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UAB S3 BUSINESS

INFORMATION DOCUMENT FOR THE OFFERING OF BONDS OF UAB S3 BUSINESS IN THE AMOUNT OF UP TO EUR 6,186,000 (BEING PART OF TOTAL EUR 23,500,000 BOND ISSUE) AND ADMISSION THEREOF TO TRADING ON THE FIRST NORTH

This information document (the **Document**) provides main information on the public offering of bonds (the **Offering**) of UAB S3 Business, legal entity code 306204660, with its registered address at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania (the **Company** or **Issuer**), listing and admission to trading of the bonds with ISIN LT0000133472 (the **Bonds**) to the alternative market First North (the **First North**), administered by the regulated market operator AB Nasdaq Vilnius (**Nasdaq**), in the amount of up to EUR 6,186,000 (being part of total EUR 23,500,000 Bond issue (the **Issue**)) with:

(i) the first part of the Issue in the aggregate amount of EUR 17,314,000 already issued and admitted to trading on the First North under the Issuer's base prospectus approved by the Bank of Lithuania on 5 May 2025 (which has expired on 5 May 2026) (the **Prospectus**) in accordance with 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**);

(ii) the second part of the Issue in the amount of up to EUR 6,186,000 to be offered under this Document.

The Bonds of the first part of the Issue together with the Bonds to be issued under this Document shall constitute one and the same Issue.

Under this Prospectus, the Company may from time to time publicly offer and issue up to 6,186 Bonds with the nominal value of EUR 1,000 each to retail and institutional investors of the Republic of Lithuania, Latvia and Estonia, but the Issuer may also choose to offer the Bonds to investors in any Member State of the European Economic Area (the **EEA**) under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation. All Bonds offered, issued, listed and admitted to trading on the First North under this Document from time to time by way of all separate series (the **Tranche**) under respective final terms (the **Final Terms**) will form one and the same Issue and have the same ISIN LT0000133472.

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

This Document is not a prospectus within the meaning of the Prospectus Regulation and the Law on Securities of the Republic of Lithuania (the **Law on Securities**) and was not approved by the Bank of Lithuania. The Offering under this Document is exempted from the requirement to prepare a prospectus under paragraph 2 of Article 3 of the Prospectus Regulation and Article 5 (2) of the Law on Securities.

This Document has been drawn in accordance with Article 7 of the Law on Securities, Article 55 of Lithuania (the **Law on Companies**) and the Decision No. 03-45 of the Board of the Bank of Lithuania of 28 February 2013 on the Approval of the Description of Information Document Preparation Requirements, as amended and Article 16^1 of the Financial Instrument Market Law of the Republic of Latvia and the Regulations on the Drawing-up and Publishing of an Information Document for Making a Public Offering No. 261 of the Bank of Latvia dated 18 December 2023, as amended, also in accordance with Article 15(6) of the Securities Market Act of the Republic of Estonia and Regulation No. 10 of the Minister of Finance of the Republic of Estonia „Requirements for the information document for the offering of securities", dated 16 May 2024, as amended.

The function of this Document is to give information about the Company and its developed business centre "Hermanas", located at Nemunaičių st. 1 (formerly H. ir O. Minkovskių St. 41C), Kaunas, the Republic of Lithuania (the **Project**), the Issue and the Bonds.

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

The prospective investors should carefully assess the information provided in this Document paying particular attention to Section II *Risk Factors* of this Document. All statements about the Company's business, financial standing and prospects, the Offering itself should be carefully evaluated and decision to acquire Bonds shall be made by the potential investors only upon thorough assessment of this Document.

Furthermore, this Document is not and should not be considered as recommendation or advise to invest into the Bonds. The Company does not provide recommendation or advice regarding acquisition of the Bonds. In order to comprehensively understand all the benefits and risks associated with acquisition of the Bonds each prospective investor should approach his/her financial, business, legal and tax advisors.

This Document is drawn up based on information which was valid on 9 September 2026. Neither the delivery of this Document nor the Offering, sale and/or transfer of the Bonds shall under any circumstances create any implication that there have been no adverse changes occurred or events happened which may or could result in an adverse effect on the Company's business, financial condition or result of operations and/or the market price of the Bonds. Nothing contained in this Document constitutes or shall be relied upon as a promise or representation by the Company as to the future.

VALIDITY OF DOCUMENT

The Document is valid for 12 months after the date of its adoption (9 September 2026), provided that the Document is supplemented by way of a supplement (annex) in case new factors, material mistakes or material inaccuracies relating to the information included in this Document occur which may affect the assessment of the Bonds by investors. Any such supplement shall be considered an integral part of this Document and shall be published as soon as practicable in the same manner as this Document, i.e. on the Company's website at www.nemunaiciai.lt/en/investors-2/. Where applicable, the Company shall also update the summary section and any translations of this Document. The obligation to supplement this Document does not apply after the end of its validity period.

ARRANGER AND DEALER

Luminor Bank AS, legal entity code 11315936, registered address at Liivalaia 45, 10145, Tallinn, the Republic of Estonia, operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch, legal entity code 304870069, registered address at Konstitucijos ave. 21A, Vilnius, the Republic of Lithuania, which is assigned by the Issuer for the purposes of arranging the Issue, Offering in the Republic of Lithuania, Latvia and Estonia (the **Arranger** and/or **Dealer**), and/or for any other purposes and services as provided for in this Document.

Arranger and Dealer

Luminor

CERTIFIED ADVISER

Law firm Ellex Valiunas, legal entity code 307513485, with its registered address at J. Jasinskio st. 2, Vilnius, the Republic of Lithuania is the certified adviser (the **Certified Adviser**) in the Republic of Lithuania for the purposes of listing and admission of the Bonds to trading on the First North.

Certified Adviser

Ellex Valiunas

The date of this Document is 9 September 2026

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I. INTRODUCTION

General information. This Document has been prepared by the Company in connection with the Offering, solely for the purposes of enabling any prospective investor to consider an investment into the Bonds. The information contained in the Document has been provided by the Issuer and other sources identified therein.

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

The terms with the first capital letter used throughout this Document are defined in the preamble of the Document and/or in Section 1.5 *Definitions and abbreviations*, or elsewhere in this Document.

1.1. Responsibility for this Document

Persons responsible. The person responsible for the information provided in this Document is the Company – UAB S3 Business, legal entity code 306204660, with its registered address at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania. The Company accepts the responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and its CEO, Andrius Mikalauskas, having taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and contains no omission likely to affect its importance.

_____

Andrius Mikalauskas
CEO
/ signed with a qualified e-signature /

Limitations of liability. The legal advisor to the Company and/or the Arranger/Dealer expressly disclaim any liability based on the information contained in this Document or any individual parts hereof and do not assume any responsibility for the correctness, completeness or import of such information. No information contained in this Document or disseminated by the Company or the Dealer in connection with the Offering may be construed as constituting a warranty or representation, whether express or implied, made by the legal advisor to any party.

Neither the Company, the Arranger/Dealer nor the legal advisor will accept any responsibility for information pertaining to the Offering, the Company or its operations that is disseminated or otherwise made public by third parties, whether in connection with this Offering or otherwise.

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

Investors should not assume that the information in this Document is accurate as of any other date than the date of this Document (9 September 2026). The delivery of this Document at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Document is correct as of any time since its date.

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

1.2 Notice to prospective investors and selling restrictions

NOTICE TO ALL INVESTORS

Neither this Document nor any Final Terms constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Bonds offered by any person in any jurisdiction in which such an offer or solicitation is unlawful, in particular this Document and any Final Terms may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the United States of America (the **United States** or **U.S**), Australia, Canada, Hong Kong and Japan.

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

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

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

INFORMATION FOR UNITED STATES INVESTORS

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

1.3. Presentation of financial and other information

Financial information. The following historical financial information has been incorporated into this Document by reference under Section 1.4 *Information incorporated by reference*:

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

(ii) the audited financial statements of the Company for the year ended 31 December 2025 (the **2025 Audited Financial Statements** and together with the 2024 Audited Financial Statements jointly referred to as the **Audited Financial Statements**);

(iii) the unaudited interim financial statements of the Company for the six-month period ended 30 June 2026 (the **H1 2026 Interim Financial Statements**).

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

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

Dating of information. This Document is drawn up based on information which was valid on 9 September 2026. Where not expressly indicated otherwise, all information presented in this Document 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 9 September 2026, this is identified by either specifying the relevant date or by the use of expressions as *"the date of this Document"*, *"to date"*, *"until the date hereof"* and other similar expressions, which must all be constructed to mean the date of this Document (9 September 2026).

Approximation of numbers. Numerical and quantitative values in this Document (e.g., monetary values, percentage values, etc.) are presented with such precision which the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented do not add up to total due to the effects of approximation.

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

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

Forward looking statements. This Document includes forward-looking statements (notably under Section II *Risk factors and* Section IV *Business overview*). Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the beliefs of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Document are subject to risks, uncertainties and assumptions about the future operations of the Company, the macro-economic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as "strategy", "expect", "plan", "anticipate", "believe", "will", "continue", "estimate", "intend", "project", "goals", "targets"

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

The validity and accuracy of any forward-looking statements is affected by the fact that the Company operates in a highly competitive business. This business is affected by changes in domestic and foreign laws and regulations (including those of the EU), taxes, developments in competition, economic, strategic, political and social conditions, clients' response to new and existing products and technological developments and other factors. The Company's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Company (please see Section 2 *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof).

Updates. The Company will update the information contained in this Document only to such extent and at such intervals and by such means as required by the applicable law or considered necessary and appropriate by the Management. The Company is under no obligation to update or modify forward-looking statements included in this Document.

Language. The language of this Document 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.

Documents on Display. This Document is available as of 9 September 2026 in an electronic format on the website of the Company (www.nemunaiciai.lt/en/investors-2/).

Any investor may request delivery of an electronic copy of this Document or relevant Final Terms (or any documents incorporated herein by reference as disclosed in Section 1.4 *Information incorporated by reference*) from the Company or Trustee without charge by sending request by e-mail of the Company info@sbaurban.lt or the Trustee info@audifina.lt.

1.4. Information incorporated by reference

The information set out shall be deemed to be incorporated in, and to form part of, this Document and is available at www.nemunaiciai.lt/en/investors-2/;

- Articles of Association – available in English and Lithuanian;
- 2025 Audited Financial Statements – available in Lithuanian;
- 2024 Audited Financial Statements – available in Lithuanian and English;
- unaudited interim financial statements of the Company for the six-month period ended 30 June 2026 – available in Lithuanian.

To the extent of any inconsistency between the original Lithuanian language version and the English translation, the original Lithuanian language version shall prevail. Investors are responsible for arranging any translation of the relevant documents, if needed, at their own cost, and the Company shall not compensate any such expenses.

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

1.5. Definitions and abbreviations

In this Document, the definitions in capital letters will have the meanings indicated below, unless the context of the Document requires otherwise. Other definitions may be defined elsewhere in this Document, including the preamble of this Document.

Term	Definition
2025 Audited Financial Statements	shall mean the audited financial statements of the Company for the year ended 31 December 2025, prepared in accordance with the IFRS, including the independent auditor's report on the financial statements.
2024 Audited Financial Statements	shall mean the audited financial statements of the Company for the year ended 31 December 2024, prepared in accordance with the IFRS, including the independent auditor's report on the financial statements.
Arranger or Dealer	shall mean Luminor Bank AS, legal entity code 11315936, registered address at Liivalaia 45, 10145 Tallinn, the Republic of Estonia, operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch, legal entity code 304870069, registered address at Konstitucijos ave. 21A, Vilnius, the Republic of Lithuania.
Articles of Association	shall mean the Articles of Association of the Company effective as at the date of this Document.
Auction	shall mean each public auction, i.e. primary distribution, of the Bonds of the relevant Tranche organised by the Dealer, as organiser of the Auction, through the Nasdaq trading system pursuant, *inter alia*, to this Document, the Auction Rules, the Auction Agreement, and during which the Dealer, Nasdaq and Exchange Members have predetermined rights and obligations in connection with the primary distribution of the Bonds of the relevant Tranche. If an Auction of the Bonds is organised through Nasdaq, the respective announcement will be made on the Issuer's and Nasdaq websites before the opening of the Auction, i.e. the Subscription Period, of the respective Tranche and indicated in the Final Terms of such Tranche. The Auction may be chosen by the Issuer as the sole or an additional subscription channel up to the allocated amount for such channel indicated in the Final Terms of the respective Tranche.
Auction Agreement	shall mean each agreement on organising the Issuer's Bonds subscription process concluded between the Dealer, as organiser of an Auction, and Nasdaq, under which the Dealer appoints Nasdaq and Nasdaq undertakes to provide the technical infrastructure to carry out the Offering by way of an Auction through Nasdaq's trading system in respect of the relevant Tranche.
Auction Rules	shall mean each rules of UAB S3 Business Bonds subscription process, i.e. Auction, published on the website of Nasdaq at www.nasdaqbaltic.com before the opening of the Auction, i.e. the Subscription Period, of the relevant Tranche.
Audited Financial Statements	shall mean jointly and/or separately, the 2024 Audited Financial Statements and/or 2025 Audited Financial Statements.
Bonds	shall mean any and all the Company's bonds with ISIN LT0000133472.
Bondholder	shall mean a holder of a Bond as registered with the Register.
Bondholders' Meeting	shall mean a meeting of the Bondholders of the Issuer convened in accordance with the requirements and procedure set forth in the Law on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies of the Republic of Lithuania (the **Law on Protection of Interests of Bondholders**) and these Terms and Conditions.
Building	shall mean a building consisting of the "Hermanas" business centre and a multi-storey car parking situated on the Land Plot, unique No. 4400-6394-5384.
Business Day	shall mean any day, except Saturday, Sunday, a national or public holiday of the Republic of Lithuania.

Term	Definition
Certified Adviser	shall mean the law firm Ellex Valiunas, legal entity code 307513485, with its registered address at J. Jasinskio st. 2, Vilnius, the Republic of Lithuania, appointed by the Issuer for the purposes of Admission of the Bonds to trading on the First North.
Certified Adviser's Agreement	shall mean an agreement on provision of certified adviser's services between the Issuer and the Certified Adviser dated 6 March 2025.
Collateral	shall mean, jointly or separately, the Property mortgaged by the Company and/or the Shares pledged by the Direct Shareholders in favour of the Trustee under the respective Collateral Agreement.
Collateral Agreement	shall mean, as applicable: (i) a Lithuanian law governed maximum mortgage agreement creating a first-ranking mortgage over the Property between the Trustee and the Company, dated 28 May 2025, notarial register No. JŠ-5778, mortgage identification code 30000150995404 (the **Mortgage over Property**) and (ii) a Lithuanian law governed maximum pledge agreement creating a first-ranking pledge over the Shares between the Trustee and the Direct Shareholders, dated 28 May 2025, notarial register No. JŠ-5780, pledge identification code 30000150995405 (the **Pledge over Shares**).
Company or Issuer	shall mean UAB S3 Business, legal entity code 306204660, with its registered address at K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania.
Corporate Decisions	shall mean, separately or jointly: (i) the decision of the Direct Shareholders on the approval of the Issue and subordination of claim rights dated 3 April 2025; and (ii) the decision of the Management Board of the Issuer on the approval of the Issue dated 3 April 2025.
De-listing Event	shall be deemed to have occurred if at any time following the listing of the Bonds, trading in the Bonds on the First North is suspended for a period of 15 consecutive Business Days, when Nasdaq is at the same time open for trading, or the Nasdaq decision to remove the Bonds from trading on the First North is enforced.
De-listing Event or Listing Failure Put Date	shall mean a date when the Bonds are to be redeemed in case of a De-listing Event or Listing Failure, as determined in accordance with Section 6.10(d) of these Terms and Conditions.
Delivery versus Payment (DvP)	shall mean a securities industry settlement method that guarantees that the transfer of securities occurs only simultaneously with the payment for the securities.
Demerger	shall mean the reorganisation of the Company through the partial demerger which was completed on 28 April 2025, wherein a newly established entity, UAB S3 Leaders, legal entity code 307156777, registered address at Upės g. 21-1, Vilnius, the Republic of Lithuania acquired certain rights, liabilities and assets of the Company for the development, construction, and fit-out of the "Oskaras" real estate project in Nemunaičiai district, Kaunas, the Republic of Lithuania, as disclosed in this Document. More information about the completed Demerger is provided in Section 3.1 *General corporate information and Articles of Association* and the Company's audited post-demerger balance sheet as of 31 December 2025 is presented in Section 4.8 *Historical financial Information* of this Document.
Direct Shareholders	shall mean, jointly or separately: (i) UAB Urban Live, legal entity code 306150789, registered address at Upės st. 21-1, Vilnius, the Republic of Lithuania; and (ii) UAB TABA Invest, legal entity code 305916181, registered address at Laisvės ave. 85B-2, Kaunas, the Republic of Lithuania, each directly owning 50% of the Issuer's Shares.
Distributor	shall mean a financial institution engaged by the Issuer from time to

