



CLOSED-END SPECIAL REAL ESTATE INVESTMENT FUND BALTIC CORE PROPERTY FUND PROSPECTUS FOR THE PUBLIC OFFERING OF INVESTMENT UNITS OF CLOSED-END SPECIAL REAL ESTATE INVESTMENT FUND BALTIC CORE PROPERTY FUND AND ADMISSION TO TRADING ON THE FUND LIST OF AB NASDAQ VILNIUS

This Prospectus (the **Prospectus**) has been drawn up and published by the closed-end special real estate investment fund Baltic Core Property Fund (the **Fund**), fund code F107, represented by its management company UAB "Lords LB Asset Management", legal entity code 301849625, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania (the **Management Company**). For the purposes of this Prospectus, the Fund, represented by and acting through the Management Company, is referred to as the **Issuer**. This Prospectus has been prepared in connection with the public offering of investment units of the Fund (the **Units**) (the **Offering**) and the admission thereof to trading on the Fund List of AB Nasdaq Vilnius (the **Baltic Fund List**), administered by the regulated market operator AB Nasdaq Vilnius (**Nasdaq**).

The Fund is a closed-end special real estate investment fund (collective investment undertaking; the **CIU**) established under the Law of the Republic of Lithuania on Collective Investment Undertakings (the **CIUL**), represented by and acting through the Management Company pursuant to the CIUL and the Law of the Republic of Lithuania on Managers of Alternative Collective Investment Undertakings (the **AIFML**).

Under this Prospectus, the Fund publicly offers and issues Units to retail and qualified Investors of the Republic of Lithuania, Latvia and Estonia, and may also choose to offer the Units to Investors in any Member State of the European Economic Area (the **EEA**) under relevant exemptions provided for in Article 1(4) of 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, as amended (the **Prospectus Regulation**). The Units are offered as a single issue up to a maximum aggregate value of EUR 150,000,000, calculated by reference to the subscription price of the Units (the **Maximum Aggregate Value of the Offering**), at a fixed subscription price of EUR 1.00 per Unit. Subscription for the Units is conducted in successive parts (each, a **Tranche**), each Tranche being carried out by way of a public auction (each, an **Auction**) organised through the Nasdaq trading system. All Tranches form one and the same Offering under this Prospectus and bear the same ISIN. The Initial Offering Period commences on the date of approval of this Prospectus by the Bank of Lithuania; the first Auction will be announced by the Management Company on its website (www.lordslb.lt/bcpf) and opened no later than 1 month after that date. Further details of the Offering, including its closing, the schedule of Tranches and the admission of the Units to trading, are set out in Section 16 (*Details of the Offering and Admission to Trading*).

The function of this Prospectus is to give information about the Fund, the Management Company and the Units. The terms and conditions applicable to the subscription and redemption of Units are set out in Section 15 (*Terms and Conditions of the Units*) and Section 16 (*Details of the Offering and Admission to Trading*) of this Prospectus and in the Fund Rules incorporated by reference.

The Bank of Lithuania in its capacity as the competent authority in the Republic of Lithuania under the Prospectus Regulation has approved this document as a Prospectus. All Units of the Fund (when issued) will be dematerialised registered Units and will be registered in the Fund's Issuance Account maintained by the Lithuanian branch of Nasdaq CSD, SE (the central securities depository of the Republic of Lithuania, Latvia and Estonia, the **Nasdaq CSD**). The Management Company keeps its own register of Unitholders (the **Register**) as part of its Fund administration function under the CIUL, on the basis of information received from Nasdaq CSD. The Units will be admitted to trading on the Baltic Fund List.

The approval by the Bank of Lithuania of this Prospectus only means that it meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and does not concern the accuracy of the information given herein. Investing in the Units involves risks and may not be suitable for all Investors. Units are intended only for Investors who accept the above-average, long-term risk associated with investing in them and who can bear the risk of a decrease or total loss of the value of such investments. Each prospective Investor must determine, based on its own independent review and, if applicable, professional advice, that the investment in the Units is suitable in light of its financial circumstances and objectives. Each decision to invest in the Units must be based on the Prospectus in its entirety.

NOTICE TO ALL INVESTORS

Neither this Prospectus nor any subscription materials constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Units offered by any person in any jurisdiction in which such an offer or solicitation is unlawful. In particular, this Prospectus 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 subscription materials should be considered as a recommendation by the Management Company or any other person engaged by the Management Company in connection with the Offering that any recipient of this Prospectus should subscribe for or purchase any Units. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Fund and the Units.

The Units 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 Units 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 Units 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 Management Company 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 shall be a legal ground to declare that the Investor is not eligible for the Units offered under this Prospectus.

Distribution of copies of the Prospectus or any related documents are not allowed in those countries where such distribution or participation in the Offering of the Units requires any extra measures or is in conflict with the laws and regulations of these countries. Persons who receive this Prospectus 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 Management Company in relation to the Units or rights thereto or possession or distribution of this Prospectus in any jurisdiction where action is required, other than in the Republic of Lithuania, Estonia and Latvia.

INFORMATION FOR UNITED STATES INVESTORS

The Units have not been approved or disapproved by any United States' regulatory authority. The Units 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 Management Company does not intend to take any action to facilitate a market for the Units in the United States. The Units 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

This Prospectus is valid for 12 months after the date of its approval (24 August 2027). The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

ARRANGER, SETTLEMENT AGENT AND DISTRIBUTION AGENT

UAB FMĮ "Orion Securities", legal entity code 122033915, with its registered address at Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania, is the arranger (the **Arranger**), settlement agent (the **Settlement Agent**) and a distribution agent for the purposes of the Offering of Units in the Republic of Lithuania, Latvia and Estonia.

STABILISATION

In connection with the Offering, the Arranger (or any person acting on behalf of the Arranger) may, to the extent permitted by applicable law, over-allot Units or effect transactions with a view to supporting the market price of the Units at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment must be conducted in accordance with all applicable laws and rules, including Regulation (EU) No 596/2014 of the European Parliament and of the Council and Commission Delegated Regulation (EU) 2016/1052.



CAPITAL MARKETS | INVESTMENT BANKING

The date of this Prospectus is 24 August 2026

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1. SUMMARY

This summary (the **Summary**) is a brief overview of the information disclosed in this Prospectus dated 24 August 2026 in connection with the public offering (the **Offering**) of investment units (the **Units**) of the closed-end special real estate investment fund Baltic Core Property Fund (the **Fund**), fund code F107, represented by and acting through its management company UAB “Lords LB Asset Management” (the **Management Company**) (together, the **Issuer**). This Summary has been prepared in accordance with Article 7 of the Prospectus Regulation and Article 24(1)(b) of the Delegated Regulation.

A. INTRODUCTION AND WARNINGS

(a) Name and ISIN of the Units

Investment units of the closed-end special real estate investment fund Baltic Core Property Fund. ISIN: LT0000138661.

(b) Identity and contact details of the Issuer, including its LEI

The Fund acts and is represented by the Management Company – UAB “Lords LB Asset Management”, legal entity code 301849625, registered address at Jogailos st. 4, LT-01116 Vilnius, the Republic of Lithuania. Contact details: tel. No +370 5 261 9470, e-mail info@lordslb.lt. Website: www.lordslb.lt/bcpf. The Fund’s LEI is 64880069LM9CNM4UKP98.

(c) 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 pr. 6, LT-01103 Vilnius, the Republic of Lithuania, telephone number: +370 800 50 500. Website: www.lb.lt.

(d) Date of approval of the Prospectus

The Prospectus was approved on 24 August 2026.

(e) Warning

(i) This Summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to the Prospectus.

(ii) Any decision to invest in the Units should be based on consideration of the Prospectus as a whole by the Investor.

(iii) The Investor could lose all or part of the invested capital.

(iv) Where a claim relating to the information contained in this Prospectus is brought before a court, the claimant Investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

(v) Civil liability attaches only to those persons who have tabled this 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 Units.

B. KEY INFORMATION ON THE ISSUER

(a) Who is the issuer of the securities?

(i) Domicile, legal form, jurisdiction of establishment and country of operation

The Issuer is the closed-end special real estate investment fund Baltic Core Property Fund, fund code F107, a CIU (*uždarojo tipo specialusis nekilnojamojo turto investicinis fondas*) established under the CIUL, represented by and acting through the Management Company. The Fund is not a separate legal entity; it is a pool of assets managed by the Management Company on behalf of Investors as co-owners (*bendraturčiai*). The Fund is domiciled in the Republic of Lithuania.

(ii) Principal activities

The Fund pursues a core investment strategy focused on income-producing, high-class commercial and mixed-use real estate assets in prime city-centre locations across the Baltic Sea region, targeting Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany. The Fund targets a net IRR of 10% through stable recurring income and aims to deliver an annual cash distribution of approximately 5% of the total amount invested by Investors in the Fund; however, these targets are not commitments and are not guaranteed. The Fund intends to use a combination of equity proceeds from the Offering and borrowed funds from credit institutions to finance its acquisitions, targeting a consolidated debt-to-asset ratio of 50–60% (with a maximum borrowing of 70% of total assets at market value). As at the date of the Prospectus, the Fund is newly established, has not completed any investments and has no portfolio of assets or income.

(iii) Major Unitholders

As at the date of the Prospectus, no Units have been issued and there are no Unitholders. The Fund is managed exclusively by the Management Company. The shareholders of the Management Company (Andrius Stonkus (26.01%), Mindaugas Marcinkevičius (47%) and Antanas Vainauskas (9%)) intend to co-invest 5% and up of the Fund's total equity commitments (Sponsor Co-Investment).

(iv) Key managing directors

The Fund is a CIU the management of which is delegated to the Management Company – UAB “Lords LB Asset Management”. The Management Company's CEO is Vilma Tvaronavičienė. The Management Board comprises Andrius Stonkus, Mindaugas Marcinkevičius, Jan Ake Gustaf Litborn, Antanas Vainauskas and Marius Žemaitis (Fund manager).

(v) Identity of the independent auditor

The Fund's auditor is UAB PricewaterhouseCoopers, legal entity code 111473315, having its registered address at Lviso st. 21-101, LT-09309 Vilnius, the Republic of Lithuania. As the Fund is newly established, no financial statements have been audited as at the date of the Prospectus.

(b) What is the key financial information regarding the Issuer?

The Fund is a newly established CIU. No financial statements have been prepared and no historical financial information is available as at the date of the Prospectus. No NAV calculations have been carried out and the Fund has not incurred any financial indebtedness.

(c) What are the key risks that are specific to the Issuer?

(i) **Tenant and rental income risk.** The Fund's income depends on tenants fulfilling their lease obligations; default or vacancy, particularly in a concentrated early-stage portfolio, could materially reduce income and NAV. During the early stages, the portfolio is expected to comprise a limited number

of assets concentrated in the Vilnius office market, so the default or departure of even a single significant tenant could have a disproportionately material impact on rental income and cash flows. If tenant risk materialises, the Fund's ability to comply with loan covenants could also be endangered. Risk level – high.

(ii) **Leverage and debt financing risk.** Operating at a 50–60% debt-to-asset ratio (with a maximum permitted borrowing of 70% of total assets at market value) makes the Fund materially sensitive to even moderate declines in property values and to interest rate rises. If property values fall or rental income declines, the Fund may breach debt-to-asset ratio or interest coverage covenants in its financing arrangements, which can require immediate partial repayment of loans, impose additional restrictions on operations, or in severe cases lead to enforcement by lenders over the Fund's assets. Risk level – high.

(iii) **Geopolitical risk.** The Fund's target investment markets are in the Baltic Sea region, with its initial pipeline concentrated in Vilnius, Lithuania. Lithuania shares a border with Belarus and is in close proximity to the Russia-Ukraine conflict zone. An escalation of the conflict could reduce foreign direct investment inflows (a key driver of demand for A-class office space), decline property valuations, increase construction material costs, and reduce the pool of potential buyers for the Fund's assets. The Fund's initial concentration in Vilnius limits its ability to mitigate geopolitical risk through geographic diversification during early operations. Risk level – high.

(iv) **Geographic concentration.** During the early stages, the portfolio is expected to be concentrated in Baltic capital cities and A-class office space, increasing sensitivity to local market downturns. A deterioration in occupier demand for prime office space in these markets – whether driven by macroeconomic conditions, changes in working patterns, or an oversupply of new office stock – could have a disproportionately adverse impact on portfolio value and rental income. The Baltic States also have smaller real estate transaction markets than Western Europe, meaning property liquidity may be significantly more constrained in periods of economic stress. Risk level – medium.

(v) **Blind pool risk.** At the time of subscription, the Fund may not have completed any investments; Investors rely on the Management Company's judgement in identifying, selecting and negotiating acquisitions. The composition of the Fund's portfolio – including asset quality, geographic distribution, tenant profile, and leverage – may differ materially from the descriptions in this Summary. Investors subscribing early in the Offering are effectively committing capital to a blind pool. Risk level – medium.

(vi) **Key personnel risk.** The Fund's success depends on the Management Company's responsible persons; loss of key personnel could adversely affect results. The Management Company is also responsible for carrying out the day-to-day management and administration of the Fund's affairs, and any disruption to its services could cause significant disruption to the Fund's operations until a suitable replacement is found. If the Management Company's licence is revoked or suspended, the management of the Fund would be transferred to the Fund's depository bank, during which period the Fund would not have active management. Risk level – medium.

C. KEY INFORMATION ON THE SECURITIES

(a) What are the main features of the securities?

(i) Type and class

Units are registered, dematerialised book-entry securities with no nominal value, denominated in Euro (EUR).

(ii) Currency, denomination and number of securities issued

The currency of the Units is EUR. The Fund issues one class of Units. The maximum aggregate value of the Offering is EUR 150,000,000, calculated by reference to the Subscription Price of the Units. As at the date of the Prospectus, no Units have been issued.

(iii) Rights attached to the Units

All Units rank *pari passu* without preference or priority. Each Unit represents a proportionate co-ownership interest in the Fund's assets. The Units do not have a validity (maturity) term; the Fund has been established for an indefinite duration and no fixed redemption or termination date applies to the Units. Unitholders are entitled to receive their proportionate share of the Fund's distributed income and, upon termination, their proportionate share of remaining assets. Units are not redeemable at the request of Unitholders during the Fund's operating period. Where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors, Investors who object to the amendment have the right to require redemption of their Units at NAV without any deduction. The Fund does not pay dividends in the traditional sense; income may be distributed by cash payment or mandatory pro rata redemption of Units. The Management Company targets an annual distribution of 5% of the total amount invested by Investors, but this is not guaranteed.

(iv) Restrictions on the free transferability of the Units

Prior to admission to trading on the Baltic Fund List, any transfer of Units requires the prior written consent of the Management Company and a written transfer agreement. Following admission to trading, Units are freely transferable through the Baltic Fund List.

(v) Relative seniority of the Units

The Units represent a proportionate co-ownership interest in the Fund's assets. Prior to the termination of the Fund, the Fund's assets will be realised and proceeds will be used first to cover all Fund's costs and satisfy the Fund's creditors (including secured lenders, service providers, taxes and other liabilities). Only the net proceeds remaining after all Fund creditors are satisfied will be used to redeem Units by distributing net proceeds pro-rata among Unitholders. The Units rank equally (*pari passu*) among themselves and do not confer any preferential right. The Units are not subject to the bank recovery and resolution regime under Directive 2014/59/EU.

(b) Where will the securities be traded?

The Management Company will seek admission of the Units to trading on the Baltic Fund List, a regulated market segment administered by AB Nasdaq Vilnius. Admission of the Units to trading is required to occur within 6 months from the settlement date of the first Auction. The Management Company may extend that period once, by up to 6 months, only on the grounds set out in the Fund Rules and with the written consent of Investors holding more than 50% of the Units.

(c) What are the key risks that are specific to the securities?

(i) **Secondary market liquidity risk.** The Fund is structured as a closed-end fund. Prior to admission to the Baltic Fund List, there is no secondary market for Units. Even after admission, there is no assurance that an active or liquid secondary market will develop or be maintained. The Baltic Fund List is a relatively nascent trading venue for real estate fund units, and trading volumes may be low or intermittent. Investors may be unable to sell their Units at or near NAV, or at all, particularly in periods of market stress. Risk level – high.

(ii) **Exit and redemption risk.** The Fund has been established for an indefinite duration and does not have a fixed termination date. Units are not redeemable at the request of Unitholders during the Fund's operating period. Investors who wish to exit are dependent on: (i) secondary market trading on the Baltic Fund List; (ii) the Fund's mandatory redemption mechanism, which is triggered in certain cases

at the discretion of the Management Company and automatically in others, and is subject to material restrictions; or (iii) a limited right to require redemption at NAV where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors and the Investor objects to the amendment. Investors may be unable to exit their investment for an extended and potentially indefinite period. Risk level – high.

(iii) **Concentration and diversification risk.** During the early stages, the portfolio may comprise only a small number of assets or a single asset class; poor performance of a single asset – whether due to tenant vacancy, physical damage, adverse valuation, or legal dispute – could have a disproportionately material adverse effect on the Fund's overall results and NAV. Full diversification will only be achieved progressively as capital is deployed, and there can be no assurance that it will be fully achieved within four years from the establishment of the Fund. Risk level – high.

(iv) **No guaranteed income or capital return.** The Fund is newly established with no assets, no portfolio income and no track record. NAV may decrease and Investors may not recover the amount invested. The Management Company targets an annual distribution of approximately 5% of the total amount invested by Investors in the Fund, but this is not a commitment and is not guaranteed. During the initial phase, the Fund may have no rental income and no cash available for distribution. Distributions may vary in size or not take place at all. Risk level – high.

(v) **Redemption restrictions and suspension risk.** Units are not redeemable at the request of Unitholders. Where the Fund is required to redeem Units, the Management Company and the Bank of Lithuania have the right to suspend redemption for up to 3 months per year. As the Fund is newly established with no existing portfolio, the impact of any redemption suspension during the early stages would be particularly acute. Risk level – high.

(vi) **Investor eligibility and regulatory compliance risk.** The Offering is subject to jurisdiction-specific requirements, including KID delivery obligations under the PRIIPS Regulation and, for the primary offering, minimum investment and declaration conditions for non-professional Investors in Latvia (EUR 100,000 minimum investment and a signed Latvian Investor Declaration). During the primary offering (Auction), compliance with the Latvian requirements is the responsibility of the relevant Exchange Member or financial intermediary and the Arranger (which performs a pre-allocation compliance check). The Latvian retail restrictions apply to the marketing of Fund Units and, accordingly, to the primary offering only; they do not apply to acquisitions or holdings of Units on the secondary market following admission of the Units to trading on the Baltic Fund List. Non-compliance during the primary offering may result in subscriptions being challenged or invalidated. Risk level – low.

D. KEY INFORMATION ON THE OFFER AND/OR ADMISSION TO TRADING

(a) Under what conditions and timetable can I invest in this security?

The Offering is a single public offering of Units to retail and qualified Investors in the Republic of Lithuania, Latvia and Estonia. Subscription is conducted in successive Tranches, each conducted by way of an Auction through the Nasdaq trading system. The Initial Offering Period commences on the date of approval of this Prospectus by the Bank of Lithuania. The first Auction is expected to be announced by the Management Company on its website and expected to be opened no later than 1 month after that date. The Offering ends on the earliest of (i) the Maximum Aggregate Value of the Offering being reached; (ii) a decision of the Management Company to close the Offering; and (iii) admission of the Units to trading on the Baltic Fund List. Admission must occur within 6 months from the settlement date of the first Auction. The Management Company may extend that period once, by up to 6 months, only on the grounds set out in the Fund Rules and with the written consent of Investors holding more than 50% of the Units. The Management Company will schedule the last Auction so that settlement leaves sufficient time to obtain admission. Because this Prospectus is valid for 12 months from its approval, the entire process – opening of the Offering, Tranches, settlement and admission of

the Units to trading – is designed to be completed within that validity period. If admission does not occur within that period (including any extension), the Fund's assets will be realised and the Units mandatorily redeemed on a pro-rata basis, in which case Investors may recover less than the amount invested. The dates and other operational details of each Auction are published on www.lordslb.lt/bcpf and www.nasdaqbaltic.com before the opening of that Auction.

Each Tranche has its own Subscription Period and its own Issue Date (settlement date). The indicative sequence is:

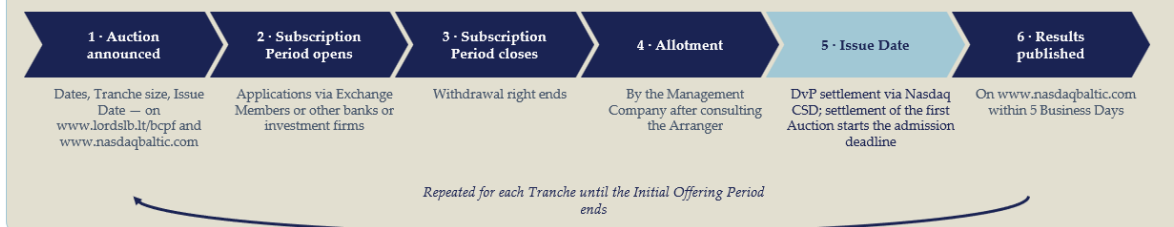
Offering Timetable – Baltic Core Property Fund

All milestones are T-relative; no calendar dates.

1 · INITIAL OFFERING PERIOD



2 · TRANCHE CYCLE – REPEATED FOR EACH TRANCHE



3 · HARD CONSTRAINTS



Extension: the Management Company may extend the admission deadline once, by up to 6 months, only on the grounds set out in the Fund Rules and with the consent of Investors holding more than 50% of the Units.

Subscription Price. The Subscription Price is fixed at EUR 1.00 per Unit for all Tranches offered under this Prospectus.

Maximum Aggregate Value of the Offering: EUR 150,000,000.

Subscription process. Subscription Applications are submitted through Exchange Members or other financial intermediaries in connection with Auctions conducted through the Nasdaq trading system. Settlement is effected on a DvP basis through the T2S platform. The minimum subscription amount is 1 (one) Unit. In Latvia, non-professional Investors are subject to a minimum investment of EUR 100,000. Auction dates are announced on the Management Company's website at www.lordslb.lt/bcpf and, once available, on Nasdaq at www.nasdaqbaltic.com prior to the opening of each Auction.

Return of funds. Investors whose Subscription Applications are reduced or rejected will receive a refund of the relevant unallocated subscription monies without interest.

Changes to the Offering. Any decision on cancellation, suspension and changes of dates of the primary distribution or other information will be published on the Management Company's website at www.lordslb.lt/bcpf and, following admission to the Baltic Fund List, on the CSF at www.crib.lt.

(b) Why is this Prospectus being produced?

The Prospectus has been prepared in connection with (i) the public Offering of Fund Units in the Republic of Lithuania, Latvia and Estonia and (ii) the admission of the Units to trading on the Baltic Fund List.

Reasons for the Offering and use of proceeds. The Offering is being conducted to raise equity capital for the Fund to deploy in accordance with its core investment strategy focused on income-producing commercial and mixed-use real estate assets in the Baltic Sea region. The substantial majority of net proceeds will be applied to the acquisition of income-generating real estate assets identified by the Management Company. A portion will cover the Fund's operational costs during the initial phase. The Fund may use leverage alongside equity, up to a maximum of 70% of total assets at market value, targeting a debt-to-asset ratio of 50–60%.

Estimated total expenses of the issue. The estimated total one-off expenses of the Offering charged to the Fund are approximately EUR 4,800,000 (approximately 3.2% of the gross proceeds, assuming the Maximum Aggregate Value of the Offering of EUR 150,000,000 is fully subscribed). The principal expense is a distribution and marketing fee of up to 3.00% of amounts invested (or 1.00% where not raised through the Distribution Agent), payable from the Fund's assets. Legal, regulatory, translation, filing costs, admission to trading fees, and arranger/settlement fees are also borne from the Fund's assets and fall within the general 3% annual expense cap. No expenses are charged directly to Investors, but Investors may incur fees from their own securities account operators.

Conflicts of interest. UAB FMJ "Orion Securities", appointed as Arranger and Distribution Agent, is also a tenant at the premises of one of the Fund's potential acquisition targets. Certain potential acquisition targets are currently owned by collective investment undertakings managed by the Management Company, and any such acquisition would constitute a related-party transaction. The shareholders of the Management Company intend to co-invest 5% and up of the Fund's total equity commitments. The Management Company manages 19 other collective investment undertakings concurrently, including 14 real estate funds with overlapping strategies. The Management Company has adopted a conflicts of interest policy and will manage any conflicts in accordance with applicable law.

No underwriting agreement has been signed for the purposes of the Offering.

2. RISK FACTORS

Investing in the Units of the Fund involves a significant degree of risk. Prospective Investors should carefully consider all of the information set out in this Prospectus and, in particular, the risk factors described in this Section, before making any investment decision. The risks described below are those which the Management Company considers to be material as at the date of this Prospectus; however, they do not represent an exhaustive or complete list of all risks. Additional risks and uncertainties not currently known to the Management Company, or that the Management Company currently considers to be immaterial, may also have a material adverse effect on the Fund's business, financial condition, results of operations, and prospects. Fund Units are intended only for persons who accept the above-average, long-term risk associated with investing in them. Only persons who have accumulated sufficient experience investing in special CIUs and can bear the risk of a decrease or total loss of the value of such investments should invest. 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 Units. 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 in the Units 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.

2.1. Risks Related to the Real Estate Market and the Fund's Assets

2.1.1. Tenant and Rental Income Risk

The Fund will seek to lease real estate objects at the highest possible prices. There is a risk that, if the economic situation deteriorates, tenants will fail to fulfil their obligations – this would negatively affect the Fund's profit and cash flows. A large proportion of overdue obligations could disrupt the Fund's normal operations and require additional financing sources, which may not always be available. If the Fund fails to obtain the projected rental income or maintain a high building occupancy rate, it may face the problem of fixed costs not covered by tenants. If premises cannot be leased at the planned prices or volumes, or if existing tenants terminate lease agreements, the Fund's income could decrease while fixed costs remain unchanged.

This risk is heightened given that the Fund's portfolio is expected, at least during the early stages of the Initial Offering Period, to comprise a limited number of assets concentrated in Vilnius office market. In such circumstances, the default or departure of even a single significant tenant, or prolonged vacancy following lease expiry, could have a disproportionately material impact on the Fund's total rental income, cash flows, and NAV. Furthermore, if tenant risk materialises, the Fund's ability to comply with loan agreements could also be endangered, and additional financing costs may arise.

Risk level – high.

2.1.2. Geographic Concentration – Baltic Market Exposure

Real estate properties that the Fund targets are located in the Baltic States and selected Northern and Central European countries. The Baltic economies are rather small and actively engaged in foreign trade, and they are not immune to regional and global macroeconomic fluctuations. Baltic economies are closely linked with the health of the overall EU and the euro area – their main trading partner, a source of structural funds and, due to the adoption of the single currency, a base for monetary policy. A

slowdown in the EU may negatively affect economies of the Baltic States, leading to an adverse effect on the Fund's business operations.

Although the Fund's stated investment universe encompasses Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany, the Fund's initial pipeline is likely to be located in the Baltic countries. Accordingly, during the early stages of the Fund's operations, the portfolio is expected to be concentrated in Baltic capital cities and a single asset class – A-class office space in Vilnius, Riga and Tallin. Baltic countries office market, whilst exhibiting strong fundamentals, is a relatively small and specialised market. A deterioration in occupier demand for prime office space these markets – whether driven by macroeconomic conditions, changes in working patterns, or an oversupply of new office stock – could have a disproportionately adverse impact on the Fund's portfolio value and rental income. The Baltic States also have smaller real estate transaction markets than Western Europe, meaning that property liquidity may be significantly more constrained in periods of economic stress, reducing the Fund's ability to exit investments at targeted prices and within its planned timeline.

Risk level – medium.

2.1.3. Real Estate Illiquidity Risk

Investments in property can be relatively illiquid for reasons including but not limited to the long-term nature of leases, commercial properties being tailored to tenants' specific requirements, and varying demand for commercial property. Such illiquidity may affect the Fund's ability to vary its portfolio or dispose of properties in a timely fashion and/or at satisfactory prices in response to changes in economic, property market or other conditions.

If the Fund is required to dispose of investments at any time – for example due to a requirement of a lending bank or to fund investor redemptions – there can be no assurance that relevant market conditions will be favourable, or that the Fund will be able to maximise the returns on such disposed assets. It may be especially difficult to dispose of certain types of real estate during recessionary times. The real estate transaction market in the Baltic States is structurally less liquid than in major Western European markets, with fewer active institutional buyers and more pronounced cyclicalities. Additionally, assets aligned with the Fund's investment strategy are typically larger in scale and more capital-intensive, narrowing the potential buyer pool and consequently reducing liquidity. The Fund should therefore be regarded as a long-term illiquid investment and Investors must be prepared to hold their Units for the full duration of the Fund.

Risk level – medium.

2.1.4. Technical and Physical Condition Risk

Real estate properties are technically complex assets which require maintenance and technical examination to remain functional. Although the Fund will invest in the maintenance of its existing properties and will conduct thorough technical examinations of potential investment targets, its properties could be subject to technical problems such as construction defects, other hidden defects and contamination. Elimination of these problems could require substantial investments and, thus, have an adverse effect on the Fund's financial position and cash flow.

Even for properties that have been subject to appropriate due diligence prior to acquisition, latent defects, hidden contamination, or unforeseen deterioration of building systems can emerge after acquisition and require significant unplanned capital expenditure. The Management Company's due diligence process may not identify all such issues, particularly those which are concealed or emerge only over time.

Risk level – medium.

