Tewox

Bond issue presentation

September 2026

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Section 1

Executive summary

Executive summary

Tewox seeks to raise €19m in the second tranche under the €50m bond prospectus approved by the Bank of Lithuania

RATIONALE

AB **Tewox specializes** in the **retail real estate** segment within the Baltic Sea region. **Managing** a portfolio of nearly **€224m in assets** and over **108,000 sqm of leasable area**, the Company **targets grocery-anchored**, convenience, and **necessity-based** retail **properties** secured by **long-term leases**. This strategy creates a defensive asset base characterized by steady performance and low exposure to market volatility. Key investment highlights include:

- **Stable grocery-anchored assets:** Focused on necessity-based retail parks and grocery stores. Fulfilling daily consumer needs ensures cycle-resilient demand, consistent foot traffic, and defensive income.
- **Predictable cash flows & strong tenant mix:** Targeting fully operational, cash-generating properties secured by a diversified mix of well-known international tenants.
- **Diversified portfolio & Polish-led expansion:** portfolio has highly diversified tenant mix and cross-border footprint. Leveraging established local partnerships, future expansion heavily prioritizes Poland as the core growth engine, with Lithuania retained strictly for selective acquisitions.
- **Institutional-grade governance & strong compliance:** Managed by Lords LB Asset Management (>€1.4B AUM) with Swedbank acting as depository, and supervised by the Bank of Lithuania, ensuring top-tier regulatory compliance.

KEY BOND ISSUE TERMS

Issuer	SUTNTIB AB Tewox
Issue size total	Up to €50,000,000
Issue size second tranche[1]	Up to €19,000,000
Settlement date second tranche	02-10-2026
Final maturity date	21-02-2029
Coupon rate	8.00%
Second tranche yield	8.00%
Offering	Public offering in Lithuania, Latvia and Estonia
LTV covenant following Bond issue	Tewox Investment company <=55% Tewox related entities (aggregated) <=65%
Use of proceeds	(i) Refinancing the Prior Bond Issue (including via Exchange) and accrued interest; (ii) Financing the acquisition and development of retail properties; (iii) Repaying other existing or future Company debt and accrued interest.
Arranger and Dealer	Luminor
Legal adviser	Ellex Valiunas

KEY HIGHLIGHTS

€223.9m AUM

€10.2m NOI[2] (2025)
vs €9.2m (2024) / €5.6m (2023)

162 unique tenants

97.3% occupancy

21 operating assets (108.7k m² of GLA) = **10 operating assets in PL (73.0k m² of GLA)** + **11 operating assets in LT (35.7k m² of GLA)**

6 planned projects (>17k m² of GLA)
3 planned completions in Y26

Source: Company information, data as of 30 August 2026
Notes: (1) In accordance with the Terms and Conditions of the Bonds, prior to allocation of the Bonds to the Bondholders and subject to supplements or amendments to the Final Terms, the Issuer may increase or decrease the aggregate principal amount of this Second Tranche as set out in the Final Terms;
(2) Aggregated NOI; (3) Abbreviations: AUM stands for assets under management; GLA stands for gross leasable area; NOI stands for net operating income.

Section 2

Overview of Tewox

Overview of Tewox

Tewox's strategy is based on long-term, scalable retail investments across the Baltic Sea region

PROFILE

Structure	Special closed-end investment company
Inception	2021
Strategy	Opportunistic
Geography	Baltic Sea Region (current presence in Poland and Lithuania)
Acquisition target	Commercial retail real estate with grocery-anchor tenants
Investment profile	Cash flow generating properties / Development Grocery stores / Retail parks Single tenant / Master lease / Grocery-anchored

TRACK RECORD

- **Institutional Foundation:** Leveraging Lords LB Asset Management's more than twenty years of real estate expertise to build a strong retail presence across Lithuania and Poland.
- **Proven Legacy:** Built on the success and experience of Baltic Fund III (2013-2022) which managed big-box retail shopping centers.
- **Strategic Refinement:** While Baltic Fund III operated within the broader retail segment, Tewox represents a highly focused shift exclusively toward convenience and necessity-based, grocery-anchored formats to prioritize stable cash flows and essential consumer services.
- **Established Networks:** Proven ability to build and maintain strong relationships with leading international retailers and local stakeholders.