Term	Definition
	time for the purpose of the Offering of the Bonds under this Document, the contact details of which shall be indicated in the Final Terms of the respective Tranche.
Early Maturity Date	shall mean a Business Day before the Final Maturity Date when the Issuer must redeem all or part of the Bonds in case of any Extraordinary Early Redemption Event, as set forth in Section 6.10(e) of the Document.
Early Redemption Date	shall mean date(s) on which the Issuer has the right to redeem all or part of the Bonds before the Final Maturity Date, as set forth in Section 6.10(b) of this Document.
EUR, **€**, **euro**	shall mean the official currency of Eurozone countries, including the Republic of Lithuania, Latvia and Estonia.
Exchange Member	shall mean a bank or investment firm to whom the status of Nasdaq Vilnius Exchange Member has been assigned in accordance with Nasdaq Baltic Member Rules and having access to Fusion FI rading system are eligible to participate in the Auction (i.e. enter buy orders in Nasdaq trading system during the Subscription Period). The list of banks and investment firms which are Exchange Members is available on the website www.nasdaqbaltic.com/statistics/lt/members.
Extraordinary Early Redemption Event	shall mean any event set forth in Section 6.10(e) of this Document.
Final Maturity Date	shall mean the final date on which the Bonds of the Issue within all Tranches must be redeemed by the Issuer from the Bondholders, 29 November 2027.
Final Terms	shall mean the final terms of the relevant Tranche of the Bonds, where the form of the Final Terms is provided as Annex No 1 to this Document.
Financial Indebtedness	shall mean any indebtedness for or in respect of: (i) moneys borrowed; (ii) any acceptance under any acceptance credit facility, including any dematerialised equivalent; (iii) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (iv) receivables sold or discounted, other than any receivables to the extent they are sold or discounted on a non-recourse basis; (v) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price; (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (vii) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in items (i) to (vi) above.
First North	shall mean a multilateral trading facility, i.e. alternative market, administered by Nasdaq.
"Hermanas" Project or Project	shall mean a real estate development project undertaken by the Issuer with regard to the Property. More information about the "Hermanas" Project is provided in Section V *Development of business centre Hermanas* of this Document.
Interest Payment Date	shall mean a date on which the semi-annual interest, i.e. coupon, is paid to the Bondholders in accordance with this Document or, if applicable, the Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date. Each Final Terms shall specify the remaining Interest Payment Dates until the Final Maturity Date.
Issue	shall mean the aggregate of the Bonds to be issued under ISIN LT0000133472 by way of all Tranches in the total amount of up to EUR 23,500,000, including the first part of the Bonds in the amount of EUR 17,314,000 already issued under the Prospectus and the second part

Term	Definition
	of the Bonds in the amount of up to EUR 6,186,000 to be issued under this Document.
Issue Date	shall mean a Business Day indicated in the relevant Final Terms on which the settlement for the Bonds is made and the Bonds are registered with the Register.
Issue Price	shall mean the price of a Bond indicated in the relevant Final Terms payable by an investor for acquisition of the Bond(s), determined considering the Nominal Value of the Bonds, the Yield and the interest accrued on the Bonds from the last Interest Payment Date, in case the last Interest Payment Date was before the Issue Date of the relevant Tranche. The Issue Price may vary from Tranche to Tranche.
Key Executives or **Management**	shall mean the following persons, separately or collectively, within the Company and/or its Shareholders' organisational structure, as applicable: the Chief Executive Officer, the Head of Development, the Head of Treasury, the Head of Investments and the members of the Management Board.
Land Plot	shall mean the 8,271 m² land plot owned by the Company at Nemunaičių st. 1 (formerly, H. ir O. Minkovskių st. 41C), Kaunas, the Republic of Lithuania, unique No. 4400-5823-6609. Please note that this 8,271 m² part owned by the Company is part of a larger 12,016 m² land plot with the same unique No., and the remaining 3,745 m² part is co-owned by UAB S3 Leaders, developing the "Oskaras" project. The use of the land plot co-owned by the Company and UAB S3 Leaders may be governed by a land use agreement concluded or to be concluded after the date of this Document.
Listing Failure	shall be deemed to have occurred if the Bonds are not listed on the First North within 1 month from the placement of the Bonds of the respective Tranche to the Bondholders at the latest.
Mandate Letter	shall mean the agreement, whether titled as a mandate letter or otherwise, for the provision of Issue-related services concluded between the Issuer and the Arranger on 25 February 2025, as amended.
Maximum Aggregate Nominal Value of the Issue	shall mean the maximum aggregate Nominal Value of the Bonds to be issued by way of all Tranches, which amounts to EUR 23,500,000.
Maximum Aggregate Nominal Value of the Tranche	shall mean the maximum aggregate Nominal Value of the Bonds to be issued under the respective Tranche as indicated in the respective Final Terms.
Minimum Investment Amount	shall mean the minimum investment amount in Bonds of the respective Tranche indicated in the relevant Final Terms.
Nasdaq	shall mean AB Nasdaq Vilnius – Vilnius Stock Exchange, a public limited liability company organised and existing under the laws of the Republic of Lithuania, legal entity code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, the Republic of Lithuania.
Nasdaq CSD	shall mean Nasdaq CSD SE Lithuanian branch, register code 304602060.
Nominal Value	shall mean the denomination of each Bond, EUR 1,000.
Offering	shall mean the offering of the Bonds under this Document to institutional and retail investors of the Republic of Lithuania, Latvia and Estonia, which is a public offering of securities within the meaning of the Law on Securities and the Prospectus Regulation.
Payment Date	shall mean a Business Day indicated in the relevant Final Terms, no later than which the payment of the Issue Price must be credited to the bank account of the Issuer indicated in the Subscription Order, except:

Term	Definition
	(a) in case of the Auction, where the settlement will take place on the Issue Date by DvP; and (b) in case of subscription of Bonds by institutional investors, where the payment may be made on the Issue Date by DvP.
Property	shall mean jointly the Land Plot, i.e. the 8,271 m² part owned by the Company, and the Building subject to the Mortgage over Property.
Prospectus	shall mean the Company's base prospectus approved by the Bank of Lithuania, which expired on 5 May 2026.
Prospectus Regulation	shall mean Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended.
Record Date	shall mean the third Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, whichever is relevant. For the avoidance of doubt, the Record Date refers to the date on which the list of the Bondholders who are eligible to receive interest payments or other distributions is determined.
Redemption Price	shall mean the amount payable by the Issuer to the investors upon the regular redemption, i.e. on the Final Maturity Date, or early redemption, i.e. on the Early Redemption Date or Early Maturity Date, of the Bonds, calculated in accordance with Section 6.10(a) of this Document, or the amount payable by the Issuer to the investors upon the De-listing Event or Listing Failure, i.e. on the De-listing Event or Listing Failure Put Date, calculated in accordance with Section 6.10(d) of this Document.
Register	shall mean the Lithuanian central securities depository operated by Nasdaq CSD.
Rejection	shall mean the rejection of the occurrence of the Extraordinary Early Redemption Event by the Issuer pursuant to Section 6.10(e) of this Document.
Related Parties	shall mean the third party, as defined in International Accounting Standard 24 Related Party Disclosures.
Secured Obligations	shall mean any and all present and future payment obligations and liabilities, whether actual or contingent or whether owed jointly and severally or in any other capacity, of the Issuer towards the Bondholders from time to time under the Issue.
Securities Account	shall mean an account for dematerialised securities opened in the name of a Bondholder or the Issuer with a credit institution or investment brokerage firm which is licensed to provide such services within the territory of the Republic of Lithuania, Latvia or Estonia, including, without limitation, the Dealer.
Security	shall mean a mortgage, pledge, guarantee, surety or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Shareholders	shall mean direct or indirect shareholders of the Company, as disclosed in Section 3.2.2 of this Document.
Shares	shall mean 200 ordinary registered shares of the Issuer, each with a nominal value of EUR 28.96, as of the date of this Document. The Shares are subject to the Pledge over Shares.
Subscription Order	shall mean a document provided by the Issuer or the Dealer/Distributor to the investor, which is submitted by the investor to the Issuer or the Dealer/Distributor for the subscription of the Bonds. In the case of subscription through the Issuer, the Subscription Order form will be

Term	Definition
	available on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and/or on Nasdaq's website at www.nasdaqbaltic.com. Alternatively, for subscriptions through the Dealer/Distributor, the Subscription Order form will be provided by the respective entity. In respect of the Auction, if any, the Subscription Order shall mean a document and/or instruction submitted by the investor to the Exchange Member for the subscription of the Bonds in the form used and approved by the Exchange Member and containing all information required under the Auction Rules.
Subscription Period	shall mean a period indicated in the relevant Final Terms during which the Subscription Orders shall be submitted in accordance with this Document and the Final Terms.
Terms and Conditions	shall mean the terms and conditions of the Bonds which are provided in Section VI *Terms and Conditions* of this Document, applicable to all Bonds to be issued in each of the respective Tranches, as completed by the relevant Final Terms.
Tranche	shall mean a portion of the Bonds of the Issue issued from time to time under the respective Final Terms as contemplated by the Terms and Conditions.
Trustee	means the Bondholders' trustee under these Terms and Conditions from time to time, initially UAB „AUDIFINA", a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, Vilnius, the Republic of Lithuania.
Trustee Agreement	means the agreement entered into on 9 April 2025 between the Issuer and the Trustee, or any replacement trustee agreement entered into during the validity term of the Document.
Yield	shall mean a return measure for an investment over a set period of time, expressed as a percentage and determined taking into account the credit risk of the Issuer, interest payment and redemption structure of the Bonds and considering current yields of alternative debt instruments present in the Lithuanian capital market. The Yield may vary from Tranche to Tranche and will be indicated in the relevant Final Terms.

II. RISK FACTORS

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

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

2.1. Risks related to the Company

2.1.1. Financial risks

Construction cost and Project success risk

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

As of the date of this Document, the construction completion risk of the Project has been significantly reduced following the registration of the Building, comprising the business centre "Hermanas" and the multi-storey car parking, with a 100% construction completion rate in the Real Estate Register on 14 March 2026. However, certain Project-related risks remain, including risks related to sourcing and signing lease agreements with tenants, tenant fit-out, handover of premises to tenants, generation of operating income, operational management of the Building, and achievement of the anticipated occupancy and return levels.

In addition, although the main construction works of the Project have been completed, the Company has outsourced construction and development-related works of the Project to third-party contractors. Therefore, there remains a risk of losses due to the inability of third parties to complete remaining works, tenant fit-out works or other development-related works successfully, which may result in delays, cost overruns or other negative outcomes. Subsequently, although the Company already generates revenue from the lease of the Project premises, any delays in completing the remaining works may prevent new tenants, if attracted, from moving into the premises as scheduled, which may result in the Company generating less operating income than planned. This may have a significant negative impact on the Company's financial position and may hinder its ability to meet its obligations to the Bondholders.

Furthermore, global market conditions, such as the ongoing Russian invasion of Ukraine, conflicts in the Middle East and other geopolitical tensions, volatility in energy and oil markets, including potential increases in oil prices and related inflationary pressures, and fluctuations in the supply chain for construction materials, could influence key variables such as financing costs, operating expenses, fit-out costs and other development-related costs. Consequently, the Project could encounter delays, generate less revenue, or incur higher costs than initially expected. These delays may also lead to prospective tenants not signing or terminating lease agreements, which could further impact the Company's financial position and its ability to meet its obligations to Bondholders.

Therefore, while the development and construction completion risk of the Project has been reduced following receipt of the construction completion certificate, the Company considers the remaining risks outlined herein to remain relevant. Should these risks materialise, the Bondholders may not receive the expected return on their investment or could lose the entirety of their investment.

Tenants' risk

As of the date of this Document, the Company has secured several tenants for 2,016 m² of the Project's space, representing 18% of the Project's total gross leasable area. In addition, the Company has signed letters of intent with potential tenants for 5,114 m², representing 47% of the total gross leasable area. These letters of intent are expected to be converted into lease agreements in the short term. The Company is also in ongoing negotiations with other potential tenants and expects these negotiations to result in signed lease agreements.

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

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

The Company considers that, although it has secured signed lease agreements for a limited part of the Project's space as of the date of this Document, the leased area remains relatively insignificant in the context of the total leasable area of the Project. Accordingly, tenant-related risks outlined herein remain relevant and may materially affect the overall financial viability of the Project if they materialise. Should these risks materialise, the Project may not achieve the anticipated return and/or could incur significant losses, meaning that the Bondholders may not receive the expected return on their investment or could lose the entirety of their investment.

Credit and default risk of the Company

The Company is a special purpose vehicle established for the construction, development, and fit-out, and operation of a single real estate Project. As of the date of this document, the Company has begun generating revenue from leasing the Project premises with the first tenants' rental payments started in March 2026.

While revenue generation from the Project is in its initial phase, the Company continues to rely on Bond proceeds to finance its ongoing activities and completion of the Project, and may consider engaging the Shareholders for additional capital injections if needed. It is expected that total investment cost of the Project at its completion will amount to up to EUR 35 million. The Project is expected to be financed by up to EUR 23.5 million in Bonds, and up to EUR 11.5 million capital provided by the Shareholders. The Company's Financial Statements show a continuing increase in liabilities as Bonds are issued from time to time. Therefore, although the value of the Project increases with each stage of development, reliance on external financing, including the Bonds and capital from the Shareholders, poses a credit risk for the Company if its capital needs relating to the Project are not met.

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

any outstanding debt obligations to the Shareholders will be repaid only after all Bondholders' claims have been fully settled.

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

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

Liquidity risk

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

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

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

2.1.2. Business activities and industry risks

Real estate market risk

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

Firstly, real estate market is competitive, which arises from the current supply of business centres in Kaunas, as well as other business centres that are under construction and scheduled for completion around a similar time as the Project. Although the Company assesses that the competition in Kaunas modern business centre market is limited, the Company still faces competition in attracting the clients (tenants). Given that the real estate market is closely linked to the overall state of local and global economy, the Company's target clients may slow their expansion and growth plans, thus interest in the Company's services may decrease and it may be difficult to find suitable tenants for the Project. Subsequently, the competition in the local real estate market for the tenants may increase, which could negatively impact the operations of the Company. In particular, although the vacancy rate in the Kaunas office market is low and the planned new supply is limited (as detailed in Section 4.6 *Trend information* of this Document), this does not necessarily indicate that there will be demand for the new office space provided by the Project. As a result, the Project may face prolonged vacancy periods and/or may require the Company to lease the premises at lower-than-anticipated rental rates.

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

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

Risk of limited investment diversification

The Company's business activities are concentrated on a single Project. This increases the risk profile of the Company. Although the construction risk of the "Hermanas" Project has been significantly reduced following the registration of the Building's 100% completion, and the remaining development works are progressing in line with the financing plan and budget prepared in advance, the Company's lack of diversification makes it more vulnerable to adverse changes specific to this Project.

Any Project setbacks, such as further development and tenant fit-out issues, financing difficulties, slower leasing progress or other adverse events encountered during the development of the Project, could have a significant negative impact on the Company's financial standing. Such issues could disrupt the progress of the Project, increase costs, delay Project's full completion, or cause other negative effects. The impact of the risks specific to this Project would not be counterbalanced by other activities due to the lack of diversification. Accordingly, the Company's ability to meet its obligations to the Bondholders may be adversely affected.

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

2.1.3 Legal risks

Risk of legal disputes

While the Company is not currently involved in any legal proceedings and regards the likelihood of such risks as low, it cannot guarantee that disputes with tenants, contractors or other parties will not arise in the future. If such disputes arise, their outcome may be uncertain and, depending on their nature, they could result in additional costs, including damages, the opposing party's legal costs and the Company's own legal expenses.

Disputes may also adversely affect the implementation and operation of the "Hermanas" Project, including by causing delays in the completion of remaining works, tenant fit-out or handover of premises, or by resulting in vacancies in the Property's premises and reduced Project-related revenue. In certain cases, disputes may also lead to the early termination of key agreements related to the Project.

If any dispute were resolved unfavorably for the Company, this could negatively affect the Company's operations, financial position and reputation, and may contribute to the materialisation of the aforementioned credit risk. Such developments may impact the Company's ability to meet its obligations to investors and could diminish the attractiveness and liquidity of the Bonds.

2.1.4. Governance and internal control risks

Key personnel risk

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

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

2.2. Risks related to the Bonds

2.2.1. Risks concerning the terms of the Bonds

Refinancing risk

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

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

Risk of insufficient value of the Collateral

The Issue is secured by the Pledge over Shares and Mortgage over Property (i.e., mortgage over the Land Plot and Building, constituting the "Hermanas" Project), as registered with the Lithuanian public registers.

Apart from the Collateral established for the benefit of the Bondholders, there will be no other securities of the Issuer and/or third parties securing the Issue. Notably, the prospective investors should consider that although the Issuer anticipates offering the Bonds under this Document primarily through the Nasdaq Auction, with the proceeds being transferred to the Issuer by the Dealer (organizer of the Auction) only after the Bonds are registered with Nasdaq CSD, the Issuer may decide to offer the Bonds itself or engage additional Distributors. In cases where the subscription for the Bonds is not conducted through an Auction via the Exchange Members, payments for the Bonds subscribed to will have to be transferred to the Issuer's bank account, which will not be pledged in favour of the Bondholders and only will be subject to the Trustee's monitoring and disposal restrictions. A breach of these restrictions would constitute an Extraordinary Early Redemption Event and may lead to the early redemption of the Bonds.

