption Date, Early Maturity Date or the De-listing Event or Listing Failure Put Date
	(ii) Interest Rate	8% (fixed) annually

	(iii) Interest calculation method	Act/Act (ICMA) day count convention
14.	Yield	8% 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	12 May 2025 – 26 May 2025
18.	Payment Date	N/A. In connection with the subscription by way of an Auction, the settlement for the Bonds shall be carried out on 29 May 2025 (Delivery versus Payment).
19.	ISIN code	LT0000133472
20.	Expected listing and admission to trading on the First North	Within 1 month as from placement of the Bonds of the first Tranche the latest (i.e., 29 June 2025).
21.	Placing and underwriting	N/A
22.	Subscription channels	Subscription by way of an Auction through Nasdaq where the Subscription Orders shall be accepted by the Exchange Members, including via the Dealer, during the Subscription Period.
23.	Allocation rule (in case of oversubscription)	The Issuer will decide on the allocation of the Bonds after the expiry of the Subscription Period. The Arranger shall be eligible to participate in the Bonds Issue, i.e. no restrictions on the Arranger's proprietary Subscription Orders or Subscription Orders provided on behalf of its clients. Please note that, in accordance with the Auction Rules, Exchange Members are required to provide all information about the investors as specified therein. If this information is not submitted by the Exchange Members as outlined in the Auction Rules or is incomplete, the Arranger of the Auction reserves the right to cancel or exclude from allocation any Subscription Orders with incomplete information. Since investors waive any right to challenge the Arranger's decision regarding the invalidity of Subscription Orders on this basis, investors must ensure they promptly provide all requested information to the Exchange Members.

		In the event of oversubscription, the Bonds will be allocated to the investors in accordance with the following principles, which the Issuer, in consultation with the Dealer, may adjust based on the received Subscription Orders during the Offering of the first Tranche, the total demand: (i) the allocation shall be aimed to create a solid, reliable and diversified investor base for the Issuer; (ii) the Issuer may apply different allocation principles to a different group of investors; and (iii) the Issuer may set a minimum and a maximum number of the Bonds allocated to one investor. Investors waive any right to complaint decision of the Issuer on the Bonds’ allotment as disclosed in the Prospectus and herein.
24.	Collateral	Collateral subject to the first ranking Mortgage over Property and Pledge over Shares shall consist of: (i) the 8,271/12,016 m² Land Plot (unique No. 4400-5823-6609) at H. ir O. Minkovskių st. 41C, Kaunas, the Republic of Lithuania and the Building under construction (business center “Hermanas“; unique No. 4400-6394-5384) situated on the Land Plot. 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, by 31 December 2024 the market value of the entire Property subject to the Mortgage over Property was EUR 7,216,000; (ii) 200 ordinary registered shares of the Issuer, each with a nominal value of EUR 28.96, constituting 100% of the registered share capital of the Issuer as of the date of the Prospectus and these Final Terms. The Collateral Agreements, creating a first-ranking maximum mortgage/pledge over the respective Collateral specified above, shall be executed and registered with the Lithuanian public register no later than the Issue Date (29 May 2025).

Signed on behalf of UAB S3 Business

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Andrius Mikalauskas

CEO

SUMMARY

This Summary (the **Summary**) is a brief overview of the information disclosed in the base prospectus (the **Prospectus**) dated 5 May 2025 in connection with the public offering (the **Offering**) of up to 23,500 bonds with the nominal value of EUR 1,000 each (the **Bonds**) (the **Issue**) of 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**) during the period of up to 12 months in separate series (the **Tranche**).

This Summary has been appended to the final terms applicable to the Bonds issued in the first Tranche (the **Final Terms**) and is, therefore, specific to the Bonds of the first Tranche. Information given in this Summary has been presented by the Company as at the registration of the Prospectus, unless otherwise stipulated. Terms used in this Summary shall have the meanings assigned under the Prospectus, unless stated otherwise.

1. INTRODUCTION AND WARNINGS

1.1. Name and ISIN of the Bonds

EUR 8.00 S3 BUSINESS BONDS 25-2027 with ISIN LT0000133472.

1.2. Identity and contact details of the Issuer, including its LEI

UAB S3 Business is a private limited liability company established and existing under the laws of the Republic of Lithuania (including, but not limited to the Law on Companies of the Republic of Lithuania, Civil Code of the Republic of Lithuania, etc.), legal entity code 306204660, registered address at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania.

Contact details: tel. No +37067103323, e-mail info@sbaurban.lt.

Issuer's LEI is 89450017VCN15B0NEE85.

1.3. Identity and contact details of the competent authority approving the Prospectus

The Prospectus has been approved by the Bank of Lithuania, as competent authority under the Prospectus Regulation, with its head office at Gedimino ave. 6, LT-01103 Vilnius, the Republic of Lithuania and telephone number: +370 800 50 500.

1.4. Date of approval of the Prospectus

The Prospectus was approved on 5 May 2025.