RATIONALE & STRATEGY

1. **Stable grocery-anchored retail assets:** Necessity-based properties that maintain consistent foot traffic and stable income, even during economic downturns.
2. **Diversified portfolio:** Operations across Poland and Lithuania, supported by rising consumption, improving sovereign credit ratings, and maturing institutional real estate markets.
3. **Stable and predictable cashflows:** Discount and grocery-anchored assets leased to international retailers, driving highly resilient rental income.
4. **Diversified tenant base:** 162 unique tenants, featuring leading brands across a broad range of everyday retail segments.
5. **Conservative valuation metrics:** Current market valuations are based on an average exit yield exceeding 7%.
6. **€42m shareholder commitment:** Strong internal backing that ensures full alignment with bondholders and long-term investment goals.
7. **Strong compliance:** Operating under the highest regulatory standards, supervised by the Bank of Lithuania, safeguarded by Swedbank as depository, and audited by Big 4 firms to ensure maximum transparency.

Company development

Tewox demonstrates consistent growth through acquisitions, development and active portfolio management

2021-2026 08	Multiple	CAGR, %
AUM	8.1x	+56.7%
GLA	6.8x	+50.6%

2021

AUM: €27.5m
GLA: 16,090 m²

4 properties acquired

2022

AUM: €69.1m
GLA: 33,327 m²

7 properties acquired
1 property developed

2023

AUM: €124.6m
GLA: 69,270 m²

6 properties acquired

€40.0m loan agreement with Pekao S.A.

2024

AUM: €156.6m
GLA: 80,727 m²

7 properties acquired

€36.2m loan agreement with Luminor Bank

€10.0m loan agreement with mBank

2025

AUM: €180.6m
GLA: 87,645 m²

1 property acquired
1 property developed

€35m public bond issue listed on Nasdaq Baltic

€78m loan agreement with Deutsche Pfandbriefbank

2026 08

AUM: €223.9m
GLA: 108,737 m²

As of August:
2 properties acquired
2 properties developed

+€24m loan agreement with Luminor Bank

€50m bond program with planned listing on Nasdaq Baltic

Source: Company information
Abbreviations: GLA – gross leasable area, GS – grocery store; RP – retail park

Financial overview (1/2)

Overview of portfolio and leverage related figures

PORTFOLIO RELATED FIGURES

Item	31 August, 2026
Total AUM	€223.9m
Operating AUM	€207.0m
No. of properties	28
Avg. exit yield[1]	7.2%
Occupancy rate	97.3%
WAULT	5.1 y

LEVERAGE RELATED FIGURES

Item	31 August, 2026
Tewox standalone LTV	47.58%
Subsidiaries LTV[2]	58.58%
Tewox standalone cost of debt	8.89%
Subsidiaries SPVs cost of debt	4.72%
Consolidated cost of debt	5.72%
Weighted average maturity of Tewox standalone debt[3]	1.11 y
Weighted average maturity of SPVs debt	3.86 y

COMPLIANCE

Swedbank

- **Swedbank** is the depository for Tewox, **acting on behalf of investors** to **verify** transactions, NAV calculations, fees, payments, and compliance with agreements and rules

pwc

- **Tewox** and its Management Company are **audited by Big 4 firms**, rotating every three years
- Audited reports are publicly accessible and available on request

LIETUVOS BANKAS
EUROSISTEMA

- **Lords LB Asset Management** provides **reports** on capital adequacy, portfolio performance, and collective investment undertakings trading **on a quarterly and yearly basis**

EY

- **Accounting is** outsourced to **Ernst & Young**, ensuring timely and informative reporting to the Central Bank of Lithuania and investors through high-quality service and secure IT solutions

RiskScreen

- Sanctions, PEP, and adverse media **screening** are **conducted using the RiskScreen** system

Source: Company information
Note: (1) Figures represent a weighted average determined by independent third-party valuators; (2) Subsidiaries LTV as of 30 June 2026; (3) Weighted average maturity of Tewox standalone debt is ~1 due to maturing €19.1m bond program in early October 2026.

Financial overview (2/2)

Overview of P&L and balance sheet

CONSOLIDATED P&L

k €	2022	2023	2024	2025	*2026 H1*
EBITDA	2,136	4,262	7,619	8,408	*4,744*
EBITDA excl. CIU administrative expenses	**2,972**	**5,179**	**8,769**	**9,547**	***5,238***
Operating profit	2,278	6,341	11,626	12,111	*7,028*
Net profit	**1,332**	**3,490**	**3,370**	**2,062**	***339***
Total comprehensive income	1,352	4,234	3,550	2,158	*38*