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

According to the real estate valuation report by UAB Newsec valuations dated 9 January 2026, the value of the Land Plot and the Building as of 31 December 2025 was EUR 25,170,000. Valuations will be conducted annually. Although the value of the Collateral as of the date of this Document already exceeds the total Issue amount up to EUR 23,500,000, the value of the Collateral is expected to further increase as development progresses and the Project is fully completed. Nevertheless, if the Lithuanian real estate market experiences a downturn, leading to a significant drop in the Collateral's value even after Project completion, it may be insufficient to satisfy all Bondholder claims. Therefore, it is important to recognize that the value of the mortgaged Property may fluctuate over time. In the event of enforcement, the Trustee's and Bondholders' claims will be settled based on the Property's value at the time of realization, as determined and executed in accordance with the Code of Civil Procedure of the Republic of Lithuania.

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

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

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

Interest rate risk

The Bonds accrue interest at a fixed rate 8% on their outstanding Nominal Value. Although the interest rate will remain fixed until redemption on 29 November 2027, capital market rates are subject to daily fluctuations.

However, if the market conditions change (such as increase in interest rates), including changes due to global or local inflationary pressures that cause interest rates to rise (such as a potential increase in EURIBOR rates), the market value of the Bonds may decline. This could lead to reduced demand for the Bonds in secondary markets, potentially making it more difficult for investors to sell them. Additionally, competition within the real estate sector and broader economic conditions, such as inflation, can impact investor behaviour, further influencing the liquidity and attractiveness of the Bonds. Therefore, any significant increase in interest rates, *inter alia,* influenced by inflation trends in Lithuania or globally, may negatively affect the market value and the ability to sell these Bonds, which could result in a loss of value for investors. Given potential fluctuations in interest rates until the Bonds' maturity, the Company assesses the interest rate risk as medium.

Early redemption risk

According to this Document, the Bonds may be redeemed prematurely on the initiative of the Company. If the early redemption right is exercised by the Company, the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor.

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

The Company has assessed this risk as remote.

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

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

The Bonds in the aggregate amount of EUR 17,314,000 issued under the Prospectus prior to the date of this Document have been admitted to trading on First North. First North has relatively low liquidity and limited secondary trading compared to other international debt markets, which could result in losses for Bondholders if they are unable to sell the Bonds or are forced to sell them at unfavourable prices. According to historical trading volumes published by Nasdaq, the Bonds have been subject to limited secondary market trading.

While applications will be made for the Bonds to be issued under this Document to be admitted to trading on the First North, such admission is not guaranteed, and the Bonds may not be admitted to trading or may subsequently be de-listed from the First North. The Company considers the risk of no active market forming to be high, while the risk of de-listing or listing failure is low.

Bonds may not be appropriate to some investors

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

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

The Issuer assesses this risk as low.

Cancelation of the Offering

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

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

III. INFORMATION ABOUT THE ISSUER

3.1. General corporate information and Articles of Association

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

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

Legal entity identifier (LEI) code is 89450017VCN15B0NEE85.

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

The latest Articles of Association of the Company have been registered in the Register of Legal Entities on 28 April 2025 (please see Section 1.4 *Information incorporated by reference).*

The Company has not been assigned a credit rating, nor has such process been initiated.

The contact details of the Company are the following:

Registered address	K. Donelaičio st. 62-1, Kaunas, the Republic of Lithuania
Country of registration	Republic of Lithuania
Phone number	+37067103323
E-mail	info@sbaurban.lt
Website	www.nemunaiciai.lt/en/investors-2/ where all Bonds related information and documents are uploaded or will be uploaded by the Company. The information on the website does not form part of the Document, unless certain of this information is incorporated by reference into the Document (please see Section 1.4 *Information incorporated by reference*).

Notice regarding the recently completed reorganisation of the Company

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

The reorganisation was initiated to separate two real estate projects, along with their respective assets, rights, and obligations: the "Hermanas" Project and the "Oskaras" project, which will be developed, respectively, by the Company and UAB S3 Leaders.

As a result of the Demerger, the Company's share capital was reduced from EUR 7,240 to EUR 5,792 and is now divided into 200 ordinary shares with a nominal value of EUR 28.96 each, all of which are subject to the Pledge over Shares. Following the Demerger, the Company retained the part of the Land Plot designated for the "Hermanas" Project, while the remaining part designated for the "Oskaras" project was transferred to UAB S3 Leaders, together with related rights, obligations and liabilities. The Demerger did not affect the Company's shareholding or management structure and does not affect the Company's obligations under the Bonds.

The Company's audited post-demerger balance sheet as of 31 December 2025 is presented in Section 4.8 *Historical financial information* of this Document.

3.2. Share capital, Shares and ownership structure

3.2.1. Share capital and Shares

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

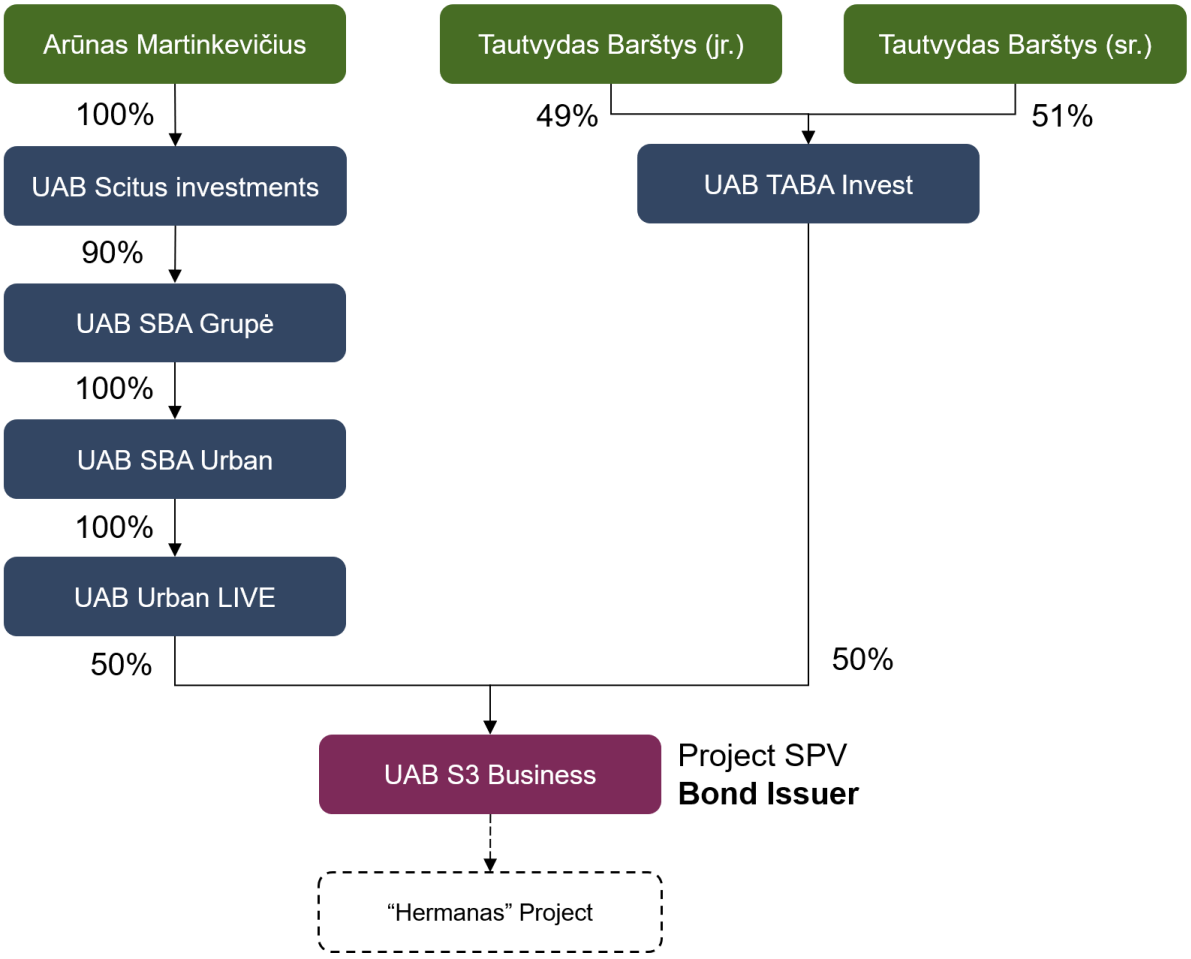
Pursuant to Lithuanian law, the main rights afforded to holders of ordinary shares are the right to participate and vote in the general meeting of shareholders and in the distribution of profits and, upon dissolution, of the remaining assets of the private limited company, as well as other rights provided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

The Shares are pledged in favour of the Bondholders to secure the Issuer's obligations under the Bonds.

3.2.2. Shareholders of the Company

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

Figure 1: Shareholders of the Company



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

UAB SBA Urban invests in three strategic directions:

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

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

UAB SBA Urban is part of the SBA group, which operates in furniture production, apparel manufacturing, real estate development, and fund management. For the year 2025, SBA group's turnover was around EUR 447 million, employing over 3,500 people and exporting to more than 50 countries.

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

Compensation and distributions

No dividends or other distributions have been paid by the Company to its Shareholders since the date of incorporation of the Company. Pursuant to Section 6.11(d) of these Terms and Conditions, no dividends or other distributions shall be paid to the Shareholders until the Bonds are fully redeemed, unless the Issuer's financial position allows for such payments without adversely affecting its ability to meet its obligations under the Bonds and the Trustee does not object. As the Company is a special purpose vehicle, it does not employ personnel directly. Management services, including the services of the Key Executives, are provided by the Shareholders and their group companies under the project management agreement and other service arrangements described in Section 4.4 of this Document. Accordingly, no separate remuneration is paid by the Company to the Key Executives or employees in their capacity as officers of the Company. Members of the Management Board do not receive separate board remuneration from the Company.

3.3. Management

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

3.3.1. Management structure of the Company

As of the date of this Document, the CEO of the Company is Mr. Andrius Mikalauskas (more information about Mr. Mikalauskas is provided below).

The CEO is responsible for the daily management of the Company and has authority to represent it. More detailed information about the competences of the CEO of the Company may be found in the Articles of Association of the Company which are incorporated by reference into this Document (please see Section 1.4 *Information incorporated by reference*).

As of the date of this Document, the Company has a Management Board consisting of the following members:

1. Mr. Andrius Mikalauskas – 15+ years of experience in management, business development, and finance. Previously part of Vilnius Prekyba Group in which he held Chairman and CEO position of Vilniaus Prekyba holding, as well as CEO and CFO positions of Barbora. Mr. Mikalauskas currently serves as CEO and the Chairman of the Management Board of the Issuer and CEO of UAB Urban LIVE, which is a Direct Shareholder of the Company. Early career experience in Ernst & Young Baltics. Mr. Andrius Mikalauskas holds a MSc degree from Rotterdam School of Management.

2. Mr. Tautvydas Barštys (Jr.) – 15+ years of experience in management and business development. Previously, he served as an executive and Board Member in KG Group. Currently, Mr. Barštys also serves as CEO and shareholder of UAB TABA Invest, which is a Direct Shareholder of the Company. Mr. Barštys holds a BSc degree from Lithuanian Sports University.

3. Mr. Justinas Barniškis (independent member) – 15+ years of experience in construction projects and real estate development in Lithuania. During his career, Mr. Barniškis headed the development of various real estate projects, such as "K22", "Europos sodo namai" and "Ažuolyno namai" in Kaunas. Mr. Barniškis holds a BSc degree from Kaunas University of Technology.

4. Mrs. Jolanta Grašienė – 25+ years of management experience across various industries. Mrs. Grašienė has been part of SBA Group since 2002, initially holding finance and business control

roles before moving into executive positions within SBA Group companies. She currently serves as Vice President and Board Member of SBA Group and as a Board Member of various SBA Group companies, including SBA Urban, Utenos Trikotažas, SBA Home and Capitalica Asset Management. Mrs. Grašienė holds an EMBA degree from BMI Executive Institute.

The Management Board is responsible for making the most important decisions within the Company, including matters related to investments, financing, business plans, and other key operational aspects. More detailed information about the competences of the Management Board may be found in the Articles of Association of the Company which are incorporated by reference into this Document (please see Section 1.4 *Information incorporated by reference*).

3.3.2. Other Key Executives

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

Key Executives ("Hermanas" Project Development Team)

1. Mrs. Ernesta Railė – Head of Development at Urban LIVE (part of SBA Urban), responsible for the design and development management of the Nemunaičiai district, including "Hermanas" Project. 15+ years of experience in real estate development. Mrs. Railė previously served as Head of Design at Hanner. During her career, she has been involved in the development of A-class offices "Business Stadium Central", and "Business Stadium North East" in Vilnius, as well as residential projects such as "Šnipiškių solo", "Naujamiesčio Trio", "Karoliniškių namai", "Live up", "Ozo gama", "Hill city", "Renesanso", and others. Mrs. Ernesta Railė holds a MA degree from Kaunas University of Technology.

2. Mr. Nerijus Aukščiūnas – Head of Treasury at SBA Group. Responsible for capital management and sourcing of SBA Group. 20+ years of experience in credit financing and executive management in the Baltics and Nordics banking sector. Previously Head of Branch Lithuania and Latvia at Nordea Sweden. Currently, Mr. Aukščiūnas also serves as a Member of the Board in UAB Capitalica Asset Management, part of SBA Group. Mr. Aukščiūnas holds an MBA degree from Vilnius University International Business School.

3. Mr. Kasparas Juška – Head of Investments at SBA Urban. Responsible for capital sourcing and investment management of SBA Urban investment portfolio, including "Hermanas" Project. 8+ years of experience in real estate financing and investment management. During his career, Mr. Juška has been responsible for raising over EUR 100 million in debt and equity financing. Previously part of Zabolis Partners, in which he held various finance positions in real estate businesses. Mr. Juška holds a BSc degree from Stockholm School of Economics in Riga.

3.4. Conflicts of interest

(i) **Internal conflicts of interest**

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

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

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

The Arranger/Dealer, Luminor Bank AS operating in the Republic of Lithuania through Luminor Bank AS Lithuanian branch, is appointed by the Issuer as responsible person in the Republic of Lithuania, Latvia and Estonia for the purposes of arranging the whole Issue, Offering in the Republic of Lithuania, Latvia and Estonia, and/or for any other purposes and services as provided for in this Document. The

Company is paying fees (commissions) established in the Mandate Letter for the services provided to the Issuer.

Ellex Valiunas acts as legal advisor to the Company in connection with this Document. Law firm Ellex Valiunas is also the Issuer's Certified Adviser on the First North. The Company is paying fees established in the Certified Adviser's Agreement for the services provided by law firm Ellex Valiunas.

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

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

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

3.5. Statutory auditors

The Company's financial statements for the year ended 31 December 2024 were prepared in accordance with the IFRS and audited by the audit company UAB "In salvo", legal entity code 135687548, having its registered address at Gedimino st. 47, Kaunas, the Republic of Lithuania. The auditor Eglė Žiemienė is the independent auditor of the 2024 Audited Financial Statements.

The Company's financial statements for the year ended 31 December 2025 were prepared in accordance with the IFRS and audited by the audit company UAB "IDG auditoriai", legal entity code 300128946, registered address at Laisvės ave. 10A, Vilnius, the Republic of Lithuania. The auditor Romanas Skrebnevskis is the independent auditor of the 2025 Audited Financial Statements.

Audit companies issued unqualified auditors' opinions on the 2024 and 2025 Audited Financial Statements. These Audited Financial Statements are incorporated into this Document by reference (please see Section 1.4 *Information incorporated by reference*).

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

IV. BUSINESS OVERVIEW

4.1. History and development of the Company; principal activities

Principal activities of the Company

As of the date of this Document, the Company is continuing the final stages of development of "Hermanas", an A-class business centre located at Nemunaičių St. 1, Kaunas, the Republic of Lithuania.

"Hermanas" is the first office project in Nemunaičiai district. Nemunaičiai district, developed by UAB SBA Urban, is a 6-hectare area in central Kaunas, on the other river side from Nemunas Island. Over 30 000 m^2 of office space and over 600 apartments are planned to be developed in the district with a goal to create mixed-use, well-planned, lively extension of Kaunas city centre.

The "Hermanas" Project consists of an A-class business centre and a multi-storey car parking building nearby, both of 8 above-ground floors. The Project provides approx. 10,900 m^2 of leasable space. The ground floor of the business centre is dedicated to retail and commerce while floors 2 to 8 are dedicated to office users. Multi-storey car parking provides approx. 520 car parking spaces as well as e-charging stations and micro-mobility storage units. Multi-storey car parking is leased to the business centre users as well as residents of the Nemunaičiai district in the nearby apartment buildings. Leasing of "Hermanas" business centre and multi-storey car parking comprises the income-generating component of the Project.

As of the date of this Document, the "Hermanas" Project has moved from the construction phase into the final completion, leasing and operational ramp-up phase. Accordingly, the remaining development activities primarily relate to minor construction completion works, standard rectification of construction defects, tenant fit-out works and the gradual handover of premises to tenants.