2.2. Financial and Leverage Risks

2.2.1. Leverage and Debt Financing Risk

The Fund may borrow funds to achieve higher investment returns or to finance Fund activities. Borrowed capital (including all consolidated loans of Controlled Companies and/or Real Estate Companies) shall not exceed 70% of the market value of the Fund's assets at the time of loan conclusion. The Management Company will aim for the Fund's total debt-to-asset ratio to be 50–60% (taking into account also Controlled Companies and/or Real Estate Companies). The maximum leverage that the Management Company may employ on behalf of the Fund, calculated using the gross method and the commitment method in accordance with the Commission Delegated Regulation (EU) No 231/2013 and the Management Company's Borrowing and Leverage Policy, shall not exceed 4. Certain potential acquisition targets of the Fund, as described in Section 6.6 (*Investment Pipeline*) of this Prospectus, are currently owned by collective investment undertakings managed by the Management Company. Any such acquisition, if pursued, is expected to be financed in part through debt at or near the target debt-to-asset ratio.

The leverage risk is associated with the possible depreciation of real estate objects acquired with borrowed funds. The greater the leverage used, the greater the potential adverse impact. There is a risk that due to a deterioration of the global, regional or national economy, it may become difficult or expensive for the Fund to obtain new loans for real estate acquisition or to refinance old loans, so the value of the Fund's investments may decrease. To mitigate this risk, the Management Company limits the Fund's ability to borrow by capping borrowed capital at 70% of the market value of the Fund's assets at the time of loan conclusion and by targeting a total debt-to-asset ratio of 50–60%, in each case in accordance with the Fund Rules.

A Fund operating at 50–60% debt-to-asset ratio is materially sensitive to even moderate declines in property values. If property values fall or rental income declines, the Fund may breach debt-to-asset ratio or interest coverage covenants contained in its financing arrangements, which can require immediate partial repayment of loans, impose additional restrictions on the Fund's operations, or in severe cases lead to enforcement by lenders over the Fund's assets.

Risk level – high.

2.2.2. Environmental, Climate Change and Uninsured Loss Risk

As the owner of real estate property, the Fund could be held liable for possible environmental damage caused by operations carried out in such property if such operations have not been carried out in accordance with applicable environmental regulations. The Fund's insurance policies could be inadequate to compensate for losses associated with damage to its property assets, including loss of rent. Insurance against certain risks, such as war, acts of terrorism, earthquakes or floods, may be unavailable or available only at amounts less than the full market value of the underlying properties. If a major uninsured loss occurs, the Fund could lose both invested capital in and anticipated profits from the affected investments.

Risk level – medium.

2.2.3. Refinancing Risk

As at the date of this Prospectus, the Fund has not yet incurred any financial indebtedness. However, the Fund intends to target a debt-to-asset ratio of 50–60% (with borrowed capital not exceeding 70% of the market value of the Fund's assets at the time of loan conclusion) to finance its acquisitions, as described in Section 6.3 (*Investment Objective and Policy*) of this Prospectus. Once the Fund has acquired assets using borrowed capital, there is a risk that due to a deterioration of the global, regional or national economy, it may become difficult or expensive for the Fund to obtain new loans for real estate

acquisition or to refinance existing loans. At maturity of the Fund's debts, the Fund will be required to refinance such debt. The Fund's ability to successfully refinance is dependent on the conditions of the financial markets in general at such time. As a result, the Fund's access to financing sources at a particular time may not be available on favourable terms, or at all.

As the Fund has been established for an indefinite duration, refinancing risk is a recurring and ongoing exposure throughout the Fund's operating life rather than a risk concentrated at a fixed maturity date. If significant loan maturities coincide with a period of constrained credit markets at any point in time, the Fund may be forced to sell assets under time pressure to repay maturing debt, potentially at prices below their estimated fair value. This risk is heightened in the Baltic commercial real estate market, where the pool of potential institutional buyers is smaller than in Western European markets and liquidity may be materially more constrained in periods of economic stress. This could result in realised losses and reduced distributions to Investors.

Risk level – medium.

2.2.4. Interest Rate Risk

As at the date of this Prospectus, the Fund has not yet incurred any financial indebtedness and accordingly has no current exposure to interest rate risk. However, once the Fund begins acquiring assets using borrowed capital at the target debt-to-asset ratio of 50–60%, its financing costs will become sensitive to movements in benchmark interest rates, in particular the Euro Interbank Offered Rate (EURIBOR). There is a risk that, if inflation increases or monetary policy tightens, central banks will raise interest rates and the servicing of loans related to the Fund's investments will become more expensive, reducing the Fund's net income and distributable cash flows. To reduce this risk, the Management Company will seek to ensure that the Fund's borrowings include a substantial proportion of fixed-rate or hedged facilities, including through the use of interest rate swaps or caps where commercially available and cost-effective.

Even where loans are partially hedged, the overall cost of debt service increases in a rising interest rate environment, reducing distributable cash flows available to Investors. Furthermore, changes in the prevailing interest rate environment may have a material adverse effect on the market value of the Fund's portfolio properties. In a rising interest rate environment, capitalisation rates (exit yields) for commercial properties tend to increase, which in turn compresses property values. Given the Fund's target leverage of 50–60%, this means that rising interest rates would have a dual negative effect on the Fund: increasing financing costs whilst simultaneously reducing the value of the assets against which debt is secured. A sustained increase in interest rates could therefore result in breaches of loan-to-value or interest coverage covenants in the Fund's financing arrangements, with the consequences described in Section 2.2.1 (*Leverage and Debt Financing Risk*) above.

Risk level – medium.

2.2.5. Currency Risk

Fund investments may be made not only in Euros but also in other currencies, so there is a risk that the value of the Euro against other currencies may change and the value of the Fund's investments may decrease. To reduce currency risk, the Management Company may, on behalf of the Fund, hedge against currency risk by entering into derivative financial instrument transactions, but the Management Company does not guarantee that it will be possible to hedge all or most of the Fund's investment portfolio against this risk.

The Fund's permitted geographic investment universe includes Sweden, Denmark, and Poland – countries whose currencies (Swedish Krona, Danish Krone, and Polish Zloty) are not pegged to the Euro. Investments made in local currencies in these jurisdictions will be subject to currency translation risk upon consolidation into the Fund's Euro-denominated NAV. Currency movements may be adverse

and material, and hedging instruments, if employed, carry their own costs and risks including the risk of hedge ineffectiveness and adverse mark-to-market movements.

Risk level – medium.

2.2.6. Fund-Level Liquidity Risk

This is the risk of losses due to low market liquidity, when it becomes difficult to sell the held assets at the desired time and at the desired price. Liquidity risk also includes the risk of cash flow disruption experienced by the Fund due to delays and/or complete non-performance of monetary obligations by insolvent tenants. The Fund's assets consist predominantly of direct and indirect interests in real estate, which are inherently illiquid. Unlike publicly traded securities, real estate assets cannot be readily converted into cash at short notice without the risk of a significant discount to their appraised fair value. In periods of market stress or economic downturn, the time required to dispose of real estate assets may increase materially, and the prices achievable may be substantially below the most recent independent valuation. This illiquidity at the asset level directly constrains the Fund's ability to generate cash to meet its obligations, including debt service, operating expenses, and distributions to Investors.

Investors should note that the Fund maintains only a limited liquidity reserve and that the vast majority of the Fund's capital is expected to be deployed in real estate assets at any given time. Investor redemptions are subject to significant restrictions, as described in Section 15 (*Terms and Conditions of the Units*) and Section 16 (*Details of the Offering and Admission to Trading*) of this Prospectus and in the Fund Rules. The Fund is not obliged to maintain a minimum cash buffer, and there can be no assurance that sufficient liquid resources will be available to meet unforeseen cash requirements. In circumstances where the Fund is required to raise liquidity – for example, to meet maturing debt obligations, fund mandatory Unit redemptions, or cover unexpected capital expenditure – it may be compelled to dispose of assets under time pressure and in potentially unfavourable market conditions, which could result in realised losses and a reduction in NAV. Furthermore, prior to the admission of Units to trading on the Baltic Fund List, there is no secondary market through which Investors may dispose of their Units, and even following such admission, there can be no assurance that sufficient trading liquidity will develop to enable Investors to exit their positions at or near NAV.

Risk level – medium.

2.3. Geopolitical and Macroeconomic Risks

2.3.1. Geopolitical Risk – Proximity to the Russia-Ukraine Conflict

The Russian military invasion of Ukraine has had a material negative impact on the economy and business activity globally, including in the countries in which the Fund intends to invest. As at the date of this Prospectus, the Fund has not yet acquired any assets; however, the Fund's investment strategy is focused on commercial real estate in the Baltic Sea region, with its initial acquisition pipeline concentrated in Vilnius, Lithuania. The ongoing conflict continues to evolve and the involvement of the United States, the United Kingdom, the EU and other NATO countries presents material uncertainty and risk with respect to the impact on regional economic and market conditions and, consequently, on the Fund's ability to acquire, finance, lease and ultimately dispose of real estate assets at targeted returns.

This risk is of heightened relevance to the Fund given that its primary target market - Lithuania - shares a border with Belarus and is in close proximity to the conflict zone, and that Latvia and Estonia, where the Fund may also invest, are similarly exposed. An escalation of the conflict, the extension of hostilities to the Baltic region, or the imposition of additional international sanctions could have severe consequences for the economies of the Baltic States, for occupier demand for prime office space in Baltic capital cities, and for investor confidence in real estate assets in the region. In particular, a deterioration in the security environment could lead to: (i) a reduction in foreign direct investment inflows, which are a key driver of demand for the A-class office space targeted by the Fund; (ii) a decline in

property valuations, potentially triggering breaches of loan covenants in the Fund's financing arrangements; (iii) an increase in the cost or unavailability of construction materials, negatively affecting any refurbishment or fit-out works undertaken by the Fund or its tenants; and (iv) a reduction in the pool of potential buyers for the Fund's assets, limiting the Fund's ability to exit investments at targeted prices. The Fund's initial concentration in the Vilnius market means that the Fund would have limited ability to mitigate the impact of an adverse geopolitical event through geographic diversification during the early stages of its operations.

Risk level – high.

2.4. Legal and Regulatory Risks

2.4.1. Regulatory and Legislative Change Risk

The Fund's business takes place in a highly regulated environment. Its operations are regulated by the legislation of each country where itself or its Controlled Companies and/or Real Estate Companies operate. In addition, the Fund's operations may be affected by regional or supranational regulations, such as EU legislation. Violations of applicable laws or regulations could damage the Fund's reputation or result in regulatory or private actions with substantial penalties or damages. Legislation and other regulations may change, and the Management Company cannot guarantee that it would in such cases be able to comply immediately, without material measures, with the requirements of changed legislation or other regulations. Adapting the Fund's operations to any changes in legislation and taxes may incur costs that are difficult to anticipate, which in turn may have a material adverse effect on the Fund's business, results of operations and financial condition.

There is a risk that changes in the laws of the Republic of Lithuania or the states in which the Fund's assets are invested may negatively affect the protection, profitability and value of the Fund's investments, or may otherwise negatively affect the Fund's rights and interests. In view of this, the Fund will invest only in assets located in the EU.

Risk level – medium.

2.4.2. Tax Risk

Fund-level tax risk. The Fund is a closed-end special real estate investment fund (CIU) established under Lithuanian law. As at the date of this Prospectus, the Fund benefits from a favourable tax regime under which the Fund itself is not subject to corporate income tax in Lithuania on its investment income, provided it maintains its CIU status. There is a risk that changes in Lithuanian tax legislation could alter or eliminate this treatment, for example by imposing corporate income tax on CIU income, introducing a minimum tax on real estate funds, or reclassifying the Fund's income streams. Any such change could materially reduce the Fund's net income and distributable cash flows.

The Fund intends to invest across multiple EU jurisdictions, each with its own tax regime applicable to real estate ownership, rental income and capital gains. Changes in corporate income tax rates, real estate transfer taxes, value added tax (VAT) treatment, or withholding taxes in any jurisdiction where the Fund holds assets - whether directly or through Controlled Companies and/or Real Estate Companies - could increase the Fund's aggregate tax burden. In particular, the Fund's use of Controlled Companies and Real Estate Companies in multiple jurisdictions exposes it to the risk that tax authorities in those jurisdictions may challenge the tax treatment of intra-group arrangements, including the deductibility of interest on shareholder loans or the application of transfer pricing rules to intra-group transactions. The Management Company cannot provide any assurance that the Fund's current or anticipated tax position in any jurisdiction will be maintained throughout the Fund's duration.

Investor-level tax risk. The tax treatment of income from and gains on the Units for individual Investors depends on the Investor's own tax residency, personal circumstances and the applicable tax laws of

their jurisdiction. Changes in the tax laws of Lithuania, Latvia or Estonia - or in any other jurisdiction in which an Investor is tax resident - may affect the after-tax returns available to Investors from holding, transferring or redeeming the Units. In particular, changes to the taxation of dividends, capital gains on securities, or the rules governing investment accounts (such as the Lithuanian *investicinė sąskaita*, the Latvian *ieguldījumu konte* or the Estonian *investeeringukonto*) could increase the effective tax burden on Investors. These are general tax risks that apply to investors in securities across the relevant jurisdictions and are not specific to the Fund; however, they may affect the attractiveness of the Units relative to other investment opportunities. Each Investor is strongly advised to consult its own independent tax adviser.

Risk level – medium.

2.4.3. Investor Eligibility and Regulatory Compliance Verification Risk

The Offering is subject to jurisdiction-specific regulatory requirements that impose obligations on intermediaries and eligibility conditions on Investors. In particular: (i) under Article 13 of the PRIIPS Regulation, any person advising on or selling Units to a retail Investor must provide that Investor with the applicable KID before the Investor is bound by any contract or offer relating to the Units; and (ii) under applicable Latvian legislation, non-professional (retail) Investors in the Republic of Latvia must, in connection with the primary offering of the Units, execute a written confirmation (the Latvian Investor Declaration) of their ability to make independent investment decisions and must invest a minimum amount of EUR 100,000 (unless the Fund Rules restrict leverage to a maximum of 50% of the Fund's NAV, which is not currently the case). The Latvian retail investor restrictions are determined by the investor's domicile and status, not by the location of the intermediary through which the subscription order is submitted; accordingly, a Latvian non-professional Investor subscribing through a Lithuanian or Estonian Exchange Member or financial intermediary remains subject to the same requirements. For the primary offering (Auction), compliance with the Latvian requirements is the responsibility of the relevant Exchange Member or financial intermediary (which must obtain the Latvian Investor Declaration and verify the EUR 100,000 minimum before entering a Subscription Application into the Nasdaq trading system) and the Arranger (which performs a pre-allocation compliance check and will reject any non-compliant Subscription Application). The Management Company makes the KID(s) publicly available on its website but does not itself collect Latvian Investor Declarations or verify individual Investor compliance. The Latvian retail restrictions apply to the marketing of Fund Units and, accordingly, to the primary offering only; they do not apply to acquisitions or holdings of Units on the secondary market following admission of the Units to trading on the Baltic Fund List. Notwithstanding these safeguards, there is a residual risk that Subscription Applications may be submitted in the primary offering by Latvian non-professional Investors who have not received the KID or who do not satisfy the applicable Latvian eligibility conditions and are not detected by the intermediary or by the Arranger's pre-allocation check. In such cases, the affected subscription may be challenged or invalidated, which could result in regulatory scrutiny, claims by affected Investors, or reputational risk for the Fund.

Risk level – low.

2.5. Risks Related to the Management Company

2.5.1. Key Personnel and Reliance on the Management Company

The success of the Fund's investments will largely depend on the investment decisions made by the Management Company's responsible persons and on their experience and abilities. There are no guarantees that the same responsible employees of the Management Company will manage the Fund throughout its entire operating period. Thus, there is a risk that a change in the Management Company's responsible employees will have a negative impact on the Fund's operating results.

The Fund will rely on the Management Company, and the experience, skill and judgement of the Management Company, in identifying, selecting and negotiating the acquisition of suitable investments.

There can be no assurance that the Management Company will be successful in achieving the Fund's objectives. The Management Company is also responsible for carrying out the day-to-day management and administration of the Fund's affairs and, therefore, any disruption to the services of the Management Company could cause a significant disruption to the Fund's operations until a suitable replacement is found. If, for any reason, the Management Company's licence is revoked or suspended, the management of the Fund will be transferred to the Depositary, which will have to find a new management company or commence liquidation. During such period the Fund will not have active management, which may have negative consequences for its financial results.

Risk level – medium.

2.5.2. Conflicts of Interest

There is a risk that situations will arise where the interests of the Management Company (or persons related to it) and the Fund differ, i.e., a conflict of interest will arise. To reduce this risk, the Management Company will avoid concluding service agreements with companies related to the Management Company, and if this cannot be avoided, agreements will be concluded only at arm's length. The Management Company has adopted a conflicts of interest policy and will seek to manage any conflicts of interest in accordance with applicable law and its internal procedures; however, conflicts of interest cannot be entirely eliminated.

It is noted that UAB FMJ "Orion Securities", which has been appointed as the Arranger and Distribution Agent for the purposes of the Offering, is also a tenant at the premises of one of the potential acquisition targets of the Fund described in Section 6.6 (*Investment Pipeline*). That property is currently owned by a collective investment undertaking managed by the Management Company and could be a potential acquisition target of the Fund. The Management Company does not consider this dual role to give rise to a material conflict of interest in the ordinary course; however, in the interests of transparency, this relationship is disclosed. The Management Company will monitor this relationship and manage any conflict that may arise in accordance with its conflicts of interest policy and applicable law.

The Management Company manages 19 other CIUs and investment mandates concurrently with the Fund, including 14 real estate funds with overlapping investment strategies. In circumstances where attractive investment opportunities are scarce – as is commonly the case in the Baltic commercial real estate market – there is a risk that the allocation of such opportunities between the Fund and other managed vehicles may not be resolved in a manner that is fully consistent with the best interests of the Fund's Investors. Whilst the Management Company has adopted a conflicts of interest policy and is subject to regulatory obligations to treat all managed CIUs fairly, conflicts of interest cannot be entirely eliminated. In addition, certain target assets of the Fund may be held by other CIUs managed by the Management Company, and any acquisition of such assets by the Fund may give rise to conflicts of interest, including a risk that the terms and conditions of such acquisitions may be less favourable to the Fund and its Investors than those applicable to the relevant CIU managed by the Management Company.

Risk level – medium.

2.6. Risks Related to the Fund Structure and the Units

2.6.1. Secondary Market Liquidity Risk

The Fund is structured as a closed-end fund. Prior to the admission of the Units to trading on the Baltic Fund List, Units are not listed or admitted to trading on any regulated market, multilateral trading facility or other organised trading venue. There is no established secondary market for Units and there is no guarantee that any secondary market will develop. If the Fund's financial position deteriorates, demand for Units may also decrease, as may the price at which they can be sold.

Even following the admission of the Units to trading on the Baltic Fund List, there can be no assurance that an active or liquid secondary market will develop or be maintained. The Baltic Fund List is a relatively nascent trading venue for real estate fund units, and trading volumes may be low or intermittent. Investors wishing to sell their Units on the secondary market may be unable to do so at or near NAV, or at all, particularly in periods of market stress or reduced investor appetite. The real estate transaction market in the Baltic States is structurally less liquid than in major Western European markets, and this may be reflected in lower secondary market trading volumes for the Units. Investors should be prepared for the possibility that there may be no reliable secondary market exit available to them, even after the Units are admitted to trading.

Risk level – high.

2.6.2. Exit and Redemption Risk

Units are not redeemable at the request of Unitholders during the Fund's operating period, except in the limited case where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors and the Investor objects to the amendment. The Fund has been established for an indefinite duration and does not have a fixed termination date, and Investors have no right to compel termination of the Fund. Investors should not expect a return of capital by any specified date and must be prepared to remain invested for an extended and potentially unlimited period.¹²

Investors who wish to exit their investment are dependent on: (i) the availability and liquidity of secondary market trading on the Baltic Fund List once the Units are admitted to trading; (ii) the Fund's mandatory redemption mechanism, which is triggered at the discretion of the Management Company in certain cases and automatically in others (including a terminal redemption of all remaining Units 2 Business Days before the Fund's termination, after payment of the Fund's liabilities) and is subject to material restrictions; and (iii) a limited right to require redemption of the Units at NAV where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors. In the case of an amendment-triggered redemption, the Management Company's decision on the amendment specifies the portion of NAV available for such redemptions, and if redemption requests exceed that portion the amendment does not proceed and the redemption right is not exercised.

The Fund Rules require the Units to be admitted to trading on the Baltic Fund List within 6 months from the settlement date of the first Auction. The Management Company may extend that period once, by up to 6 months, only on the grounds set out in the Fund Rules and with the written consent of Investors holding more than 50% of all issued and unredeemed Units. If the Units are not admitted to trading within that period (including any extension), the Management Company must commence realisation of the Fund's assets and mandatory pro-rata redemption of Units; however, there is no assurance that such realisation will be completed promptly or at prices close to the most recent NAV, and the realisation and settlement may take up to 2 years. Separately, the Management Company and the Bank of Lithuania each have the power to suspend the redemption of Units for up to 3 months per year in circumstances where it is necessary to protect the public and Investors' interests, where there are insufficient funds to pay for the redeemed Units, or where such a supervisory measure is applied by the Bank of Lithuania.

Taken together, the absence of voluntary redemption rights, the discretionary nature of the mandatory redemption mechanism, the conditionality of the amendment-triggered redemption right, the uncertainty surrounding the timing of admission to trading on the Baltic Fund List, and the possibility of redemption suspension mean that Investors may be unable to exit their investment for an extended and potentially indefinite period. As the Fund is newly established and has no existing portfolio, if the Fund is obliged to realise its assets rapidly – for example to fund a mandatory redemption – realisation prices may be materially below the most recent independent valuation, reducing the Fund's NAV and returns to

remaining Investors. Investors must be prepared to bear this illiquidity risk for the full duration of their investment in the Fund. Risk level – high.

2.6.3. Concentration and Diversification Risk

This is the risk that a single unsuccessful investment may have a significant impact on the Fund's results. To mitigate this risk, the Management Company will seek to ensure that the Fund holds a sufficient number of different real estate objects in its portfolio, thereby maintaining an appropriate level of diversification. The Fund Rules require that the Fund's portfolio comply with the prescribed diversification limits within four years from the date on which the Bank of Lithuania issued its licence to approve the Fund Rules and select the Depositary. Until such time, the Fund is not required to comply with those limits, and the portfolio may be concentrated in a small number of assets or a single asset class.

During the early stages of the Fund's operations, the portfolio may comprise only a small number of assets. In such circumstances, poor performance of a single asset – whether due to tenant vacancy, physical damage, adverse valuation, or legal dispute – could have a disproportionately material adverse effect on the Fund's overall results and NAV. Full diversification as described in the investment policy will only be achieved progressively as capital is deployed, and there can be no assurance that it will be fully achieved within the four-year period prescribed by the Fund Rules.

There is a risk that, due to slower-than-anticipated capital deployment – whether caused by scarcity of suitable acquisition targets, adverse financing conditions, or unfavourable market circumstances – the Fund may be unable to achieve the required level of portfolio diversification within the prescribed four-year period. In such circumstances, the Management Company may be required to dispose of assets or restructure the portfolio under time pressure, rather than waiting for favourable market conditions, in order to bring the portfolio into compliance with the applicable diversification requirements. Any such forced or accelerated realisation of assets could result in disposal proceeds that are materially below the most recent independent valuation of the relevant assets, thereby reducing the Fund's NAV and the returns available to Investors.

Risk level – high.

2.6.4. No Guaranteed Income or Capital Return

As at the date of this Prospectus, the Fund is newly established and has no assets, no portfolio income and no track record of investment performance. NAV may increase and decrease, and the Investor may not recover the amount invested in the Fund. No guarantees can be given regarding the Fund's performance and returns or any specific Fund investment. The Management Company targets an annual cash distribution of approximately 5% of the total amount invested by Investors in the Fund; however, this target is not a commitment, is not guaranteed, and should not be relied upon as an indication of future results. The Fund's ability to achieve this target will depend entirely on the successful deployment of the Offering proceeds into income-generating assets and the performance of those assets once acquired.

Risk level – high.

2.6.5. Blind Pool Risk

At the time of subscription of the Units, the Fund may not have completed any investments, so potential Investors may be unable to assess the conditions related to the Fund's future investments. Potential Investors may need to rely on the Management Company's judgement in identifying, selecting and negotiating the acquisition of suitable investments, but the Management Company does not guarantee or confirm that the Fund's investments will be successful or that the Fund's investment objectives will be achieved. The composition of the Fund's portfolio – including asset quality, geographic distribution,

tenant profile, and leverage – may differ materially from the descriptions provided in this Prospectus. Investors subscribing for Units during early Subscription Periods are therefore effectively committing capital in whole or in part to a blind pool, and there can be no assurance that the investments ultimately made by the Fund will generate the returns described herein.

Risk level – medium.

2.6.6. Account Operator and Third-Party Intermediary Fees Risk

Investors hold Units through Securities Accounts maintained by their chosen account operator (a licensed participant of Nasdaq CSD, such as a bank or investment firm) and/or other financial intermediaries through which they hold or transfer Units. Account operators and other financial intermediaries charge their own fees and costs in connection with the opening, maintenance and administration of personal Securities Accounts, the custody and transfer of Units, and the settlement of transactions, in accordance with their own applicable tariff schedules. These fees are charged directly to the Investor by the relevant account operator or intermediary and are not paid from the Fund's assets. The Fund, the Management Company and the Arranger are not responsible for any such fees and have no control over the tariff schedules applied by third-party account operators or intermediaries. Accordingly, the total cost of holding Units for an individual Investor may exceed the fees and expenses disclosed in Section 13.1 (*Fees and Expenses*) of this Prospectus. Investors should obtain and review the applicable tariff schedules of their chosen account operator before subscribing for Units.

Risk level – low.

2.7. Sustainability and ESG Risks

2.7.1. Transition Risk

The Fund is classified as a financial product that promotes environmental characteristics within the meaning of Article 8 of the SFDR. As described in the pre-contractual sustainability disclosure document incorporated by reference into this Prospectus and available on the Management Company's website at www.lordslb.it/bcpf, the Fund promotes environmental characteristics related to climate change mitigation, including energy efficiency of buildings, efficient energy consumption, sustainable building certifications and the use of renewable electricity. The Fund does not have sustainable investment as its objective within the meaning of Article 9 of the SFDR and does not commit to making sustainable investments within the meaning of Article 2(17) of the SFDR or to any minimum proportion of EU Taxonomy-aligned investments.

The EU regulatory framework governing sustainable finance and commercial real estate energy efficiency is evolving rapidly. Mandatory minimum energy efficiency standards for commercial buildings, potentially including requirements to achieve specific energy performance certificate ratings by set dates, could require the Fund to undertake costly retrofitting works on properties within its portfolio. Failure to maintain compliance with applicable energy performance, environmental or sustainability-related regulatory requirements or the environmental characteristics promoted by the Fund could adversely affect the lettable of properties, the Fund's ability to secure favourable financing terms and the ultimate realisable value of the Fund's assets upon disposal.

Changes in applicable regulations may require the Fund to undertake additional capital expenditure to ensure the portfolio's continued compliance, which could increase operating costs and reduce net income. Failure to maintain compliance with applicable ESG standards could adversely affect the attractiveness of the properties to tenants – particularly institutional tenants with their own sustainability commitments – and could reduce the market value of properties in the Fund's portfolio.

In addition, as the Fund is expected to be listed and subject to sustainability-related disclosure and reporting obligations, including applicable EU sustainable finance and corporate sustainability reporting requirements, the Fund may incur additional compliance, reporting, verification, and administrative costs. Evolving disclosure requirements and stakeholder expectations may require enhanced ESG governance and monitoring processes and could affect the Fund's reputation, investor attractiveness, financing conditions, or regulatory compliance status.

The scope, timing, and implementation of future sustainability and climate-related regulatory requirements remain uncertain and may become more stringent over time, which could increase compliance costs and accelerate the risk of obsolescence for less energy-efficient assets.

The Fund has established specific sustainability indicators and quantitative thresholds for qualifying investments as promoting environmental characteristics, as set out in the pre-contractual sustainability disclosure document referred to above, including minimum energy performance classes, BREEAM certification levels, and renewable electricity requirements. An investment must meet at least three of the four established indicators to qualify. The Fund targets that no less than 70% of its investments by value promote these environmental characteristics. Changes in the applicable standards, benchmarks, or certification methodologies could require the Fund to revise its own sustainability indicator thresholds, which in turn could require additional capital expenditure, affect the Fund's ability to maintain the 70% target, or necessitate amendments to the Fund's SFDR disclosures. If the Fund fails to meet its stated targets, this could give rise to SFDR disclosure, compliance and reputational risks, and could adversely affect the attractiveness of the Fund to ESG-focused investors.

Risk level - medium.

2.7.2. Climate Risk

Climate risk is the risk that climate change and climate-related events could adversely affect the physical condition, operating costs and value of the Fund's real estate assets. It arises from two distinct sources: (i) acute physical risks, being event-driven hazards such as storms, floods and heatwaves; and (ii) chronic physical risks, being longer-term shifts in climate patterns such as rising average temperatures and changes in precipitation. Based on currently available climate risk assessments and regional climate projections, the Fund's target investment areas are considered to have relatively low exposure to severe physical climate risks compared to many other European regions.

Notwithstanding the assessed lower relative exposure, climate-related risks may still adversely affect the Fund's investments over time. In particular: (i) heavy precipitation, localised flooding and windstorms may cause physical damage to buildings, disrupt tenant operations and increase insurance and repair costs; (ii) freeze-thaw cycles may accelerate the deterioration of building envelopes and technical systems; and (iii) rising average temperatures may increase cooling demand and associated energy and maintenance costs. The frequency and severity of these hazards may increase under long-term climate change scenarios, which could reduce net operating income, require additional capital expenditure and adversely affect the market value of the Fund's assets.