CONSOLIDATED BALANCE SHEET

k €	2022	2023	2024	2025	*2026 H1*
Non-current assets	71,111	131,518	163,510	185,501	*227,534*
Current assets	3,965	8,705	3,849	7,234	*9,723*
Total assets	**75,075**	**140,223**	**167,360**	**192,734**	***237,257***
Equity	33,136	43,977	50,954	51,837	*50,200*
Non-current liabilities	22,172	64,360	99,433	98,879	*129,815*
Current liabilities	19,767	31,887	16,973	42,018	*57,242*
Total liabilities	**41,939**	**96,246**	**116,406**	**140,897**	***187,057***
Total equity and liabilities	**75,075**	**140,223**	**167,360**	**192,734**	***237,257***

COMMENTS

- EBITDA increased from €2.1m in 2022 to €8.4m in 2025, indicating strong and sustained earnings momentum.
- Adjusted EBITDA (excluding CIU costs) increased from €3.0m in 2022 to €9.5m in 2025
- Tewox group has remained profitable throughout all five depicted periods, strengthening its capacity to distribute dividends and supporting its ability to pursue growth targets

COMMENTS

- Total assets expanded from €75.1m in 2022 to €237.3m in 2026 (as of June 2026), driven by long-term investments supporting portfolio growth
- Equity increased from €33.1m in 2022 to €50.2m in 2026 (as of June 2026), reflecting a solid capital base and strong internal capital generation over the period
- The majority of additional liabilities stem from the acquisition of cash flow-generating assets
- Despite fluctuations in the liabilities base, consolidated debt remains within the target ratio outlined in the AoA, demonstrating prudent financial discipline

Source: Company information
Abbreviations: AoA – Articles of Association; CIU – Collective Investment Undertaking

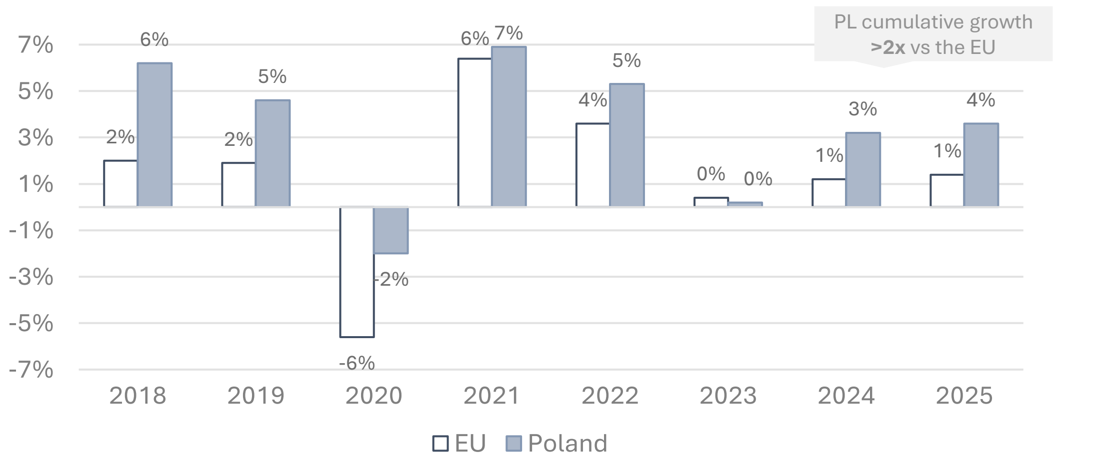
Section 3

Market overview

Poland market overview

Strong economic fundamentals provide supportive backdrop for Polish retail sector