The construction completion of the "Hermanas" business centre was registered in March 2026. The general contractor agreement is expected to be fully closed by October 2026, when the standard construction defect rectification procedure will be completed by the general contractor. Following this process, construction quality guarantees will be applicable for the Building based on the general contractor agreement. In parallel, tenant fit-out works are ongoing on an ad hoc basis under the signed lease agreements. The Management estimates that the total investment cost of the Project at completion will amount to up to EUR 35 million.

For further details on the "Hermanas" Project, please refer to Section V *Development of business centre "Hermanas"* below.

History and development of the Company

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

In 2025, the Company completed a reorganisation by way of the Demerger, resulting in the establishment of UAB S3 Leaders. Following the reorganisation, the Company retained ownership of 8,271/12,016 m² of the Land Plot, which is dedicated solely to the "Hermanas" Project. The remaining part of the land plot was transferred to and is now owned by UAB S3 Leaders for the development of the "Oskaras" real estate project in Nemunaičiai district. Post-reorganisation, the sole purpose of the Company is to successfully complete the "Hermanas" Project.

Until the full completion of the "Hermanas" Project, the Company does not plan to make any investments other than those related to the Project.

4.2. Financing of activities

The Company uses a combination of Shareholders' capital and debt to fund its activities and development of the "Hermanas" Project, the total cost of which is estimated to be up to EUR 35 million.

The Company Shareholders' capital in the Company at the Project's completion is expected to amount to up to EUR 11.5 million. The Direct Shareholders provide financing in the Company through Shareholders' equity as well as intercompany loans.

Based on the latest available audited financial statements of the Company as of 31 December 2025, the Shareholders' equity in the Company amounted to EUR 5,442,700. The Direct Shareholders also provide financing through intercompany loans. As of the date of this Document, the intercompany loans amounted to EUR 4,719,035 as detailed in Section 4.5 *Related Party transactions,* and are subordinated to the Bonds (including any other intercompany loans granted to the Company after the date of the Document).

As of the date of this Document, the Company has issued Bonds in the aggregate amount of EUR 17,314,000, the proceeds of which have been used to finance the development and construction of the Project. Bonds in the aggregate amount of up to EUR 6,186,000 are subject to the Offering under this Document to finance the remaining Project-related works.

The Bonds mature on 29 November 2027. The Company intends to obtain bank financing for the purpose of refinancing and redeeming the Bonds. The likelihood of securing such financing is expected to increase significantly with the growing occupancy rates of the Business Centre.

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

4.3. Competitive position and competitive strengths

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

Prime location

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

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

In addition, significant city infrastructure investments are underway near the Project. These include the reconstruction of H. O. Minkovskių Street, the main road adjacent to the Nemunaičiai district, which is expected to substantially improve accessibility by car and public transport. The reconstruction is planned to be completed in 2027. Construction of the new Nemunas pedestrian bridge began in 2024 and is expected to be completed by the end of 2026. The bridge will connect the district with Nemunas Island, Žalgiris Arena and the historic centre of Kaunas, all within a 10-minute walk. The city also plans to develop the M. K. Čiurlionis concert hall in the nearby waterfront area. These developments are expected to significantly improve the district's accessibility and attractiveness, including that of the "Hermanas" Project.

Market-leading Solutions and sustainability

The "Hermanas" Project incorporates various solutions intended to meet the needs of prospective tenants.

The "Hermanas" business centre will be the first office building in Kaunas to seek both BREEAM In-Use "Excellent" and WELL certifications, reflecting its environmentally friendly solutions and focus on the well-being of tenants. These certifications are expected to make the project more attractive to clients and financing partners, as well as increase its liquidity in the investment market. The Project has also achieved an A++ energy class rating, making it more energy-efficient compared to older business centres in Kaunas.

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

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

Experienced Developer

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

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

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

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

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

Sustainability

The “Hermanas” Project design includes various sustainability solutions to reduce its environmental impact and enhance the well-being of its tenants.

The Project has achieved a A++ energy class rating, making it significantly more energy-efficient compared to older business centers in Kaunas. Additionally, technological solutions are installed to ensure air quality, natural daylight, and noise reduction. The Project also features chilled beams for indoor cooling, modern humidification systems, and central heating via convectors to provide flexible and effective climate control throughout the building. With the implementation of these solutions, the Project is the first office building in Kaunas to pursue both BREEAM and WELL certifications, demonstrating a strong commitment to sustainability and tenant well-being. To support this goal, preliminary design assessments have been conducted by third-party experts and recommendations for design solutions have been received to facilitate the achievement of the targeted certifications.

It is expected that these solutions increase the Project’s attractiveness to clients, financing partners, and other stakeholders, thereby enhancing its liquidity in the market.

4.4. Material agreements

The Company has not entered into other than contracts entered into in the ordinary course of business, contracts for development of the Project and Related Party transactions, as reflected below, and/or contracts entered for the purposes of the Offering and admission to trading on the First North as indicated

in the Terms and Conditions, which could result in the Company being under an obligation or an entitlement that is material to the Company's ability to meet its obligations to the Bondholders in respect of the Bonds being issued.

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

Financial agreements

The Company has not concluded any financing agreements (credits, syndicated loans, credit lines, overdrafts, financial leasing) with external parties, except that as of the date of this Document the Company has issued Bonds of the Issue in the aggregate amount of EUR 17,314,000.

Lease agreements:

As of the date of this Document, the Company has signed lease agreement for 2,016 m², representing 18% of the Project's total gross leasable space. In addition, the Company has signed letters of intent with potential tenants for 5,114 m², representing 47% of the total gross leasable area. These letters of intent are expected to be converted into lease agreements in the short term. The Company is also in ongoing negotiations with other potential tenants and expects these negotiations to result in signed lease agreements.

Once material lease agreements are concluded, the Company will make announcements on the Company's website at www.nemunaiciai.lt/en/investors-2/, also on Nasdaq's website at www.nasdaqbaltic.com.

Other material Project related agreements

(i) General contractor agreement:

- General contractor agreement was concluded between the Company and UAB "Veikmės statyba", legal entity code 300510465, with its registered address at Spaudos st. 8-1, Vilnius, on 1 August 2024.
- Subject matter of the agreement: construction works and other works relating to the "Hermanas" Project.
- Price of the agreement: EUR 21,059,000 (excl. VAT).
- Start of construction works: 1 August 2024
- End of construction works: 31 October 2026
- Applicable law and dispute resolution: the agreement is governed by Lithuanian law. The disputes arising out of or in connection with the agreement shall be settled by the Vilnius district court.
- Termination of the agreement: the agreement may be terminated in case either party of the agreement fails to fulfill its obligations and/or becomes insolvent, and fails to remedy the situation within an agreed time period, or in the event of other material breach.

(ii) Design agreement:

- Design agreement was concluded between UAB "S3 Invest" and UAB "Paleko Archstudija", legal entity code 125317632, with its registered address at A. Goštauto st. 8, Vilnius, on 29 August 2019.
- The rights and liabilities arising from the design agreement above has been transferred to the Company as part of the reorganization via a demerger from UAB "S3 Invest" on 27 December 2022, when the Company was established.
- Subject matter of the agreement: preparation of design proposals of commercial and residential projects in H. ir O. Minkovskių st. 41A, 41B, 41C, Kaunas.

- Price of the agreement: EUR 50,000 (excl. VAT).
- Effective date of the agreement: 29 August 2019
- Validity term of the agreement: when the parties complete their obligations based on the agreement.
- Applicable law and dispute resolution: the agreement is governed by Lithuanian law. The disputes arising out of or in connection with the agreement shall be settled based on the Lithuanian law.
- Termination of the agreement: the agreement may be terminated in case either party of the agreement fails to fulfil its obligations, and fails to remedy the situation within an agreed time period, or in the event of other material breach.

(iii) Project management agreement:

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

4.5. Related Party transactions

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

Table 1: Related Party transactions

Related Party	Type	Currency	Outstanding principal amount	Annual interest rate
UAB Urban LIVE	Intercompany loan	EUR	2,289,527	2.50% + 6M EURIBOR
UAB TABA Invest	Intercompany loan	EUR	2,429,508	2.50% + 6M EURIBOR
TOTAL	**Intercompany loans**	**EUR**	**4,719,035**	**2.50% + 6M Euribor**

Source: the Company

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

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

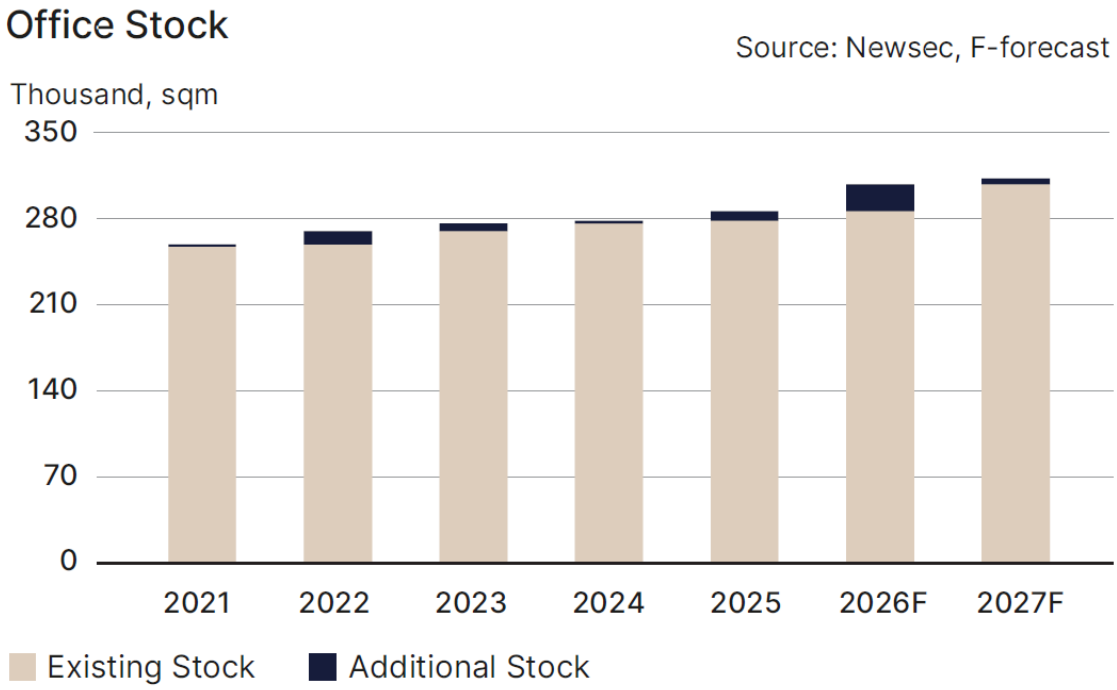
4.6. Trend information

The information provided in this section is a brief overview of real estate and office market analysis conducted by Newsec, an international real estate services provider, in their publication „*Kaunas Office Outlook 2026 H1*"[1].

Kaunas office market stock supply

At the end of the first half (H1) of 2026, Kaunas reached approximately 297,000 m² of modern office stock following the delivery of 10,600 m² of new space in "Hermanas" office - the strongest half-year expansion in several years. Key existing completions in the city include the "Business Leaders Centre," "Kauno Dokas," "Arka," "Magnum," and "Sqveras." A further 12,900 m² is expected in H2 2026, bringing total stock to around 309,900 m² by year-end.

Figure 2: Kaunas office market stock



Source: Newsec

Leading the recent expansion is the completion of Hermanas in the Nemunaičiai project, which introduced over 10,000 m² of space and established Žemoji Freda as an emerging extension of the city center. The development pipeline continues to gain momentum: Tesonet received a construction permit in June 2026 for the first phase (~40,000 m²) of its mixed-use campus in Žemoji Freda, and SBA Urban holds a valid permit for a second business center, Oskaras, in Nemunaičiai. A total of ~27,900 m² is planned across 2026–2027 (including H1 completions), representing a manageable 6% of current stock. Future developments will rely heavily on anchor tenant pre-leasing, careful timing, and project differentiation.

Demand for office space

Kaunas continues to reinforce its position as a business location, recently recognized as the CEE Emerging City of the Year at the 2026 CEE Business Services Summit & Awards. Occupier activity and

[1] New sec publication is available upon request to the Company via info@sbaurban.lt

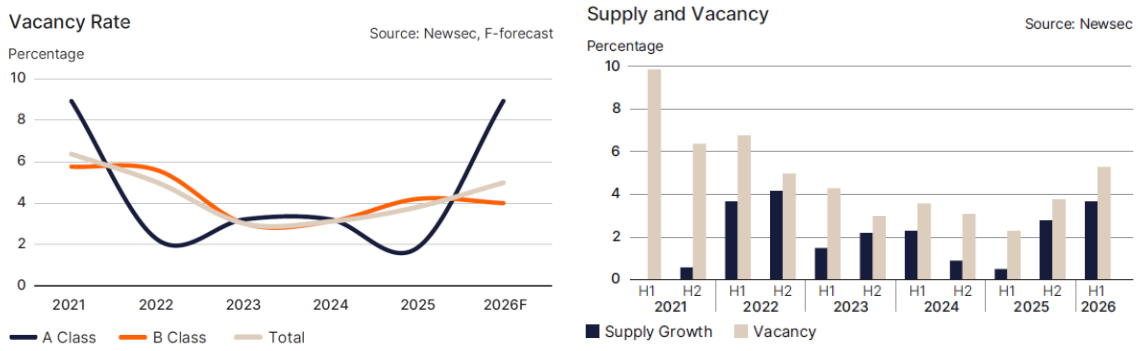
leasing inquiries have risen as companies now have credible relocation options with new space delivering. Strong demand is driven by growing companies seeking space upgrades, team consolidations, or better-located hubs in mixed-use areas like Žemoji Freda. At the same time, cost-sensitive occupiers are re-evaluating footprints and opting for more efficient space configurations due to cost pressures.

Vacancy and rental rates

- Vacancy: Overall vacancy rose from 3.8% at year-end 2025 to 5.3% in H1 2026 as new A-class space entered the market. Class A vacancy increased to 14.6% (found primarily in the newly-built "*Hermanas*" office, whereas Class B vacancy remained tight at 3.0%. Full-year 2026 vacancy is projected to hover between 5–6%

- Rental Rates: Prime asking rents stand at €19.0–€20.0/m²/month, Class A rates range from €16.0–€18.5/m²/month, and Class B rents span €8.0–€16.0/m²/month. Higher headline rents are supported by the pricing of new-generation projects and rising fit-out costs, though widening options for tenants may lead to more flexible effective lease terms.

Figure 3: Kaunas office market vacancy rate and supply



Source: Newsec

4.7. Profit forecasts or estimates

The Company is not providing financial forecasts or estimates.

4.8. Historical financial information

The following tables provide a summary of the Company's financial information for the financial years ended 31 December 2025 (audited) and 31 December 2024 (audited).

The information set out in the tables below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with the Audited Financial Statements for the years ended 31 December 2024 and 31 December 2023, that are incorporated by reference to this Document and form an integral part hereof (please see Section 1.4 *Information incorporated by reference*). The Audited Financial Statements have been prepared in accordance with the IFRS.

Please note that on 28 April 2025, the Company completed a reorganisation by way of Demerger, resulting in the establishment of a separate entity, UAB S3 Leaders, legal entity code 307156777. Accordingly, the Company's financials were affected by the Demerger to the relevant extent when comparing the 2024 Audited Financial Statements with the 2025 Audited Financial Statements.