1.5. Warning

(i) This Summary has been prepared in accordance with Articles 7 and 8 of the Prospectus Regulation and should be read as an introduction to the Prospectus.
(ii) Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.
(iii) Any investor could lose all or part of their invested capital or incur other costs, related to disputes with regard to the Prospectus or Bonds.
(iv) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if 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.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

2.1.1. *Domicile, legal form, LEI, jurisdiction of incorporation and country of operation*

The Issuer is incorporated in the Republic of Lithuania with its registered office at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania and its LEI is 89450017VCN15B0NEE85. The Issuer is incorporated and registered as a private limited liability company in the Register of Legal Entities of the Republic of Lithuania with legal entity code 306204660. The information about the Issuer and the Offering can be found at www.nemunaiciai.lt.

2.1.2. *Principal activities*

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 (the **Land Plot**). In September 2024, UAB TABA Invest acquired 50% of Shares in the Company, and together with UAB Urban LIVE provides equity financing for the development of an A-class business centre "Hermanas" in H. ir O. Minkovskių st. 41C, Kaunas, the Republic of Lithuania (the **Building**) (the **"Hermanas" Project** and / or **Project**).

In April 2025, the Company completed a reorganization through the partial demerger (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 yet. Until the completion of the "Hermanas" Project, the Company does not plan to make any investments other than those related to the Project.

"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 m^2 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.

2.1.3. *Major shareholders*

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 (the **Shares**) with the nominal value of EUR 28,96. All Shares issued by the Company are dematerialized ordinary registered Shares.

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.

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.

2.1.4. *Key managing directors*

The CEO of the Issuer is Mr. Andrius Mikalauskas. The CEO is responsible for the daily management of the Issuer and has authority to represent it.

The Issuer has a Management Board consisting of the following members:

- Mr. Andrius Mikalauskas;
- Mr. Tautvydas Barštys (Jr.);
- Mr. Justinas Barniškis (independent member);
- Mr. Lionginas Šepetys.

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.

2.1.5. *Identity of the independent auditor*

The audited financial statements for the years ended 31 December 2024 and 31 December 2023 (the **Audited Financial Statements**) were prepared in accordance with the International Financial Reporting Standards (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 auditor Eglė Žiemienė is the independent auditor of the respective Audited Financial Statements for the years ended 31 December 2024 and 31 December 2023.

2.2. What is the key financial information regarding the Issuer?

The Issuer is a limited liability company aimed at the Project development, and as the Project is at development and construction stage, at the moment of the approval of the Prospectus the Company does not generate revenue from the Project. The Company uses its debt and equity financing exclusively for the development and construction of the Project.

The Audited Financial Statements which are incorporated into the Prospectus by reference, 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, presented in Table 4 below.

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

Table 1. Income statement (EUR)

Year	31.12.2024 (audited)	31.12.2023 (audited)
Operating profit/loss	2,709,082	(922,364)

Source: the Financial Statements

Table 2. Balance sheet (EUR)

Year	31.12.2024 (audited)	31.12.2023 (audited)
Net financial debt (long term debt plus short term debt minus cash)	932,962	1,207,088
Current ratio (current assets/current liabilities)	0,30	0,24
Debt to equity ratio (total liabilities/total shareholder equity)	0,57	0,96
Interest cover ratio (operating income/interest expense)	7,762	(4,028)

Source: the Audited Financial Statements

Table 3. Cash flow statement (EUR)

Year	31.12.2024 (audited)	31.12.2023 (audited)
Net Cash flows from operating activities	983,716	
Cash flows from financing activities	2,101,000	33
Net Cash flow from investing activities	(2,755,133)	(19,854)

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)

Year	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

2.3. What are the key risks that are specific to the Issuer?

Financial risks

(i) **Construction cost and Project's 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 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.

(ii) **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.

(iii) **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 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 the 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 the 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 the 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.

(iv) **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.

(v) **Reorganisation related risk**. Investors should be aware that 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. Minkovskių 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 should be evaluated with due diligence.

Business activities and industry risks

(i) **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, 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 the 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.

(ii) **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.

Legal risks

(i) **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 unfavourably 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) 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.

Governance and internal control risks

(i) **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. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

3.1.1. *Type, class and ISIN*

A secured fixed-term non-equity non-convertible non-subordinated (debt) security instrument with ISIN LT0000133472.

3.1.2. *Currency, denomination, par value, number of securities issued and duration*

The currency of the Bonds is euros. The Nominal Value of Bond is EUR 1,000. The Maximum Aggregate Nominal Value of the Issue under the Prospectus amounts to EUR 23,500,000. The Final Maturity Date of the Bonds is 29 November 2027.

3.1.3. *The rights attached to the securities*

The Bonds grant the Bondholders the following main rights, among others, (i) receive the interest accrued; (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Maturity Date or Early Redemption Date, or De-listing Event or Listing Failure Put Date; (iii) to participate in the Bondholders' Meetings; (iv) to vote in the Bondholders' Meetings

For the protection of the Bondholders' interests, 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 (the **Trustee**).