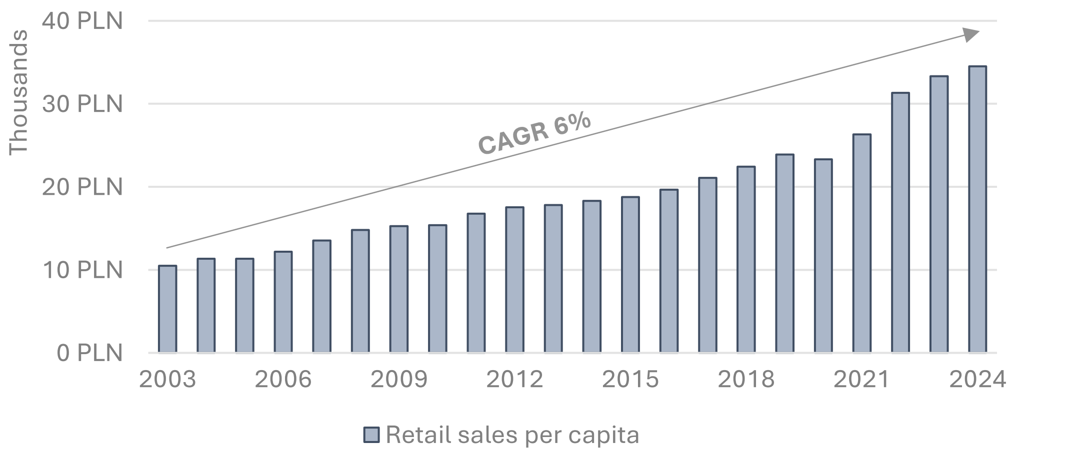
POLAND GDP GROWTH



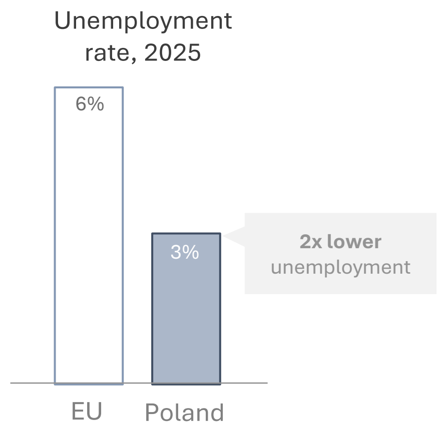
POLAND: FAVORABLE MACRO DYNAMICS

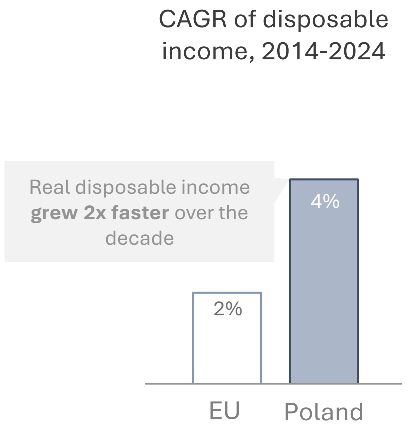
- **Robust macroeconomic growth:** Poland is on the path to becoming the world's 20th largest economy. Its GDP has surpassed $1 trillion and, according to the European Commission, is projected to grow at 3.5% in 2026 (vs 1.1% EU average).
- **Economic maturity milestone:** In June 2026, Poland agreed with the World Bank on a roadmap to graduate from the IBRD lending program after 2031, symbolically concluding a 30-year economic convergence phase into a high-income economy.
- **Resilient retail fundamentals:** Retail sales continue to expand, driven by strong wage growth and low unemployment, creating sustained demand for necessity and convenience retail parks.
- **Multi-hub regional dynamics:** With a population exceeding 37 million, Poland functions not as a single monolithic market, but as a network of distinct regional economic hubs, each offering unique industrial profiles, market maturities, and expansion potential.