Table 2: balance sheet summary of the Company as of 30 June 2026, 31 December 2025 and 31 December 2024 (amounts are presented in EUR)

	30.06.2026 (unaudited)	31.12.2025 (audited)	31.12.2024 (audited)
ASSETS			
Non-current assets			

Investment property			
Land	2,600,000	2,600,000	4,000,000
Buildings under construction	26,461,664	22,570,000	4,720,000
Total investment property	29,061,664	25,170,000	8,720,000
Total non-current assets	**29,061,664**	**25,170,000**	**8,720,000**
Current assets			
Prepayments to suppliers	17,044	34,926	479
Trade receivables	97,133	92,831	16,177
Tax receivables	53,877	72,019	61,865
Cash	530,038	1,574,661	333,847
Total current assets	**698,092**	**1,774,437**	**412,368**
Total assets	**29,759,756**	**26,944,437**	**9,132,368**
EQUITY AND LIABILITIES			
Equity			
Share capital	5,792	5,792	7,240
Share premium	2,259,430	2,259,430	2,721,854
Mandatory reserve	580	570	362
Retained earnings	2,642,468	3,176,908	3,074,529
Total equity	**4,908,270**	**5,442,700**	**5,803,985**
Non-current liabilities			
Loans from related parties	5,125,894	5,034,433	1,266,809
Deferred income tax liabilities	631,589	631,589	666,418
Outstanding bonds	17,547,225	12,924,856	-
Security deposit	60,424	60,424	-
Total non-current liabilities	**23,365,132**	**18,651,302**	**1,933,227**
Current liabilities			
Current portion of long-term loans from related parties	1,108	1,108	244,646
Outstanding bonds	263,881	231,333	-
Trade payables	1,084,310	2,437,623	644,126
Paybles to related parties	87,312	168,571	498,368
Other current liabilities	49,670	11,800	8,016
Deposits received	73	-	-
Total current liabilities	**1,486,354**	**2,850,435**	**1,395,156**
Total equity and liabilities	**29,759,756**	**26,944,437**	**9,132,368**

Source: the Audited Financial Statements and the Interim Financial Statements

Table 3: income statement of the Company for the six-month period ended 30 June 2026, and the years ended 31 December 2025 and 31 December 2024 (amounts are presented in EUR)

	30.06.2026 (unaudited)	**31.12.2025 (audited)**	**31.12.2024 (audited)**
Revenue	81,273	-	-
Cost of sales	(93,373)	-	-
Gross profit (loss)	**(12,100)**	**-**	**-**
Operating expenses	(138,394)	(1,101,825)	(88,148)
Change in fair value of investment property	-	1,999,218	2,797,230
Operating profit (loss)	**(150,494)**	**897,393**	**2,709,082**
Financial income			
Interest	2,574	6,868	-
Financial expenses			

Interest	(386,510)	-	(349)
Profit (loss) before tax	**(534,430)**	**904,261**	**2,708,733**
Income tax (expense) benefit	-	(159,701)	(440,039)
Net profit (loss)	**(534,430)**	**744,560**	**2,268,694**

Source: the Audited Financial Statements and the Interim Financial Statements

Table 4: cash flow statement summary of the Company for the six-month period ended 30 June 2026, and the years ended 31 December 2025 and 31 December 2025 (amounts are presented in EUR)

	30.06.2026 (unaudited)	**31.12.2025 (audited)**	**31.12.2024 (audited)**
Net cash flows from operating activities	(2,114,628)	(1,333,172)	983,716
Net cash flows from financing activities	3,935,502	16,547,212	2,101,000
Net cash flows from investing activities	(2,865,497)	(13,973,226)	(2,755,133)
Net cash flow	**(1,044,623)**	**1,240,814**	**329,583**
Cash balance at beginning of period	1,574,661	333,847	4,264
Cash balance at end of period	530,038	1,574,661	333,847

Source: the Audited Financial Statements and the Interim Financial Statements

Table 5: Historical LTC ratio calculation

	30.06.2026 (unaudited)	**31.12.2025 (audited)**	**30.06.2025 (audited)**
Costs of the Project	27,808,056	23,528,763	14,125,532
Net issue size	16,783,962	11,239,339	2 518 348
LTC ratio (target <75%)	**60.36%**	**47.77%**	**17.83%**

Source: the Company

4.9. Significant change in financial position

There has been no significant, material adverse change in the Company's financial position since the last reporting year, except that the Company's principal amount of debt obligations under the Bonds increased from EUR 12,814,000 to EUR 17,314,000 since 31 December 2025. The Management is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year outside the course of its regular business activities.

4.10. Legal proceedings

The Company is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Company's financial position or profitability. Furthermore, neither the Company nor any member of its administrative, management or supervisory bodies is or has been, during the current and previous financial years, involved in any proceedings related to fraud, other financial crimes or economic violations.

V. DEVELOPMENT OF BUSINESS CENTRE "HERMANAS"

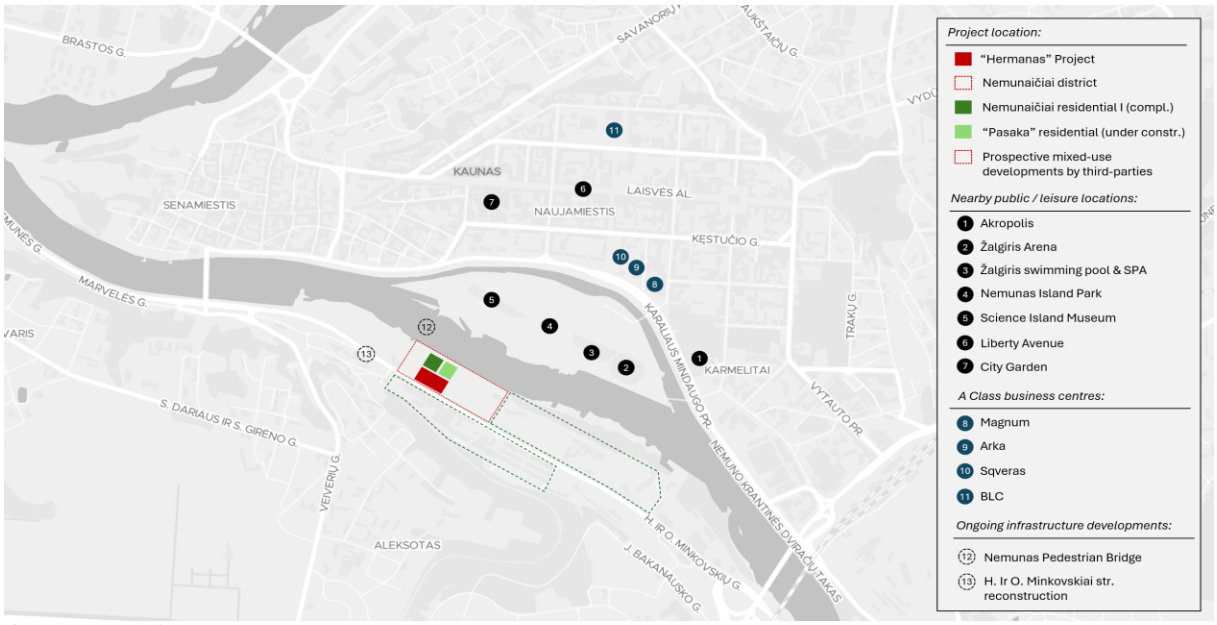
5.1. Location

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

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

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

Figure 4: Project location



Source: the Company

Figure 5: Nemunaičiai district visualisation

Source: the Company

5.2. Business centre and multi-storey car parking

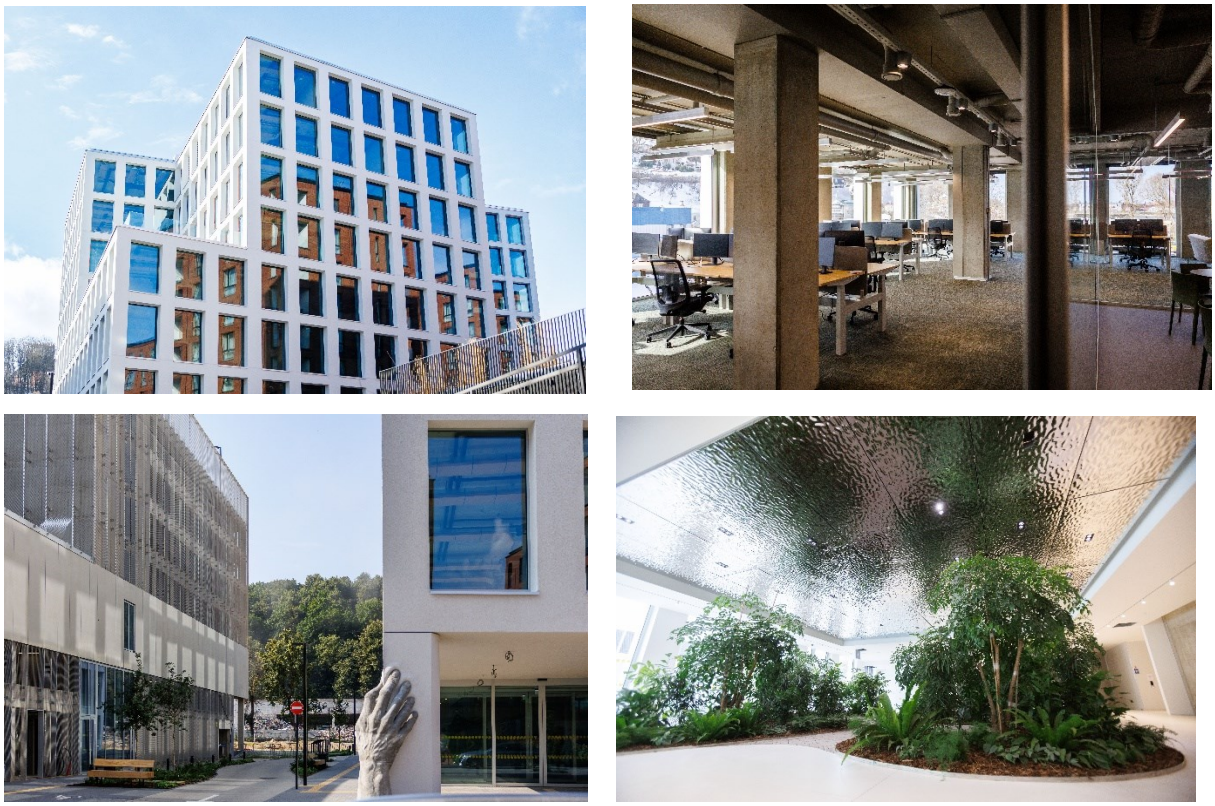
The “Hermanas” Project consists of an A-class business centre “Hermanas” and a multi-storey car parking facility nearby, both featuring 8 above-ground floors. The project is located at Nemunaičių st. 1, Kaunas.

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

The Project provides approximately 10,900 m² of leasable space. The ground floor of the business centre are dedicated to office, retail, commercial, and other service providers, while floors 2 to 8 are designated for office use. The business centre offers large floorplates of up to 1,500 m², which can be subdivided into smaller units to accommodate a wide range of tenants, from individual occupants to multiple enterprises.

The multi-storey car parking facility provides over 520 parking spaces. The parking facility also includes e-charging stations and micro-mobility storage spaces. It is leased to business centre tenants as well as residents of the nearby apartment buildings in the Nemunaičiai district. The parking facility is managed by a professional third-party operator.

Figure 6: Business Centre photos



Source: the Company

5.3. “Hermanas” Project schedule and cost

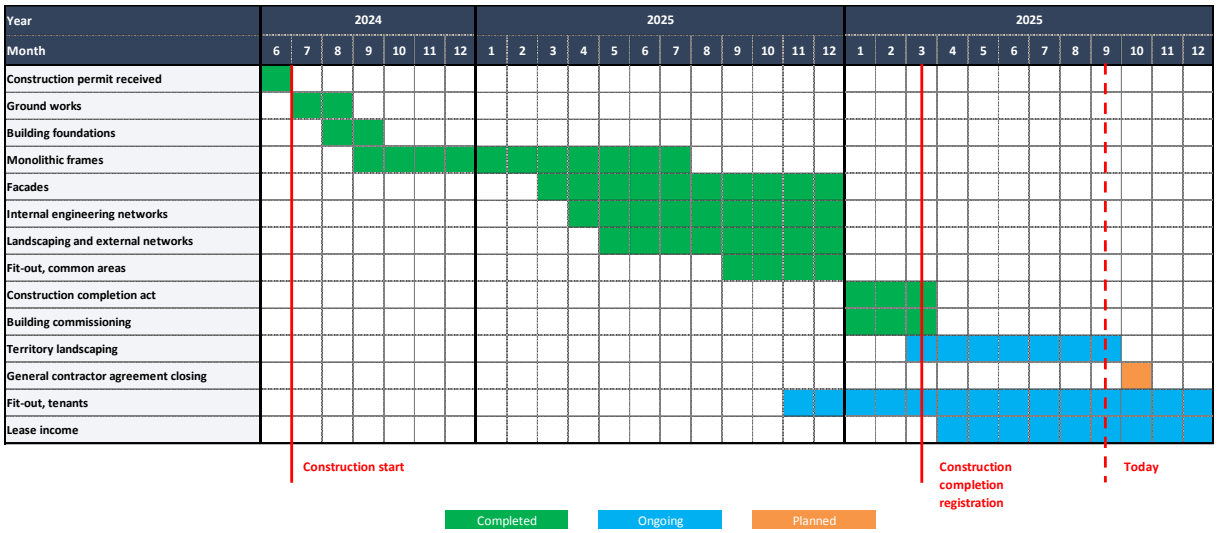
The Company estimates the total investment cost of the Project to be up to EUR 35 million.

The construction permit for the Project was obtained in Q2 2024, following which construction commenced in Q3 2024. As of the date of this Document, the Building, comprising both the business centre “Hermanas” and the multi-storey car parking, has been registered with the Real Estate Register under unique No. 4400-6394-5384, with a completion rate of 100% as of 14 March 2026.

As of the date of this Document, the remaining Project works include final minor construction works, such as landscaping and terrace flooring installation, as well as the ongoing standard process of the rectification of construction defects. These works are expected to be completed by October 2026, at which time the general contractor agreement will be closed. In addition, fit-out installation works for tenants' premises are ongoing and are carried out on an ad hoc basis under the signed lease agreements.

The Company began generating income from leasing the Project premises in March 2026, as the first tenants moved into the premises.

Table 5: Project development schedule



Source: the Company

VI. TERMS AND CONDITIONS

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

6.1. Introduction to the Offering

(a) **Terms and Conditions**: the Issuer (LEI of the Issuer – 89450017VCN15B0NEE85) has established these Terms and Conditions of the Bonds for the issuance of up to EUR 6,186,000 in aggregate principal amount of Bonds (being part of total EUR 23,500,000 Bond Issue).

(b) **Final Terms**: the Bonds issued under these Terms and Conditions are issued in Tranches. Each Tranche is subject to its respective Final Terms, which complete these Terms and Conditions. The Bonds of each Tranche will all be subject to identical terms as prescribed in these Terms and Conditions, except that the Issue Dates and the Issue Prices, Yield thereof may be different in respect of different Tranches.

(c) **Bonds**: all subsequent references in these Terms and Conditions to "Bonds" are to the Bonds with ISIN code LT0000133472, which are the subject of the relevant Final Terms. Bonds will be secured fixed-term Bonds only.

(d) **Reasons for the Offering and use of proceeds**: The overall purpose of the continuing Offering under this Document is to attract debt financing of up to EUR 6,186,000 to finance the final stage of the development and fit-out of the "Hermanas" Project, including related financing costs. Assuming that all Bonds offered under this Document are subscribed for and issued by the Company, the expected gross proceeds would amount to up to EUR 6,186,000. The estimated net proceeds, after deduction of Offering costs of up to approximately EUR 75,000 (including any discretionary commission, costs related to admission to trading on First North, legal costs and other related expenses), would amount to up to approximately EUR 6,111,000. The Company will bear the Offering costs from the proceeds of the Offering.

(e) **Definitions.** Capitalised terms used in these Terms and Conditions have the meanings given in Section 1.5 *Definitions and Abbreviations* of this Document.

6.2. Principal amount and issuance of the Bonds, Offering jurisdictions

(a) Under these Terms and Conditions, the Issuer may issue Bonds:

  (i) to an aggregate principal amount of EUR 6,186,000 (being part of total EUR 23,500,000 Bond Issue);

  (ii) in Tranches under the relevant Final Terms.

(b) By subscribing for the Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and the Final Terms, and by acquiring the Bonds each subsequent Bondholder confirms these Terms and Conditions and the Final Terms.

(c) In the course of the Offering, the Bonds may be publicly offered to retail and institutional investors in any or all of the Republic of Lithuania, Latvia and Estonia and the relevant Offering jurisdictions for the respective Tranche will be indicated in the Final Terms. The Issuer may also choose to offer the Bonds to investors in any Member State of the EEA under relevant exemptions provided for in Article 1(4) of the Prospectus Regulation.

6.3. Status of the Bonds

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

No guarantee within the meaning of a third-party guarantee or surety has been provided in respect of the Bonds. The Bonds are secured by the Collateral (the Mortgage over Property and the Pledge over Shares) as described in Section 6.16 of this Document, but no person other than the Issuer has assumed liability for the Issuer's obligations under the Bonds.

6.4. Denomination, title, Issue Price, Yield, transfer and underwriting

(i) **Denomination**: denomination (Nominal Value) of each Bond is EUR 1,000.

(ii) **Title to Bonds**: title to the Bonds will pass to the relevant investors when the respective entries regarding the ownership of the Bonds are made in their Securities Accounts on the relevant Issue Date.

(iii) **Issue Price**: Bonds may be issued at any price (at a Nominal Value or at a discount or adding to the price the interest accrued on the Bonds from the last Interest Payment Date (in case the last Interest Payment Date was before the Issue Date of the relevant Tranche)). The Issue Price shall be determined by the Issuer and specified in the applicable Final Terms.

(iv) **Yield:** Yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future Yield.

(v) **Transfer of Bonds**: Bonds are freely transferrable. The Bonds subscribed and paid for shall be entered to the respective book-entry Securities Accounts of the investors on a date set out in the Final Terms in accordance with the Lithuanian legislation governing the book-entry system and book-entry accounts as well as the Nasdaq CSD rules.

(vi) **No charge**: no expenses will be charged to the investors by the Issuer in respect to the Offering, transfer of the Bonds to the Securities Account of an investor upon Bonds' issuance and admission of the Bonds to trading on the First North. However, investors may be responsible for covering expenses related to the opening of Securities Accounts with credit institutions or investment brokerage firms, as well as commissions charged by these institutions or firms for executing purchase or sale orders, holding the Bonds, or performing any other operations related to the Bonds. The Issuer will not compensate investors for any such expenses.