The Management Company assesses physical climate risks as part of the pre-investment ESG review carried out before each investment decision and monitors relevant sustainability indicators during the holding period. Notwithstanding those processes, climate-related assessments may not identify all current or future risks, in particular where scientific projections evolve or where hazards materialise outside modelled scenarios, and any mitigation or adaptation measures identified may not be available, economically viable or fully effective in all cases.

Risk level – medium.

3. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION AND COMPETENT AUTHORITY APPROVAL

3.1. Persons Responsible. Declaration

The person responsible for the information given in this Prospectus is the Fund, represented by and acting through UAB "Lords LB Asset Management", legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania, being the Management Company of the Fund. Having taken all reasonable care to ensure that such is the case, the Management Company declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Management Company accepts responsibility for the fullness and correctness of the information contained in this Prospectus as of the date hereof.

[signed digitally]

Fund Manager
Marius Žemaitis

Without prejudice to the above, no civil liability shall attach to the Management Company solely on the basis of this summary, including any translation thereof, unless the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or unless it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Units. The summary does not constitute a prospectus and shall not be used as a basis for any investment decision without reading the Prospectus in its entirety.

3.2. Third-Party Information and Experts' Reports

For portions of this Prospectus, certain information may have been sourced from third parties. Such information is accurately reproduced and, as far as the Issuer 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 as presented in this Prospectus. Certain information with respect to the markets in which the Issuer operates is based on the best assessment made by the Management Company. Nevertheless, Investors should take into consideration that the Issuer has not verified the information published by third parties and, while every reasonable care was taken to provide the 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 Issuer 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.

No statements or reports attributed to a person as an expert are included in this Prospectus. Property valuations of the Fund's assets will be carried out by independent property valuers in accordance with the Fund Rules and Section 13.2 (*Valuation*) of this Prospectus; however, no such valuation reports are included or incorporated by reference in this Prospectus as at the date hereof.

3.3. 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 Issuer and the quality of the Units that are the subject of this Prospectus.

Each prospective Investor in the Units must determine, based on its own independent review and, if applicable, professional advice (as the appropriateness of the Units will be determined by the financial

intermediary through which the Investor subscribes to the Units, if required by applicable laws) that the investment in the Units is suitable in light of its financial circumstances and objectives.

3.4. Conflicts of Interest on the Issue

To the best knowledge of the Management Company, there are no personal interests of the persons involved in the Offering which could be deemed material to the Offering. Nevertheless, for the purposes of transparency, the following is disclosed:

Certain potential acquisition targets of the Fund, as described in Section 6.6 (*Investment Pipeline*), are currently indirectly owned by collective investment undertakings managed by the Management Company. Any acquisition of such assets by the Fund would constitute a related-party transaction. The Management Company will ensure that any such acquisition is conducted on arm's length terms and independently priced in accordance with the independent valuation requirement under the Fund Rules and this Prospectus.

UAB FMI „Orion Securities“, which has been appointed as the Arranger and Distribution Agent for the purposes of the Offering, is also a tenant at Konstitucijos ave. 18B, Vilnius – the address of one of the potential acquisition targets of the Fund described in Section 6.6 (*Investment Pipeline*) of this Prospectus. The Management Company does not consider this dual role to give rise to a material conflict of interest; however, this relationship is disclosed in the interests of transparency. The Management Company will monitor this relationship in accordance with its conflicts of interest policy and applicable law.

No underwriting agreement has been concluded in connection with the Offering. The Management Company and its employees do not receive any commission or other remuneration from third parties in connection with the Offering, other than fees indicated in Section 13.1 (Fees and Expenses) of this Prospectus payable to the Management Company from the Fund's assets in accordance with the Fund Rules.

3.5. Advisors and Additional Information

The following advisors have been engaged in connection with the Offering:

Legal counsel to the Management Company: Ellex Valiunas, J. Jasinskio st. 2, Vilnius, the Republic of Lithuania. Ellex Valiunas has been engaged as legal counsel to the Management Company and the Fund in connection with the preparation of this Prospectus and the Offering.

Arranger, Settlement Agent and Distribution Agent: UAB FMI „Orion Securities“, legal entity code 122033915, Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania. UAB FMI „Orion Securities“ acts as arranger, settlement agent and distribution agent in connection with the Offering of Units in the Republic of Lithuania, Latvia and Estonia.

Auditor: UAB PricewaterhouseCoopers, legal entity code 111473315, Lviso st. 21-101, LT-09309 Vilnius, the Republic of Lithuania. UAB PricewaterhouseCoopers has been appointed as auditor of the Fund.

Property Valuator: for real estate objects located in the Republic of Lithuania, UAB „Newsec Valuations“. For real estate objects located outside the Republic of Lithuania, the Management Company will engage, as and when required, at least one additional independent real estate valuator meeting the requirements applicable to property valuers in the relevant jurisdiction, in accordance with the CIUL and the Fund Rules.

Financial Accounting and NAV Calculation: UAB „Ernst & Young Baltic“, legal entity code 110878442, Aukštaičių st. 7, LT-11341 Vilnius, the Republic of Lithuania, has been appointed to provide financial accounting, NAV calculation and Unit valuation services for the Fund.

None of the advisors listed above has a material interest in the Offering other than in their professional capacity as described above.

4. REASONS FOR THE OFFER, USE OF PROCEEDS AND EXPENSES

4.1. Reasons for the Offering

The Offering is being conducted to raise equity capital for the Fund to deploy in accordance with its investment strategy. The Fund pursues a core investment strategy focused on income-producing, high-class commercial and mixed-use real estate assets in prime city-centre locations across the Baltic Sea region, targeting Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany. The Fund does not have an existing portfolio of assets as at the date of this Prospectus and relies on the proceeds of the Offering to fund its initial and subsequent acquisitions.

The Management Company considers that the current market environment presents an attractive entry point for the acquisition of prime commercial real estate assets in the Baltic markets, where prime yields remain materially higher than in comparable Western European markets. The Offering provides retail and qualified Investors in the Republic of Lithuania, Latvia and Estonia with access to an institutionally managed, diversified commercial real estate portfolio that would not otherwise be accessible to individual investors at this scale.

The admission of the Units to trading on the Baltic Fund List is being sought in order to provide Investors with a secondary market for their Units following the completion of the Initial Offering Period, in accordance with the requirements of the Fund Rules and applicable law.

4.2. Use of Proceeds

The maximum aggregate value of the Offering is EUR 150,000,000. The net proceeds of the Offering (being the gross subscription proceeds less the expenses of the Offering described below) will be applied by the Management Company, on behalf of the Fund, as follows:

Acquisition of real estate assets – the substantial majority of net proceeds will be deployed in the acquisition of income-generating, high-class commercial and mixed-use real estate assets in accordance with the Fund's investment objective and investment policy. The Fund's initial target acquisitions are described in Section 6.6 (*Investment Pipeline*). Any further Fund acquisitions financed by additional Unit issues after the closing of the Offering under this Prospectus would require, during the validity period of this Prospectus, a supplement to this Prospectus published in accordance with Article 23 of the Prospectus Regulation, and after the expiry of this Prospectus, the approval and publication of a new prospectus.

Fund operational costs – a portion of the net proceeds will be applied towards covering the Fund's operational costs during the initial phase of operations prior to the Fund generating sufficient income from its investment portfolio.

All proceeds received under each Tranche will be credited to the Fund's bank account held with the Depositary and deployed in accordance with the above. Pending deployment, proceeds may be held in cash or invested in temporarily available liquid assets in accordance with the Fund Rules.

4.3. Total Expenses of the Issue

The estimated total expenses of the Offering charged to the Fund (not to individual Investors directly) are set out below. Based on the Maximum Aggregate Value of the Offering of EUR 150,000,000, the estimated total one-off expenses of the Offering are approximately EUR 4,800,000 (approximately 3.2% of the gross proceeds), comprising the distribution and marketing fee, legal and regulatory costs, admission to trading fees and other costs related to the preparation and execution of the Offering, as detailed below. These expenses are one-off expenses of the Offering and are in addition to the ongoing fees and expenses of the Fund.

Distribution and marketing fee: a distribution and marketing fee is payable from the Fund's assets to the Distribution Agent during the Initial Offering Period at a rate of 3.00% of the amount invested by Investors where raised through the Distribution Agent (or financial intermediaries engaged by it), or 1.00% of the amount invested where not raised through the Distribution Agent. Based on the Maximum Aggregate Value of the Offering of EUR 150,000,000, the maximum aggregate distribution and marketing fee payable is EUR 4,500,000 (assuming all proceeds are raised through the Distribution Agent).

Costs of preparing and filing the Prospectus: legal, regulatory, translation and filing costs associated with the preparation and approval of this Prospectus and the KIDs are borne from the Fund's assets and fall within the general 3% annual expense cap. The estimated aggregate amount of such costs is approximately EUR 75,000.

Auction and admission to trading costs: fees payable to Nasdaq Vilnius in connection with the Auctions and admission of the Units to trading on the Baltic Fund List, and ongoing annual listing and maintenance fees, are borne from the Fund's assets. The applicable fee rates are set by Nasdaq and are available at www.nasdaqbaltic.com. Assuming 4–5 Tranches during the Offering, the estimated aggregate one-off Auction and admission to trading costs are approximately EUR 25,000. Ongoing annual listing and maintenance fees (estimated at approximately EUR 7,500 per annum at the Maximum Aggregate Value of the Offering) are recurring costs borne from the Fund's assets and fall within the general 3% annual expense cap.

Other costs related to the Offering: advisory, marketing, investor communication, printing, translation, filing and other administrative costs incurred in connection with the preparation and execution of the Offering that are not covered by the distribution and marketing fee or the costs of preparing and filing the Prospectus. These costs are borne from the Fund's assets and fall within the general 3% annual expense cap. The estimated aggregate amount of such costs is approximately EUR 200,000.

The expenses of the Offering are not charged to Investors directly. Investors may additionally be subject to fees charged by their own securities account operators and financial intermediaries.

4.4. Alignment with Business Strategy

The Offering is integral to the Fund's business strategy. The Fund's stated investment objective is to generate returns for Investors from investments in income-producing, high-class commercial and mixed-use real estate assets in prime city-centre locations in Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany. The Fund cannot begin deploying its investment strategy until equity capital has been raised through the Offering -the Fund is newly established and has no pre-existing portfolio or revenue-generating assets as at the date of this Prospectus.

The proceeds of the Offering will directly fund the first phase of the Fund's investment programme, financing the acquisition of core, income-producing, A-class commercial and mixed-use real estate assets consistent with the Fund's investment strategy. The Fund is required under the Fund Rules to hold at least four separate real estate assets within four years of the Bank of Lithuania approving the Fund Rules.

The admission of the Units to trading on the Baltic Fund List supports the Fund's strategy by providing Investors with a secondary market exit mechanism, thereby enhancing the attractiveness of the Offering to retail and qualified Investors.

5. GENERAL NOTES AND DEFINITIONS

5.1. Applicable Law

The Prospectus has been drawn up in accordance with the Prospectus Regulation, the Delegated Regulation, the Law of the Republic of Lithuania on Securities (the **Law on Securities**). For the purposes of the Prospectus Regulation, the Prospectus comprises a registration document of the Fund drawn up in accordance with Annex 4 of the Delegated Regulation and a securities note of the Units drawn up in accordance with Annex 11 of the Delegated Regulation.

This Prospectus is governed by Lithuanian law. Any disputes relating to or arising in relation to the Units shall be finally settled by the competent courts of the Republic of Lithuania in accordance with Lithuanian law. The Investor may be required under national law to bear the costs of translating this Prospectus before being able to bring a claim to the state court in relation to this Prospectus and/or the Units.

5.2. Presentation of Information

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 Issuer 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.

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

Date of Information. This Prospectus is drawn up based on information which was valid as of the date of the Prospectus. Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Issuer, 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.

Updates. The Issuer 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 Company. The Issuer is under no obligation to update or modify forward-looking statements included in this Prospectus (please see Section 5.4 (*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.

5.3. Historical Financial Information and Accounting Standards

As the Fund is a newly established CIU, no historical financial information of the Issuer is available and therefore none is included in this Prospectus. A statement to this effect is included in Section 10 (*Financial Information of the Fund*) of this Prospectus.

The Fund's financial statements, once prepared, will be drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The presentation of financial

information in accordance with IFRS will require the Management Company to make various estimates and assumptions which may impact the values shown in the financial statements and notes thereto.

The Fund's financial year starts on 1 January and ends on 31 December. Amounts in the Fund's financial statements will be presented in Euros (EUR) unless otherwise indicated.

The Fund's annual financial statements will be audited by UAB PricewaterhouseCoopers, legal entity code 111473315, registered address at Lvivo st. 21-101, Vilnius, the Republic of Lithuania.

5.4. Forward-Looking Statements

This Prospectus includes forward-looking statements. Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management Company. Certain statements are based on the beliefs of the Management Company as well as assumptions made by and information currently available to the Management Company. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Fund, 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 Issuer 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 Issuer 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 Issuer's actual results may differ materially from the Management Company's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Issuer (please see Section 2 (*Risk Factors*) for a discussion of the risks which are identifiable and deemed material at the date hereof).

5.5. Use of Prospectus

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

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

5.6. Availability of Prospectus and Other Information

This Prospectus is available as of 24 August 2026 in an electronic format on the website of the Management Company (www.lordslb.lt/bcpf).

This Prospectus and any KID(s) (or the documents incorporated herein by reference as disclosed in Section 14 (*Documents Incorporated by Reference*)) can be obtained free of charge on the Management Company's website (www.lordslb.lt/bcpf). Once the Fund's Units are admitted to trading on the Baltic Fund List, such documents and information shall be additionally published on Nasdaq operated Central Storage Facility (the CSF) at www.crib.lt. Announcements relating to individual Auctions will be published on the Management Company's website and, where applicable, on the Nasdaq website at www.nasdaqbaltic.com.

All information presented on the Issuer's website which has not been incorporated by reference into this Prospectus under Section 14 (*Documents Incorporated by Reference*) does not form part of the Prospectus.

5.7. 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.

Term	Definition
AIFML	shall mean the Law of the Republic of Lithuania on Managers of Alternative Collective Investment Undertakings.
Arranger	shall mean UAB FMĮ "Orion Securities", legal entity code 122033915, with its registered address at Konstitucijos ave. 18B, LT-09308 Vilnius, the Republic of Lithuania, appointed by the Issuer as the arranger, Settlement Agent and a Distribution Agent of the Units pursuant to this Prospectus.
Auction	shall mean each public auction (primary distribution) of the Units organised by the Arranger through the Nasdaq trading system pursuant to this Prospectus and the Auction Rules, and during which the Issuer represented by the Management Company, the Arranger, Nasdaq and Exchange Members have predetermined rights and obligations in connection with the primary distribution of the Units of the relevant Tranche. The dates and other operational details of each Auction (including the opening and closing dates of the relevant Subscription Period, the Maximum Aggregate Value of the Subscription under the Tranche and the Issue Date) are announced by the Management Company on its website at www.lordslb.lt/bcpf and by Nasdaq at www.nasdaqbaltic.com before the opening of the relevant Auction.
Auction Agreement	shall mean each agreement on organising the Fund's Units subscription process concluded between the Arranger 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 of the relevant Subscription Period.
Auction Rules	shall mean each rules of the Baltic Core Property Fund Units Subscription Process (Auction) published on the website of Nasdaq at www.nasdaqbaltic.com before the opening of the relevant Auction (Subscription Period).

Baltic Fund List	shall mean the AB Nasdaq Vilnius Fund List, a regulated market segment for investment fund units administered by Nasdaq on which the Units will be listed and admitted to trading.
Bank of Lithuania	shall mean Lietuvos bankas, the central bank and supervisory authority of the Republic of Lithuania, <i>inter alia</i> , responsible for the supervision of CIUs and their management companies, operating under the CIUL and AIFML.
Business Day	shall mean any day, except Saturday, Sunday, a national or a public holiday of the Republic of Lithuania.
CIUL	shall mean the Law of the Republic of Lithuania on Collective Investment Undertakings.
CIU	shall mean a collective investment undertaking.
CSF	shall mean the Central Storage Facility operated by Nasdaq, accessible at www.crib.lt , on which the Issuer is required to publish regulated information following the admission of the Units to trading on the Baltic Fund List.
Commission Delegated Regulation (EU) 2022/1288	shall mean Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of do no significant harm, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in precontractual documents, on websites and in periodic reports, as amended.
Controlled Company	shall mean a company specially established for the purposes of the Fund and controlled by the Fund through direct decisive influence, used as a corporate vehicle for holding real estate objects and/or interests in Real Estate Companies in accordance with the Fund's investment policy. The Fund may hold 100% or less than 100% of a Controlled Company. The Management Company exercises the Fund's rights as a shareholder of Controlled Companies. The investment restrictions applicable to Controlled Companies are set out in Section 6.3 (<i>Investment Objective and Policy</i>) and Section 6.4 (<i>Investment Restrictions</i>) of this Prospectus and in the Fund Rules.
Depository	shall mean AB SEB bankas, legal entity code 112021238, registered address at Konstitucijos ave. 24, LT-08106 Vilnius, the Republic of Lithuania, appointed as the depository of the Fund in accordance with applicable law.
Delivery Versus Payment (DvP)	shall mean a securities industry settlement method that guarantees the transfer of securities only happens simultaneously with the payment for the securities.
Delegated Regulation	shall mean 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, as amended, taking into account the expected amendments set out in the draft Commission Delegated Regulation (EU) .../... of 7 May 2026.
Distribution Agent	shall mean UAB FMĮ “Orion Securities”, legal entity code 122033915, with its registered address at Konstitucijos ave. 18B, LT-09308 Vilnius, the Republic of Lithuania, or any other entity engaged by the Management Company or the Arranger to distribute the Units pursuant to this Prospectus.
T2S	shall mean Target2-Securities, the Eurosystem's centralised securities settlement platform providing delivery-versus-payment settlement in central bank money (CeBM) for European securities markets.
DCA	shall mean a Dedicated Cash Account, a T2S cash account holding central bank money (CeBM) administered by the Bank of Lithuania, used by Nasdaq CSD participants to effect cash settlements through the T2S platform.
EEA	shall mean the European Economic Area.
EUR or Euro	shall mean the official currency of the member states of the European Union that have adopted the Euro as their currency.
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 the FUSION trading system, eligible to participate in the Auction (i.e., to enter buy orders in the Nasdaq trading system during the Subscription Period). The list of banks and investment firms which are Exchange Members is available on the website www.nasdaqbaltic.com/statistics/en/members .
Fund or Issuer	shall mean the closed-end special real estate investment fund Baltic Core Property Fund (in Lithuanian: <i>uždarojo tipo specialusis nekilnojamojo turto investicinis fondas Baltic Core Property Fund</i>), fund code F107, represented by and acting through the Management Company. The Fund is not a separate legal entity; references to the Issuer in this Prospectus are to the Fund as represented by the Management Company.
Fund Rules	shall mean the rules of the Fund as approved and registered with the Bank of Lithuania, as amended from time to time, incorporated by reference into this Prospectus pursuant to Section 14 (<i>Documents Incorporated by Reference</i>).
Initial Offering Period	shall mean the period during which Units are offered to Investors pursuant to this Prospectus. It commences on the date of approval of this Prospectus by the Bank of Lithuania. The first Auction will be announced by the Management Company on its website at www.lordslb.lt/bcpf and opened no later than 1 month after the date of approval of this Prospectus. The Initial Offering Period ends on the earliest of: (i) the Maximum Aggregate Value of the Offering being reached; (ii) a decision of the Management

		Company to close the Offering; and (iii) the admission of the Units to trading on the Baltic Fund List (which must occur within 6 months from the settlement date of the first Auction, extendable in accordance with the Fund Rules).
Investor		shall mean a prospective or existing participant of the Fund who has acquired or is acquiring Units. For the avoidance of doubt, an Investor who holds one or more Units is also a Unitholder.
ISIN		shall mean the International Securities Identification Number assigned to the Units: LT0000138661.
Issuance Account		shall mean the Fund's issuance account (emission account) maintained by Nasdaq CSD, in which the total number of Units in issue is recorded at the first tier of Nasdaq CSD's securities settlement infrastructure and through which corporate events relating to the Units are processed. The Management Company maintains the Register on the basis of information recorded in the Issuance Account and in the Investors' Securities Accounts.
Issue		shall mean the offering and issuance of Units under this Prospectus, up to the Maximum Aggregate Value of the Offering.
Issue Date		shall mean, in respect of each Tranche, the date on which subscribed Units are registered in the Issuance Account maintained by Nasdaq CSD and credited to the Securities Accounts of the relevant subscribing Investors, as specified in the applicable Auction Rules and in the Auction announcement published on the Management Company's website at www.lordslb.lt/bcpf and by Nasdaq at www.nasdaqbaltic.com . Settlement is effected on a delivery-versus-payment (DvP) basis through the T2S platform, with Units delivered to the Investor's Securities Account simultaneously with the payment of the Subscription Price. No separate subscription agreement is concluded between the Fund and the Investor; the subscription is effected through the Auction process. Entries confirming the Investor's ownership of Units in their personal Securities Account are recorded as at the Issue Date.
KID		shall mean the key information document(s) prepared by the Issuer in accordance with the PRIIPS Regulation in connection with the Offering of each relevant Tranche.
Law on Securities		shall mean the Law of the Republic of Lithuania on Securities, as amended.
Management Company		shall mean UAB "Lords LB Asset Management", legal entity code 301849625, registered address at Jogailos st. 4, LT-01116 Vilnius, the Republic of Lithuania, a licensed investment management company supervised by the Bank of Lithuania (licence No. VJK-016 under CIUL and licence No. 1 under AIFML).
Market Abuse Regulation		shall mean Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as amended.

Material Document Amendments	Fund	shall mean material amendments to the Fund Rules and/or the prospectus prepared under the requirements of the CIUL, as determined in accordance with the criteria set out in the Fund Rules. Amendments are considered Material Fund Document Amendments if they may have a negative impact on the Investors' financial position (including increasing or introducing new fees, payments or deductions), restrict or eliminate rights granted to the Investors or otherwise affect Investors' ability to exercise their rights, establish new obligations for Investors, or constitute other amendments included in the list of material amendments approved by the Bank of Lithuania. Amendments made solely due to changes in applicable legislation are not considered Material Fund Document Amendments.
Maximum Value of the Offering	Aggregate	shall mean the maximum aggregate value of the Units to be issued by way of all Tranches, which amounts to EUR 150,000,000.
Maximum Value of the Subscription Tranche	Aggregate of the under	shall mean the maximum aggregate value of the Units to be subscribed under each respective Tranche, calculated by reference to the Subscription Price of the Units, as indicated in the announcement of the relevant Auction published on the Management Company's website at www.lordslb.lt/bcpf .
Member States		shall mean the member states of the EU and/or EEA.
NAV		shall mean the net asset value (in Lithuanian: <i>grynujų aktyvų vertė</i> , GAV) of the Fund, calculated as the difference between the total value of the Fund's assets and the Fund's total liabilities, in accordance with Section 10.5 (NAV) of this Prospectus and the Fund Rules.
NAV per Unit		shall mean the NAV of the Fund divided by the total number of Units outstanding as at the relevant NAV calculation date.
Nasdaq		shall mean AB Nasdaq Vilnius, the regulated market operator administering the Baltic Fund List on which the Units will be admitted to trading.
Nasdaq CSD		shall mean Nasdaq CSD SE, the central securities depository operating in the Republic of Lithuania, Latvia and Estonia, providing securities settlement, custody and related services, registered and operating in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories.
Offering		shall mean the single public offering of Units up to the Maximum Aggregate Value of the Offering, conducted in successive Tranches during the Initial Offering Period in accordance with this Prospectus, to retail and qualified Investors in the Republic of Lithuania, Latvia and Estonia, constituting a public offering of securities within the meaning of the Law on Securities and the Prospectus Regulation.
PRIIPS		shall mean a packaged retail and insurance-based investment product.
PRIIPS Regulation		shall mean the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended.

Prospectus	shall mean this document, including any supplements and/or amendments published from time to time.
Prospectus Regulation	shall mean 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, as amended.
Real Estate Company	shall mean a company whose principal activity consists of the acquisition, reconstruction, lease, sale and/or development of real estate, in which the Fund may invest as part of its portfolio (whether directly or through a Controlled Company), including through the acquisition of shares, transferable securities, money market instruments and derivative financial instruments issued by such a company. The Fund may hold 100% or less than 100% of a Real Estate Company. The concentration limits applicable to investments in Real Estate Companies are set out in Section 6.3 (<i>Investment Objective and Policy</i>) and Section 6.4 (<i>Investment Restrictions</i>) of this Prospectus and in the Fund Rules.
Regulation 231/2013	(EU) Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
Regulation 2020/852	(EU) shall mean Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended.
Register	shall mean the register of Unitholders kept by the Management Company as part of its Fund administration function under the CIUL. The Management Company maintains the Register on the basis of information received from Nasdaq CSD, so that the Register mirrors the Units recorded in the Issuance Account and in the Investors' Securities Accounts within Nasdaq CSD's two-tier securities settlement infrastructure, as described in Section 15.2 (<i>Legislation, book entry form and register</i>) of this Prospectus.
Securities Account	shall mean a personal securities account opened in the name of an Investor (or a nominee holder) with a credit institution or investment brokerage firm that is a licensed participant of Nasdaq CSD (an account operator), or other credit institutions or investment brokerage firms within the territory of the Republic of Lithuania, Latvia or Estonia. Individual Investor ownership of Units is recorded at this second tier level, with Units registered at the first (highest) tier level in the Issuance Account maintained by Nasdaq CSD.
Settlement Agent	shall mean the Arranger, acting in its capacity as settlement agent in connection with the settlement of Units subscribed through an Auction, responsible for facilitating the orderly flow of funds and delivery of Units between the Fund, the Exchange Members and Nasdaq CSD on a DvP basis on the relevant Issue Date.

SFDR		shall mean the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, as amended.
Special Rules of Nasdaq		shall mean the Special Procedures Market Rules of Nasdaq approved by the decision of the Management Board of Nasdaq dated 3 December 2019 No. 19-80, as amended.
Subscription Application		a document and/or instruction submitted by the Investor to the Exchange Member or other financial intermediary, for the subscription of Units in the form as used and approved by the Exchange Member or other financial intermediary, which contains all information required under the Auction Rules.
Subscription Period		shall mean, in respect of the relevant Tranche, the period during which Investors may subscribe for the Units through the relevant Auction, as announced by the Management Company on its website at www.lordslb.it/bcpf and by Nasdaq at www.nasdaqbaltic.com before the opening of that Auction.
Subscription Price		shall mean EUR 1.00 (one euro) per Unit, being the fixed price at which the Units are offered and issued in each Tranche under this Prospectus, as determined in accordance with this Prospectus and the Fund Rules.
Target Fund Size		EUR 150,000,000 (the total amount to be invested by Investors into the Fund in accordance with the Fund Rules).
Tranche		shall mean a portion of Units offered to Investors by way of an Auction conducted through the Nasdaq trading system during the relevant Subscription Period, forming part of the same Offering under this Prospectus and bearing the same ISIN. The operational details of each Tranche (including the opening and closing dates of the Subscription Period, the Maximum Aggregate Value of the Subscription under the Tranche and the Issue Date) are announced by the Management Company on its website at www.lordslb.it/bcpf and by Nasdaq at www.nasdaqbaltic.com before the opening of the relevant Auction.
Unit		shall mean an investment unit of the Fund offered pursuant to this Prospectus, representing an equal, undivided interest in the Fund's assets. The type, class, currency and form of the Units are described in Section 15.1 (<i>Type, class, currency and ISIN</i>) of this Prospectus.
Unitholder		shall mean a holder of one or more Units whose ownership is reflected in the Unitholder's personal Securities Account maintained by a licensed account operator, and whose Units are recorded in the Fund's Issuance Account maintained by Nasdaq CSD and in the Register kept by the Management Company, in accordance with the register-keeping arrangements described in Section 15.2 (<i>Legislation, book entry form and register</i>) of this Prospectus.

6. THE FUND – STRATEGY, PERFORMANCE AND BUSINESS ENVIRONMENT

6.1. General Information of the Fund

The following table sets out the key corporate information of the Fund:

Legal name:	<i>Uždarojo tipo specialusis nekilnojamojo turto investicinis fondas Baltic Core Property Fund</i> (closed-end special real estate investment fund Baltic Core Property Fund).
Legal entity identifier (LEI):	64880069LM9CNM4UKP98
Legal form:	Closed-end special real estate investment fund (<i>uždarojo tipo specialusis nekilnojamojo turto investicinis fondas</i>), not a separate legal entity; the Fund is a pool of assets managed by the Management Company on behalf of Investors as co-owners (<i>bendraturčiai</i>).
Governing legislation:	Law of the Republic of Lithuania on Collective Investment Undertakings (CIUL); Law of the Republic of Lithuania on Managers of Alternative Collective Investment Undertakings (AIFML); and the Fund Rules approved by the Bank of Lithuania
Date of establishment / commencement of operations:	12 August 2026, being the date on which the Bank of Lithuania approved the Fund Rules and authorised the appointment of the Depositary.
Duration:	Indefinite (unlimited). The Management Company's board may adopt a decision to terminate the Fund in accordance with the Fund Rules.
Domicile:	Republic of Lithuania
Registered address of the Management Company (acting on behalf of the Fund):	Jogailos st. 4, LT-01116 Vilnius, the Republic of Lithuania
Website:	www.lordslb.lt/bcpf . The contents of the website do not form part of this Prospectus unless expressly incorporated by reference.

The Fund is represented by and acts through UAB “Lords LB Asset Management” (the Management Company). The Management Company manages the Fund pursuant to the CIUL and the AIFML.

6.2. Business Overview

The Fund pursues a core investment strategy focused on income-producing, high-class commercial and mixed-use real estate assets in prime city centre locations across the Baltic Sea region, targeting A-class office and mixed-use assets with strong occupancy, high-quality tenants and long-term lease structures.