POLAND RETAIL SALES PER CAPITA



POLAND: UNEMPLOYMENT & INCOME TRENDS



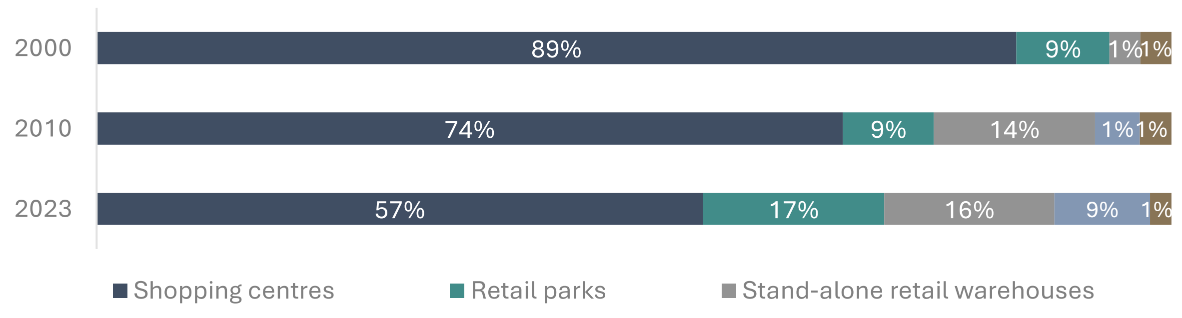


Sources: Eurostat, GUS, World bank

Market overview

Retail parks emerge as the dominant force in Poland's evolving retail landscape

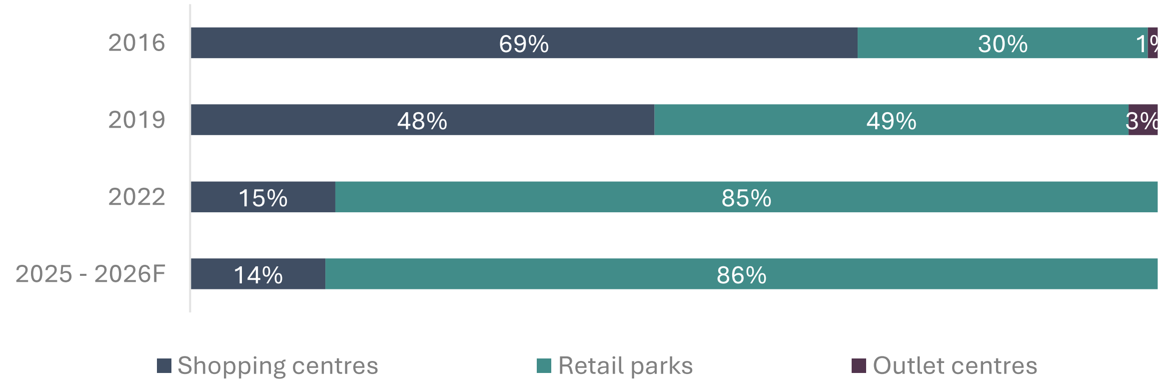
RETAIL STOCK STRUCTURE IN POLAND, GLA



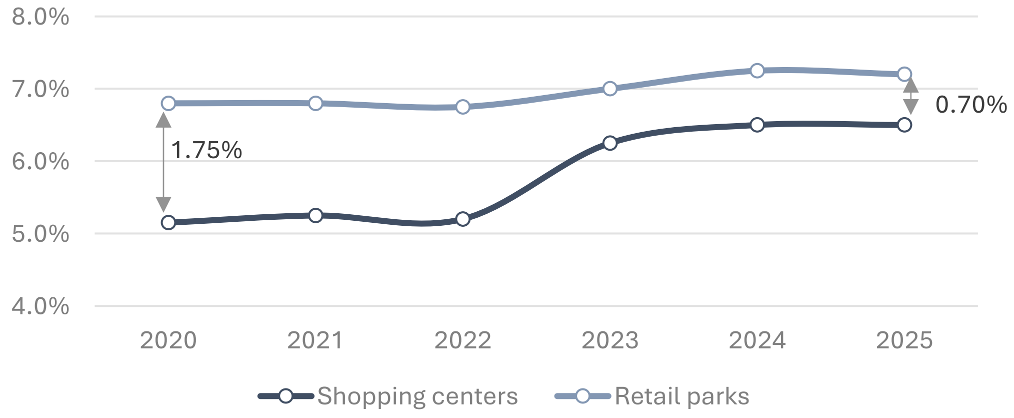
RETAIL PARK MARKET TRENDS

- **Post-COVID structural shift:** The Polish retail landscape has fundamentally transformed as consumer preferences shifted from traditional shopping centers to convenience-led retail parks. Leading retailers have adapted their presence accordingly, making retail parks the primary driver of both new development and investment transaction activity over the past four years.
- **Favorable acquisition environment:** Sustained occupier demand is driving active development across Poland, presenting a strong window for acquisitions.
- **Yield convergence & compression:** Increasing investor confidence is driving yield convergence between retail parks and shopping centers. A substantial yield premium over Western Europe supports long-term yield compression potential.
- **Demonstrated Lithuanian traction:** The success of early retail park projects in Lithuania proves the format's strong cross-border potential and regional scalability.

NEW RETAIL SPACE SUPPLY IN POLAND



SHOPPING CENTER & RETAIL PARK YIELDS



Sources: JLL, CBRE, BNP Paribas, Avison Young

Retail asset investment activity across Europe and Poland

Investor confidence in retail assets is evidenced by significant transactions executed in recent years

MAJOR EUROPEAN RETAIL PARK, GROCERY STORE TRANSACTIONS, 2024-2026

Acquirer	Target country	No. of retail properties	GLA, th. m²	Deal value
REDEVCO	United Kingdom	16	195	£518m
British Land	United Kingdom	7	177	£441m
Cibus	Netherlands, Belgium	149	276	€508m
SLATE	Germany	45	Undisclosed	€420m
ICG	United Kingdom, Spain	24	50	€204m
W. P. CAREY	Lithuania, Latvia, Estonia	19	184	€178m
HABONA INVEST	Germany	22	60	€132m
SUPR SUPERMARKET INCOME REIT	France	20	82	£123m
Cibus	Denmark	31	36	€118m
SLATE	Germany	6	Undisclosed	€100m