Moreover, the Issue will be secured (collectively or individually referred to as the **Collateral**): (i) by a first-ranking pledge over 100% Shares of the Issuer under a respective Collateral Agreement to be entered into by the Company, Direct Shareholders and Trustee and registered with the Lithuanian public register on or before the Issue Date of the first Tranche (the **Pledge over Shares**); (ii) by a first-ranking mortgage over the Land Plot and Building (i.e., 8,271/12,016 m² Land Plot at H. ir O. Minkovskių 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; the **Property**), under a respective Collateral Agreement to be entered into by the Company and Trustee and registered with the Lithuanian public register on or before the Issue Date of the first Tranche (the **Mortgage over Property**). According 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, by 31 December 2024 the market value of the entire Property was EUR 7,216,000.

The Issuer has undertaken the following covenants in favor of the Bondholders: (i) LTC ratio; (ii) Negative Borrowing; (iii) Negative Pledge; (iv) Subordination; (v) Restriction on Payouts; (vi) Mortgage over Property; (vii) Pledge over Shares; (viii) Disposal of Property; (ix) Corporate Status; (x) Decisions; (xi) Reporting obligations; (xii) Bank Account.

3.1.4. *Rank of securities in the Issuer's capital structure in the event of insolvency*

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

3.1.5. *Restrictions on the free transferability of the securities*

Bonds are freely transferrable, subject to certain transfer restrictions under the relevant laws in certain jurisdictions, as may be applicable to the transferor or the transferee.

3.2. Where will the securities be traded?

The Issuer will seek admission of the Bonds to trading on the alternative market First North (the **First North**), administered by the regulated market operator AB Nasdaq Vilnius (**Nasdaq**).

3.3. What are the key risks that are specific to the securities?

Risks related to the Bonds

(i) **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.

(ii) **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.

(iii) **Interest rate risk.** The Bonds will accrue interest at a fixed rate on their outstanding Nominal Value. 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. However, if the market conditions change (such as increase in interest rates), 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.

(iv) **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.

Offering and admission to trading on the First North related risks

(i) **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 favourable 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 unfavourable 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.

(ii) **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. KEY INFORMATION ON THE OFFERING

4.1. Under which conditions and timetable can I invest in this security?

In the course of the Offering, the Company offers up to 5,000 Bonds to be issued under the first Tranche (the **Offer Bonds**). The Bonds are offered for the price of EUR 1,000 per one Offer Bond (the **Issue Price**). The Offering may be decreased by the amount unsubscribed or increased as provided in the Final Terms.

Subscription period. The subscription period is the period during which the persons who have the right to participate in the Offering (the **Subscription Period**) may submit the subscription orders for the Offer Bonds (the **Subscription Order**). The Subscription Period commences on 12 May 2025 and ends on 26 May 2025 unless the Offering is cancelled pursuant to the Prospectus.

Right to participate in the Offering. The Offer Bonds are publicly offered to retail and institutional investors in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia but 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.

In order to subscribe for the Bonds by way of an Auction through Nasdaq (the **Auction**), 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.

Subscription channels.

The Offering is conducted by way of an Auction through Nasdaq, the Subscription Orders as to acquisition of the Bonds of the first Tranche shall be submitted by the investors to the Exchange Members, including through the Dealer. Auction Rules are published on the website of Nasdaq at www.nasdaqbaltic.com (the **Auction Rules**).

Allocation. The Issuer shall accept all Subscription Orders of the investors that are considered valid under the Prospectus. In case the Maximum Aggregate Nominal Value of the first Tranche is exceeded (i.e., oversubscription), the Issuer following the recommendation of the Dealer shall allocate the Bonds in compliance with allocation rule provided for in the Final Terms and in the Auction Rules.

Payment. As the Offering is conducted by way of an Auction through Nasdaq, 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 the respective Securities Accounts which is done simultaneously with making the cash payment for the purchased Bonds.

Issue Date. The Offer Bonds shall be registered with Nasdaq CSD and distributed to the investors on 29 May 2025 (the **Issue Date**).

Admission to trading. It is expected that the Offer Bonds will be listed and admitted to trading on the First North not later than within 1 month as from placement of the Bonds of the first Tranche.

Return of funds. 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).

Changes to the Offering. Any decision on cancellation, suspension and changes of dates of the primary distribution of the first Tranche or other information will be published on the Issuer's website at www.nemunaiciai.lt. Investors may also be notified by the Issuer or the entity that accepted the Subscription Order (if applicable according to its internal procedures) about cancellations, suspensions, changes in primary distribution dates, or other information via e-mail.

4.2. Why is this Prospectus being produced?

The Prospectus has been prepared in connection with the (i) Offering in the Republic of Lithuania, Latvia and Estonia and (ii) Bonds' admission to trading on the First North.

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 costsTotal investment cost of the Project is estimated at 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.

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.

No underwriting agreement has been signed for the purposes of the Offering. Also, to the best knowledge of the Issuer there is no conflicts of interest pertaining to the Offering and/or the admission to trading on the First North.