The Fund's risk profile is classified as core. The portfolio will be built through the acquisition of income-producing prime assets and their active management. No development programme will be implemented. The Fund will seek to maintain diversified exposure across assets, geographies and tenants.

6.3. Investment Objective and Policy

The Fund's investment objective is to generate returns for Investors from investments in income-generating high-class commercial and mixed-use real estate assets located in central city locations in Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany. The Fund targets a net internal rate of return (the **IRR**) of 10% through stable recurring income supported by high-quality tenants and long triple net lease structures, and aims to deliver an annual cash distribution of approximately 5% of the total amount invested by Investors in the Fund.

The Fund intends to use a combination of equity proceeds from the Offering and borrowed funds from credit institutions and other financial intermediaries to finance its acquisitions. The Fund's borrowing and leverage policy, including the target debt-to-asset ratio, maximum borrowing limits and maximum leverage calculated under Regulation (EU) No 231/2013, is described in detail below in this Section.

The Management Company will manage the Fund's portfolio of investment objects in accordance with the diversification and other quantitative investment restrictions set out in the Fund Rules and summarised in Section 6.4 (*Investment Restrictions*) below. Compliance with the diversification requirements will be achieved within 4 years from the date on which the Bank of Lithuania approved the Fund Rules and the appointment of the Depositary).

- (a) no more than 30% of the Fund's NAV may be invested in a single real estate object and/or Real Estate Company. This restriction does not apply to investments in Controlled Companies, provided that such companies invest the funds received into real estate objects and/or Real Estate Companies, subject to the conditions set out in the Fund Rules;
- (b) the total amount of investments in a single real estate object and the movable property and/or equipment necessary for its operation may not exceed 40% of the Fund's NAV;
- (c) the total amount of investments in transferable securities, money market instruments and obligations arising from derivative financial instrument transactions with a single Real Estate Company may not exceed 30% of the Fund's NAV;
- (d) the total amount of investments referred to in point (c) above and the investment objects referred to in point (b) above, into which such Real Estate Company and the Fund investing in it have invested, may not exceed 30% of the Fund's NAV;
- (e) temporarily available Fund assets may be invested in EU government and/or corporate debt securities (liquid, investment-grade bonds with a maturity of no more than 2 years), money market instruments and overnight or term deposits. The total amount of such investments may not exceed 20% of the Fund's NAV.

The Fund may also invest in derivative financial instruments for the purposes of currency risk management.

The Fund may invest directly in real estate objects or through Controlled Companies and/or Real Estate Companies.

The Fund's investment structure operates as follows: Investors commit capital to the Fund, which is managed by the Management Company. The Management Company charges fees and expenses from the Fund in accordance with the Fund Rules. The Fund deploys capital into real estate assets either directly or through one or more Controlled Companies and/or Real Estate Companies. The Fund provides loans and/or equity to Controlled Companies and/or Real Estate Companies, which in turn hold the underlying properties and generate rental income. Repayment of principal and/or interest and dividends flow back from the Controlled Companies and/or Real Estate Companies to the Fund and ultimately to Investors in accordance with the distribution priority set out in Section 12.1 (*Distribution*

Policy) of this Prospectus. The Depositary performs independent oversight of the Fund's assets and cash flows throughout this structure.

The Fund is prohibited from acquiring real estate objects if: (i) their acquisition is intended on the basis of common partial ownership without establishing the parts of co-owners; (ii) the ownership right to the object is restricted in a manner that may result in the loss of ownership; or (iii) the real estate object is not registered in the public register.

If investment restrictions are breached for reasons beyond the Management Company's control, the non-compliance must be remedied as soon as possible, but no later than within 1 year (or a longer period in exceptional circumstances when the Management Company is unable to remedy the situation due to reasons beyond its control).

The Fund's assets will not be lent, nor will they be used as security or guarantee for the obligations of other persons, except in respect of Controlled Companies or Real Estate Companies into which the Fund invests, subject to the conditions set out in the Fund Rules.

The Fund's assets (income) may be reinvested into new investment objects in accordance with the Fund's investment strategy.

The Fund does not use a benchmark index.

Direct ownership of the Fund's real estate objects is possible, as well as ownership of securities of Controlled Companies and/or Real Estate Companies. Where investments are made through Controlled Companies and/or into Real Estate Companies, the relevant documents are provided to the Depositary to enable it to perform its functions as required by applicable law.

6.4. Investment Restrictions

The principal investment restrictions applicable to the Fund are set out in the Fund Rules and summarised in Section 6.3 (*Investment Objective and Policy*) above. The key quantitative restrictions are as follows:

- (a) Maximum exposure per single real estate object and/or Real Estate Company: 30% of NAV (subject to the exceptions for Controlled Companies set out in the Fund Rules);
- (b) Maximum exposure per single real estate object including movable property and equipment necessary for its operation: 40% of NAV;
- (c) Maximum exposure to transferable securities, money market instruments and derivative obligations of a single Real Estate Company: 30% of NAV;
- (d) Maximum combined exposure under (b) and (c) above in respect of a single Real Estate Company: 30% of NAV;
- (e) Maximum investment in temporarily available liquid assets (EU government and/or corporate bonds with investment-grade rating and maturity of no more than 2 years, money market instruments, overnight and term deposits): 20% of NAV;
- (f) Minimum number of separate real estate objects in the Fund's portfolio (after the initial four-year period): 4;
- (g) Maximum leverage (borrowed capital, including consolidated loans of Controlled Companies and/or Real Estate Companies): 70% of the market value of the Fund's assets at the time of borrowing. The Management Company will aim for a total debt-to-asset ratio of 50–60% (also taking into account held Controlled Companies and Real Estate Companies). The maximum

leverage that the Management Company may employ on behalf of the Fund, calculated using the gross method and the commitment method in accordance with the Regulation (EU) No 231/2013 and the Management Company's Borrowing and Leverage Policy, shall not exceed 4.

The diversification requirements set out in points (a) through (e) above are not applicable during the first 4 years of the Fund's operations from the date on which the Bank of Lithuania approved the Fund Rules and the appointment of the Depositary.

In exceptional circumstances where the Management Company is unable to remedy a breach of investment restrictions due to reasons beyond its control, the Management Company must notify the Bank of Lithuania in writing immediately after the expiry of the one-year remedy period, indicating the planned timeline for compliance. Any material non-compliance with investment restrictions, including the circumstances and remedial actions taken or planned, will be disclosed in the Fund's annual report together with the auditor's opinion, in accordance with the CIUL and the AIFML; and (ii) following the admission of the Units to trading on the Baltic Fund List, to the extent that the non-compliance qualifies as inside information within the meaning of Article 7 of the Market Abuse Regulation, as soon as possible through the disclosure channels operated by Nasdaq (including the CSF at www.crib.lt) in accordance with Article 17 of the Market Abuse Regulation.

The Fund's investment strategy as set out in the Fund Rules may be amended by amending the Fund Rules in accordance with the procedure set out in Articles 130–140 thereof. Any amendment to the Fund's investment strategy constitutes a Material Fund Document Amendment. In the event of an amendment to the investment strategy, each Investor must be notified no later than 2 months before the effective date of the amendment (as compared to the standard 1-month notice period for other Material Fund Document Amendments) and has the right to object and require the redemption of its Units without any deductions. The Management Company's decision on a Material Fund Document Amendment will specify the portion of NAV available for such redemptions; if redemption requests exceed that portion, the Material Fund Document Amendment will not proceed. Material Fund Document Amendments may only take effect if no Investor has objected (within the meaning of the Fund Rules, an Investor is deemed not to have objected if its redemption right has been duly satisfied). For the avoidance of doubt, non-compliance with investment restrictions (as described above) is distinct from an amendment to the investment strategy: the former is an operational breach subject to the remedy period and disclosure requirements described above, while the latter requires the formal Material Fund Document Amendment procedure.

6.5. Organisational Structure of the Fund

The Fund does not have a separate legal personality. The Fund is managed by the Management Company, which manages, uses and disposes of the Fund's assets on the basis of a right of trust (in Lithuanian: *turto patikėjimo teisė*). The Management Company makes all decisions on distribution of Units, investment decisions relating to the Fund's assets and their management, use and disposal, including decisions on the acquisition and disposal of assets of the Fund and Controlled Companies and/or Real Estate Companies, decisions related to the financing of the Fund and Controlled Companies and/or Real Estate Companies, and decisions on the exercise of the Fund's rights as a shareholder of other companies. These decisions are made by the Fund manager (the person making investment decisions) appointed by the Management Company.

The Management Company's board may, at its discretion, establish an advisory investment committee specifically for the Fund, which would advise on the acquisition and realisation of the Fund's investments. Obtaining the advisory investment committee's approval (or disapproval) for investment acquisitions and realisations is mandatory, but such approval (or disapproval) is of a recommendatory nature only. The advisory investment committee may be formed by decision of the Management Company's board from 3 members selected by the Management Company. The Fund manager (the person making investment decisions) may not be appointed as a member of the advisory investment

committee. Investors will be informed of the formation of the advisory investment committee and its composition by e-mail. If no advisory investment committee is specifically formed for the Fund, the Management Company's general investment committee will provide recommendatory advice on the acquisition and realisation of the Fund's investments.

6.6. Investment Pipeline

As at the date of this Prospectus, the Fund is newly established and has not completed any investments. The Fund does not hold any real estate assets, directly or through Controlled Companies or Real Estate Companies. The Management Company has identified certain potential acquisition targets, described below. These descriptions are indicative only and do not constitute a commitment by the Fund or the Management Company to acquire any asset. Any acquisition remains subject to satisfactory due diligence, negotiation and execution of final transaction documents, securing of acquisition financing, and any applicable regulatory or third-party approvals.

The Fund's investment pipeline is dynamic. The Management Company may from time to time identify, review, negotiate, pursue or acquire additional potential investment assets that are not described in this Section 6.6, provided that such assets comply with the Fund's investment objective, investment policy and investment restrictions. This Section 6.6 is not intended to constitute an exhaustive list of all assets that the Fund may consider or acquire. Any update or amendment to the descriptions in this Section 6.6 will be made by way of a supplement to this Prospectus published in accordance with Article 23 of the Prospectus Regulation.

Information on the actual composition of the Fund's portfolio will be published in the Fund's annual and semi-annual reports and, following admission of the Units to trading on the Baltic Fund List, in accordance with the disclosure obligations of the Market Abuse Regulation.

Artery Business Centre

Investment thesis

The Artery Business Centre, a prime A-class office complex located at Konstitucijos ave. 18B, Vilnius, Lithuania, has been identified by the Management Company as one of the Fund's potential investments. It may also become one of the Fund's first acquisitions and, if completed, would represent a significant share of the Fund's initial deployment of capital.

Designed by architect Daniel Libeskind and completed in 2024, the Artery is a 20-floor landmark distinguished by its sculptural glass facade and its position as a symbolic gateway to modern Vilnius. Situated in the heart of the city's central business district, the property benefits from high tenant demand and lower vacancy risk.

In June 2024, the property was awarded BREEAM New Construction Outstanding certification – the highest sustainability rating under the BREEAM New Construction scheme – combined with an A+ energy classification, making it a fully ESG-compliant Grade A+ asset meeting the most stringent occupier and investor sustainability requirements.

The property's tenant base is diverse and institutionally strong, anchored by multinational occupiers across the global business services, financial services, technology and life sciences sectors.

From an investment market perspective, prime office yields in Vilnius central business district remain attractive relative to Western European capitals. The Management Company considers the Artery Business Centre one of the highest-quality income-generating office assets currently available in the Vilnius market and one that directly reflects the Fund's core investment strategy.

Table 1: Property summary – Artery Business Centre.

Address	Konstitucijos ave. 18B, Vilnius, Republic of Lithuania
Construction completed	2024
Gross leasable area (GLA)	23 th. sqm
Number of floors	20 above ground; 3 underground
Parking	252 spaces underground
Asset value	EUR 104.3 million ¹
Number of tenants ²	29
Top 5 tenants (% of total GLA) ³	53%
Physical occupancy ⁴	90%
Leased occupancy ⁵	96%
WAULT ⁶	4.2 years
Energy classification	A+
Sustainability certification	BREEAM New Construction (Outstanding), issued June 2024

Source: Management Company

Related-party acquisition

The Artery Business Centre is currently indirectly owned by a collective investment undertaking managed by the Management Company. Any acquisition of this asset by the Fund will accordingly constitute a related-party transaction. Any such acquisition would be conducted on arm's length terms and independently priced in accordance with the independent valuation requirement described in Section 13.2 (*Valuation*).

Acquisition status and conditionality

As at the date of this Prospectus, the Fund has not entered into any binding or pre-binding agreement for the acquisition of the Artery Business Centre. This description is provided for indicative purposes only and does not constitute a commitment by the Management Company to complete the acquisition. The acquisition remains subject to the completion of satisfactory due diligence, negotiation and execution of final transaction documents, securing of acquisition financing, and any applicable regulatory or third-party approvals. While the Management Company currently considers the Artery

¹ Based on Newsec valuation report, dated 30 June 2026.

² As at 30 June 2026.

³ As at 30 June 2026.

⁴ As at 30 June 2026.

⁵ As at 30 June 2026. Based on signed lease agreements with tenant move-in dates throughout H2 2026.

⁶ As at 30 June 2026. Weighted by net operating income (NOI); for signed contracts where the tenants has not yet moved in, the term is based on the lease agreement.

Business Centre to be a potential target investment of the Fund, there can be no assurance that the acquisition will be completed.

K29 Business Centre

Investment thesis

K29 Business Centre, a prime A-class office complex located at Konstitucijos ave. 29, Vilnius, Lithuania, has also been identified by the Management Company as one of the Fund's potential investments. It may also become one of the Fund's first acquisitions and, if completed, would represent a significant share of the Fund's initial deployment of capital.

Authored by Danish design firm PLH and Lithuanian firm Archinova and completed in 2015, K29 is an eye-catching 8-floor business centre distinguished by its distinctive architecture and modern style, set on the right bank of the Neris River. Located in the heart of Vilnius, the property enjoys strong occupier appeal and reduced vacancy risk.

The property is anchored by institutionally strong, multinational key tenants across the global business services, financial services and technology sectors.

From an investment market perspective, prime office yields in Vilnius central business district remain attractive relative to Western European capitals. The Management Company considers K29 Business Centre one of the highest-quality income-generating office assets currently available in the Vilnius market and one that directly reflects the Fund's core investment strategy.

Table 2: Property summary – K29 Business Centre.

Address	Konstitucijos ave. 29, Vilnius, Republic of Lithuania
Construction completed	2015
Gross leasable area (GLA)	15.5 th. sqm
Number of floors	8 above ground; 2 underground
Parking	432 spaces underground
Asset value	EUR 58.7 million ⁷
Number of tenants⁸	9
Top 5 tenants (% of total GLA)⁹	93%
Physical occupancy¹⁰	100%
Leased occupancy¹¹	100%

⁷ Based on Newsec valuation report, dated 30 April 2026.

⁸ As at 30 June 2026.

⁹ As at 30 June 2026.

¹⁰ As at 30 June 2026.

¹¹ As at 30 June 2026. Based on signed lease agreements with tenant move-in dates throughout H2 2026.

WAULT¹²	5.3 years
Energy classification	B
Sustainability certification	BREEAM In-Use (Excellent)

Source: Management Company

Related-party acquisition

K29 Business Centre is currently indirectly owned by a collective investment undertaking managed by the Management Company. Any acquisition of this asset by the Fund will accordingly constitute a related-party transaction. Any such acquisition would be conducted on arm's length terms and independently priced in accordance with the independent valuation requirement described in Section 13.2 (*Valuation*).

Acquisition status and conditionality

As at the date of this Prospectus, the Fund has not entered into any binding or pre-binding agreement for the acquisition of K29 Business Centre. This description is provided for indicative purposes only and does not constitute a commitment by the Management Company to complete the acquisition. The acquisition remains subject to the completion of satisfactory due diligence, negotiation and execution of final transaction documents, securing of acquisition financing, and any applicable regulatory or third-party approvals. While the Management Company currently considers K29 Business Centre to be a potential target investment of the Fund, there can be no assurance that the acquisition will be completed.

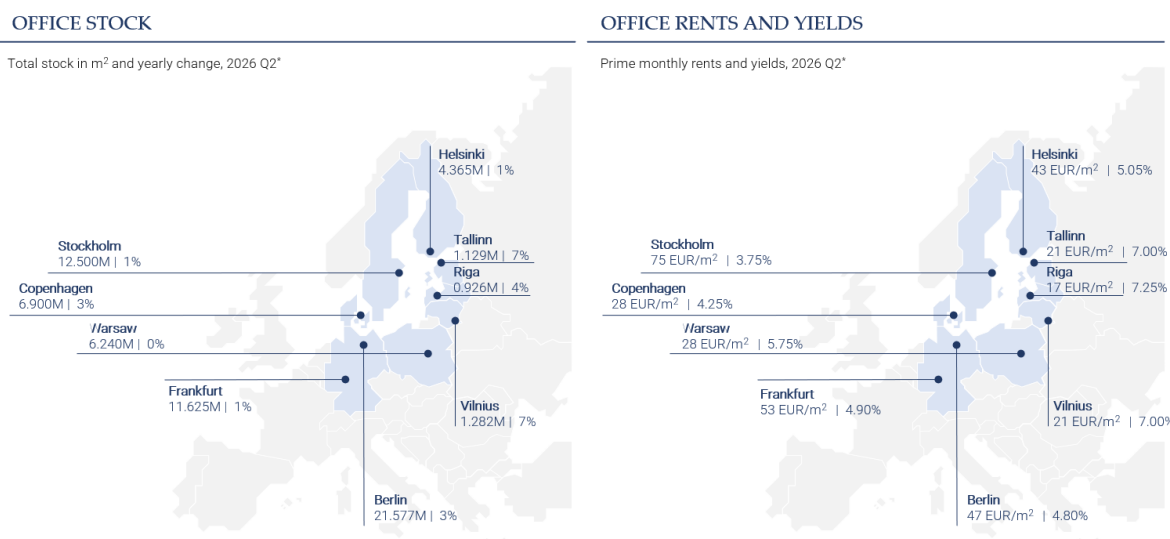
¹² As at 30 June 2026. Weighted by net operating income (NOI); for signed contracts where the tenants has not yet moved in, the term is based on the lease agreement.

6.7. Trend Information/Market Overview

Baltic Sea Region - Key Office Sector Metrics

As at the date of this Prospectus, the Fund has not yet made any investments. The Fund's target investment markets are located in the Baltic Sea region. The following sets out key office sector metrics for the principal cities within the Fund's target investment geography, providing context for the markets in which the Fund intends to deploy its capital. All data is as at Q2 2026:

Figure 1: Key Office Sector Metrics.



Source: Newsec, Cushman & Wakefield, Q2 2026.

In terms of total office stock, Western and Nordic cities such as Berlin (21.58mil m²), Stockholm (12.50mil m²) and Frankfurt (11.63mil m²) are significantly larger than the Baltic capitals, where Vilnius (1.282mil m²), Tallinn (1.129mil m²) and Riga (0.926mil m²) remain comparatively small but are exhibiting stronger growth (app. 4–7% annually versus largely flat or marginal growth in Western Europe). Despite their smaller size, Baltic office markets offer a notable yield premium: prime yields in Riga (7.25%), Tallinn (7.00%) and Vilnius (7.00%) are materially higher than in cities such as Stockholm (3.75%), Copenhagen (4.25%) or Berlin (4.80%). At the same time, prime rents remain significantly lower in the Baltics (app. 19–21 EUR/m²) compared to Western and Nordic markets (up to 75 EUR/m² in Stockholm), highlighting a combination of lower occupational costs and higher income returns. Overall, the data indicates that Baltic office markets are smaller but faster-growing, with higher yields and lower rents, reflecting both their growth potential and higher perceived risk relative to more mature European markets.

Overall, the Baltic office markets of Vilnius, Riga and Tallinn are characterised by strong supply growth, attractive prime yields relative to Western European markets, and resilient occupier demand driven in part by the expansion of global business services (GBS) operations in the region.

Baltics - Business-Friendly Region with Attractive Growth Opportunity

The Baltic States offer a highly competitive business environment. Unemployment across the Baltics stands at approximately 6.7%, broadly aligned with the EU average of 6.1%. Lithuania, Latvia and

Estonia are among the most tax-competitive countries globally. The following table sets out key business environment indicators for the Fund's target markets:

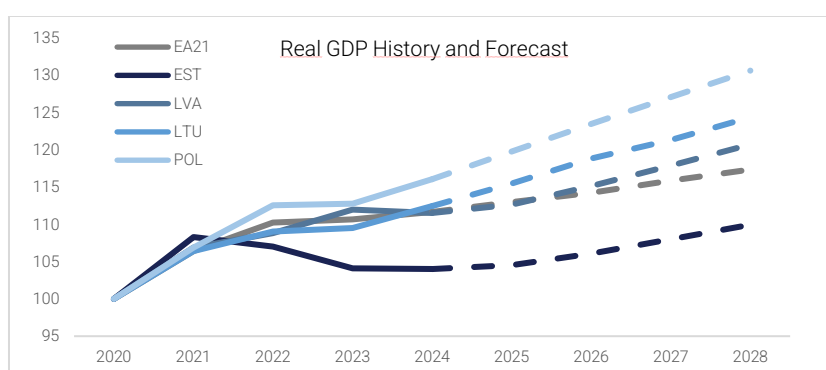
Figure 2: Key Business Environment Indicators.

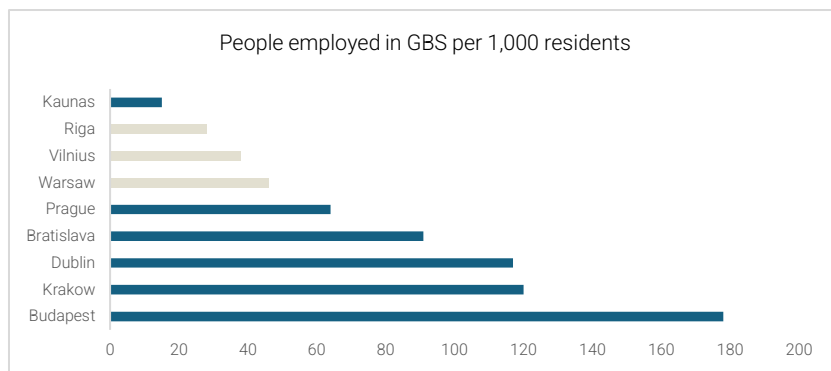
COUNTRY	INDEX OF ECONOMIC FREEDOM (2026)	CORPORATE TAX RATE (2026)	DEALING WITH CONSTRUCTION PERMITS (2026)	S&P GLOBAL RATINGS (2026)
Denmark	7	22.0%	4	AAA
Norway	8	22.0%	22	AAA
Estonia	9	22.0%	19	A+
Netherlands	10	25.8%	88	AAA
Sweden	11	20.6%	31	AAA
Finland	13	20.0%	42	AA+
Lithuania	15	17.0%	10	A
Germany	24	30.0%	30	AAA
Latvia	25	20.0%	56	A+
Poland	40	19.0%	39	A-

Source: World Bank (*Ease of Doing Business, 2026; Dealing with Construction Permits, 2026*), S&P Global (*Sovereign Ratings, 2026*), OECD (*Corporate Tax Rates, 2026*).

Real GDP growth across the Baltic States has outpaced the EU average by approximately 13.3% over the period 2020–2028 (forecast), reflecting the structural competitiveness and resilience of these economies. Vilnius and Kaunas rank among the leading European cities by density of GBS employment per 1,000 residents, alongside Warsaw, Prague and Dublin, underpinning sustained demand for high-quality office space.

Figure 3: GDP Growth Across the Baltic States.





Source: Eurostat.

6.8. Profit Forecasts or Estimates

No profit forecast or profit estimate has been included in this Prospectus. The Management Company's target annual cash distribution of approximately 5% of the total amount invested by Investors in the Fund, as described in Section 12.1 (*Distribution Policy*) of this Prospectus, does not constitute a profit forecast or profit estimate for the purposes of Annex 1, Item 4.6 of the Delegated Regulation. That target is a management aim subject to the availability of distributable cash flows and the Management Company's discretion; it does not represent a commitment and should not be relied upon as an indication of future results.

7. MANAGEMENT REPORT INCLUDING SUSTAINABILITY REPORTING

7.1. Sustainability and SFDR Disclosure

The Fund is a newly established collective investment undertaking and has not yet prepared a management report, as no financial year has been completed as at the date of this Prospectus. Accordingly, no management report is included in or incorporated by reference into this Prospectus. The sustainability-related information set out in this Section constitutes forward-looking disclosure of the Fund's sustainability policies and approach and should not be read as a historical management report. Investors should note that this information will be supplemented by the Fund's first annual report and sustainability statement once the Fund's first financial year has been completed.

The Fund is classified as a financial product that promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR. The Fund does not have sustainable investment as its objective within the meaning of Article 9 of SFDR.

Environmental and Social Characteristics Promoted

The Fund intends to promote environmental sustainability and aims to contribute to climate change mitigation. The key sustainability indicators the Fund will use to measure its contribution to climate change mitigation are:

- (a) Energy efficiency of buildings. The Fund's investments are directed toward new high-energy-efficiency-class buildings that feature efficient heating, cooling and ventilation systems, modern energy-saving technologies, and high thermal resistance of exterior envelopes, including buildings designed to meet, where applicable, the energy performance and technical screening criteria set out under the EU Taxonomy framework.
- (b) Efficient energy consumption in buildings. The Fund promotes efficient energy consumption in buildings by installing building automation and management systems across its managed investments and implementing data-driven energy efficiency services that enable the identification of energy-saving opportunities and the efficient operation and optimisation of engineering systems.
- (c) Sustainable building certifications. The Fund invests in buildings that have obtained, or are targeted to obtain, internationally recognised sustainability certifications, such as BREEAM, demonstrating high standards of energy efficiency, environmental performance, resource management, and reduced greenhouse gas emissions.
- (d) Use of renewable electricity. The Fund ensures that the buildings it manages use electricity generated from renewable energy sources through onsite renewable energy generation and/or the purchase of renewable electricity from energy suppliers.

Investment Strategy for Attaining the Promoted Characteristics

The Management Company integrates the above environmental characteristics into its investment process at the following stages:

- (i) Screening: A comprehensive due diligence process is conducted prior to any investment decision, including an ESG review. Each investment is evaluated through an ESG review process that involves document analysis, energy audits, compliance assessments, and, if necessary, consultations with external experts. The screening process includes:
- (ii) Determining the building's energy efficiency class;
- (iii) Assessing sustainability certifications;

- (iv) Evaluating the potential for renewable electricity use;
- (v) Identifying the need for building retrofits.
- (vi) Assessment of physical (e.g., climate events) and transition (e.g., regulatory changes) risks.
- (vii) Verification that the investment does not violate the list of exceptions established by the Management Company.
- (viii) Decision: Priority is given to buildings that are economically attractive, already meet or can achieve the established sustainability criteria during the investment period, and do not have significant risks (including those related to sustainability) or where such risks have been assessed and are expected to be effectively managed.
- (ix) Management: Energy consumption monitoring and optimization measures are implemented; automated building management systems are installed and used; and/or energy performance and monitoring contracts are established. Progress is monitored according to established indicators.

Proportion of Investments

The Fund does not commit to a minimum proportion of sustainable investments within the meaning of Article 2(17) of the SFDR. Each investment is assessed against the four sustainability indicators set out above. An investment is considered to promote environmental characteristics where it meets at least three of the four indicators. The Fund's target is that no less than 70% of the Fund's investments by value promote the environmental characteristics described above. The Fund's investments are not required to be aligned with the EU Taxonomy, although the Management Company will seek to maximise the proportion of the portfolio that is EU Taxonomy-aligned over time.

The Fund does not commit to making sustainable investments within the meaning of Article 2(17) of the SFDR, and accordingly the formal "do no significant harm" test under Article 2(17) does not apply to the Fund's investments. However, the Management Company voluntarily integrates "do no significant harm" considerations into its pre-investment ESG review process, to the extent practicable given the nature of the assets and available data.

Consideration of Principal Adverse Impacts

As at the date of this Prospectus, the Management Company considers the principal adverse impacts (PAI) of investment decisions on sustainability factors within the meaning of Article 4 of the SFDR at the level of the Fund. The Fund takes into account the main negative impacts on sustainability factors throughout the entire investment process (i.e., prior to investing and during the subsequent monitoring of investments). In particular, the Fund assesses PAI indicator 17 (investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels), PAI indicator 18 (investments in energy-inefficient real estate assets), and the additional real estate PAI indicator 20 (investments in real estate assets without facilities for waste sorting or waste recycling or composting arrangements). A detailed explanation is provided in the pre-contractual product sustainability information disclosure document for the Fund, which is incorporated by reference into this Prospectus and available on the Management Company's website at www.lordslb.it/bcpf.

Pre-Contractual Sustainability Disclosures

Detailed pre-contractual sustainability disclosures required under the SFDR and Commission Delegated Regulation (EU) 2022/1288 are set out in the pre-contractual product sustainability information disclosure document for the Fund, which is incorporated by reference into this Prospectus and available on the Management Company's website at www.lordslb.it/bcpf, and in the KID(s) prepared in accordance with the PRIIPs Regulation in connection with the Offering of each relevant Tranche. Investors are encouraged to read those disclosures carefully before making any investment decision.

Further information on the Management Company's approach to responsible investment and sustainability is available on the Management Company's website at www.lordslb.it.