(vii) **Underwriting:** no underwriting agreement has been signed with any person for the purposes of this Offering.

6.5. Bonds in book-entry form

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

6.6. Payments to the Bondholders

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

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

there is a subsequent failure to pay in accordance with these Terms and Conditions.

6.7. Taxation

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

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

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

6.8. Interest

(a) **Interest rate:** the Issuer shall pay annual fixed interest of 8% on the Nominal Value of a Bond. Coupon of the Bonds will be paid semi-annually on the Interest Payment Dates and will be calculated on the aggregate outstanding principal amount of the Bonds (i.e., the Nominal Value).

(b) **Interest periods:** interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period. The interest period begins on the previous Interest Payment Date (including) and ends on the following Interest Payment Date (excluding), or, if applicable, on the Final Maturity Date (excluding), the Early Redemption Date (excluding), the Early Maturity Date (excluding) or De-listing Event or Listing Failure Put Date (excluding).

(c) **Interest calculation formula:** accrued interest in respect of the Bond will be calculated using Act/Act (ICMA) day count convention, calculated according to the formula below:

CPN = F × C × D / A, where:

CPN – value of interest in EUR;
F – Nominal Value on the relevant Interest Payment Date;
C – interest rate (%) payable on the Bonds under these Terms and Conditions and the respective Final Terms;
D – number of days in the interest period;
A – actual number of days in the year.

(d) **Calculation agent:** the Issuer shall calculate the interest payments and any other payable amounts to the Bondholders under these Terms and Conditions. The Issuer is responsible for transferring all amounts payable to the Bondholders under these Terms and Conditions to Nasdaq CSD, which will then distribute the payments to the Bondholders.

6.9. Offering and admission of the Bonds to trading on the First North

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

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

The Bonds shall be offered to the investors up to the Maximum Aggregate Nominal Value of the

Issue under the respective Final Terms and in the Maximum Amount of the respective Tranche as indicated in the Final Terms. However, if the demand for the Bonds of the respective Tranche exceeds the Maximum Aggregate Nominal Value of the Tranche indicated in the Final Terms, the Issuer may decide to increase the Maximum Aggregate Nominal Value of the respective Tranche by publishing an updated Final Terms on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and also on Nasdaq's website at www.nasdaqbaltic.com, on or before the relevant Issue Date (inclusive).

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

(i) the Subscription Orders as to acquisition of the Bonds shall be submitted by the investors (considering the risks related to each of the below listed possibilities):

a. if the Final Terms provide this subscription channel (as a sole or an additional subscription channel), to the Issuer directly, but the investors shall pay specific attention to the fact, that the Issuer will not conclude an assessment of appropriateness of the Bonds to the respective investor, as indicated in Section 2.2.2. *Offering and admission to trading on the First North related risks* of the Document;

b. if the Final Terms provide this subscription channel (as a sole or an additional subscription channel), to the Exchange Members in case an Auction of the Bonds is organized through Nasdaq;

c. if the Final Terms provide this subscription channel (as a sole or an additional subscription channel), to the Dealer or Distributor, if any is engaged by the Issuer in connection with the Offering.

(ii) the Issuer in consultation with the Dealer shall decide on which investors, which have provided their Subscription Orders, shall be allotted with the Bonds and to what amount, and which Investors shall not be allotted with the Bonds (i.e., allocation procedure as regulated under point (g) *Allotment of the Bonds to the investors* below);

(iii) the settlement for the Bonds shall be made and the Bonds shall be registered with Nasdaq CSD and distributed to the investors;

(iv) the Bonds will be introduced to trading on the First North.

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

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

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

Subscription through the Issuer

If the Final Terms indicate that the Offering is conducted by the Issuer, the Subscription Order form

for the respective Tranche, which will be accepted by the Issuer, will be published on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and/or on Nasdaq's website at www.nasdaqbaltic.com, before the opening of the respective Subscription Period. Alternatively, the Issuer will provide the Subscription Order form upon the investor's request after notifying the investor of the Offering for the respective Tranche. Subscription Orders for Estonian and Latvian investors will be available in English, while those for Lithuanian investors will be available in either English or Lithuanian.

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

Subscription through the Dealer or Distributor

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

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

Subscription through Exchange Members

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

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

Validity of the Subscription Order

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

(i) the purchase amount indicated in the Subscription Order is less than the Minimum Investment Amount; or

(ii) the Subscription Order was received after the Subscription Period, unless the Issuer decides otherwise; or

(iii) subscription for the Bonds by the investor has not been fully paid by the relevant Payment Date, unless the Issuer decides otherwise; or

(iv) the Issuer, the Dealer, Distributor or Exchange Members rejects the Subscription Order due to violation of legal acts governing anti-money laundering prevention and/or sanctions and/or because the investor has not provided additionally requested information and/or documents, for example documents evidencing country of residency (either directly or through a financial intermediary through which it subscribed to the Bonds).

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

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

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

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

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

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

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

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

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

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

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

(i) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to arrange the settlement of the subscription on its/his/her behalf (taking such steps

as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the subscription;

(ii) shall ensure that when submitting a Subscription Oder there are sufficient funds on the cash account connected to its/his/her Securities Account to cover the amount subscribed (i.e. the Issue Price multiplied by the amount of the Bonds subscribed);

(iii) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to block the whole Subscription amount on the investor's cash account connected to its/his/her Securities Account until the allotment of Bonds pursuant to these Terms and Conditions and Auction Rules, and registration with the Register is completed on the Issue Date;

(iv) authorizes the Exchange Member, Issuer, Dealer and Nasdaq to process, forward and exchange its/his/her personal data and information in the Subscription Order in order to participate in the Offering, to accept or reject the Subscription Order and comply with these Terms and Conditions and fulfill the Issuer's obligations under these Terms and Conditions;

(v) acknowledges that the Offering does not constitute an offer (in Lithuanian: *oferta*) of the Bonds by the Issuer in legal terms, and that the submission of a Subscription Order does not constitute the acceptance of an offer, and therefore does not in itself entitle the investor to acquire the Bonds, nor results in a contract for the sale of the Bonds between the Issuer and the investor, unless the Bonds are allotted to the investor pursuant to these Terms and Conditions and Bonds are registered with the Register on the Issue Date;

(vi) confirms that it/she/he has got familiarized with the Document, Final Terms of the Tranche and Auction Rules.

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

(e) **Withdrawal of the Subscription Orders**. Subscription Orders for the Bonds of the respective Tranche may be withdrawn at any time until the end of the relevant Subscription Period, including when a supplement is made public concerning an event or circumstances occurring before the end of the relevant Subscription Period. The supplement to the Document will be published on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and also on Nasdaq's website at www.nasdaqbaltic.com. The investor who has made a Subscription Order before the publication of the supplement may withdraw such Subscription Order by notifying (e.g., via the internet banking system or by any other available and acceptable means) the institution where the Subscription Order was made within 3 Business Days after the publication of the supplement.

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

The repayments, if any, will be made by the Issuer in accordance with the Subscription Order within 5 Business Days after making the statement on the subscription cancellation or the blocked funds will be released in accordance with the rules of the financial intermediary through which the Subscription Order was placed and the Issuer shall not be responsible for any relationships between the investor and its financial intermediary. An investor will be liable for the payment of all fees charged by the intermediary, used by the investor for the subscription of Bonds in connection with the withdrawal of the Subscription Order.

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

In case of an Auction, the Issue Price payable by the investors subscribing to the Bonds through the Exchange Members is blocked in advance as prescribed in these Terms and Conditions and settled by the Exchange Members in accordance with these Terms and Conditions and Auction Rules (i.e., DvP method). The investors who have not been allotted any Bonds or whose

Subscription Orders have been reduced will receive reimbursements from the Exchange Members (i.e., block on the funds will be removed). The Issuer shall not be responsible for any relationships between the investor and Exchange Member in connection with any operations happening on the cash account connected to the investor's Securities Account.

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

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

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

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

When an Auction is organized, Nasdaq will record buying orders entered in Nasdaq trading system by the Exchange Members during the Subscription Period and will provide the records journal to the Dealer in accordance with the Auction Agreement. The Dealer shall verify the Nasdaq records journal and, if necessary, clarify with the Exchange Members regarding the Subscription Orders and investor-related details. If needed, the Dealer may also request information and/or documents to evidence compliance with the requirements set out in this Document. For the Issuer to make a decision on the Bonds allotment, after the Subscription Period but not later than until the Issue Date, the Dealer shall provide to the Issuer all gathered data on received Subscription Orders (i.e., by Nasdaq), comment if all Subscription Orders are recognized as valid pursuant to point (b) *Subscription Orders. Invalidity of the Subscription Orders* above, and in case of oversubscription, in accordance with its allocation policy recommend to the Issuer to allocate the Bonds to the investors that provided the Subscription Orders during the Auction (the applicable allocation rule for a Tranche shall be specified in the respective Final Terms and in the Auction Rules).

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

The Issuer shall accept all Subscription Orders of the investors that are considered valid pursuant to point (b) *Subscription Orders. Invalidity of the Subscription Orders* above and each investor shall be allocated with the amount of Bonds requested in the respective Subscription Order. In case the Maximum Aggregate Nominal Value of the Tranche is exceeded (including where (i) the Issuer exercised its right under the respective Final Terms to increase the Maximum Aggregate Nominal Value of the respective Tranche and/or (ii) the Maximum Aggregate Nominal Value of the Issue is

reached) (i.e., oversubscription)), the Issuer following the recommendation of the Dealer shall allocate the Bonds the investors that provided valid Subscription Orders and paid the Issue Price.

When the Maximum Aggregate Nominal Value of the Tranche is reached (including where (i) the Issuer exercised its right under the respective Final Terms to increase the Maximum Aggregate Nominal Value of the respective Tranche and/or (ii) the Maximum Aggregate Nominal Value of the Issue is reached), no more Bonds shall be allotted to the investors.

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

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

If the primary distribution of the respective Tranche is suspended (postponed), the Issuer shall notify the investors on suspension (postponement) of the primary distribution indicating whether the Subscription Orders made, and payments made will be deemed to remain valid after publishment of updated Final Terms on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and also on Nasdaq's website at www.nasdaqbaltic.com. In such case, the investors will be allowed to withdraw the Subscription Orders made by submitting a relevant statement to that effect within 3 Business Days after the updated Final Terms of the Tranche have been published. For the avoidance of doubt, if the investor does not provide a withdrawal statement, the Issuer will continue primary distribution of the respective Tranche on changed terms in accordance with published updated Final Terms of the respective Tranche and relying on previously submitted Subscription Order.

Any decision on cancellation, suspension and changes of dates of the primary distribution or other material information will be published on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and also on Nasdaq's website at www.nasdaqbaltic.com. Investors may also be notified by the Issuer or the entity that accepted the Subscription Order (if applicable according to its internal procedures) about cancellations, suspensions, changes in primary distribution dates, or other information via e-mail.

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

(i) if the primary distribution is cancelled – within 3 Business Days after the Issuer announces about the Primary Distribution's cancellation;

(ii) if the primary distribution is suspended (postponed) – within 3 Business Days after the date on which the investor has made a statement cancelling placed Subscription Order or 3 Business Days after the date that the Issuer announces that the placed Subscription Orders are not valid.

(i) **Admission to trading.**

As of the date of this Document, the Bonds in the aggregate principal amount of EUR 17,314,000 are admitted to trading on the First North.

The Issuer shall submit an application for the admission of each Tranche of Bonds issued under this Document to trading on the First North.

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

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

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

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

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

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

6.10. Redemption

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

(a) **Redemption Price:** The Redemption Price paid to the investor on the Final Maturity Date or, if applicable, on the Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, equals the full outstanding principal (i.e. Nominal Value) together with the unpaid interest accrued up to the Final Maturity Date or the Early Maturity Date, Early Redemption Date or De-listing Event or Listing Failure Put Date, and early redemption premium, if applicable pursuant to these Terms and Conditions.

(b) **Early optional redemption of Bonds by the Issuer:** The Bonds shall be redeemable wholly or partially at the option of the Issuer prior to the Final Maturity Date on the following conditions:

(i) early redemption may occur at the sole discretion of the Issuer on the Early Redemption Date, which will be designated in a written notice sent to the Bondholders and the Trustee at least 20 calendar days in advance;

(ii) the Issuer's written notice on early redemption (i) will be published on Nasdaq's website at www.nasdaqbaltic.com and (ii) may be sent to investors via email, but only to those Bondholders whose email addresses are known to the Issuer and/or Dealer or Distributor (if applicable according to their internal procedures);

(iii) the Issuer reserves the right to cancel the early redemption of the Bonds or increase the redeemable amount at any time prior to the anticipated Early Redemption Date (including) by notifying the Trustee and Bondholders until the Early Redemption Date (including) in a manner prescribed in point above;

(iv) in case of a partial redemption of the Bonds, the Bonds shall be redeemed from the Bondholders proportionally, if necessary, by rounding up the redeemable number of Bonds from an individual Bondholder to the nearest whole number. In the respective case, the Redemption Price shall be equal to the Nominal Value of the redeemable Bonds and interest accrued on the redeemable Bonds;

(v) if the Early Redemption Date occurs after 29 May 2026, but within 12 months thereafter (by 29 May 2027, inclusive), on the Early Redemption Date, the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding) and a premium of 0.5 % (to be

calculated from the Nominal Value of the Bonds);

(vi) no premium shall be paid if the Early Redemption Date is after 29 May 2027, and on the Early Redemption Date the Issuer shall pay to the Bondholders full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant Early Redemption Date (excluding).

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

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

(c) **No early redemption of Bonds under the request of the Bondholders:** Except for cases specified in points (d) *De-listing Event of Listing Failure (put option)* and (e) *Extraordinary Early Redemption* below, there are no other cases where the Bondholders have a right to demand redemption of the Bonds prior the Final Maturity Date.

(d) **De-listing Event or Listing Failure (put option)**: If at any time while any Bond remains outstanding, there occurs (i) a De-listing Event or (ii) a Listing Failure, each Bondholder will have the option (unless, prior to the giving of the De-listing Event or Listing Failure event notice, the Issuer makes use of its right to optional early redemption of the Bonds under Section (b) *Early optional redemption of Bonds by the Issuer* above) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of, all or part of its Bonds, on the De-listing Event or Listing Failure Put Date paying to the Bondholder full Nominal Value of the redeemable Bonds together with the unpaid interest accrued up to the relevant De-listing Event or Listing Failure Put Date (exclusive).

Promptly upon the Issuer becoming aware that a De-listing Event or Listing Failure has occurred, the Issuer shall give notice to the Bondholders specifying the nature of the Delisting Event or Listing Failure and the circumstances giving rise to it and the procedure for exercising the De-listing Event or Listing Failure put option, indicating as well the De-listing Event or Listing Failure Put Date, which cannot occur earlier than 30 calendar days starting from the date of the Issuer's notice and no later than the 5th Business Day following the expiration of 30 calendar days after the De-listing or Failure Notice is given. The Issuer's notice on the De-listing Event or Listing Failure (i) if possible, will be published on Nasdaq's website at www.nasdaqbaltic.com or, if not, on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and (ii) may be sent to investors via email, but only to those Bondholders whose email addresses are known to the Issuer and/or Dealer or Distributor (if applicable according their internal procedures).

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

(e) **Extraordinary Early Redemption:** The Bondholders' Meeting shall have the right but not the obligation to demand redemption of the Bonds held by the investors upon occurrence of any of the following events (the **Extraordinary Early Redemption Event**):

(i) **Non-Payment**. The Issuer fails to make any payments under these Terms and Conditions and the Issue within 10 Business Days from the relevant due payment date, except for cases when the failure to pay is caused by a reason of *Force Majeure*.

(ii) **Breach of covenants**. The Issuer breaches any of the covenants set forth in Section 6.11 *Covenants of the Issuer* below and the Issuer has not remedied the breach in 20 Business Days as of receipt of the breach notice or has not remedied the breach within other term

granted by the Trustee and/or approved by a decision of the Bondholders' Meeting adopted by majority of Bondholders participating in the Bondholders' Meeting and having voting rights (other than the Related Parties).

(iii) **Insolvency**. An application to initiate insolvency, restructuring or administration of the Issuer, or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by any third party.

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

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

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

Upon the occurrence of any of the circumstances specified above and (i) if the Issuer has not sent the Rejection to the Trustee and the Bondholders' Meeting in accordance with the procedure established by the law, adopts a decision (which shall be adopted by a simple majority of votes of the Bondholders, participating in the Bondholders' Meeting and having a voting right) to demand extraordinary early redemption of the Bonds or (ii) the Bondholders' Meeting does not approve the Rejection and due to this the Bondholders' Meeting, in accordance with the procedure established by the law, adopts a decision (which shall be adopted by a qualified majority of no less than ¾ of Bondholders, participating in the Bondholders' Meeting and having a voting right) to demand extraordinary early redemption of the Bonds, the Issuer within 20 Business Days upon receiving the respective Bondholders' Meeting decision from the Trustee shall redeem all outstanding Bonds from all Bondholders holding Bonds on the Record Date by paying the Redemption Price. The Redemption Price payable to the Bondholders on the relevant Early Maturity Date shall be determined by the Issuer following the rules set forth in point (a) *Redemption Price* above. The 20th Business Day calculated from the day the Issuer received the abovementioned Bondholders' Meeting decision to demand extraordinary early redemption of the Bonds from the Trustee shall be the Early Maturity Date.