Management Company's ESG Track Record

The Management Company has a demonstrated track record of acquiring and managing sustainability-certified assets across its existing portfolio. The following sets out the ESG ratings of assets currently or previously managed by the Management Company, illustrating the Management Company's capability and commitment to delivering SFDR Article 8-compliant investment strategies:

Asset | ESG Rating

Lvivo Office Centre | BREEAM New Construction Outstanding

Artery Business Centre | BREEAM New Construction Outstanding

Citadele Business Centre | BREEAM In Use Excellent

K29 Business Centre | BREEAM In Use Excellent

EU House | BREEAM In Use Very Good

G9 Shopping Centre | BREEAM In Use Very Good

Preses Nams Kvartals | BREEAM New Construction Excellent (target)

Konstitucijos Ave. 14A | BREEAM New Construction Outstanding (target)

Lvivo 64 | BREEAM New Construction Outstanding (target)

The Management Company has been a signatory of the Global Real Estate Sustainability Benchmark (GRESB) since 2022, a signatory of the UN Principles for Responsible Investment (UN PRI) since 2019, and a signatory of the UN Global Compact since 2015.

SFDR Classification of the Management Company's Existing Portfolio

Across the Management Company's existing portfolio of managed CIUs as at the date of this Prospectus, the SFDR Article classification of assets under management is approximately as follows: 28% SFDR Article 9, 11% SFDR Article 8, 42% target SFDR Article 8, and 19% SFDR Article 6. This context demonstrates the Management Company's broader commitment to sustainable finance and its experience in managing SFDR-classified products, of which the Fund forms part.

7.2. SFDR and Taxonomy Disclosures

EU Taxonomy Alignment. As the Fund is newly established and has not yet made any investments as at the date of this Prospectus, no EU Taxonomy alignment data is available for the current reporting period. The Management Company does not commit to a minimum proportion of EU Taxonomy-aligned investments. The Management Company will seek to maximise the proportion of the Fund's portfolio that qualifies as environmentally sustainable within the meaning of Regulation (EU) 2020/852 (the EU Taxonomy Regulation) over time, in particular by targeting assets that meet the technical screening criteria for climate change mitigation under the EU Taxonomy framework. Annual disclosure of the proportion of the Fund's investments that are EU Taxonomy-aligned will be made in the Fund's annual sustainability statement, which will be made available to Investors on the Management Company's website at www.lordslb.it/bcpf, in accordance with applicable law.

Do No Significant Harm. The Fund applies the "do no significant harm" (DNSH) principle to the extent practicable given the nature of the assets and the availability of relevant data at the time of investment.

The Management Company's pre-investment ESG review process (described in Section 7.1 (*Sustainability and SFDR Disclosure*) above) includes an assessment of whether a target investment may cause significant harm to any of the six EU Taxonomy environmental objectives: climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

Good Governance. The Management Company applies good governance practices in the management of the Fund. The Management Company holds a licence issued by the Bank of Lithuania and is subject to ongoing regulatory supervision. The Management Company has adopted internal policies on conflicts of interest, remuneration, risk management, and compliance in accordance with applicable law. The Management Company's board members are subject to fit and proper requirements. The Fund's assets are held with an independent depositary and are independently valued in accordance with the Fund Rules.

The pre-contractual product sustainability information disclosure document for the Fund, prepared in accordance with Article 8 of the SFDR and Commission Delegated Regulation (EU) 2022/1288, is incorporated by reference into this Prospectus and is available on the Management Company's website at www.lordslb.lt/bcpf.

8. WORKING CAPITAL STATEMENT

As at the date of this Prospectus, the Fund's working capital has not yet been formed. The Fund is newly established, no Units have been issued and no subscription proceeds have been received as at the date of this Prospectus, and the Fund has no independent source of funding.

The Fund's present requirements consist solely of the costs and expenses associated with its establishment and the conduct of the Offering, including legal, regulatory, advisory and administrative costs. The Management Company will pay such costs on the Fund's behalf pending the completion of the Offering. Upon completion of the Offering, the Fund will reimburse the Management Company for such costs from the net proceeds of the Offering, subject to the general expense cap set out in the Fund Rules.

If no Tranche of the Offering completes, the Management Company will bear the Fund's establishment costs from its own funds and will not seek reimbursement from Investors, and no subscription proceeds will have been received from Investors.

9. CORPORATE GOVERNANCE - MANAGEMENT COMPANY

9.1. General Information

UAB "Lords LB Asset Management" (the Management Company) is a vertically integrated, fully independent pan-Baltic investment management firm, legal entity code 301849625, registered address at Jogailos g. 4, LT-01116 Vilnius, the Republic of Lithuania. The Management Company was established in 2008 and received its AIFM licence on 23 June 2015. The Management Company also holds a CIUL licence and is licensed and supervised by the Bank of Lithuania.

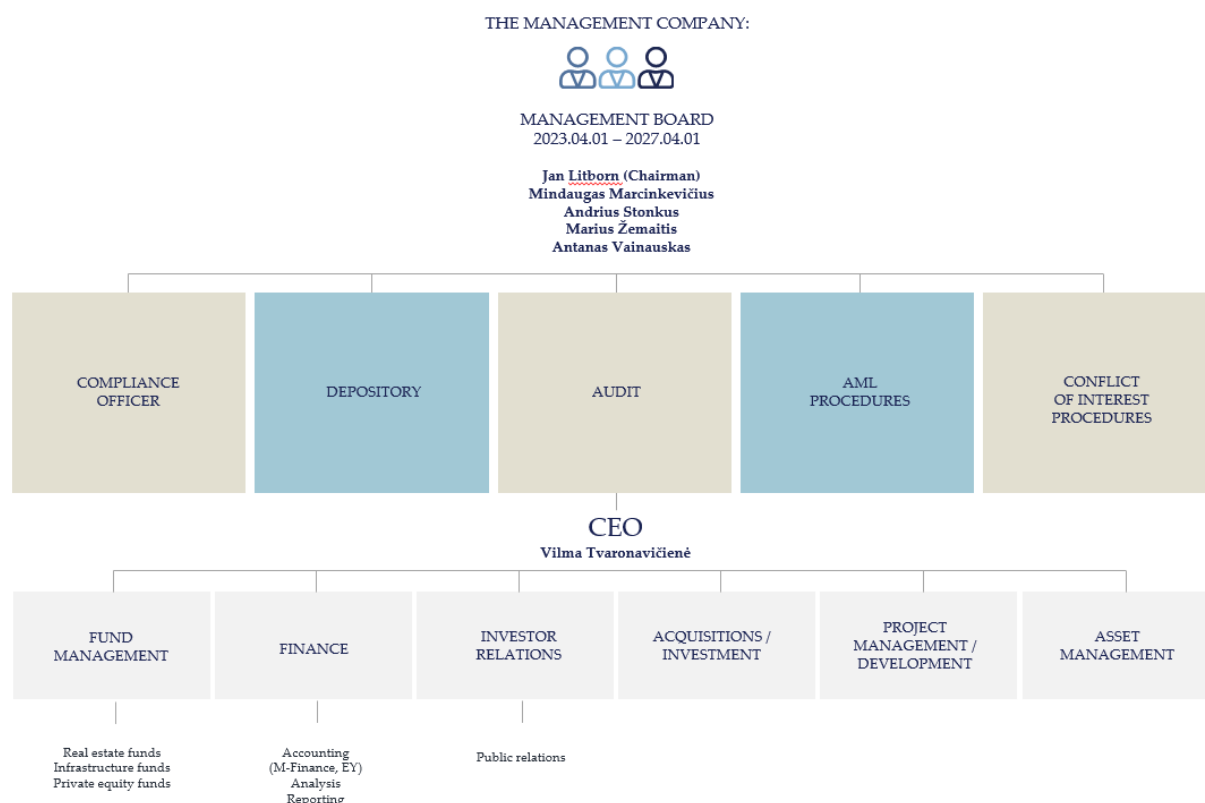
As of 31 December 2025, the Management Company had EUR 1,483 million of assets under management across 19 funds (14 real estate funds, 1 private capital fund, 1 energy fund, 1 energy and infrastructure fund and 2 investment companies), with a team of over 70 dedicated investment professionals and offices in Vilnius, Riga, Tallinn and Warsaw.

The Management Company is experienced in real estate, energy and infrastructure, and private equity. It has origination capabilities and industry network providing access to off-market transaction opportunities across the Baltic Sea region. The Management Company applies investment process across various strategies (core/core plus, value-added and opportunistic), countries (Lithuania, Latvia, Estonia and Poland) and client groups.

The Management Company's paid-up share capital as at the date of this Prospectus amounts to EUR 318,560, divided into 11,000 ordinary registered shares with a nominal value of EUR 28.96 each.

The Management Company is a signatory of the UN Global Compact (since 2015), the UN Principles for Responsible Investment (UN PRI, since 2019) and GRESB (since 2022). The Management Company has adopted a Responsible Investment Policy and is committed to integrating ESG factors into its investment and management processes. The Management Company's organization structure is presented in figure below.

Figure 4: Organizational Structure of the Management Company.



Source: the Management Company.

9.2. Key Responsibilities

The Management Company acts as the management company of the Fund and is responsible for:

- (a) managing, using and disposing of the Fund's assets on the basis of a right of trust (in Lithuanian: *turto patikėjimo teisė*);
- (b) making all investment decisions relating to the Fund's assets, including decisions on the acquisition and disposal of assets of the Fund and Controlled Companies and/or Real Estate Companies, decisions related to the financing of the Fund and Controlled Companies and/or Real Estate Companies, and decisions on the exercise of the Fund's rights as a shareholder of other companies;
- (c) risk management of the Fund;
- (d) ensuring compliance with the Fund's investment strategy and restrictions as set out in the Fund Rules and applicable law;
- (e) calculating and publishing the NAV and the NAV per Unit;
- (f) organising the issuance and distribution of Fund Units and managing investor relations;
- (g) ensuring compliance with applicable regulatory requirements, including CIUL, AIFML, SFDR and other applicable EU and Lithuanian legislation; and
- (h) performing other functions required for the proper management of the Fund under applicable law.

The Management Company has the right to delegate part of its management functions to entities having the right to provide the relevant services, in accordance with the requirements of CIUL. The Management Company may not delegate so many of its management functions that it effectively ceases to perform them. The delegation of functions does not release the Management Company from its responsibility for the proper management of the Fund.

9.3. Management of the Management Company

The management team of the Management Company is presented in Figure 5 below in order to create a full picture of the professionals contributing to the success of the Company and its investments. The experience and competence of these persons both individually and jointly ensure the operations, results and financial standing of the Company.

Figure 5: Management team of the Management Company.

								
	VILMA TVARONAVIČIENĖ	KRISTIJONAS GUDŽINKAS	RASA BARTUSEVIČIENĖ	DANA ČESUNĖ	GIEDRIUS ŽILINSKAS	MARIUS ŽEMAITIS	RYTIS ZALOGA	ROKAS ADLIS
Position	CEO	CFO	Investor relations manager	Investor relations manager	Chief Risk Officer	Fund manager Central Development Fund, Special Fund I Subfund A, Right Bank Development Fund, Special Fund III	Fund manager Baltic Fund IV, Small Cap Fund, European Property Fund, Special Fund IV, Senamiesčio kvartalo Fondas	Fund manager Baltic Opportunity
Career Highlights	Achema group	SEB, Citadele, BBN airlines	Swedbank	SEB Bank	Danske Bank	Newsec, McKinsey & Company	Hanner	EQT Exeter, Cerberus

						
	PAULIUS NEVINSKAS	IEVA ANTANAITYTĖ-GENEVIČIENĖ	MANTAS AURUŠKEVIČIUS	ARTŪRAS ŠILINIS	POVILAS URBONAVIČIUS	DOMINYKAS SVETIKAS
Position	Fund manager Tewox	Fund manager Baltic Green Fund (V) BGFV Inter Cap Fund	Fund manager Atsinaujinancios Energetikos Investicijos, Green Energy Growth Fund	Fund manager Private Equity Fund I	Fund manager Special Fund V	Fund manager Energy and Infrastructure SME Fund
Career Highlights	VP Group, SBA Group	Omberg Group, Sirin Development, Rewe Group	EY	Kapitalo srautai, Ūkio bankas	Darnu Group, Omberg Group	Covalis Capital

Source: the Management Company, 2026 June 30th

9.4. Management Board

The Management Company's board consists of the following members as at the date of this Prospectus:

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

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

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

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

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

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

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

space, which was recognized as the most valuable commercial real estate asset in the Republic of Lithuania.

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

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

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

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

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

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

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

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

Marius Žemaitis – member of the Management Board, Fund manager of the Issuer.

M. Žemaitis has more than fifteen years of experience in real estate fund management and real estate development. Mr. Žemaitis is the manager of the fund Lords LB Special Fund I Subfund A, which owns the "ARTERY" business center located on Konstitucijos avenue in Vilnius.

Mr. Žemaitis holds bachelor's degree in economics and business administration from Stockholm School of Economics in Riga and an international executive MBA from BMI Executive Institute.

As at the date of this Prospectus, none of the members of the Management Board has, during the previous five years: (i) been convicted in relation to fraudulent offences; (ii) been associated with any bankruptcy, receivership, liquidation or administration of any entity while acting in the capacity of a member of the administrative, management or supervisory body or a senior manager; (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the members of the Management Board or between any Management Board member and any key executive of the Management Company.

9.5. Other Key Executives of the Management Company

Vilma Tvaronavičienė – Chief Executive Officer (CEO) of the Management Company.

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

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

Kristijonas Fudzinskas – Chief Financial Officer (CFO) of the Management Company.

Mr. Fudzinskas is a financial management executive who has more than 17 years of experience in finance, banking and aviation. His previous workplaces include BBN Airlines, Citadele Bank, SEB and KPMG.

Mr. Fudzinskas holds a master's degree in International Business Economics and Management from Vilnius University.

Giedrius Žilinskas – Chief Risk Officer (CRO) of the Management Company.

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

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

Table 3: Shareholdings of the management of the Management Company.

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

<i>Name, surname</i>	<i>Position in the Management Company</i>	<i>Indirectly owned Shares in the Management Company, %</i>	<i>Clarifying comments</i>
			capital of the Management Company.
Mindaugas Marcinkevičius	Member of the Management Board	47	Mr. Mindaugas Marcinkevičius is the sole shareholder of UAB "Glera", legal entity code 302576414, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania that directly owns 47% of the authorized capital of the Management Company.
Antanas Vainauskas	Member of the Management Board	9	Mr. Antanas Vainauskas is the sole shareholder of UAB „Serenus“, legal entity code 300612833, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania that directly owns 9% of the authorized capital of the Management Company.

Source: the Management Company.

9.6. Remuneration and Benefits

The Management Company does not pay fixed salaries or remuneration directly attributable to the management of the Fund to individual Management Board members in their capacity as board members. Management Board members who are also shareholders of the Management Company receive remuneration indirectly through the Management Company's profit distributions. Management Board members who serve in executive roles receive remuneration from the Management Company in their capacity as employees or executives, not as board members.

The total aggregate remuneration paid by the Management Company to all staff whose professional activities have a material impact on the risk profile of the Fund is disclosed in the Management Company's annual report in accordance with Article 22 of the AIFML and applicable implementing measures. As the Fund is newly established, no fund-specific remuneration data is available for the current reporting period.

The Management Company has adopted a remuneration policy in accordance with the requirements of the AIFML that is designed to be consistent with and promote sound and effective risk management and to discourage risk-taking which is inconsistent with the risk profiles and Fund Rules of the funds it manages. The remuneration policy is available on the Management Company's website at www.lordslb.lt.

No pensions or retirement benefits have been set aside or accrued by the Management Company for the benefit of Management Board members or key executives in their capacity as members or executives of the Management Company in relation to the Fund.

9.7. Shareholdings and Unit Holdings

The indirect shareholdings of Management Board members in the Management Company are set out in Table 3 above. As at the date of this Prospectus: Andrius Stonkus indirectly holds 26.01% of the Management Company's share capital (26% through UAB „Aemulus“ and 0.01% directly); Mindaugas Marcinkevičius indirectly holds 47% through UAB „Glera“; and Antanas Vainauskas indirectly holds 9% through UAB „Serenus“. Jan Ake Gustaf Litborn and Marius Žemaitis do not hold shares in the Management Company.

As at the date of this Prospectus, no Management Board member or key executive holds any Units in the Fund, as the Fund has not yet completed its first distribution of Units. The Management Company itself does not hold any Units in the Fund as at the date of this Prospectus.

9.8. Corporate Governance Statement

The Management Company is subject to the corporate governance requirements applicable to alternative investment fund managers under the AIFML and the rules and guidance issued by the Bank of Lithuania. The Management Company holds an AIFM licence and a CIUL licence, both issued by the Bank of Lithuania, and is subject to ongoing regulatory supervision by the Bank of Lithuania.

The Management Company does not have a statutory obligation to comply with any specific corporate governance code *applicable* to listed companies in the Republic of Lithuania, as it is not itself a listed entity. The Management Company applies, however, the corporate governance principles recommended for alternative investment fund managers by the Bank of Lithuania and adopts internal governance policies consistent with those principles, including policies on conflicts of interest, risk management, remuneration, and internal audit.

The Management Company's governance structure comprises: (i) the Management Board, which is responsible for the strategic direction and oversight of the Management Company and the funds it manages; and (ii) the CEO (Vilma Tvaronavičienė), who is responsible for day-to-day management and supervision. The Management Company has also appointed a Chief Risk Officer and Chief Financial Officer as described in Section 9.5 (*Other Key Executives of the Management Company*) above.

The Fund itself is not a legal entity. The Fund is governed by the Fund Rules approved by the Bank of Lithuania and managed exclusively by the Management Company under the CIUL and AIFML. Investor protection is ensured through the independent depositary function, independent property valuation, and regulatory supervision by the Bank of Lithuania.

10. FINANCIAL INFORMATION OF THE FUND

10.1. No historical financial statements

As the Fund is a newly established collective investment undertaking, it has not yet published any financial statements. The Fund's financial year coincides with the calendar year (1 January to 31 December). The first financial statements of the Fund will cover the period from the Fund's commencement date to 31 December of the same calendar year and will be prepared no later than four calendar months after the end of that first financial year. The Fund's annual financial statements for each subsequent relevant financial year will be prepared no later than four calendar months after the end of the relevant financial year, in accordance with the CIUL and applicable Lithuanian law, and will be audited by UAB PricewaterhouseCoopers. The Fund's annual and semi-annual reports will be published on the Management Company's website at www.lordslb.lt/bcpf and made available to Investors free of charge upon request. Following the admission of the Units to trading on the Baltic Fund List, the Fund's annual and semi-annual reports will additionally be disclosed through the disclosure channels operated by Nasdaq (including the CSF at www.crib.lt) in accordance with applicable regulated-market disclosure requirements.

As the Fund is newly established and does not hold any real estate assets as at the date of this Prospectus, no property valuator's report is included in this Prospectus. Once the Fund acquires real estate assets, each acquisition will be subject to independent property valuation, and periodic revaluations will be carried out in accordance with the valuation methodology described in Section 13.2 (*Valuation*) of this Prospectus and the requirements of the CIUL and the Fund Rules. Valuation reports will not be reproduced in this Prospectus but will be reflected in the Fund's NAV calculations and annual and semi-annual reports as and when acquisitions are completed.

10.2. Accounting standards and financial year

The Fund's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The presentation of financial information in accordance with IFRS will require the Management Company to make various estimates and assumptions which may impact the values shown in the financial statements and notes thereto.

The Fund's financial year starts on 1 January and ends on 31 December. Amounts in the Fund's financial statements will be presented in Euros (EUR) unless otherwise indicated.

10.3. Auditors

The Fund's auditor is UAB PricewaterhouseCoopers, legal entity code 111473315, registered address at Lviso st. 21-101, LT-09309 Vilnius, the Republic of Lithuania (certificate No. 000421).

The auditor has the following principal obligations:

- (a) to carry out the audit of the Fund's annual financial statements;
- (b) to prepare and issue an auditor's report on whether the Fund's annual financial statements present a true and fair view of the Fund's financial position and results of operations for the year ended in all material respects in accordance with applicable Lithuanian financial accounting and reporting legislation and IFRS;
- (c) to prepare an audit report indicating whether the NAV is correctly calculated, whether assets are invested in accordance with this Prospectus and the Fund Rules, and identifying any violations of the CIUL, AIFML and other applicable law; and
- (d) to fulfil other obligations under the agreement with the Management Company and applicable law.

The audited financial statements of the Fund, once available, will be published on the Management Company's website at www.lordslb.lt/bcpf.

10.4. Capitalisation and Indebtedness

As the Fund is a newly established CIU, it has no historical capitalisation or indebtedness data as at the date of this Prospectus. The Fund does not have a fixed share capital; its net assets (NAV) will vary depending on the issuance and redemption of Units and changes in the value of the Fund's investments. As at the date of this Prospectus, no NAV calculations have been carried out and the Fund has not incurred any financial indebtedness. The Fund's equity will consist entirely of capital raised through the Offering; no Units have been issued and no subscription proceeds have been received as at the date of this Prospectus. For the Management Company's statement on the adequacy of the Fund's working capital, see Section 8 (*Working Capital Statement*) of this Prospectus.

10.5. NAV

The NAV is calculated in accordance with the methodology approved by the Bank of Lithuania and the Management Company's NAV calculation procedures. The NAV is calculated by deducting the Fund's long-term and short-term liabilities from the total value of the Fund's assets. The Fund's asset value and liability value are calculated separately.

Assets (or parts thereof) shall be written off only when the rights to such assets (or parts thereof) are exercised, when the term of such rights expires, or when such rights are transferred. Liabilities (or parts thereof) shall be written off only when they are extinguished, i.e., when the obligations specified in the contract are fulfilled, cancelled or cease to be effective.

Assets and liabilities are calculated in accordance with the requirements of the International Financial Reporting Standards (IFRS). The calculation of assets and liabilities must be based on their fair value, which must reflect the NAV at which it is most likely that these assets could be sold, except in cases where fair value cannot be reliably determined. The fair value of assets and liabilities is determined on the basis of observable market transactions or market information. Where there are no observable market transactions or market information relating to assets and liabilities, fair value is determined using valuation methodologies. In all cases, the objective of determining fair value is to calculate the amount at which the parties to a transaction could sell assets or services to each other or transfer liabilities under normal market conditions on the valuation date.

The currency in which the NAV is calculated is the Euro. The NAV is rounded in accordance with mathematical rounding rules.

NAV Calculation Frequency

The NAV is determined once per calendar quarter (as at the last calendar day of each calendar quarter; in all cases it must be determined at the end of the financial year), based on the valuation carried out by an independent property and/or business valuer having the right to carry out such activities. During the distribution of Fund Units, the NAV is additionally determined as at the last calendar day of the calendar month in which cash is converted into Fund Units. When Fund Units are redeemed, the NAV is additionally determined as at the last calendar day of the calendar month in which the decision on the redemption of Fund Units is made. The NAV and the NAV per Unit are calculated and published on the Management Company's website at www.lordslb.lt/bcpf (in the Investor's personal access section) no later than the 10th Business Day of the following month. Following the admission of Fund Units to trading on the Baltic Fund List, the NAV and the NAV per Unit will be published in accordance with applicable law.

10.6. Significant Change in Financial Position

There has been no significant change in the financial position of the Fund since its date of incorporation, as the Fund has not yet commenced its investment activities and has no assets. The Fund has not incurred any material financial obligations or entered into any material financial transactions since its establishment.

10.7. Pro Forma Financial Information

No pro forma financial information has been included in this Prospectus. The Fund is a newly established collective investment undertaking with no acquisition history and no completed transactions. Accordingly, no pro forma financial information is required or applicable.

11. SHAREHOLDER AND SECURITY HOLDER INFORMATION

11.1. Ownership and Control of the Fund / Major Unitholders

As at the date of this Prospectus, no Units in the Fund have been issued and there are no Unitholders. The Fund is newly established and the public offering of Units will commence under this Prospectus. Prior to the first closing of the Initial Offering Period, the Fund has no Unitholders, no major investors and no persons exercising control over the Fund through ownership of Units.

The Fund is not a legal entity. The Fund's assets are managed by the Management Company on behalf of co-owners (*bendratūrčiai*) who acquire Units. The Management Company does not control the Fund through ownership of Units and has no economic interest in the Fund's assets beyond its contractual entitlement to management fees and performance fees.

Following the commencement of the Offering, the identity and proportionate holdings of Unitholders will change as Units are issued in successive Tranches. No Investor or group of Investors is expected to hold a controlling interest in the Fund; Units are intended to be widely distributed among retail and qualified Investors in the Baltic States. Any Investor that acquires a significant proportion of the Fund's total Units will become a major Unitholder but will not acquire control over the Fund, which remains vested exclusively in the Management Company under the Fund Rules.

11.2. Legal and Arbitration Proceedings

The Fund has not been party to any legal proceedings, arbitration or administrative proceedings that are pending or, to the knowledge of the Management Company, threatened, which may have or have had a significant effect on the Fund's financial position.

11.3. Conflicts of Interest of Management Bodies

The Management Company has adopted a conflicts of interest policy in accordance with applicable law. There is a risk that situations will arise where the interests of the Management Company (or persons related to it) and the Fund differ, or the interests of individual Investors differ, i.e., a conflict of interest will arise.

Internal conflicts of interest. The members of the Management Board of the Management Company, Mr. Andrius Stonkus, Mr. Mindaugas Marcinkevičius and Mr. Antanas Vainauskas are direct and/or indirect shareholders of the Management Company. Considering that the Management Company is involved in the management of the Fund and that the success of the Fund's investments is closely related to the Management Company's performance, it is possible that these shareholders may favour their own interests rather than those of the Management Company or the Fund and its Investors. It is also possible that the interests of the Fund and the Management Company may differ in certain situations. In circumstances where attractive investment opportunities are scarce – as is commonly the case in the Baltic commercial real estate market – there is a risk that the allocation of such opportunities between the Fund and other managed vehicles may not be resolved in a manner that is fully consistent with the best interests of the Fund's Investors. Furthermore, the shareholders of the Management Company are investing 5% and up of the Fund's total equity commitments (i.e., Sponsor Co-Investment). Whilst the Sponsor Co-Investment is intended to align the interests of the Management Company's shareholders with those of the Fund's Investors, it also gives rise to a potential conflict of interest, as the same persons act simultaneously as principals of the Management Company responsible for managing the Fund and as co-investors in the Fund, which may influence investment and management decisions in a manner that favours their position as co-investors. In addition, the Fund intends to acquire assets from other collective investment undertakings managed by the Management Company. Such intra-group transactions give rise to a conflict of interest, as the Management Company acts on behalf of both the selling and the acquiring vehicles and may face competing obligations in determining the pricing, timing and other terms of such transactions. Whilst the Management Company has adopted a conflicts of

interest policy and is subject to regulatory obligations to treat all managed funds fairly, conflicts of interest cannot be entirely eliminated.

11.4. Related Party Transactions

As the Fund is newly established and has not yet made any investments or entered into any transactions, no related party transactions have been concluded since the Fund's incorporation. The Management Company anticipates that the following related party transactions may be entered into during the validity period of this Prospectus:

Potential acquisitions from related funds. The Management Company has identified certain potential acquisition targets of the Fund, described in Section 6.6 (*Investment Pipeline*), that are currently indirectly owned by collective investment undertakings managed by the Management Company. Any acquisition of such assets by the Fund would constitute a related-party transaction. Any such acquisition will be conducted on arm's length terms and independently priced in accordance with the independent valuation requirement under the Fund Rules.

Sponsor Co-Investment. The shareholders of the Management Company intend to invest 5% and up of the Fund's total equity commitments as co-investors alongside the Fund (the Sponsor Co-Investment). The Sponsor Co-Investment will be subscribed on the same terms as all other Investors under this Prospectus.

Arranger/Distribution Agent as tenant. UAB FMI „Orion Securities“, appointed as Arranger and Distribution Agent for the Offering, is also a tenant at Konstitucijos ave. 18B, Vilnius, which is the address of one of the potential acquisition targets of the Fund described in Section 6.6 (*Investment Pipeline*). This gives rise to a potential conflict of interest.

The Management Company will ensure that all related party transactions are conducted on arm's length terms, are independently valued where required by the Fund Rules, and are disclosed to Investors in the Fund's annual report.

11.5. Units / Capital

The Fund issues one class of Units. All Units rank *pari passu* without preference or priority. As at the date of this Prospectus, no Units have been issued.

The number of Units to be issued under each Tranche is equal to the aggregate subscription proceeds received under that Tranche divided by EUR 1.00.

The rights attaching to the Units are described in Section 15 (*Terms and Conditions of the Units*) of this Prospectus. There are no differences in the rights between any Units issued under this Prospectus.

11.6. Fund Rules - Key Provisions

The Fund Rules are the primary governance document of the Fund, approved and registered with the Bank of Lithuania. Key provisions of the Fund Rules affecting the control of the Fund and the rights of Unitholders include the following:

Management of the Fund. The Fund is managed exclusively by the Management Company. Unitholders do not have a right to participate in or vote on investment decisions or the day-to-day management of the Fund.

Material Amendments. Amendments to the Fund Rules that constitute “Material Fund Document Amendments” (in Lithuanian: *Esminis Fondo dokumentų pakeitimas*) may only be made with the prior approval of the Bank of Lithuania. Before such amendments take effect, Investors who object to the amendment have the right to require that their Units be redeemed without any deductions. An amendment is classified as a Material Fund Document Amendment if it may have an adverse effect on Investors' financial position (e.g., increased or new fees), restricts or eliminates Investor rights, or otherwise affects Investors' ability to exercise their rights. Amendments required solely as a result of changes in applicable law are not classified as Material Fund Document Amendments.

Redemption rights. Fund Units are not redeemable at Investor request during the Fund's operating period, except in the circumstances prescribed by the CIUL (including in connection with Material Fund Document Amendments). The Fund will seek to distribute income to Investors and/or redeem Units at the Management Company's discretion.