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

6.11. Covenants of the Issuer

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

(a) **LTC ratio**. The Issuer undertakes to ensure that until full redemption of the Bonds the Issuer's LTC ratio does not exceed 75 % (as of 30 June 2026, the LTC ratio was 60.36%). The LTC shall be calculated based on the following formula:

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

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

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

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

(i) independent "Hermanas" Project valuation dated 9 January 2026 by UAB Newsec valuations in the amount of EUR 25,170,000;

(ii) all sums paid from 1 January 2025 (inclusively) under the design, construction and other contracts with respect to the development of the "Hermanas" Project;

(iii) the aggregate of the invoices issued to the Issuer from 1 January 2025 (inclusively) for other costs such as legal, accounting, notarial, project management, and other professional fees, costs and expenses (including the costs of registries and any related taxes) incurred by the Issuer in connection with the Project; operating costs, including but not limited to administrative, management and employee costs and similar book-keeping entries and other costs with respect to the "Hermanas" Project starting from 1 January 2025 (inclusively);

(iv) the premium paid in respect of the insurances (other than insurances to be effected and paid for by any construction contractor) starting from 1 January 2025 (inclusively);

(v) debt financing costs which become due and payable with respect to the Project.

Costs of the Project shall not include VAT.

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

(i) issue of the Bonds in the Maximum Aggregate Nominal Value of the Issue, EUR 23,500,000;

(ii) Financial Indebtedness not exceeding EUR 50,000 in aggregate during the year;

(iii) non-interest bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer; or

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

(v) financing provided to the Issuer by a third party/financier to fund redemption of the Bonds issued under these Terms and Conditions and Final Terms (i.e., refinancing of the Bonds).

(c) **Subordination**. The Issuer undertakes to ensure that any debt owed to the Shareholders and/or other Related Parties will be duly subordinated in favour of the Bondholders until full redemption of the Bonds, except for the debt owned under service or other contracts related to development and fit-out of the Project, if any. Subordination means that no debt shall be repaid by the Issuer to the Shareholders and/or other Related Parties until all outstanding payment obligations to the Bondholders under these Terms and Conditions are satisfied. The Issuer shall promptly provide the respective subordination documents to the Trustee upon request.

(d) **Restriction on Payouts.** The Issuer undertakes to ensure that until full redemption of the Bonds, no dividends or other distributions shall be paid to its Shareholders. This restriction applies unless the Issuer's financial position allows for such payments without adversely affecting its ability to meet its obligations under the Bonds. The Issuer shall notify the Trustee in advance of any anticipated payments restricted by this covenant and shall be responsible for evidencing to the Trustee that the Issuer's financial position allows for such payments. As the pledge creditor under the Pledge over Shares, the Trustee shall be entitled to object to such payments without undue delay, and any reasoned objection by the Trustee shall be binding on the Issuer.

(e) **Mortgage over Property.** The Issuer undertakes to ensure that the Mortgage over Property (i.e., the Land Plot and Building) remains registered with the Real Estate Register of the Republic of Lithuania (the **Real Estate Register**) until the Bonds are redeemed in full. For the sake of clarity, the Bondholders give their consent to the Issuer in advance for the following actions related to the Property and neither Bondholders, nor the Trustee's consent shall be required at any time:

(i) to carry out and authorize third parties to carry out land and/or construction work on the Land Plot, to construct new buildings and to register them/the changes in the level of completion in the name of the Issuer;

(ii) to carry out and authorize third parties to carry out construction works on the mortgaged Building;

(iii) to register with state authorities and/or public registers any applications/requests to complete the "Hermanas" Project and Issuer's ownership to the Property;

(iv) if it is necessary for the completion and development of the real estate, to change the purpose of the real estate mortgaged (or a part of it), to adjust the technical design or technical detail design, to implement the new procedure for design proposals, to apply for a new or update the current construction permit, to make cadastral measurements and to implement the procedure of the division of the mortgaged real estate (or part of it) in parts and/or separate premises, including but not limited to the submission of the applications/requests to any state or private entity;

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

(f) **Pledge over Shares.** The Issuer undertakes to ensure that the Collateral Agreement concerning the Pledge over Shares remains registered with the Register of Contracts and Liens of the Republic of Lithuania (the **Register of Contracts and Liens**) until the Bonds are redeemed in full.

(g) **Disposal of Property.** Until full redemption of the Bonds the Issuer shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose and or/transfer the ownership of the Property (i.e., the Land Plot and Building) to any third person nor conclude any agreements for such transfer of ownership, except that:

(i) the Issuer has the right to conclude constructions' or other relevant services' agreements under the applicable laws with third persons, provided that such agreements are concluded on terms and conditions that enable the Issuer to complete the "Hermanas" Project and fulfil its obligations under these Terms and Conditions and Final Terms;

(ii) upon completion of the Project, the Issuer shall have a right to sell the Property to third party and sale proceeds shall be used to finance the redemption of the Bonds issued under these Terms and Conditions and Final Terms;

(iii) before or upon completion of the Project, the Issuer has a right to lease all or any part of the Building to third parties under the conditions corresponding to the market standard.

For the avoidance of doubt, this clause does not restrict the Issuer from starting or participating in negotiations on the transfer of ownership of the Property (or part of it) before the Final Maturity

Date, but the transfer of ownership of the Property (or part of it) in any case shall not occur before the Final Maturity Date, or Early Redemption Date as regulated under these Terms and Conditions.

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

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

(j) **Reporting obligations.**

(i) The Issuer shall publish the following on Nasdaq's website at www.nasdaqbaltic.com:

(a) its annual audited financial statements – within 4 months after the end of the reporting year;

(b) its unaudited semi-annual interim financial statements – within 3 months after the end of reporting period of 6 months;

(c) semi-annual report on performance of the LTC ratio together with the report on total amount of Costs of the Project incurred till date of the respective report, and reconciliation of such costs against the construction budget – alongside with the unaudited semi-annual interim financial statements under point (b) above.

(ii) In case the investors through the Trustee request additional documents evidencing Costs of the Project, the Issuer within 30 calendar days as of receipt of such request of the Trustee, shall provide invoices received and accounted within the last reporting period.

(iii) In case the Trustee from other reliable sources receives information that the Issuer's financial situation has deteriorated materially when compared to the latest available financial statements of the Issuer and/or the LTC covenant may be breached, the Trustee by sending a grounded written request to the Issuer may request the copies of the documents listed in point (j)(i)(c) above before the end of the reporting period indicated therein and the Issuer has an obligation to provide the Trustee with written explanation of the situation as well as requested documents within 30 calendar days from the receipt of the respective Trustee's request.

(iv) The Issuer will not publish documents under point (j)(ii) on Nasdaq's website at www.nasdaqbaltic.com and these documents shall be available only through the Trustee.

(k) **Bank Account.** If any Tranche is subject to a subscription (either as a sole or an additional subscription channel) through the Issuer or Dealer/Distributor, if applicable, and the Issue Price payable for the Bonds is transferred to the Issuer's bank account specified in the Subscription Order, the Issuer undertakes not to dispose of the proceeds of the Offering credited to such bank account without first obtaining the written consent of the Trustee. This consent will be provided by the Trustee to the Issuer on the same day once the Issuer provides evidence to the Trustee that the Bonds are duly registered with Nasdaq CSD on the respective Issue Date, and, if applicable, only after the Issuer repays investors who have not been allotted any Bonds or whose Subscription Orders have been reduced, in accordance with the Terms and Conditions. Additionally, if any funds are received in the Issuer's bank account as payment for the Bonds subscribed to before the Issuer announces the cancellation, suspension, or postponement of any Tranche, the Issuer not later than on the day of announcement shall inform the Trustee of each payment received before such announcement and provide evidence on the proper repayment of the funds in accordance with the Terms and Conditions.

The Issuer may deviate from the covenants set forth in this Section upon the consent provided in the decision of the Bondholders' Meeting which shall be adopted by a qualified majority of no less than ¾ of Bondholders, participating in the Bondholders' Meeting and having voting rights. Upon receiving the consent of the Bondholders in respect of particular covenant it shall be deemed that Bondholders waive their rights in respect of the Extraordinary Early Redemption Event.

6.12. Protection of the Bondholders' interest

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

The Bondholders shall have the following main rights:

(i) to receive the interest accrued on each Interest Payment Date;

(ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Redemption Date or on the Early Maturity Date or De-listing Event or Listing Failure Put Date, and if appliable under these Terms and Conditions, an early redemption premium;

(iii) to sell or transfer otherwise all or part of the Bonds only strictly following the Document and applicable laws;

(iv) to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);

(v) to pledge all or part of the Bonds owned;

(vi) to participate in the Bondholders' Meetings;

(vii) to vote in the Bondholders' Meetings;

(viii) to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;

(ix) to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;

(x) to obtain (request) the information about the Issuer, the Issue or other information related to the protection of his/her/its interests from the Trustee;

(xi) to receive a copy of the Trustee Agreement and of each Collateral Agreement;

(xii) other rights, established in the applicable laws, the Trustee Agreement or in the Articles of Association of the Issuer.

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

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

6.13. Bondholders' Meetings

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

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

A notice of convocation of the Bondholders' Meeting no later than 15 Business Days before the date of the Bondholders' Meeting shall be published on the website of the Trustee, and if specifically required

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

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

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

A Bondholders' Meeting may take decisions and shall be held valid if attended by the Bondholders who hold more than ½ of Bonds of the Issue (excluding the Bonds held by or for the account of the Related Parties), providing voting right in the Bondholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Bondholders' Meeting. If the quorum is not present, the Bondholders' Meeting shall be considered invalid and a repeated Bondholders' Meeting shall be convened, for which no quorum requirement shall apply.

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

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

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

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

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

- to remove the Trustee from its position and appoint a new trustee, which meets the requirements of the applicable laws and to also oblige the Issuer to terminate the contract with the existing Trustee and to conclude the contract with the new appointed trustee;
- to indicate to the Trustee that the violation committed by the Issuer is minor, thus, there is no necessity to take action regarding protection of rights of Bondholders;
- to approve the enforcement measures in respect of the Issuer's failed commitments to Bondholders, suggested by the Issuer. This decision shall be adopted by a qualified majority of no less than ¾ of Bondholders, participating in the Bondholders' Meeting and having a voting right;
- to determine, which information the Trustee will have to provide to the Bondholders' Meetings periodically or at the request of the Bondholders and to establish the procedure of provision such information;
- to adopt other decisions which according to the provisions of Law on Protection of Interests of Bondholders are assigned to the competence of the Bondholders' Meeting.

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

Disputes regarding the decisions, adopted in the Bondholders' Meetings shall be settled in the Vilnius Court of Commercial Arbitration in accordance with its Rules of Arbitration. The number of arbitrators shall be three. The place of arbitration shall be Vilnius. The language of arbitration shall be English. The

claim may be brought to the Vilnius Court of Commercial Arbitration by the Trustee, the Issuer or any Bondholder, if there are suspicions, that the content of the decision and/or its form, and/or its adoption procedure contradict to the laws regulating these issues or infringes the legitimate interests of the Bondholders. The term of 20 Business Days is established for provision of such claims as from the date on which the claimant found out or had to find out the respective decision.

6.14. Notices

Bondholders shall be advised on matters relating to the Bonds by a notice published in English and/or Lithuanian on the Issuer's website at www.nemunaiciai.lt/en/investors-2/ and/or on Nasdaq's website at www.nasdaqbaltic.com. Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified in this Section.

6.15. Trustee

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

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

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

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

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

E-mail: info@audifina.lt
Representative: Jolanta Ruzgienė
Website: /www.audifina.lt/.
Each Bondholder is entitled to receive a copy of the Trustee Agreement concluded between the Issuer and the Trustee, applying via an e-mail of the Trustee indicated above.

(c) **Trustee Agreement expires:**

(i) once the Issuer fulfils all its obligations to the Bondholders;

(ii) upon redemption of the Bonds by the Issuer on the Final Maturity Date or earlier, as provided and to the extent permitted by these Terms and Conditions;

(iii) if the Trustee ceases to meet the requirements established for a Trustee in the Law on Protection of Interests of Bondholders, including but not limited to when the Trustee acquires a status of "bankrupt" or "in liquidation";

(iv) if other conditions established in the Law on Protection of Interests of Bondholders, the Civil Code, the Law on Insolvency of Legal Entities of the Republic of Lithuania and the Trustee Agreement exist.

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

(i) to receive a list of Bondholders from the Issuer;

(ii) to receive copies of the Corporate Decisions;

(iii) to get acquainted with the documents and information which are necessary to fulfil its functions and to receive the copies of such documents;

(iv) after having obtained the consent of the Bondholders' Meeting, to conclude contracts with third parties when it is necessary to ensure the protection of the interests of the Bondholders;

(v) to bring an action to the Vilnius Court of Arbitration for the purpose of safeguarding the rights of the Bondholders.

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

(i) to take actions in order that the Issuer fulfilled its obligations towards the Bondholders;

(ii) to convene the Bondholders' Meetings;

(iii) to publish information regarding the Bondholders' Meetings being convened under procedure of the Law on Protection of Interests of Bondholders;

(iv) to provide the Bondholders' Meetings with all relevant documents and information;

(v) to provide the Bondholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Bondholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;

(vi) to execute the decisions of the Bondholders' Meetings;

(vii) no later than within 5 Business Days as from the day of receipt of a request of the Bondholder to provide information, to gratuitously present all the information about the Issuer, the Issue or other information related to the protection of his/her/its/their interests;

(viii) no later than within 3 Business Days from the receipt date of the Bondholder's request to provide a copy of the Trustee Agreement and each Collateral Agreement free of charge;

(ix) to provide the Bondholders with all other information related to the protection of their interests;

(x) no later than on the next Business Day to inform the Issuer that the Trustee has lost the right to provide audit services (in this particular case) or acquired legal status "in bankruptcy" or "in liquidation".

6.16. Collateral

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

(i) The whole Issue up to EUR 23,500,000 is secured by the first ranking maximum Mortgage over Property (i.e., the Land Plot and Building) and by the first ranking maximum Pledge over Shares.

(ii) The Collateral Agreement concerning the Mortgage over Property was concluded and certified by a Lithuanian notary on 28 May 2025, notarial register No. JŠ-5778, mortgage identification code 30000150995404, and the Collateral Agreement concerning the Pledge over Shares was concluded and certified by a Lithuanian notary on 28 May 2025, notarial register No. JŠ-5780, pledge identification code 30000150995405. Both Collateral Agreements are registered with the Real Estate Register and the Register of Contracts and Liens, respectively.

(iii) Pursuant to the real estate valuation report by UAB Newsec valuations (legal entity code 126212869, registered address at Konstitucijos ave. 21C, Vilnius, the Republic of Lithuania, certificate No. 000170) dated 9 January 2026 (the **Report**), by 31 December 2025 the market value of the entire Property (i.e., 8,271 m² Land Plot at Nemunaičių st. 1, unique No. 4400-5823-6609 and the Building located on the Land Plot with unique No. 4400-6394-5384) subject to the Mortgage over Property was EUR 25,170,000. Each investor shall have the right to request the Issuer to provide the Report for review via e-mail info@sbaurban.lt.

(iv) It is anticipated that the Property's valuations will be carried out at least once a year. The Issuer will provide each valuation report to the Trustee (that shall provide to the Bondholders upon their request) upon the respective report is prepared and the Issuer received all necessary consents to disclose it, if any is required.

(v) In respect of the Shares pledged in favour of the Bondholders, no external valuation of the Shares was conducted prior to the creation of the Pledge over Shares, and no such valuation is anticipated to be conducted after its creation. The value of the Shares will primarily depend on the financial standing and performance of the Issuer, including factors such as profitability, assets, liabilities, market conditions and other material financial indicators that may affect the Issuer's valuation. The net company value (or business value attributable to the owners), which is used to determine the value of the Shares, may be calculated by subtracting the company's debts and obligations from its asset/business value as at the valuation date. The total value of the Shares will be based on the net company value, and the value of a single Share will be determined by dividing the net company value by the total number of Shares. Accordingly, the value of the Shares will not be fixed and may fluctuate depending on the Issuer's financial condition, business outlook and market perception.

(vi) Notwithstanding the above, the investors shall acknowledge that the value of the Collateral may vary and in case of the enforcement against the Collateral, subject to the extent and priority noted under Section (b) below, the claims of the Trustee and Bondholders shall be fulfilled from all value of the Collateral existing at the moment of the Collateral realization that is determined and carried out in accordance with the Code of Civil Procedure of the Republic of Lithuania.

(vii) The Trustee shall take all actions that the Trustee as the holder of the Collateral may reasonably take with the purpose to enforce mortgage/pledge over the respective Collateral according to the procedure provided for in the relevant Collateral Agreement and applicable laws in case:

(a) the Secured Obligations are not performed in accordance with its respective terms; and/or

(b) Bondholders' Meeting has adopted a decision to enforce mortgage/pledge over the respective Collateral.