Transfer of management. If the Management Company transfers management of the Fund to another management company, Investors must be notified at least 14 calendar days in advance. The successor management company assumes all obligations and responsibilities of the Management Company.

The full text of the Fund Rules is incorporated by reference into this Prospectus and is available at www.lordslb.lt/bcpf.

11.7. Material Agreements and Service Providers

The principal service providers engaged in connection with the Fund are as follows:

- (a) **Depository:** AB SEB bankas – please see Section 11.8 (*Depository*) of this Prospectus for full details.
- (b) **Auditor:** UAB PricewaterhouseCoopers – please see Section 10.3 (*Auditors*) of this Prospectus for full details.
- (c) **Financial Accounting and NAV Calculation:** UAB "Ernst & Young Baltic", legal entity code 110878442, registered address at Aukštaičių st. 7, LT-11341 Vilnius, the Republic of Lithuania, has been appointed to provide financial accounting, NAV calculation and Unit valuation services for the Fund. EY is among the leading accounting companies in Lithuania with a particular focus on regulated investment fund accounting and reporting.
- (d) **Property Valuator:** for real estate objects located in the Republic of Lithuania, UAB "Newsec valuations". For real estate objects located outside the Republic of Lithuania, the Management Company will engage, as and when required, at least one additional independent real estate valuator meeting the requirements of the applicable local jurisdiction, in accordance with Article 138(2) of the CIUL and paragraph 154 of the Fund Rules.
- (e) **Account Operator / Securities Account Administrator:** Units are held in book-entry form and registered at the first-tier level in the Issuance Account maintained by Nasdaq CSD. From the commencement of the Offering, Units will be recorded at the level of Nasdaq CSD, with individual Investor ownership reflected in personal Securities Accounts maintained by the relevant account operators.

The fees payable to the service providers listed above are borne from the Fund's assets and, together with all other expenses of the Fund except for the Success Fee, the Income Distribution Fee and the Distribution and Marketing Fee, are subject to the general 3% cap on the total annual amount of expenses covered from the Fund's assets (calculated on the Fund's average annual NAV) set out in paragraph 91 of the Fund Rules. The Depository fee is separately capped, and shall not exceed 0.2% of the Fund's average annual NAV.

11.8. Depository

The Depository of the Fund is AB SEB bankas, legal entity code 112021238, LEI 549300SBPFE9JX7N8J82, registered address at Konstitucijos ave. 24, LT-08106 Vilnius, the Republic of Lithuania (telephone: +370 5 268 2800; e-mail: info@seb.lt; website: www.seb.lt). AB SEB bankas is a licensed credit institution supervised by the Bank of Lithuania and the European Central Bank. As a credit institution, the Depository's activities are financed from its own equity, customer deposits, interbank borrowings and debt securities issued in the capital markets. The Depository's financial statements and regulatory capital information are publicly available on its website.

The Depositary has been appointed in accordance with the CIUL, AIFML and Fund Rules. The Depositary performs the following principal functions:

- (a) safekeeping of the Fund's assets;
- (b) ensuring that the sale, issue, repurchase, redemption and cancellation of Fund Units are carried out in accordance with the CIUL, AIFML and other applicable law, this Prospectus and the Fund Rules;
- (c) ensuring that the NAV is calculated in accordance with the CIUL, AIFML and other applicable law, this Prospectus and the Fund Rules;
- (d) carrying out the Management Company's instructions, unless they are contrary to applicable law or the Fund Rules;
- (e) ensuring that, in transactions relating to the Fund's assets, any amount due to the Fund is transferred to the Fund in a timely manner;
- (f) ensuring that the Fund's income is used in accordance with applicable law and the Fund Rules;
- (g) maintaining the Fund's asset register and verifying asset ownership;
- (h) monitoring the Fund's cash flows; and
- (i) overseeing the calculation of the NAV and the management fee.

The Depositary is liable to the Fund and its Investors for the Fund's assets held in its custody and assets transferred to other entities for safekeeping. If the Depositary negligently or intentionally fails to perform its obligations under the CIUL and the depositary services agreement, it must compensate the Fund and/or the Management Company for all losses related to such improper performance.

As at the date of this Prospectus, the Management Company has not received information about any Depositary functions transferred to other entities. The transfer of the Depositary's asset safekeeping functions to other persons does not release the Depositary from liability.

There is a possibility that the Depositary may provide services to other CIUs with similar investment objectives, strategies and policies to those of the Fund. Accordingly, there may be situations where the Depositary, in providing services to the Fund, has a potential conflict of interest with respect to the Fund. In such situations, the Depositary must act in accordance with the terms of the agreements concluded between the Fund, represented by and acting through the Management Company, and the Depositary, and must ensure that the Management Company, the Fund and Investors are treated fairly and in their best interests, to the extent practically achievable in the specific situation.

12. DISTRIBUTION AND REDEMPTION POLICY

12.1. Distribution Policy

The Fund does not pay dividends in the traditional sense. The Fund's assets (income) may be distributed to Investors either by distributing cash or by mandatorily redeeming a proportionate number of Units from all Investors (pro rata). The Management Company will seek to distribute Fund assets (income) to Investors each calendar year, targeting a distribution of 5% of the total amount invested by Investors into the Fund. This target is not a guaranteed distribution amount and does not constitute a commitment by the Management Company.

Distributions may be made at the Management Company's discretion when investment objects are realised or income is received and the Management Company determines that reinvestment of the proceeds is not expedient.

Fund Units are mandatorily redeemed automatically (i.e., without Investors being required to submit redemption applications or perform other formal actions) and on a pro rata basis from all Investors in the following cases:

- (i) when a Fund investment object or group of investment objects is realised and the Management Company decides that reinvestment of the proceeds will not be made – each time a proportionate number of Units (pro rata) is redeemed from all Investors, calculated by dividing the distributable portion of Fund assets by the NAV per Unit as at the redemption date;
- (ii) 2 Business Days before the Fund's termination date, when all remaining issued Fund Units are redeemed after the Fund has paid all applicable taxes and fully settled with the Fund's creditors, in accordance with the Fund Rules; and
- (i) if Fund Units are not admitted to trading on the Baltic Fund List within the timeframes set out in Article 111 of the Fund Rules, within 30 calendar days after the expiry of such deadline, the Management Company shall adopt a decision to commence realisation of the Fund's assets and mandatory redemption of Units from the Investors. The realisation and settlement with Investors may take no longer than 2 years from the date of the Management Company's decision. Redemptions will be effected on a pro rata basis from all Investors, with Units redeemed in proportion to each Investor's holdings, calculated by dividing the distributable portion of the Fund's proceeds by the NAV per Unit on the relevant redemption date (Article 126 of the Fund Rules). Once the Fund's assets are fully realised and all Investors are settled with, the Management Company will adopt a decision for the termination of the Fund.

A notice of the redemption of Fund Units in connection with the distribution of Fund assets (income) will be sent to the Investors by e-mail no later than 2 calendar days before the scheduled redemption date. On the redemption date, the Management Company confirms payment instructions to transfer funds for the redeemed Units to the Investor's bank account on record with the Management Company. Funds may be credited to the Investors' bank accounts at a later time, depending on the bank at which the Investor's account is held, and this shall not be considered a delay by the Management Company.

From the moment of the decision to redeem Fund Units, the Investor loses all rights attached to the redeemed Units, except the right to receive payment for the redeemed Units, and the Management Company acquires the obligation to settle with the Investor for the redeemed Units from the Fund's assets.

No later than 14 calendar days after the redemption date (when Units are redeemed during the Fund's operating period) or no later than 14 calendar days after the Investors are settled as part of (and right before) the Fund's termination, the Management Company will send Investors a redemption notice by e-mail, indicating the number of redeemed Units, the price and other relevant information.

12.2. Redemption of Units

Units are not redeemable at the request of Unitholders during the Fund's operating period, except in the limited case where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors and the Investor objects to the amendment, as described in the Fund Rules. Units will be mandatorily redeemed by decision of the Management Company in accordance with the Fund Rules. In addition, if the Units are not admitted to trading on the Baltic Fund List within the timeframes set out in the Fund Rules, the Management Company shall commence realisation of the Fund's assets and mandatory redemption of Units from the Investors.

13. FEES, EXPENSES AND VALUATION

13.1. Fees and Expenses

This Section provides an overview of the fees and expenses that may be charged to and paid from the assets (income) of the Fund in accordance with the Fund Rules. Investors should review the fees and expenses outlined in this Section, as these payment obligations are inherent to the operation of the Fund. This Section does not cover fees and costs charged directly to Investors by their account operators or other financial intermediaries - those are addressed under "*Investor-Level Account Operator and Intermediary Fees*" below.

Management Fee (in Lithuanian: valdymo mokestis)

The management fee is payable to the Management Company as remuneration for the management of the Fund. The management fee is equal to 0.25% per annum of the Fund's NAV for the relevant calendar month. The management fee is calculated for each calendar month by multiplying the last calendar day NAV of the relevant month by the management fee percentage, dividing by the number of calendar days in that year and multiplying by the number of calendar days in that month. If the Fund commenced operations or is being liquidated other than at the beginning of a calendar month, the management fee is calculated by dividing the monthly management fee by the number of calendar days in the relevant calendar month and multiplying the resulting amounts by the number of days the Fund actually operated during that calendar month. The management fee is calculated by the Management Company, calculated for each calendar month but paid to the Management Company once per calendar quarter into the Management Company's account within 5 Business Days of receipt of the Management Company's invoice. The management fee calculated for the preceding year is reviewed by the auditors. Any overpayment or underpayment identified will be reflected as a corresponding reduction or increase in the management fee payable for the next calendar quarter following the approval of the Fund's annual report.

Success Fee (in Lithuanian: sėkmės mokestis)

Each year, if the annual adjusted Fund operating income, divided by the annual average of funds invested into the Fund (calculated monthly), exceeds 8% per annum, the Management Company is entitled to a success fee equal to 20% of the amount exceeding 8%. The average of funds invested into the Fund is calculated as the arithmetic average of the amount of funds actually invested into the Fund at the beginning of the period and at the last day of each month ended during that period. The adjusted Fund operating income (Adjusted Funds From Operations or AFFO) is calculated according to the following formula:

$$\text{Adjusted Fund operating income} = \text{NOI} - \text{Fund Expenses} - \text{Financing Expenses} - \text{Capital Expenditure}$$

Where:

NOI means the sum of net operating income from real estate (owned directly by the Fund and/or indirectly through Controlled Companies and/or Real Estate Companies);

Fund Expenses means Fund operating expenses falling within the general 3% Fund expense cap, as set out in the Fund Rules;

Financing Expenses means interest and other financing costs under financing agreements concluded on behalf of the Fund and Controlled Companies and Real Estate Companies (including, for example, loans, credit facilities, bonds and other financing instruments), less any financing income related to the corresponding debt obligations; and

Capital Expenditure means funds allocated for the renovation and repair of real estate (CAPEX), including tenant fit-out costs, invested in real estate objects directly and indirectly (through Controlled Companies and Real Estate Companies) owned by the Fund. New investments, acquisitions and follow-on investments in real estate and Controlled Companies and Real Estate Companies are not considered Capital Expenditure.

Adjusted Fund operating income is calculated by consolidating the financial results of the Fund and Controlled Companies and Real Estate Companies. Where the Fund holds less than 100% ownership of a Controlled Company and Real Estate Company, the real estate net operating income, financing expenses, all capital expenditure and financial results of Controlled Company and Real Estate Company are calculated proportionally to the Fund's ownership interest.

The annual success fee may be positive or negative. The annual positive success fee may not exceed 0.5% of the average annual NAV (upper success fee cap). The annual negative success fee may not be less than -0.5% of the average annual NAV (lower success fee cap). The success fee (including any negative success fee) is accumulated each time the Fund's NAV is calculated, in a success fee reserve maintained as an off-balance-sheet account. When the success fee reserve becomes positive, the success fee may be recognized in the Fund's NAV. No success fee is calculated for the first year of the Fund's operations (i.e., 2026). The success fee may be paid to the Management Company once per year, following recalculation of the final annual success fee based on the audited consolidated financial statements of the Fund. If the success fee reserve becomes negative in a given year, the Management Company is not required to return the success fee already paid for prior years. The next success fee is paid only after the success fee reserve becomes positive again.

The success fee is paid to the Management Company within 5 Business Days of receipt of the Management Company's invoice.

Income Distribution Fee (in Lithuanian: lėšų paskirstymo mokestis)

Each time the Fund's assets (income) are distributed in cash and/or Fund Units are redeemed by decision of the Management Company, a distribution fee equal to 1.00% of the amount of Fund assets (income) allocated for cash distribution and/or the amount of Fund assets (income) allocated for the redemption of Fund Units is payable to the Management Company from the Fund's assets. The distribution fee is paid to the Management Company within 5 Business Days of receipt of the Management Company's invoice. For the avoidance of doubt, the distribution fee is paid from the Fund's assets and not by each Investor separately.

Distribution and Marketing Fee (in Lithuanian: platinimo ir rinkodaros mokestis)

During the Initial Offering Period, a distribution and marketing fee is paid to the Distribution Agent from the Fund's assets:

- (ii) 3.00% of the amount invested by Investors in the Fund, where the amount invested in the Fund is attracted through the Distribution Agent (principal financial intermediary) (and financial intermediaries engaged by it) with whom the Management Company has entered into a valid distribution services agreement for the benefit of the Fund; or
- (iii) 1.00% of the amount invested by Investors in the Fund, where the amount invested in the Fund is not raised through the Distribution Agent (principal financial intermediary) or financial intermediaries engaged by it. In such a case, this distribution and marketing fee shall be paid to the Distribution Agent (principal financial intermediary) as compensation for its services in respect of the Offering.

Any further public offering of Units by the Fund after the closing of the Offering under this Prospectus, and any related distribution and marketing fees, will be governed by a separate prospectus published in accordance with the Prospectus Regulation.

Depositary Fee (depozitoriumo mokestis)

The annual fee for Depositary services shall not exceed 0.2% of the Fund's average annual NAV. The annual Depositary fee is set out in the depositary services agreement concluded with the Depositary. Detailed Depositary fee rates are set out in the agreement with the Depositary and are available to the Investors upon request to the Management Company by e-mail info@lordslb.lt. The Depositary fee is payable in accordance with invoices issued by the Depositary.

Other Expenses

Other expenses covered from the Fund's assets include, *inter alia*:

- remuneration to property and business valuers;
- Fund establishment (structuring) costs;
- Service providers' fees for Fund financial accounting, NAV calculation and Unit valuation services;
- remuneration for audit services and consultations;
- remuneration to consultants for legal services and representation;
- litigation and court proceedings costs;
- other legal costs incurred by the Management Company in protecting the interests of Investors and/or the Fund;
- fines and penalties (including interest) arising from and/or related to the Fund's obligations;
- bank account opening and maintenance, cash and securities transaction, order execution, securities custody, currency exchange and other costs related to services provided by credit and financial institutions and financial intermediaries;
- state and municipal taxes and duties;
- costs of preparing, translating and providing information about the Fund (including Fund documents and agreements) to Investors as well as costs for updating (changing) the information;
- consulting costs;
- costs of preparing, translating, submitting to Investors and/or updating (amending) the Fund Rules, this Prospectus (and other prospectuses), the KID(s) and other documents related to the offering of Fund Units and/or Fund operations;
- costs related to obtaining and amending licences and permits;
- notary and registry costs;
- costs related to financing agreements concluded on behalf of the Fund (e.g., loan, credit or other agreements) exceeding interest income from such agreements;
- currency and interest rate hedging costs;

- costs of establishing, registering and deregistering security interests;
- real estate agent commissions;
- enforcement costs; insurance costs for persons responsible for the Fund's operations;
- costs of insurance of persons responsible for Fund's operations (i.e. insurance against damage caused and/or liability incurred);
- Fund asset insurance costs;
- costs of managing, maintaining and administering real estate objects owned by the Fund (to the extent not covered by tenants);
- costs related to services provided by Nasdaq CSD or other central securities depository, including fees for granting and maintaining an international securities identification number (ISIN) for Units and settlement infrastructure fees, as well as costs related to services provided by Nasdaq in relation to provision of technical infrastructure for distribution of Units, including auction fees;
- costs related to the listing and trading of Funds Units in a regulated market and/or multilateral trading facility, as well as remuneration to the operator of regulated market or multilateral trading facility for its services;
- marketing costs (i.e., costs of presenting the Fund's operations and assets, representation, advertising, investor search and attraction costs, etc.), if such costs are incurred by the Management Company, i.e. to the extent not covered by the distribution and marketing fee indicated above;
- other costs reimbursed to the Depositary and the Management Company incurred for the benefit of the Fund.

If expenses attributable to the Fund are incurred by the Management Company or the Depositary, the Fund must reimburse such expenses to the Management Company or the Depositary at any time upon presentation of the relevant invoices.

Expense Cap

The total amount of expenses covered from the Fund's assets and related to the Fund's operations shall not exceed 3% of the Fund's average annual NAV, however the indicated cap for total amount of Fund's expenses does not include the success fee, income distribution fee, distribution and marketing fee. Investors may additionally be subject to investor-level account operator and intermediary fees (as described in section below "*Investor-Level Account Operator and Intermediary Fees*"). Expenses related exclusively to the acquisition, development or improvement of specific real estate objects are treated as part of the Fund's investments in the relevant real estate object and are not subject to the general expense cap.

As the total amount of expenses covered from the Fund's assets and related to the Fund's operations referred to above does not include all costs and expenses that may be incurred by or in connection with the Fund, the aggregate economic cost burden borne by Investors may exceed the general expense cap of 3% of the Fund's average annual NAV.

The Management Company will perform the property management and administration function for the Fund's managed assets. The costs of this activity will be included in the total amount of expenses covered from the Fund's assets referred to above.

Investor-Level Account Operator and Intermediary Fees

The fees and expenses described in this Section 13 are costs borne by the Fund and deducted from Fund assets. In addition, Investors may be subject to separate fees and charges levied by their account operator (a licensed Nasdaq CSD participant, such as a bank or investment firm with which the Investor maintains their personal Securities Account) and/or other financial intermediaries through which they hold or transfer Units. Such fees - which may include Securities Account opening and maintenance fees, custody fees, transaction settlement fees, and transfer fees - are governed exclusively by the contractual arrangements between the Investor and their account operator or intermediary, and are charged directly to the Investor. The Fund and the Management Company are not responsible for such fees, have no control over the tariff schedules applied by third-party account operators or intermediaries, and are under no obligation to reimburse Investors in respect thereof. Investors should obtain and carefully review the applicable tariff schedules of their chosen account operator prior to subscribing for Units.

13.2. Valuation

The Management Company must ensure that the real estate objects comprising or intended to be acquired for the Fund's investment portfolio are valued by at least one independent property valuer. Where the Fund's investment portfolio includes real estate objects located outside the Republic of Lithuania, the Management Company must ensure that their value is determined by at least one property valuer meeting the requirements applicable to property valuers under the laws of the relevant state. The same independent property valuer may not carry out valuations for the Fund for more than 3 consecutive years. An independent property valuer may not be an officer or employee of the Management Company or the Depositary.

The property valuer selected by the Management Company must:

- (a) carry out the valuation of each real estate object comprising the Fund's assets, on the basis of which the NAV is calculated; and
- (b) carry out the valuation of the real estate object intended to be acquired or sold by the Fund no earlier than 1 month before the conclusion of the purchase or sale transaction, except where the real estate objects comprising the Fund's assets have been valued no earlier than 6 months ago and there have been no material economic or real estate market price changes requiring a new valuation.
- (c) The valuation obtained pursuant to item (b) above shall serve as the basis for the Management Company's acquisition or disposal decision. The Fund shall not acquire or dispose of a real estate object at a price that deviates materially from the most recent independent valuation without a documented justification approved by the Management Company's investment committee, which shall set out the reasons for the deviation and confirm that the transaction remains in the best interests of Investors.

The Bank of Lithuania has the right to require an additional independent real estate valuation (without the participation of the valuer(s) who carried out the previous valuation) when: (i) it is established that the valuation carried out does not comply with the requirements of the Fund Rules; or (ii) there are grounds to believe that the valuation carried out was not objective and that this may prejudice the interests of Investors.

The real estate objects comprising the Fund's assets are considered to have been valued if their value was determined no earlier than 6 months ago and only if there have been no material economic or real estate market price changes requiring a new valuation. In the event of material changes in the value of a real estate object, the Management Company must take them into account.

Valuation methodology

The valuation of the Fund's assets and liabilities is based on their fair value, which must reflect the price at which the assets would most likely be sold. Fair value is determined on the basis of observable market transactions or market information. Where no observable market transactions or market information are available for the relevant asset or liability, fair value is determined using valuation methodologies that are generally accepted and recognised in the financial market, such as the income capitalisation method, the discounted cash flow method, or the market comparison method. The Management Company's internal NAV calculation policies and procedures set out the detailed rules for determining fair value and are available to Investors upon request.

NAV is calculated once per calendar quarter (and in any event at each financial year-end), on the basis of an independent valuation. During the distribution of Units, NAV is additionally calculated as at the last calendar day of each month in which subscription proceeds are converted into Units. NAV and the NAV per Unit are published on the Management Company's website at www.lordslb.lt/bcpf no later than the last Business Day of the following month. Following the admission of Units to trading on the Baltic Fund List, NAV and the NAV per Unit will be published in accordance with applicable law.

Suspension of valuations

The Management Company may temporarily suspend the calculation of NAV if, due to extraordinary circumstances (including but not limited to force majeure events, suspension of trading on a regulated market or other trading venue on which the Fund's assets are traded, or the inability to obtain reliable valuations), the Management Company is unable to determine the fair value of the Fund's assets with reasonable accuracy. The Management Company will notify Investors of any suspension of NAV calculation and of its resumption by e-mail and by publication on the Management Company's website at www.lordslb.lt/bcpf (and, following admission to the Baltic Fund List, on the CSF at www.crib.lt) promptly after the decision to suspend or resume. The Management Company will also notify the Bank of Lithuania of any such suspension.

The value of the Controlled Companies and Real Estate Companies is determined on the basis of valuations carried out by an independent business valuer having the right to carry out such activities and meeting the requirements set out in the Fund Rules. The value of the Controlled Companies and Real Estate Companies may also be determined on the basis of the most likely selling price determined using a selected valuation model (specified in the Management Company's relevant internal procedures) that is generally accepted and recognised in the financial market.

14. DOCUMENTS INCORPORATED BY REFERENCE

The documents set out below are incorporated by reference in this Prospectus in accordance with Article 19 of the Prospectus Regulation.

The following documents are incorporated by reference into this Prospectus:

- the Fund Rules, as approved and registered with the Bank of Lithuania – available in Lithuanian (original language) and English (translation) at www.lordslb.lt/bcpf.
- the pre-contractual disclosure with the information on the Fund pursuant to Article 18 of the AIFML and the pre-contractual product sustainability information disclosure document for the Fund prepared in accordance with the SFDR – both available on the Management Company's website at www.lordslb.lt/bcpf.

Any future annual and interim financial statements of the Fund, together with the related audit reports (where applicable), published during the validity period of this Prospectus, shall be made available electronically on the Management Company's website at www.lordslb.lt/bcpf and shall be incorporated by reference into this Prospectus in accordance with Article 19(1b) of the Prospectus Regulation, without the requirement to publish a supplement, unless the Management Company decides to do so voluntarily. The financial statements of the Fund will be originally prepared in the Lithuanian language and translated into English for the purposes of this Prospectus and trading of the Units on the Baltic Fund List.

In the event of any discrepancy between the English translation and the Lithuanian original of the documents incorporated by reference into this Prospectus, the Lithuanian original shall prevail.

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.

Other available Documents and Information

In addition to the documents incorporated by reference above, copies of the following documents and/or information will be available free of charge, in accordance with the Fund Rules and applicable law, at the office of the Management Company at Jogailos st. 4, Vilnius, the Republic of Lithuania, during its regular business hours, or on request by e-mail info@lordslb.lt and/or on the website at www.lordslb.lt/bcpf:

- the KID(s) prepared in accordance with the PRIIPS Regulation in connection with the Offering of each relevant Tranche;
- the internal rules and procedures of the Management Company for the determination of the NAV;
- the rules for the valuation of real estate;
- the rules for handling conflicts of interest;
- a description of the Fund's liquidity risk management;
- details of the Management Company, the Depositary, the auditor, the property valuator, and any other third party to whom Fund's management or safekeeping functions have been delegated;
- the NAV of the Fund and the NAV per Unit;

- information on the size of the holding by the Management Company in the Fund (if any);
- after admission to trading on the Baltic Fund List, the latest closing price of a Unit on the Baltic Fund List.
- the audited annual financial statements of the Management Company.

The KID(s) will be made available in English, Lithuanian, Estonian and Latvian languages. The other documents and/or information listed above may be available only in their original language (Lithuanian) and may not be translated into other languages. Any translation of such documents and/or information, if undertaken by Investors, shall be at their own cost, and no compensation shall be provided in respect thereof.

15. TERMS AND CONDITIONS OF THE UNITS

This Section sets out the terms and conditions of the Units as required by Annex 11, Section 4 and Annex 15, Section 7 of the Delegated Regulation. The full terms and conditions relating to the acquisition, holding and/or disposal of Units are set out in the Fund Rules. In the event of any inconsistency between this Section and the Fund Rules, the Fund Rules shall prevail.

15.1. Type, class, currency and ISIN

The Fund issues one class of Units. All Units rank *pari passu* without preference or priority among themselves. Units are registered in the Issuance Account maintained by the Lithuanian branch of Nasdaq CSD, SE under ISIN LT0000138661. Units have no nominal value and are denominated in Euro (EUR). No physical certificates are issued. The Units are not interest-bearing debt instruments; they do not carry a nominal interest rate, a coupon or a fixed maturity date. The Units do not have a validity (maturity) term: the Fund has been established for an indefinite duration and no fixed redemption or termination date applies to the Units. Distributions to Unitholders (whether by cash payment or by mandatory redemption of Units) derive from Fund income and asset realisations in accordance with the Fund Rules. The Management Company has the right to issue Units on behalf of the Fund in order to raise capital for the Fund's investments. A Unit represents the Unitholder's proportionate share in the assets of the Fund. A Unitholder cannot request that the common ownership of the Fund be terminated or that the Unitholder's share be separated from the Fund's assets. The Management Company aims to issue new Units in a way that an Investor can subscribe only for a whole number of Units without fractions, unless otherwise specified in this Prospectus.

Prior to the admission of the Units to trading on the Baltic Fund List, any transfer of Units requires: (i) the prior written consent of the Management Company; and (ii) the conclusion of a written transfer agreement between the transferor and the transferee. Following the admission of the Units to trading on the Baltic Fund List, Units shall be freely transferable through the Baltic Fund List in accordance with the applicable rules of Nasdaq and Nasdaq CSD, without the prior written consent of the Management Company. Units may be freely pledged or otherwise encumbered by a Unitholder, subject to the prior written consent of the Management Company, provided that the Investor submits to the Management Company within 5 calendar days one counterpart of the pledge or encumbrance agreement.

The exchange of Units with units of other funds managed by the Management Company is not permitted.

15.2. Legislation, book entry form and register

The Units are issued under the Law of the Republic of Lithuania on Collective Investment Undertakings (the **CIUL**) and the Fund Rules approved and registered with the Bank of Lithuania. The Fund is not a separate legal entity. The Units do not represent shares in a company; they represent co-ownership interests (*bendraturčių teisės*) in the pool of assets constituting the Fund.

Units are held in book-entry form. The Register is the register of Unitholders kept by the Management Company as part of its Fund administration function under the CIUL. The Management Company maintains the Register on the basis of information received from Nasdaq CSD and reported by Nasdaq CSD participants, so that the Register mirrors the Units recorded within Nasdaq CSD's two-tier securities settlement infrastructure described below. At the first (highest) tier, Units are registered in the Fund's Issuance Account (emission account) maintained by Nasdaq CSD, which constitutes the definitive record of the total number of Units in issue and through which corporate events are processed. At the second tier, individual Investor ownership of Units is reflected in the Investor's, or in a nominee holder's, personal Securities Account maintained by a licensed account operator (a participant of Nasdaq CSD, or an entity acting through a Nasdaq CSD participant). Nasdaq CSD participants are responsible for ensuring that the second-tier records are accurate and reconcile with the first-tier records maintained by Nasdaq CSD, so that the aggregate number of Units recorded in all participants' accounts always equals the total number of Units registered in the Issuance Account. At the request of the Management

Company, Nasdaq CSD provides the up-to-date list of Unitholders on the basis of information reported by Nasdaq CSD participants; the Management Company then reflects that information in the Register and remains responsible for the Register at all times. Units shall be issued and credited to the Investor's Securities Account on the relevant Issue Date. A Unit is deemed issued upon registration thereof in the Issuance Account and a Unit is deemed redeemed upon cancellation thereof from the Issuance Account. An entry in the Unitholder's Securities Account constitutes proof of ownership of the Units.