(viii) The Bondholders' Meeting has the right but not an obligation to instruct the Trustee to take specific actions to enforce mortgage/pledge over the respective Collateral according to the procedure provided for in the relevant Collateral Agreement. The Bondholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Investors can exercise their rights in relation to the respective Collateral only through the Trustee pursuant to the Trustee Agreement.

(ix) The Trustee shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Bondholders as to whether, and in what manner, the Trustee should exercise or refrain from exercising any rights, powers and discretions with regard to the enforcement of the respective Collateral. Upon such request, the Bondholders shall give their instructions or clarifications to the Trustee within the time period specified in the Trustee's request for instructions or clarifications. The Trustee may refrain from acting unless and until the Bondholders' Meeting has provided the Trustee with requested instructions or clarifications.

(x) The Trustee is obligated to comply with these instructions submitted under this Section unless such instructions, in reasonable opinion of the Trustee, may be contrary to the Prospectus and/or this Document, relevant Collateral Agreement, Trustee Agreement, or applicable laws. Any such instruction from the Bondholders' Meeting will be binding on all Bondholders. The Trustee shall not be liable in front of the Bondholders for acting (or refraining from acting) as described in this Section.

(b) **Application of the proceeds from enforcement of the Collateral**

(i) The proceeds from the enforcement of the respective Collateral shall be applied in the following order of priority:

(a) as a first priority – to the satisfaction and payment of all costs and expenses (including, without limitation, state duties, notary fees and valuation costs and fees) related to or arising from enforcement of the Collateral by the Trustee within the limits set forth in the Trustee Agreement;

(b) as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (a) above) – payment of the claims of the Bondholders (other than the Related Parties) arising from the Bonds;

(c) as a third priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (b) above) – payment of the claims of the Bondholders which are the Related Parties.

(ii) The Trustee shall withhold the proceeds necessary for satisfying the costs, expenses specified in point (b)(i)(a) above and transfer the remaining proceeds to the Bondholders for satisfying their claims under points (b)(i)(b) and (b)(i)(c) above as further specified respectively below. The Trustee shall return the proceeds from the enforcement of the respective Collateral remaining after satisfying all claims under the order of priority established above to the Direct Shareholders or Issuer, as applicable.

(iii) In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under point (b)(i)(a) above do not cover the claims under point (b)(i)(b) above in full, the claims arising from the Bonds shall be satisfied *pro rata*.

(iv) In case the proceeds remaining after satisfying the claims of the Bondholders which are other than the Related Parties under point (b)(i)(b) above do not cover the claims under point (b)(i)(c) above in full, the claims arising from the Bonds subscribed by the Related Parties shall be satisfied *pro rata*.

(v) The Trustee is not obliged to pay to the Bondholders or any other person any interest on the proceeds from the enforcement of the respective Collateral (whether deposited or not).

(vi) In case the Trustee is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Trustee hereunder, the amount to be paid by the Trustee shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Trustee.

6.17. Other matters

(a) **Purchases:** The Issuer and/or any Related Party may at any time purchase the Bonds in any manner and at any price on the secondary market. Bonds held by or for the account of the Issuer and/or Related Parties will not carry the right to vote at the Bondholders' Meetings and will not be taken into account in determining how many Bonds are outstanding for the purposes of the Issue.

(b) **Force Majeure:** The Issuer, the Arranger/Dealer, Distributor, if any, Nasdaq CSD, and/or any other party involved in the Offering (the **Affected Party**) shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

(i) action of any authorities, war or threat of war, rebellion or civil unrest;

(ii) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of Affected Party, and that materially affect operations of any of the Affected Party;

(iii) any interruption of or delay in any functions or measures of the Affected Party as a result of fire or other similar disaster;

(iv) any industrial action, such as strike, lockout, boycott or blockade affecting materially the

activities of Affected Party even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or

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

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

(c) **Governing law**: These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of the Republic of Lithuania.

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

VI. TAXATION

Introductory remarks. The purpose of this Section is to give an overview of the tax regime applicable to the Bondholders and the Issuer. The below summary is in no way exhaustive and is not meant to constitute professional advice to any person. Tax legislation of the Bondholder's member state and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. In order to establish particular tax consequences of the Offering or the ownership of the Bonds, each Bondholder is advised and strongly encouraged to seek specialist assistance. The tax consequences listed below are described in accordance with respective Lithuanian, Latvian and Estonian laws and provisions of tax treaties that are applicable on the date of this Document, subject to any change in law that may take effect after such date. Transfers of the Bonds will not be subject to any registration or stamp duties in Lithuania, Latvia, Estonia. Therefore, the information contained in this Section will only cover withholding and income tax issues as applicable to resident and non-resident entities as well as individuals under respective Lithuanian, Latvia and Estonian tax legislation.

Terms and definitions used for the purposes of this Section

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

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

A "**non-resident individual**" means a natural person who is not deemed to be a resident of Lithuania / Latvia / Estonia under the above-mentioned national provisions. Income of a non-resident individuals sourced in Lithuania / Latvia / Estonia is subject to the respective country's income tax.

A "**resident entity**" means a legal person (except for limited partnership fund) registered in accordance with the legal acts of respectively Lithuania / Latvia / Estonia. In case of Lithuania, a collective investment undertaking established in Lithuania without a status of a legal person is also considered as resident entity. All income of a resident entity earned in Lithuania / Latvia / Estonia and foreign states is subject to respectively Lithuanian / Latvian / Estonian corporate income tax (the **CIT**) rules.

A "**non-resident entity**" means a legal person which is not established in Lithuania / Latvia / Estonia. In case of Estonia, provisions concerning non-residents also apply to a foreign association of persons or pool of assets (excluding contractual investment fund) without the status of a legal person, which pursuant to the law of the state of the incorporation or establishment thereof is regarded as a legal person for income tax purposes. Income of non-resident entities sourced in Lithuania / Latvia / Estonia is subject to the Lithuanian / Latvian / Estonian CIT. A non-resident entity shall be considered to be operating through a permanent establishment (the **PE**) in the territory of Lithuania / Latvia / Estonia, where: it permanently carries out 86 activities in the respective country, or carries out its activities in the respective country through a dependent representative (agent), or uses a building site, a construction, assembly or installation object in the respective country, or makes use of installations or structures in the respective country for extraction of natural resources, including wells or vessels used for that purpose. Taxation of non-resident entities acting through a PE in the respective country is the same as that of resident entities, if such a non-resident entity earns interest income through its PE in the respective country, thus, it is not separately described.

For the purposes of **capital gains taxation**, gains derived from the sale of securities (including the Bonds) is the difference between the acquisition cost and the sales price of such securities. Gains

derived from the exchange of securities are the difference between the acquisition cost of securities subject to exchange and the market price of the property received as the result of the exchange. The expenses directly related to the sale or exchange of securities may be deducted from the gains but are generally rather limited.

7.1. Lithuanian tax considerations

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

Capital gains from sale or exchange of the Bonds

Gains received upon disposal of the Bonds by a **Lithuanian resident individual** are taxable on a cashbasis at progressive PIT rates, as follows:

- 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,
- 25% – applicable to the amount of annual income exceeding 36 but not exceeding 60 Lithuanian gross average salaries, used to calculate the base of state social insurance contributions for insured persons, and
- 32% – applicable to the amount of annual income exceeding the sum of 60 Lithuanian gross average salaries, used to calculate the base of state social insurance contributions for insured persons.

Notwithstanding the above progressive rates, the total amount of non-employment income (including income from the disposal of the Bonds) 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 the Bonds (including other securities) during a calendar year are tax exempt. However, such tax relief is not applicable if the capital gains are received from entities established or individuals permanently residing in a tax haven included in the List of Target Territories approved by the Minister of Finance of Lithuania.

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

Capital gains on disposal of Bonds earned by a **Lithuanian resident entity** are included in its taxable profit and are subject to 17% CIT rate or in certain cases a reduced tax rate may apply. Capital gains received from / by collective investment undertaking shall not be taxed with the Lithuanian CIT. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million.

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

Taxation of interest

Lithuanian resident individuals are subject to paying the progressive PIT (15%/20%/25%/32%, as in case of taxation of capital gains) on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Lithuanian resident individuals from the Bonds is subject to the PIT in Lithuania. Tax is paid by a resident individual himself/herself, however the total amount of interest received by resident individuals during a calendar year not exceeding EUR 500 will be tax exempt. Additionally, natural persons who are Lithuanian tax residents shall consider that if the Issue Price of the Bond of certain Tranche would be higher than the

Nominal Value of the Bond, the Nominal Value received after the Bond is redeemed by the Issuer should not be treated as income of the natural person. However, for personal income tax purposes, the difference between the Issue Price and the Nominal Value, i.e., loss, will not reduce the interest received or any other taxable income of the natural person.

When interest is earned by a **Lithuanian non-resident individual**, the Company withholds 15% PIT and if it turns out at the end of the year that a part of the amount was actually subject to the 20%/25%/32% rate, the individual has to pay the difference himself/herself. Separate Double Tax Treaty (DTT) concluded and brought into effect with Lithuania may establish a lower tax rate for non-resident individuals.

The Bond interest received by a **Lithuanian resident entity** is included in its taxable profit and is subject to 17% CIT rate or in certain cases a reduced tax rate may apply.

Bond interest received from / by collective investment undertaking shall not be taxed with Lithuanian CIT. Banks and credit unions, including branches of foreign banks in Lithuania shall pay additional 5% CIT on profits, subject to special calculation rules, exceeding EUR 2 million.

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

In case the Issuer cannot identify the Bondholder in order to determine its eligibility for a lower tax rate or exemption from the withholding tax, payments of Bond interest to any such Bondholder will be subject to the standard 17% CIT rate to be withheld in Lithuania.

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

Investment account

Effective January 1, 2025, Lithuania has implemented an investment account regime applicable only to individuals – Lithuanian tax residents. Under this regime, investment income (incl. interest from bonds and capital gains from bond sales) within the investment account (when bonds qualify for investment account) are taxed only upon withdrawal of funds . Bondholders (Lithuanian tax residents) must notify the State Tax Inspectorate of their investment account by the end of the reporting period. If the bondholder opts for this investment account regime, the standard tax regime described above in respect of taxation of interest and capital gain will not apply. Income from investments through the investment account is taxed only when withdrawals exceed the deposited funds (no tax reliefs apply). Income received through the investment account will be subject to a flat PIT rate of 15%.

7.2. Latvian tax considerations

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

Capital gains from sale or exchange of the Bonds

Capital gains on alienation of the Bonds received by Latvian resident individuals will be subject to the Latvian PIT at a rate of 25.5% and an additional PIT of 3% will apply to annual income (including income from Bonds) above EUR 200,000. The expenses of acquisition and holding of the Bonds are also included in the acquisition value of the Bonds. The respective resident individuals are liable for paying the applicable Latvian PIT. Income tax paid from the capital gains in a foreign state may be deducted from the PIT payable in Latvia only if the taxpayer submits a certificate issued by the foreign tax

administrator or withholding agent certifying the payment of income tax or another tax equivalent to income tax. The capital gains on exchange of the Bonds received by Latvian resident individuals will be subject to Latvian PIT only on the day when Latvian resident individuals receive the money (if Bonds are exchanged for other type of financial instrument, then taxation is postponed till the received financial instrument is sold).

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

Taxation of interest

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

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

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

Investment account

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

7.3. Estonian tax considerations

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

Capital gains from sale or exchange of the Bonds

Gains realised by an Estonian resident individual are taxable on a cash-basis. Upon the sale or exchange of securities (including the Bonds) gains are subject to income tax at the rate of 22%. Since all earnings of resident legal persons, including capital gains, are taxed only upon distribution of profits, capital gains realised by resident legal persons are not subject to immediate taxation. As a rule, capital

gains received by non-residents from the sale or exchange of securities are not taxed in Estonia (except for certain securities related to Estonian real estate). The non-resident bondholders receiving capital gains from the sale or exchange of the Bonds may be subject to declaring and paying income tax in their respective countries of residence. For the purposes of capital gains taxation, the gain derived from the sale of securities (including the Bonds) is the difference between the acquisition cost and the sales price of such securities. The gain derived from the exchange of securities is the difference between the acquisition cost of securities subject to exchange and the market price of the property received as the result of the exchange. The expenses directly related to the sale or exchange of shares may be deducted from the gains but are generally rather limited.

Taxation of interest

Estonian resident individuals are subject to paying income tax (22%) on the interest received from loans, securities (including the Bonds) and other debt obligations. Therefore, interest (coupon payments) received by Estonian resident individuals from the Bonds is subject to income tax in Estonia. Income tax is withheld by the payor unless the resident individual notifies the Company that Bonds were acquired from funds held in the investment account or the PIA (as defined below). Since all earnings of resident legal persons are taxed only upon distribution (as described below), interest received by Estonian resident legal persons is not subject to immediate taxation. As a rule, interest payments received by non-residents are exempt in Estonia (i.e. no withholdings are made). Note, however, that non-resident bondholders receiving interest from the Bonds may be subject to declaring and paying income tax in their respective countries of residence.

Investment account

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

Pension Investment Account

Estonian resident individuals who have decided to grow their Estonian mandatory funded pension (II Pillar) via pension investment account (the **PIA**, in Estonian: pensioni *investeerimiskonto*), can also acquire the Bonds through PIA. Pension investment account is a separate bank account opened with an Estonian credit institution, which, on the one hand, is part of the mandatory funded pension system (incl. relevant benefits, such as additional contributions from the state), but on the other hand allows the person to make their own investment decisions. Like the ordinary investment account, PIA allows making of transactions with financial assets, whereas taxation of income from such assets (e.g., capital gain or interest from the Bonds) is deferred until income is withdrawn from PIA. Monetary means withdrawn from PIA are, generally, taxed at a 22% income tax rate, 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.

ANNEX 1 – FORM OF THE FINAL TERMS

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

FINAL TERMS OF THE BONDS

[Date]

UAB S3 BUSINESS

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

under the EUR 23,500,000 Bond Issue

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Company's information document drawn up by the Company, dated 9 September 2026 (the **Document**) and Terms and Conditions which are provided therein. Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Document. The Document (including all its supplements (if any)) is and will be available for acquaintance at the Company's website (www.nemunaiciai.lt/en/investors-2/). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds.

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

A short summary of the Issue and this Tranche of Bonds in English is appended to these Final Terms. The Final Terms have been approved under the Decision of the Direct Shareholders dated 3 April 2025 and the decision of the Management Board of the Issuer dated 3 April 2025.

1.	Issuer	UAB S3 Business
2.	Number of Tranche	[number]
3.	Maximum Aggregate Nominal Value of the Issue	EUR 23,500,000 As of this date, Bonds with an aggregate Nominal Value of EUR [amount] have been issued and admitted to trading on the First North
4.	Maximum Aggregate Nominal Value of the Tranche	EUR [*amount*][2].
5.	Maximum Aggregate Nominal Value of the Tranche for Offering through the Auction	EUR [*amount*]. [n/a]
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	EUR [amount]
9.	Minimum Investment Amount	EUR [amount]
10.	Issue Date	[date]

[2] The aggregate Nominal Value of the Tranche may be increased by the Issuer before or on the Issue Date. The Issuer shall amend the Final Terms and publish the updated Final Terms on the Company's website at www.nemunaiciai.lt/en/investors-2/ and on Nasdaq's website at www.nasdaqbaltic.com, before or on the Issue Date.

11.	Final Maturity Date		[date]
12.	Redemption/Payment Basis		Redemption at par
13.	Interest		
	(i)	Interest Payment Dates	[dates]
	(ii)	Interest Rate	[interest rate]
	(iii)	Interest calculation method	Act/Act (ICMA) day count convention
14.	Yield		[number]% per annum. Yield is calculated based on the Nominal Amount and on the Issue Date. Actual yield may differ depending on the price paid for a specific bond by an investor.
15.	Record Date		Third Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, whichever is relevant.
16.	Offering jurisdictions		[The Republic of Lithuania, Estonia and Latvia]
17.	Subscription Period		[beginning and end times of period]
18.	Payment Date		[if applicable, date]
19.	ISIN code		LT0000133472
20.	Expected listing and admission to trading on the First North		[date]
21.	Placing and underwriting		[Not applicable/description of entities agreeing to underwrite the Issue on a firm commitment basis and/or agreeing to place the issue without a firm commitment or on a "best efforts" basis and respective arrangements]
22.	Subscription channels		[description]
23.	Allocation rule (in case of oversubscription)		[description]
24.	Collateral		The Collateral Agreement creating a first-ranking maximum Pledge over Shares was concluded on 28 May 2025, notarial register No. JŠ-5780, identification code 30000150995405, and the Collateral Agreement creating a first-ranking maximum Mortgage over Property was concluded on 28 May 2025, notarial No. JŠ- 5 5778, identification code 30000150995404. Pursuant to the real estate valuation report by UAB Newsec valuations (legal entity code 126212869, registered address at Konstitucijos ave. 21C, Vilnius, the Republic of Lithuania, certificate No. 000170) dated [9 January 2026, by 31 December 2025 the market value of the entire Property subject to the Mortgage over Property was EUR 25,170,000];