15.3. Rights attached to the Units, obligations of the Unitholders

The rights and obligations attached to a Unit shall enter into force upon acquisition and shall terminate upon disposal or redemption of a Unit. Each Unitholder is deemed to have agreed to the Fund Rules by subscribing for new Units or upon Units being credited to the Unitholder's Securities Account as a result of a trade. In accordance with the Fund Rules, each Unitholder has the following principal rights:

- (i) to receive, when payments are made pursuant to the Fund Rules, the share of the Fund's assets (income) proportional to the number of Units owned by the Unitholder, in accordance with Section 12 (*Distribution and Redemption Policy*) of this Prospectus and the Fund Rules;
- (ii) to receive, pursuant to the Fund Rules, the share of the assets remaining upon termination of the Fund proportional to the number of Units owned by the Unitholder;
- (iii) to obtain information about the Fund (copies of the Fund Rules, this Prospectus, the applicable KID(s), annual and semi-annual reports, and information on the value of Units held) free of charge in the manner set out in this Prospectus and the Fund Rules;
- (iv) subject to the prior written consent of the Management Company, to transfer Units held to third parties by concluding a written transfer agreement in accordance with the Fund Rules; provided that following the admission of the Units to trading on the Baltic Fund List, Units shall be freely transferable through the Baltic Fund List without the prior written consent of the Management Company in accordance with the applicable rules of Nasdaq and Nasdaq CSD;
- (v) subject to the prior written consent of the Management Company, to pledge or otherwise encumber Units held or the property rights arising therefrom, provided that the Investor submits to the Management Company, within 5 calendar days, one counterpart of the agreement or transaction document creating such pledge or encumbrance of property rights; and
- (vi) where the Investor is a natural person (consumer), to submit a request for out-of-court resolution of a dispute with the Management Company to the Bank of Lithuania in accordance with the procedure established by the Law of the Republic of Lithuania on the Bank of Lithuania and the rules adopted thereunder; and
- (vii) other rights set out in the Fund Rules and applicable law.

Each Unitholder has the following obligations:

- (i) to notify the Management Company of any change in name, surname, personal identification number, residential address, e-mail address, telephone number or other contact details (in the case of a natural person), or company name, legal entity code, registered address, authorised representative, e-mail address, telephone number or other contact details (in the case of a legal person), no later than 15 calendar days from the date of such change;

- (ii) to obtain the prior written consent of the Management Company before transferring, pledging or otherwise encumbering Units, provided that following the admission of the Units to trading on the Baltic Fund List, Units shall be freely transferable through the Baltic Fund List without the prior written consent of the Management Company, in accordance with the applicable rules of Nasdaq and Nasdaq CSD; and
- (iii) to fulfil other obligations set out in the Fund Rules and applicable law.

Each Unitholder is liable for the Fund's obligations to the extent of their investment in the Fund.

Governance and Investor consent. The Fund is not a company and does not have shareholder-style corporate governance. Unitholders do not have the right to convene or attend general meetings and do not vote on the ordinary operational decisions of the Fund, all of which are taken by the Management Company in accordance with the Fund Rules and applicable law. Where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors, the amendment requires the prior approval of the Bank of Lithuania and Investors who object to the amendment have the right to require redemption of their Units at NAV without deduction.

15.4. Authorisation for Issue

The issue of Units under this Prospectus has been authorised by the Management Company's board pursuant to the Fund Rules and the CIUL. The Fund Rules were approved and registered with the Bank of Lithuania upon the Fund's establishment. The right of the Management Company to issue Units on behalf of the Fund derives from the Fund Rules and the CIUL. No separate corporate resolution is required for the issue of Units under each Tranche; each Tranche is issued pursuant to the Management Company's board decision to commence the relevant Subscription Period, which decision is announced by the Management Company on its website at www.lordslb.lt/bcpf before the opening of the relevant Auction.

15.5. Issue, Redemption and Purchase of Units

Units are not available for subscription at all times. In order to raise new capital for the Fund, the Management Company may issue new Units during Subscription Periods announced from time to time. Units are not redeemable at the request of Unitholders during the Fund's operating period, except in the limited case where the Management Company proposes to materially amend the Fund Rules or the Prospectus in a way that adversely affects Investors and the Investor objects to the amendment, as described in the Fund Rules. Units will be mandatorily redeemed by decision of the Management Company in accordance with the Fund Rules. In addition, if the Units are not admitted to trading on the Baltic Fund List within the timeframes set out in the Fund Rules, the Management Company shall commence realisation of the Fund's assets and mandatory redemption of Units from the Investors.

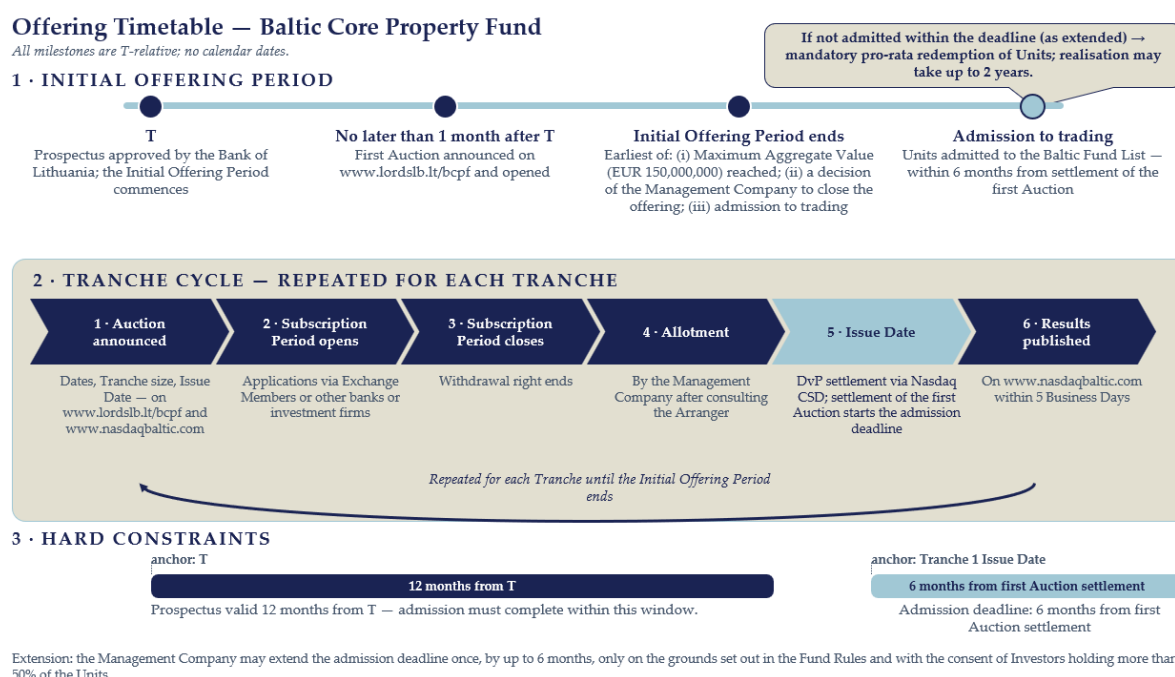
The Management Company or the Bank of Lithuania may, in accordance with the Fund Rules, suspend the redemption of Units for a period of no longer than 3 months. The suspension of the redemption of Units can be applied if:

- (i) suspension is necessary to protect the interests of the public as well as Unitholders from possible Fund insolvency or a drop in the redemption price in unfavourable market conditions;
- (ii) there are insufficient funds to pay for the redeemed Units and the sale of held investment instruments would be loss-making; or
- (iii) such suspension is applied by the Bank of Lithuania as a supervisory measure.

15.6. Expected Issue Dates

The Units are issued in successive Tranches, each with its own Issue Date. The Management Company expects to announce the opening of the first Auction (which marks the opening of the Offering) not later than 1 month after the date of approval of this Prospectus by the Bank of Lithuania. The Issue Date for each Tranche – being the date on which subscribed Units are registered in the Fund's issuance account with Nasdaq CSD and credited to the Securities Accounts of the relevant subscribing Investors – is announced by the Management Company on its website at www.lordslb.lt/bcpf and by Nasdaq at www.nasdaqbaltic.com before the opening of the relevant Auction, in accordance with the applicable Auction Rules. The Management Company currently expects the Offering under this Prospectus to be completed in approximately 4 to 5 successive Tranches; the actual number, size and timing of Tranches will be determined by the Management Company.

Figure 7: Indicative timeline of the Offering.



Source: the Management Company.

The timeline above is indicative only. The opening and closing dates of each Auction, the maximum aggregate value of Units offered under it and the Issue Date will be announced by the Management Company on its website (www.lordslb.lt/bcpf) and by Nasdaq (www.nasdaqbaltic.com) before the opening of the relevant Auction.

15.7. Transfer Restrictions

Prior to the admission of the Units to trading on the Baltic Fund List, any transfer of Units requires: (i) the prior written consent of the Management Company; and (ii) the conclusion of a written transfer agreement between the transferor and the transferee. Units may be freely pledged or otherwise encumbered by a Unitholder, subject to the prior written consent of the Management Company, provided that the Investor submits to the Management Company within 5 calendar days one counterpart of the pledge or encumbrance agreement. The exchange of Units for units of other funds managed by the Management Company is not permitted.

Following the admission of the Units to trading on the Baltic Fund List, Units shall be freely transferable through the Baltic Fund List in accordance with the applicable rules of Nasdaq and Nasdaq CSD, without the prior written consent of the Management Company.

15.8. Tax Warning

The tax treatment of income from and gains on the Units depends on the individual circumstances of each Investor and may be subject to change. Investors are subject to the tax laws and regulations of both the Republic of Lithuania (the Fund's state of establishment) and their own state of residence or domicile. Investors are strongly advised to consult their own independent tax advisers regarding the tax consequences of investing in, holding and disposing of the Units, taking into account their particular circumstances. A description of the tax considerations relevant to Investors in the Republic of Lithuania, Latvia and Estonia is set out in the *Taxation* section at the end of this Prospectus.

15.9. Takeover / Change of Control Rules

The Fund is a closed-end special real estate investment fund established under Lithuanian law. The Fund is not a company and is not subject to the mandatory takeover bid rules that apply to listed companies under the Law of the Republic of Lithuania on Securities. No mandatory bid obligation arises in respect of the Units by virtue of any Investor acquiring a significant proportion of the Fund's total Units. Accordingly, there are no takeover or change of control rules applicable to the Fund or the Units.

The Management Company has exclusive control over the Fund under the Fund Rules irrespective of the composition of the Unitholder register. Changes to the management of the Fund are governed by the Fund Rules and applicable law, not by the ownership of Units.

15.10. Selling restrictions

- (a) **No Public Offering Outside of the Republic of Lithuania, Latvia and Estonia.** This Prospectus has been prepared on the basis that there will be no offers of the Units in territories which would require publication of a prospectus other than the Offering to Investors in the territories of the Republic of Lithuania, Latvia and Estonia in accordance with the Prospectus Regulation. Accordingly, any person making or intending to make any offering, resale or other transfer within the EEA, other than in the Republic of Lithuania, Latvia and Estonia, of the Units may only do so in circumstances under which no obligation arises for the Fund or the Management Company to produce an approved prospectus or other document for such offering. Neither the Management Company nor any person engaged by the Management Company in connection with the Offering has authorised, nor will any of them authorise, the making of any offer of the Units to the public through any financial intermediary other than offers made by the Management Company or the Arranger/Distribution Agent under this Prospectus.

No action has been or will be taken by the Management Company in any jurisdiction other than the Republic of Lithuania, Latvia and Estonia that would permit an Offering of the Units, or the possession or distribution of the Prospectus or any other offering material related to the Fund or the Units in any jurisdiction where action for that purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither the Prospectus, nor any other offering material or advertisements in connection with the Units may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

The distribution of the Prospectus and the Offering in certain jurisdictions may be restricted by law and therefore, persons into whose possession the Prospectus comes should inform themselves of and observe any such restrictions on the distribution of the Prospectus and the Offering. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Prospectus does not constitute an offer to subscribe for or buy

any of the Units offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

- (b) **KID.** The Units of the Fund qualify as a PRIIP within the meaning of the PRIIPS Regulation. Accordingly, a KID will be prepared in accordance with the PRIIPS Regulation in connection with the Offering of each relevant Tranche. The applicable KID(s) will be available free of charge upon requesting the Management Company by e-mail info@lordslb.lt or on the website at www.lordslb.lt/bcpf. The KID(s) will be available in Lithuanian, Latvian, Estonian and English.

The Management Company will make the KID(s) publicly available on its website at www.lordslb.lt/bcpf free of charge. Under Article 13 of the PRIIPS Regulation, any person advising on or selling Units is required to provide a retail Investor (as defined in the PRIIPS Regulation) with the applicable KID(s) in good time before that retail Investor is bound by any contract or offer relating to the Units. The Management Company does not control, and is not in a position to verify, whether each Exchange Member or other financial intermediary through which Investors may submit Subscription Applications complies with this obligation. Each prospective Investor is responsible for ensuring that it has received and reviewed the applicable KID before subscribing for Units. Any failure to provide the KID in accordance with the PRIIPS Regulation may give rise to a right of the retail Investor to cancel the subscription and to civil liability on the part of the person who has failed to comply with such obligation.

- (c) **The Republic of Latvia.** In accordance with the applicable Latvian legislation governing the marketing of units of alternative investment funds established in other EU Member States, the primary offering of Units to non-professional (retail) Investors in the Republic of Latvia is subject to the following conditions: (i) each such Investor must execute a written confirmation (the **Latvian Investor Declaration**) that the Investor is able to make the investment decision independently and is aware of all risks and obligations associated with the investment; and (ii) each such Investor must invest a minimum amount of EUR 100,000. The minimum investment requirement referred to in point (ii) above may be disapplied only where the Fund Rules provide that the Fund may not employ financial leverage exceeding 50% of the Fund's NAV. As at the date of this Prospectus, the Fund Rules do not contain such a restriction on leverage, and accordingly both conditions set out above apply to the primary offering.

Each Exchange Member or other financial intermediary accepting Subscription Applications from non-professional Investors who are resident in the Republic of Latvia is responsible for: (a) verifying that the Investor is a non-professional investor resident in the Republic of Latvia and that the applicable Latvian requirements apply, regardless of whether the Exchange Member or financial intermediary itself is established in the Republic of Latvia or in another Member State; (b) obtaining the duly executed Latvian Investor Declaration from the Investor before accepting the Subscription Application; and (c) ensuring that the Subscription Application is for an aggregate amount of not less than EUR 100,000. The Latvian retail investor restrictions are determined by the investor's domicile and status, not by the location of the intermediary through which the Subscription Application is submitted. Accordingly, a Subscription Application submitted by a Latvian non-professional Investor through a Lithuanian or Estonian Exchange Member or financial intermediary in the primary offering remains subject to the same requirements. An Exchange Member or other financial intermediary may not enter a Subscription Application from a Latvian non-professional Investor into the Nasdaq trading system unless conditions (a)–(c) above are satisfied.

Prior to the allocation of Units under each Tranche, the Arranger will verify that no Subscription Application filed on behalf of a non-professional Investor resident in the Republic of Latvia (regardless of the jurisdiction of the Exchange Member or financial intermediary through which the order was submitted) is for an amount below EUR 100,000 and that the Exchange Member or financial intermediary has confirmed that a duly executed Latvian Investor Declaration has

been obtained. The EUR 100,000 minimum investment requirement is assessed by reference to the amount of the Subscription Application at the time of submission, not by reference to the final allocation amount after any pro rata reduction. The Arranger will reject any non-compliant Subscription Application before allocation.

The Management Company does not itself collect the Latvian Investor Declarations or verify individual Latvian Investor compliance. Compliance with the Latvian requirements during the primary offering (Auction) is the responsibility of the relevant Exchange Member or financial intermediary (as first line of verification) and the Arranger (as pre-allocation check). The Latvian retail investor restrictions (including the EUR 100,000 minimum investment requirement and the Latvian Investor Declaration) apply to the marketing of Fund Units and, accordingly, to the primary offering only; they do not apply to acquisitions or holdings of Units on the secondary market following admission of the Units to trading on the Baltic Fund List. Accordingly, a Latvian non-professional Investor who has subscribed for Units to the value of at least EUR 100,000 in the primary offering may subsequently transfer any part of that holding on the secondary market (including so as to hold Units of a value below EUR 100,000), and a Latvian non-professional Investor may acquire Units on the secondary market in any amount, in each case without breach of the Latvian retail restrictions.

- (d) **United States.** The Units have not been, and will not be, registered under the Securities Act, or the securities laws of any state in the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.
- (e) **Russia and Belarus.** The Units 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 Units is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the EU, the United Nations or the United States).
- (f) **Other Jurisdictions.** The Units may not be offered or sold in Australia, Canada, Hong Kong, Japan or any other jurisdiction in which such offer or sale would be unlawful without compliance with applicable securities laws. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions.

15.11. Relative Seniority of the Units

The Units represent a proportionate co-ownership interest in the Fund's assets. On a winding-up of the Fund, the Fund's assets will be realised and used first to satisfy the Fund's creditors (including secured lenders, service providers, taxes and other liabilities incurred at the level of the Fund). Only the net proceeds remaining after all Fund's costs are covered and creditors are satisfied will be distributed on a pro-rata basis among Unitholders. All Units rank equally (*pari passu*) among themselves and do not confer any preferential right in respect of the Fund's assets, income or proceeds of a winding-up. The Fund is not a credit institution or an investment firm and is not subject to the bank recovery and resolution regime under Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

16. DETAILS OF THE OFFERING AND ADMISSION TO TRADING

This Section sets out the details of the Offering and the admission of Units to trading on the Baltic Fund List, as required by Annex 11, Section 5 and Annex 15, Section 8 of the Delegated Regulation.

The Offering is a single public offering of Units under this Prospectus up to EUR 150,000,000, at a fixed Subscription Price of EUR 1.00 per Unit. Subscription is conducted in successive Tranches, each carried out by way of an Auction organised through the Nasdaq trading system in accordance with the Auction Rules; all Tranches form part of the same Offering and bear the same ISIN. The Management Company determines the number, timing and size of each Tranche within the Maximum Aggregate Value of the Offering and the offering schedule set out below.

The Offering opens on the date the Management Company announces the first Tranche on its website (www.lordslb.lt/bcpf), no later than 1 month after approval of this Prospectus by the Bank of Lithuania. The Offering ends on the earliest of: (i) the Maximum Aggregate Value of the Offering being reached; (ii) a decision of the Management Company to close the Offering; and (iii) the admission of the Units to trading on the Baltic Fund List. Admission must occur within 6 months from the settlement date of the first Auction (extendable by up to 6 months with the consent of Investors holding more than 50% of the Units, and further at the Management Company's discretion in case of unfavourable market conditions or other material circumstances). The Management Company will schedule the last Auction so that settlement leaves sufficient time to obtain admission within that period. If the Units are not admitted to trading within that period, the Management Company must commence realisation of the Fund's assets and mandatorily redeem the Units on a pro-rata basis, in which case Investors may recover less than the amount invested and the realisation and settlement may take up to 2 years.

This Section sets out the details of the Offering and the admission of Units to trading on the Baltic Fund List, as required by Annex 11, Section 5 and Annex 15, Section 8 of the Delegated Regulation. The Initial Offering Period commences on the date of approval of this Prospectus by the Bank of Lithuania. The first Auction will be announced by the Management Company on its website (www.lordslb.lt/bcpf) and opened no later than 1 month after that date. The Offering ends on the earliest of: (i) the Maximum Aggregate Value of the Offering being reached; (ii) a decision of the Management Company to close the Offering; and (iii) the admission of the Units to trading on the Baltic Fund List. Admission must occur within 6 months from the settlement date of the first Auction. The Management Company may extend that period once, by up to 6 months, only on the grounds set out in the Fund Rules and with the written consent of Investors holding more than 50% of the Units. The Management Company will schedule the last Auction so that settlement leaves sufficient time to obtain admission within that period. If the Units are not admitted to trading within that period (including any extension), the Management Company must commence realisation of the Fund's assets and mandatorily redeem the Units on a pro-rata basis, in which case Investors may recover less than the amount invested and the realisation and settlement may take up to 2 years.

16.1. Total Amount / Maximum Aggregate Value

The maximum aggregate value of the Offering under this Prospectus is EUR 150,000,000 (one hundred and fifty million euros), calculated by reference to the Subscription Price of the Units (the **Maximum Aggregate Value of the Offering**). The maximum aggregate value of the Units to be subscribed under each respective Tranche, calculated by reference to the Subscription Price of the Units (the **Maximum Aggregate Value of the Subscription under a Tranche**), will be indicated in the announcement of the relevant Auction published by the Management Company on its website at www.lordslb.lt/bcpf and by Nasdaq at www.nasdaqbaltic.com before the opening of that Auction.

If demand for Units in a Tranche exceeds the Maximum Aggregate Value of the Subscription under the Tranche, the Management Company may decide to increase that amount by publishing an updated Auction announcement on its website at www.lordslb.lt/bcpf and by Nasdaq at www.nasdaqbaltic.com

on or before the relevant Issue Date. Where the Management Company publishes an updated Auction announcement increasing the Maximum Aggregate Value of the Subscription under the Tranche, an Investor who has submitted a Subscription Application before that updated announcement is published may withdraw the Subscription Application by notifying the Exchange Member or other financial intermediary through which the Subscription Application was placed within 2 working days after the publication of the updated Auction announcement. The aggregate of all Tranches issued under this Prospectus shall not exceed the Maximum Aggregate Value of the Offering.

16.2. Terms and Conditions of the Offer

The Offering consists of a public offering of Units to retail and qualified Investors in the Republic of Lithuania, Estonia and Latvia under the Prospectus Regulation and the Law on Securities. The Management Company may also choose to offer the Units 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 Applications (before the end of the relevant 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, Estonia or Latvia.

The Units shall be offered to Investors up to the Maximum Aggregate Value of the Subscription under the Tranche indicated in the applicable Auction announcement. However, if the demand for the Units exceeds the Maximum Aggregate Value of the Subscription under the Tranche indicated in that announcement, the Management Company acting on behalf of the Fund may decide to increase the Maximum Aggregate Value of the Subscription under the Tranche by publishing an updated Auction announcement on the Management Company's website at www.lordslb.lt/bcpf (and after the Units' admission to trading on the Baltic Fund List, also on Nasdaq operated Central Storage Facility (the **CSF**) at www.crib.lt), on or before the relevant Issue Date (inclusive). An Investor who has submitted a Subscription Application before an updated Auction announcement increasing the Maximum Aggregate Value of the Subscription under the Tranche is published may withdraw the Subscription Application by notifying the Exchange Member or other financial intermediary through which the Subscription Application was placed within 2 working days after that publication.

The Offering shall be structured in the following order:

- (ii) Subscription Applications for the acquisition of Units shall be submitted by Investors:
 - to the Exchange Members in accordance with the Special Rules of Nasdaq in case an Auction of the Units is organised through Nasdaq;
 - the Investor's financial intermediary (who will forward the Subscription Application for execution to the Exchange Members);
- (iii) the Management Company, acting on behalf of the Fund and after consulting the Arranger, shall decide which Investors who have submitted Subscription Applications shall be allotted with the Units and to what amount, and which Investors shall not be allotted with the Units (i.e., the allocation procedure as regulated under Section 16.7 below);
- (iv) the settlement for the Units shall be made and the Units shall be registered in the Issuance Account and distributed to the Investors;
- (v) the Units will be admitted to trading on the Baltic Fund List not later than within 6 months from the settlement date for the Fund's Units acquired during the first Auction (Article 111 of the Fund Rules). The Management Company may extend that period once,

by up to 6 months, only on the grounds set out in the Fund Rules and with the written consent of Investors holding more than 50% of all issued and unredeemed Units.

16.3. Subscription Period and Application Process

- (a) **Subscription Applications. Invalidity of Subscription Applications.** The Subscription Period for each respective Tranche will be indicated in the announcement of the relevant Auction published on the Management Company's website at www.lordslb.lt/bcpf and by Nasdaq at www.nasdaqbaltic.com. The procedure of accepting Subscription Applications described herein is applicable to all Investors irrespective of the Investor's place of residence. The treatment of Subscription Applications 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 Application either personally or via a representative whom the Investor has authorised (in the form required by law) to submit the Subscription Application. More detailed information concerning the identification of Investors, including requirements concerning documents submitted and the rules for acting through authorised representatives, can be obtained by Investors from the entities accepting the Subscription Applications.

Subscription Applications shall be submitted to the Exchange Members, or to other financial intermediaries, to be entered in Nasdaq's trading system during the Subscription Period of the respective Tranche. Subscription Applications shall be submitted by means accepted and used by the Exchange Members or other financial intermediaries (e.g., physically, via the internet banking system or by any other available means).

New Investors will be required to complete the relevant procedures – including suitability and/or appropriateness tests (where required by applicable law), and anti-money laundering, counter-terrorist financing and sanctions screening procedures – performed by the Exchange Member or other financial intermediary through which the Subscription Application is submitted, before the Subscription Application will be accepted.

Validity of the Subscription Application

A Subscription Application shall not be considered valid and shall not be processed in the following cases:

- i. the Subscription Application was received after the Subscription Period, unless the Management Company in consultation with the Arranger, decides otherwise or it is permitted under the Auction Rules; or
- ii. the Subscription Price for the Units has not been paid, or the corresponding cash amount has not been blocked in the Investor's account, by the relevant time required by the Auction Rules for settlement; or
- iii. in the case of a non-professional (retail) Investor in the Republic of Latvia, such Investor has not executed the Latvian Investor Declaration referred to in Section 15.10(c) of this Prospectus and/or the aggregate amount of investment of such Investor is below EUR 100,000. The Exchange Member or other financial intermediary accepting the Subscription Application is responsible for verifying these conditions before entering the Subscription Application into the Nasdaq trading system; or
- iv. the Exchange Members or other financial intermediaries may reject the Subscription Application due to violation of legal acts governing anti-money laundering/counter-terrorist financing and/or sanctions and/or because the Investor has not provided additionally

requested information and/or documents. The Exchange Members and/or other financial intermediaries shall not be liable for any losses of the Investor arising from the Investor's failure to comply with applicable legal acts or to provide information reasonably requested for such purposes.

Written form of the subscription

Article 47(1) of the CIUL requires the issuance of investment units to be based on a written agreement between the collective investment undertaking and the Investor. In connection with the Offering, this written-form requirement is satisfied in aggregate by the combination of: (i) the Investor's Subscription Application submitted through the relevant Exchange Member or other financial intermediary into the Nasdaq trading system in accordance with the applicable Auction Rules, which sets out the Investor's irrevocable undertakings to acquire and pay for the Units allocated in accordance with this Prospectus (subject to withdrawal under paragraph (d) below); (ii) this Prospectus, the Fund Rules, the applicable Auction Rules and the announcement of the relevant Auction published by the Management Company on its website at www.lordslb.lt/bcpf, each of which the Investor is deemed to have read and accepted by submitting the Subscription Application; and (iii) the allotment of Units to the Investor by the Management Company (through the Arranger) following the close of the relevant Auction in accordance with Section 16.7 (*Plan of Distribution and Allotment*) of this Prospectus, and the subsequent settlement of that allotment on a DvP basis through Nasdaq CSD on the relevant Issue Date, upon which Units are credited to the Investor's Securities Account against payment of the Subscription Price and the resulting entry in that Securities Account constitutes proof of the Investor's ownership of the Units. Accordingly, no separate subscription agreement is concluded between the Fund and the Investor – the elements listed in (i) to (iii) above together document the Investor's acquisition of the Units for the purposes of Article 47(1) of the CIUL. The foregoing arrangements are consistent with Article 47(3) of the CIUL, which expressly permits investment units to be distributed through the technical and organisational means of a regulated market operator or a multilateral trading facility operator and/or a settlement system.

- (b) **General information regarding the Subscription procedure.** By placing Subscription Applications all Investors shall make an irrevocable instruction for the transfer of the Units to their Securities Accounts, unless the Subscription Application has been withdrawn prior to the end of the Subscription Period.

By placing a Subscription Application, each Investor will be deemed to have read the Fund Rules and this Prospectus in their entirety, and to have reviewed the applicable Subscription Terms and the applicable KID, and to have accepted the terms and conditions of the Offering as described in the Prospectus. The Investor may also familiarise themselves with other documents relating to the Fund, as disclosed in Section 14 (*Documents Incorporated by Reference*), before or after submitting a Subscription Application, by the means indicated therein.

By placing a Subscription Application, the Investor shall be deemed to have consented to being allotted a lower number of Units than the number specified in such Investor's Subscription Application, or to not being allotted any Units at all, in accordance with this Prospectus.

An Investor must ensure that all information contained in the Subscription Application is correct, complete and legible. Subscription Applications may be rejected if they are incomplete, incorrect, unclear or ineligible, or if they have not been duly completed and submitted and/or are not supported by the required additional documentation requested by the entities accepting Subscription Applications.

Any consequences arising from a Subscription Application for the Units being incorrectly completed shall be borne by the Investor.

If an Investor decides to decrease or increase the number of Units being subscribed, such Investor shall provide a new Subscription Application to the entity that accepted the first Subscription Application, and the previously submitted Subscription Application shall be considered as terminated, or, if the entity accepting Subscription Applications makes it possible to modify previously submitted Subscription Applications (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 Application until the end of the Subscription Period.

- (c) **Subscription procedure for an Auction.** The Auction Rules will be published on the Nasdaq website at www.nasdaqbaltic.com before the start of the Auction (Subscription Period) of the relevant Tranche.

In order to subscribe for the Units through an Auction, the Investor must have a Securities Account with the Exchange Member or other financial intermediary and fill in a Subscription Application form provided by the Exchange Member or other financial intermediary during the Subscription Period in order for the Exchange Member to enter a buy order in Nasdaq's trading system.

By submitting a Subscription Application to the Exchange Member or other financial intermediary, every investor:

- authorises and instructs the Exchange Member or other financial intermediary through which the Subscription Application is submitted to arrange the settlement of the subscription on its/his/her behalf and to forward the necessary information to the extent necessary for the completion of the subscription;
- shall ensure that when submitting a Subscription Application there are sufficient funds on the cash account connected to its/his/her Securities Account to cover the amount subscribed (i.e., the Subscription Price per Unit multiplied by the number of Units subscribed);
- authorises and instructs the Exchange Member or other financial intermediary through which the Subscription Application 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 Units pursuant to these terms and conditions and registration in the Issuance Account is completed on the Issue Date;
- authorises the Exchange Member, other financial intermediary, Management Company, Arranger, Distribution Agent and Nasdaq to process, forward and exchange its/his/her personal data and information in the Subscription Application in order to participate in the Offering, to accept or reject the Subscription Application and comply with the Prospectus;
- acknowledges that the Offering does not constitute an offer (in Lithuanian: *oferta*) of the Units by the Management Company acting on behalf of the Fund in legal terms, and that the submission of a Subscription Application does not constitute acceptance of an offer and therefore does not, in itself, entitle the Investor to acquire the Units or result in a contract for the sale of the Units, unless and until the Units are allotted to the Investor and registered in the Issuance Account on the relevant Issue Date;
- confirms that it/she/he has familiarised itself/himself/herself with the Prospectus, the Fund Rules, the announcement of the relevant Auction and the Auction Rules, and has read and understood the applicable KID for the respective Tranche;
- confirms that it/she/he is not subject to the laws of any other jurisdiction and sanctions regulations which would prohibit the placement or acceptance of the Subscription

Application, and represents that it/she/he is authorised to place a Subscription Application in accordance with the Prospectus;

- accepts that the number of Units indicated in the Subscription Application will be regarded as the maximum number of Units which the Investor wishes to acquire and that the Investor may receive less (but not more) Units than the aforementioned maximum amount;
- undertakes to acquire and pay for any number of Units allocated to it/him/her in accordance with the Prospectus and Auction Rules, up to the maximum amount indicated in the Subscription Application;
- confirms its/his/her awareness that investing in the Units is associated with above-average, long-term risk that may be inadequate for the investor's knowledge and experience.

The investors shall acknowledge that in case of an Auction, payment for the Units subscribed and distribution of the Units are made by the DvP method, meaning that the settlement procedure is facilitated by the Settlement Agent and carried out by Nasdaq CSD, Exchange Members and other financial intermediaries on the Investors' behalf on the relevant Issue Date in accordance with the Auction Rules. Settlement is effected through the Target2-Securities platform (T2S), the Eurosystem's centralised securities settlement infrastructure, which ensures that the transfer of Units and the corresponding cash payment occur simultaneously. On the settlement date, T2S debits cash from the Dedicated Cash Account (DCA) - a T2S cash account holding central bank money (CeBM) administered by the Bank of Lithuania - of each Nasdaq CSD participant representing purchasing Investors, and credits those funds to the DCA of the Settlement Agent (the Arranger); simultaneously, Nasdaq CSD debits the Units from the Fund's issuance account and credits them to the relevant Nasdaq CSD participant's securities account, from which they are transferred to the Investor's personal Securities Account. The Settlement Agent shall then transfer the funds received into its DCA to the Fund's bank account held with the Depositary. Because Units and cash move simultaneously, it is not possible for Units to be issued without corresponding payment being received, or for payment to be made without the corresponding Units being delivered. The Settlement Agent shall coordinate the flow of funds and the delivery of Units between the Fund, the Exchange Members, other financial intermediaries and Nasdaq CSD. Title to the Units purchased in the subscription process is obtained upon transfer of the Units to the respective Securities Account, which is done simultaneously with making the cash payment for the purchased Units.

Units issued under each Tranche are registered in the Issuance Account maintained by Nasdaq CSD on the Issue Date simultaneously with settlement. There is no delay between settlement and registration. At the first (highest) tier, Units are recorded in the Fund's Issuance Account maintained by Nasdaq CSD, which constitutes the definitive record of the total number of Units in issue. At the second tier, individual Investor ownership is reflected in the Investor's personal Securities Account maintained by a licensed account operator (a Nasdaq CSD participant). Nasdaq CSD participants are responsible for ensuring that the second-tier records reconcile with the first-tier records at all times, and the Management Company maintains the Register on the basis of the information so reported. The Depositary (AB SEB bankas) performs a separate and independent function of safekeeping the Fund's assets and monitoring the Fund's cash flows in accordance with the CIUL and the AIFML, but does not maintain the Register. Following the admission of the Units to trading on the Baltic Fund List, all secondary market transfers will be settled through Nasdaq CSD infrastructure, and ownership changes will be reflected in the Issuance Account, in the Investors' Securities Accounts and, on that basis, in the Register kept by the Management Company.

- (d) **Withdrawal of the Subscription Applications.** The Subscription Applications for the Units of the respective Tranche may be withdrawn at any time until the end of the relevant Subscription

Period, including when a supplement of this Prospectus 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 Management Company's website at www.lordslb.lt/bcpf (and after the Units' admission to trading on the Baltic Fund List, also on the CSF at www.crib.lt). The Investor who has made a Subscription Application before the publication of the supplement may withdraw such Subscription Application by notifying (e.g., via the internet banking system or by any other available and acceptable means) the institution through which the Subscription Application was placed within 3 Business Days after the publication of the supplement.

Where the Units are purchased or subscribed through an Exchange Member or other financial intermediary, providing investment services to the Investor, that institution 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, and (iii) the financial intermediary would assist them in exercising their right to withdraw Subscription Applications in such case.

The above right of the Investors to withdraw their Subscription Applications shall only apply to the relevant Tranche and not to any other Tranches.

The repayments will be made in accordance with the Subscription Application within 5 Business Days after making the statement on the subscription cancellation or, where applicable, the blocked funds will be released in accordance with the rules of the financial intermediary through which the Subscription Application was placed. An investor will be liable for the payment of all fees charged by the intermediary in connection with the withdrawal of the Subscription Application.

16.4. Reduction of Subscriptions / Refunds

In the event of oversubscription, the number of Units allocated to each Investor will be reduced on a pro rata basis as described in Section 16.7 (*Plan of Distribution and Allotment*) below. Investors whose Subscription Applications are reduced or rejected will receive a refund of the relevant unallocated subscription monies. Where the subscription amount was blocked by a financial intermediary (including an Exchange Member or other financial intermediary), the block on the relevant funds will be released in accordance with the rules of that intermediary. Any refund will be made without interest and without compensation for costs incurred.

16.5. Minimum / Maximum Subscription Amount

The minimum subscription amount is 1 (one) Unit. Investors must subscribe for a whole number of Units and may not subscribe for fractions of a Unit. In Latvia, non-professional Investors are subject to a minimum investment of EUR 100,000 as described in Section 15.10(c) (*The Republic of Latvia*) of this Prospectus. There is no maximum subscription amount per Investor, subject to the Maximum Aggregate Value of the Subscription under the Tranche.

16.6. Procedure and dates for payment for the Units.

The Subscription Price payable by the investors subscribing to the Units through the Exchange Members or other financial intermediaries is blocked in advance as prescribed in this Section and settled by the Exchange Members and other financial intermediaries in coordination with the Settlement Agent in accordance with these terms and conditions and the Auction Rules (i.e., DvP method). The Fund or Management Company shall not be responsible for any relationships between the Investor and the Exchange Member or other financial intermediary in connection with any operations happening on the cash account connected to the Investor's Securities Account.

16.7. Plan of Distribution and Allotment

Target Investors. The Units are being offered to retail and qualified Investors in the Republic of Lithuania, Latvia and Estonia. The Management Company may also offer Units to Investors in other EEA Member States under exemptions available under Article 1(4) of the Prospectus Regulation. There are no reserved tranches for any category of Investor and there is no preferential allocation process, except that the Management Company may in its discretion give priority to Investors who have entered into pre-commitment or lock-up arrangements as described below.

Subscription by Management and Related Parties. The shareholders of the Management Company (Andrius Stonkus, Mindaugas Marcinkevičius and Antanas Vainauskas) intend to subscribe for Units representing 5% and up of the Fund's total equity commitments (Sponsor Co-Investment). Any such subscriptions will be made on the same terms and conditions as all other Investors and will be reflected in the results announcement published after the relevant Issue Date.

Lock-up agreements. Certain Investors may, at the time of subscription or thereafter (including after the relevant Issue Date), enter into separate lock-up agreements with the Management Company pursuant to which such Investors agree not to transfer or dispose of their Units for a specified period. Any such lock-up arrangements are purely contractual obligations of the relevant Investors and do not constitute a restriction on the Units themselves or on any other Investor. Where lock-up arrangements have been concluded prior to the announcement of the applicable Auction, the existence of such arrangements and their aggregate amount (expressed in EUR or number of Units) shall be disclosed in that announcement. Where lock-up arrangements are concluded after the announcement of the applicable Auction (including after the relevant Issue Date), the Management Company shall disclose the existence of such arrangements on its website at www.lordslb.lt/bcpf (and after the Units' admission to trading on the Baltic Fund List, also on the CSF at www.crib.lt) promptly following their conclusion. The identity of individual Investors who have entered into lock-up agreements shall not be disclosed.

Any Units not taken up by lock-up Investors within their reserved allocation shall be made available to other Investors in accordance with the applicable allocation rule. Where the Offering is conducted by way of an Auction, any lock-up arrangements will be concluded separately from and outside the Auction process – either before the Auction as a pre-commitment by anchor Investors, or after the relevant Issue Date as a post-subscription agreement – and will not form part of the Auction Rules or the Subscription Application.

Allotment of the Units to the investors. After the end of the Subscription Period but not later than on the relevant Issue Date, the Management Company, acting on behalf of the Fund and after consulting the Arranger/Distribution Agent, shall decide on which Investors, which have provided their Subscription Applications, shall be allotted with the Units of the relevant Tranche and to what amount, and which Investors shall not be allotted with the Units. Investors waive any right to complaint on any decision on the Units' allotment as disclosed in this Section.

All Subscription Applications of Investors that are considered valid pursuant to Section 16.3 (*Subscription Period and Application Process*) of this Prospectus shall be accepted, and each Investor shall be allocated the number of Units requested in the respective Subscription Application, except in cases of oversubscription.

In case the Maximum Aggregate Value of the Subscription under Tranche is exceeded (i.e., oversubscription), the Management Company, acting on behalf of the Fund and after consulting the Arranger, shall allocate the Units to the Investors that provided valid Subscription Applications on a pro rata basis, proportionally to the number of Units requested in each Subscription Application.

Notwithstanding the pro rata allocation rule described above, in the case of a non-professional (retail) Investor in the Republic of Latvia, the allocation may not result in an aggregate investment amount below EUR 100,000, as required under applicable Latvian legislation (see Section 15.10(c) of this Prospectus).

The Arranger will verify compliance with this requirement before allocation. If a pro rata reduction of a Latvian non-professional Investor's Subscription Application would result in an allocation below EUR 100,000, that Investor's Subscription Application will be rejected in full and the subscription monies will be returned to the Investor without interest. Any Units freed up as a result of such rejection will be reallocated to the remaining Investors in accordance with the applicable allocation rule.

Notwithstanding the foregoing, where the announcement of the applicable Auction indicates that a portion of the Tranche has been reserved for Investors who have entered into lock-up agreements with the Management Company prior to or in connection with the relevant Subscription Period, such Investors shall be allocated Units up to the amount reserved for them before any remaining Units are allocated to other Investors in accordance with the applicable allocation rule. Any Units not taken up by lock-up Investors within their reserved allocation shall be made available to other Investors in accordance with the applicable allocation rule. The existence of any such reserved allocation and its aggregate amount (expressed in EUR or number of Units) shall be disclosed in the announcement of the applicable Auction. The identity of individual Investors who have entered into lock-up agreements shall not be disclosed.

When the Maximum Aggregate Value of the Subscription under Tranche is reached, no more Units shall be allotted to the investors.

16.8. Notification of Allotment

Confirmation of allotment is expected to be provided to each Investor through the securities account operator or financial intermediary through which the Subscription Application was placed; however, the manner and timing of such notification are determined by each Exchange Member or financial intermediary in accordance with its own internal procedures and the Fund, the Management Company and the Arranger bear no responsibility for any failure or delay by such intermediary in providing individual allotment confirmations. Investors are encouraged to contact their Exchange Member or financial intermediary directly for information regarding their allotment.

The results of each Tranche (including the total number of Units allotted, the aggregate subscription proceeds received, and, where applicable, the results of any oversubscription and pro rata reduction) will be published on the Nasdaq website at www.nasdaqbaltic.com in accordance with the Auction Rules and, after the Units' admission to trading on the Baltic Fund List, on the CSF at www.crib.lt, no later than 5 Business Days following the relevant Issue Date.

16.9. Pre-emption Rights

There are no pre-emption rights applicable to the Units. The Fund has one class of Units; all Units rank *pari passu* and there are no provisions in the Fund Rules or applicable law conferring pre-emption rights on existing Unitholders in respect of new Units issued under this Prospectus. Accordingly, this item is not applicable.

16.10. Pricing

The Subscription Price is fixed at **EUR 1.00** (one euro) per Unit for all Tranches offered under this Prospectus. The Subscription Price applies uniformly to all Investors and to all Tranches, and does not depend on the timing of the relevant Auction. Because the Subscription Price is set out in this Prospectus, no further filing or publication of a final offer price is required in connection with individual Tranches. Any further public offering of Units by the Fund after the closing of the Offering under this Prospectus would require, during the validity period of this Prospectus, a supplement to this Prospectus (in which the applicable pricing methodology will be set out) and, after the expiry of this Prospectus, the approval and publication of a new prospectus, in each case in accordance with the Prospectus Regulation.

16.11. Placing and Underwriting

Arranger, Settlement Agent and Distribution Agent. UAB FMI „Orion Securities“ (legal entity code 122033915, Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania) has been appointed by the Management Company as Arranger, Settlement Agent and Distribution Agent for the purposes of the Offering. The Arranger's principal responsibilities are to arrange the structure of the Offering, to organise and conduct Auctions through Nasdaq where applicable, to act as settlement agent for each Tranche, and to distribute Units to Investors in the Republic of Lithuania, Latvia and Estonia. In addition, the Arranger is responsible for performing a pre-allocation compliance check in respect of Subscription Applications received from non-professional Investors in the Republic of Latvia, as described in Section 15.10(c) of this Prospectus.

No Underwriting. No underwriting agreement has been concluded in connection with the Offering. The Management Company and its employees do not receive any commission or other remuneration from third parties in connection with the Offering, other than the management fee and the distribution and marketing fee payable from the Fund's assets to the Management Company and to the Distribution Agent respectively.

16.12. Cancellation or Suspension of the Offering.

The dates of opening and closing of the primary distribution of the Units of any Tranche may be changed by publishing an updated announcement of the relevant Auction on the Management Company's website at www.lordslb.lt/bcpf (and after the Units' admission to trading on the Baltic Fund List, also on the CSF at www.crib.lt) and, where applicable, on the Nasdaq website at www.nasdaqbaltic.com. The provided Subscription Applications shall remain valid and executable pursuant to the updated announcement, unless the Investor withdraws the placed Subscription Application under Section 16.3(d) (*Withdrawal of the Subscription Applications*) above.

The Management Company, acting on behalf of the Fund and at its sole discretion, may cancel the primary distribution of the relevant Tranche at any time prior to the relevant Issue Date without providing any reason. Moreover, any decision that the primary distribution of the respective Tranche will be suspended (postponed) and that new dates of the primary distribution will be provided later will be announced by way of an updated Auction announcement. In such events, Subscription Applications for the Units that have been made will be disregarded, and any payments made in respect of the submitted Subscription Applications 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 Management Company shall notify the Investors of such suspension (postponement) of the primary distribution, indicating whether the Subscription Applications made and payments made will be deemed to remain valid after publication of an updated Auction announcement on the Management Company's website at www.lordslb.lt/bcpf (and after the Units' admission to trading on the Baltic Fund List, also on the CSF at www.crib.lt). In such case, the Investors will be allowed to withdraw the Subscription Applications made by submitting a relevant statement to that effect within 3 Business Days after the updated Auction announcement has been published. For the avoidance of doubt, if the Investor does not provide a withdrawal statement, the primary distribution of the respective Tranche will be continued on changed terms in accordance with the updated Auction announcement and relying on previously submitted Subscription Applications.

Any decision on cancellation, suspension (postponement) and changes of dates of the primary distribution of the relevant Tranche or other material information will be published on the Management Company's website at www.lordslb.lt/bcpf (and after the Units' admission to trading on the Baltic Fund List, also on the CSF at www.crib.lt). Investors may also be notified by the Management Company or the entity that accepted the subscription application (if applicable according to its internal procedures)

about cancellations, suspensions (postponements), changes in primary distribution dates, or other information via e-mail.

If the primary distribution of the relevant Tranche is cancelled, suspended or postponed, as applicable, the blocked funds will be released in accordance with the rules of the financial intermediary through which the Subscription Application was placed or Investors who have submitted Subscription Applications and paid the Subscription Price to will have their payments refunded without interest and without any compensation:

- (ii) if the primary distribution is cancelled – within 5 Business Days after the Management Company announces to the investors about the cancellation;
- (iii) if the primary distribution is suspended (postponed) – within 5 Business Days after the date on which the Investor has made a statement cancelling the placed Subscription Application or 5 Business Days after the date that the Management Company announces that the placed Subscription Applications are not valid.

16.13. Admission to Trading and Dealing Arrangements

Admission to trading. The Management Company, acting on behalf of the Fund shall submit application(s) regarding admission of the Units to trading on the Baltic Fund List. The decision on admission of the Units to trading on the Baltic Fund List shall be adopted by the Board of Nasdaq in accordance with the applicable Nasdaq rules and procedures.

The costs which are related to the admission of the Units to the Baltic Fund List will be covered from the Fund's assets in accordance with Section 13.1 (*Fees and Expenses*) of this Prospectus.

The Management Company does not intend to apply for admission of the Units to trading on any other regulated market, multilateral trading facility or equivalent market outside the Baltic Fund List, unless otherwise decided by the Management Company's board.

As at the date of this Prospectus, no liquidity provider or market maker has been appointed to support secondary market trading of the Units on the Baltic Fund List. The Management Company may, at its discretion, appoint a liquidity provider or market maker at any time after the admission of the Units to trading on the Baltic Fund List, in order to facilitate orderly trading and liquidity in the Units. Any such appointment will be disclosed through the CSF at www.crib.lt.

Stabilisation. In connection with the Offering of any Tranche, the Arranger (or any person acting on its behalf) may, but is not obliged to, engage in stabilisation transactions with a view to supporting the market price of the Units on the Baltic Fund List at a level higher than that which might otherwise prevail in the open market. Such stabilisation transactions may be effected on the Baltic Fund List or otherwise, and may be undertaken at any time during the period commencing on the date of admission of the relevant Units to trading on the Baltic Fund List and ending no later than 30 calendar days thereafter. The Arranger (or any person acting on its behalf) is not required to engage in any stabilisation transactions and there is no assurance that stabilisation transactions will be undertaken. Stabilisation, if commenced, may be discontinued at any time without notice. No representation is made as to the magnitude of any stabilisation transactions or as to the effect that transactions made pursuant thereto may have on the price of the Units. Any stabilisation action will be carried out in accordance with all applicable laws and regulations, including the Market Abuse Regulation and Commission Delegated Regulation (EU) 2016/1052. Save as required by law or regulation, neither the Arranger nor any of its agents intends to disclose the extent of any stabilisation transactions to any person other than the competent authority.

No Over-Allotment / Green Shoe. No over-allotment option or green shoe facility has been granted in connection with the Offering. While the Arranger may engage in stabilisation transactions as described

in Section 16.13 (*Admission to Trading and Dealing Arrangements*) above, no additional Units beyond the Maximum Aggregate Value of the Subscription under the relevant Tranche will be issued in connection with any such activity.

16.14. Dilution

The Fund is newly established and all Units being offered under this Prospectus are newly issued. There are no existing Unitholders prior to the first Tranche under this Prospectus and therefore no dilution of any existing holding arises as a result of the first Tranche.

All Units offered under this Prospectus are offered and issued at the fixed Subscription Price of EUR 1.00 per Unit. Accordingly, Investors subscribing in any Tranche under this Prospectus are not subject to economic dilution arising from Units of a different price being issued under this Prospectus.

16.15. Other Matters

- (a) **Purchases.** The Management Company, any Unitholder or any person related to the Management Company may at any time purchase Units in any manner and at any price on the secondary market.
- (b) **Force Majeure.** The Management Company, the Distribution Agent, the Arranger, the Depositary, Nasdaq or Nasdaq CSD, and/or any other party involved in the Offering (the **Affected Party**) shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to the 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 the Affected Party, and that materially affect the operations of any of the Affected Parties;
 - (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 the 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 event 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 and Jurisdiction.** The terms and conditions of the Offering set out in this Section 16, 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. Any disputes relating to or arising in connection with the Offering or the Units shall be resolved through negotiations between the parties. If the parties fail to reach an agreement, the dispute shall be submitted to the competent courts of the Republic of Lithuania in accordance with applicable Lithuanian law.

17. TAXATION

Introductory remarks. The purpose of this Section is to give an overview of the tax regime applicable to Investors and the Fund. The below summary is in no way exhaustive and is not meant to constitute professional advice to any person. Tax legislation of the Investor's member state and of the Fund's country of establishment may have an impact on the income received from the Units. In order to establish the particular tax consequences of the Offering or the ownership of Units, each Investor 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 applicable on the date of this Prospectus, subject to any change in law that may take effect after such date.

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, a Lithuanian / Latvian / Estonian citizen employed abroad by the government of Lithuania / Latvia / Estonia is also considered a 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 individual sourced in Lithuania / Latvia / Estonia is subject to the respective country's income tax.

A “**resident entity**” means a legal person (except for a 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 a 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 funds) 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, and is not separately described.

For the purposes of **capital gains taxation**, gains derived from the sale of securities (including the Units) are the difference between the acquisition cost and the sales price of such securities. Gains derived from the exchange of securities are the difference between the acquisition cost of securities subject to exchange and the market price of the property received as a 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.

17.1. Lithuanian tax considerations

The following is a general overview of the Lithuanian tax regime applicable in Lithuania to distributed cash (for tax purposes – treated as dividends) and capital gains earned upon transfer of Units.

Capital gains from sale or exchange of Units.

Gains received upon disposal of the Units by a **Lithuanian resident individual** are taxable on a cash basis at progressive PIT rates, as follows: (i) 20% – applicable to the amount of annual income received by an individual during a calendar year not exceeding the sum of 36 Lithuanian gross average salaries used to calculate the base of state social insurance contributions for insured persons; (ii) 25% – applicable to the amount of annual income exceeding 36 but not exceeding 60 Lithuanian gross average salaries used to calculate the same base; and (iii) 32% – applicable to the amount of annual income exceeding the sum of 60 such gross average salaries.

Notwithstanding the above progressive rates, the total amount of non-employment income (including income from the disposal of Units) not exceeding 12 Lithuanian gross average salaries used to calculate the base of state social insurance contributions for insured persons is subject to a flat rate of 15%.

Capital gains up to EUR 500 received by resident individuals from the sale or exchange of Units (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 from the disposal of the Units by **Lithuanian non-resident individuals** are not subject to Lithuanian PIT.

Capital gains derived by a **Lithuanian resident entity** on the disposal of the Units are not subject to CIT, as such gains arise from the transfer of Units in a collective investment undertaking.

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

Taxation of distributed cash (dividends). **Lithuanian resident individuals** are subject to paying 15% PIT on the dividends. Therefore, distributed cash received by Lithuanian resident individuals from the Units is subject to PIT in Lithuania.

When distributed cash (dividend) is earned by a **Lithuanian non-resident individual**, the PIT of 15% shall be withheld by the payer. An applicable Double Taxation Treaty (DTT) concluded and in force between Lithuania and the relevant state may provide for a lower withholding tax rate.

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

The distributed cash (dividends) received by a **Lithuanian resident entity** is not subject to CIT as such capital gains will be received from a collective investment undertaking.

The distributed cash (dividends) received by a **Lithuanian non-resident legal entity** will not be subject to CIT in Lithuania, unless the Lithuanian non-resident legal entity is established in a tax haven included in the List of Target Territories approved by the Minister of Finance of Lithuania (in which case it will be subject to a withholding tax of 17%).

Investment account. Effective 1 January 2025, Lithuania has implemented an investment account (in Lithuanian: *investicinė sąskaita*) regime applicable only to individuals – Lithuanian tax residents. Under this regime, investment income (including capital gains from Units sales) within the investment account is taxed only upon withdrawal of funds. Investors (Lithuanian tax residents) must notify the State Tax Inspectorate of their investment account by the end of the reporting period. If the Investor opts for this investment account regime, the standard tax regime described above in respect of taxation of 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). From 2026 onwards, income received through the investment account will be subject to a flat PIT rate of 15%. However, this regime does not apply to distributed cash (dividends).

17.2. Latvian tax considerations

The following is a general overview of the Latvian tax regime applicable in Latvia to distributed cash (for tax purposes – treated as dividends) and capital gains earned upon transfer of Units.

Capital gains from sale or exchange of Units. Capital gains on alienation of the Units 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 Units) above EUR 200,000. The expenses of acquisition and holding of the Units are also included in the acquisition value of the Units. 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 Units received by Latvian resident individuals will be subject to Latvian PIT only on the day when Latvian resident individuals receive the money (if Units are exchanged for other type of financial instrument, then taxation is postponed until 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 Units received by **Latvian resident entities** will not be included in the 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 an effective rate of 25%). 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. 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.

From 2026, an alternative CIT regime is available (if chosen) if all shareholders are natural persons, in which case CIT is applied at a rate of 15% (the tax base is divided by 0.85 and then the tax is applied at a rate of 15%), and PIT at a rate of 6% is applied to dividends.

Latvian resident entities can apply a CIT exemption if a closed investment fund has earned income from the sale of directly owned shares that the closed investment fund has held for at least 36 months, and the Latvian resident entity has held the shares in the closed investment fund for at least 36 months. In this case the manager of the fund must provide confirmation that the criteria are met.

Taxation of distributed cash (dividends). Dividend income for **Latvian resident individuals** is exempted provided that the following criteria are met: (i) Latvian corporate income tax has been paid; or (ii) in a foreign country, corporate income tax or an equivalent tax has been paid, or personal income tax or an equivalent tax has been deducted from the dividends.

Distributed cash received by Latvian resident individuals from the Units will not be subject to PIT in Latvia provided that the criteria above are met. If the above criteria are not met, dividend income will be subject to 25.5% PIT. Annual income (including dividends) above EUR 200,000 will be subject to an additional 3%.

The distributed cash (dividends) received by a **Latvian resident entity** will not be subject to CIT if such dividends are received from an investment fund and the investment fund has received dividends from a person who is a corporate income taxpayer in its country of residence, or if tax has been withheld on the dividends in the country from which the dividends were distributed. If these criteria are not met, the received cash will not be included in the 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 an effective rate of 25%).

From 2026, an alternative CIT regime is available (if chosen) if all shareholders are natural persons, in which case CIT is applied at a rate of 15% (the tax base is divided by 0.85 and then the tax is applied at a rate of 15%), and PIT at a rate of 6% is applied to dividends.

Investment account. A Latvian resident individual may use an investment account (in Latvian: *leguldījumu kots*). An individual may carry out transactions with the funds (including the Units) of the investment account and accounts associated with it within the framework of the investment account. 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, in conformity with the Financial Instrument Market Law or regulation of the country of residence of the service provider, has obtained a licence for the provision of investment services, in Latvia or another Member State of the European Union, EEA state or Member State of the OECD, or a 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 additional rate will be applied after the submission of the annual tax return.

17.3. Estonian tax considerations

The following is a general overview of the Estonian tax regime applicable to distributed cash and capital gains earned upon transfer of Units.

Capital gains from sale or exchange of Units. Capital gains realised by an **Estonian resident individual** are taxable on a cash basis. Upon the sale or exchange of the Units, gains are subject to income tax at the rate of 22%. The gain or loss derived from the sale of the Units is the difference between the acquisition cost and the selling price of the Units. The gain or loss derived from the exchange of the Units is the difference between the acquisition cost of the Units subject to exchange and the market price of the property received as a result of the exchange. Exchange of the units of an EU contractual investment fund can qualify for an exemption, if the units are exchanged for other type of units of the same fund or for the units of another investment fund managed by the same fund manager. The Unit-holder is entitled to deduct certified expenses directly related to the sale or exchange of the Units from the gain (or to add such expenses to the loss).

Rules of capital gains taxation apply also in the case of return of the Units or payments made upon liquidation of the Fund, in which case the part of the payment exceeding the acquisition cost of the Unit will be subject to income tax of 22%.

The income tax obligation can be reduced by the annual tax allowance of EUR 8,400, which is available to Estonian resident individuals starting from 1 January 2026.

If the capital gain has been taxed abroad, the relevant tax obligation can be credited from the Estonian tax obligation based on a tax certificate showing the foreign income tax amount, as issued by the relevant foreign tax authority.

Since all earnings of an **Estonian resident legal 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 Estonian resident entities will not be considered as part of their taxable profit and, therefore, will not be subject to immediate taxation. Taxation with corporate income tax will occur only at the time of profit distribution (e.g. in the form of dividends or otherwise).

Taxation of distributed cash. According to Estonian domestic law, cash distributions received by **Estonian resident individuals** from a contractual fund are generally treated and taxed as interest and are, therefore, subject to income tax of 22%. 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.

If the relevant tax treaty enables treatment of cash distributions as dividends and income tax has been paid on the profit underlying the cash payment (dividend) or withheld therefrom in the source country, the dividend will be tax-exempt in the hands of the Estonian resident individual.

Since all earnings of **Estonian resident entities**, including interest, are taxed only upon distribution of profits at a rate of 22/78, interest (or dividends) received by Estonian resident entities will not be subject to immediate taxation, and taxation will be deferred until distribution of profit.

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 Units). An investment account is a monetary account opened with an EEA or OECD member state credit institution, through which transactions with the financial assets, taxation of income from which (e.g., capital gains; interest, if paid by an Estonian-resident withholder) 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 in 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 a pension investment account (PIA, in Estonian: *pensioni investeerimiskonto*) can also acquire the Units through the PIA. The 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 (including 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 transactions with financial assets, with taxation of income from such assets (e.g., capital gains from the Units; interest, if paid by an Estonian-resident withholder) deferred until income is withdrawn from the PIA. Monetary means withdrawn from the PIA are, generally, taxed at the 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.

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