MAJOR RETAIL PARK, GROCERY STORE TRANSACTIONS IN POLAND, 2024-2026

Acquirer	GLA, th. m²	Deal value
SLATE / ARES	180	€300m
SHOPPER PARK+	208	€210m
ADVENTUM GROUP	208	€187m
trigea NEMOVITOSTNÍ FOND	100	Undisclosed
NEPI ROCKCASTLE	100	€373m
STAR CAPITAL FINANCE	68	€110m
FOCUS ESTATE FUND	46	Undisclosed
BIG POLAND	37	Undisclosed
CRESTPOINT CAPITAL PARTNERS	36	Undisclosed
LCP part of M Core	34	Undisclosed

Sources: based on publicly available information

Section 4

Portfolio overview

Portfolio structure

Tewox operates through a structured network of fully owned entities covering operating assets, development plots, and holding companies

Investment company

TEWOX

Operating entities

Operating properties (100%)

- **UAB BFIII Kaunas**
  RP Rimi, Kaunas
- **UAB Investicija 21**
  GS Rimi, Vilnius
- **UAB SMI Alytus**
  GS Rimi, Alytus
- **UAB MD Europa**
  GS Rimi, Klaipėda
- **UAB JUPA Turtas**
  GS Lidl, Jurbarkas;
  GS Lidl, Panevezys
- **UAB Kuršėnų turtas**
  GS IKI, Kuršėnai;
  GS IKI, Kretinga
- **Peppercorn 8 Sp. z o.o.**
  RP Mlyn, Wroclaw
- **Ka Park Sp. z o.o.**
  RP, Kalisz
- **Pr Park Sp. z o.o.**
  RP, Przemysl
- **Sw Park Sp. z o.o.**
  RP, Swidnica
- **Pu Park Sp. z o.o.**
  RP, Pulawy
- **Valcutel Investments Sp. z o.o.**
  RP, Radom;
  RP, Lodz
- **Gl Park Sp. z o.o.**
  RP, Glowno
- **Ko Park Sp. z o.o.**
  RP, Konin
- **UAB Janonio 27**
  RP, Utena;
  GS IKI, Vilnius
- **UAB Lairina**
  GS IKI, Dituva
- **Ny Park Sp. z o.o.**
  RP, Nysa

Land plots for development (100%)

- **UAB Esulda**
  Tunelio st., Vilnius;
  Artojų st., Kaunas distr.;
  Balčkalnio st., Kaunas
  (PSPA signed)
- **UAB Janonio 27**
  Janonio st., Klaipėda;
  Klebniškių st., Vilnius distr.
- **UAB Lairina**
  Mokyklos st., Ukmerge;
  Vilniaus st., Pabrade

Other companies[1] (100%)

- **Baixeredost Investments Sp. z o.o.**
- **UAB Tewox Operations**
- **Reninvest Holdings OÜ**

Abbreviations: GS – grocery store; RP – retail park
Note: (1) Companies which do not have any RE assets on the balance sheet

Operating assets

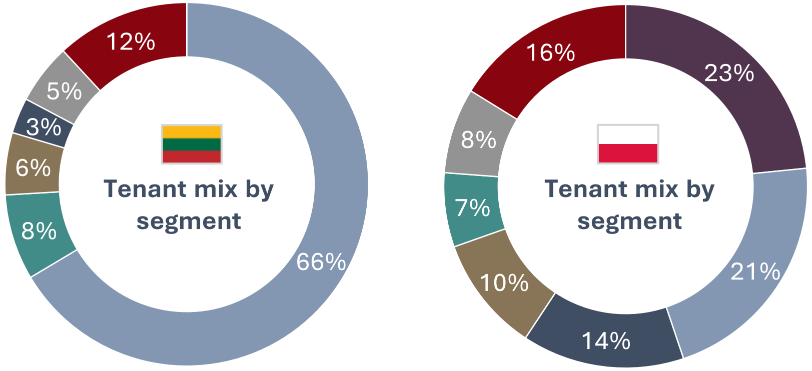
Tewox's portfolio features a diverse and robust tenant mix with strong international brands

KEY METRICS[1]

GLA	108,787 m^2	Unique tenants	162	WAULT	5.1 y
Avg. monthly rent	€12.6 m^2	Vacancy rate	2.7%	Y25 NOI	€10.2 m

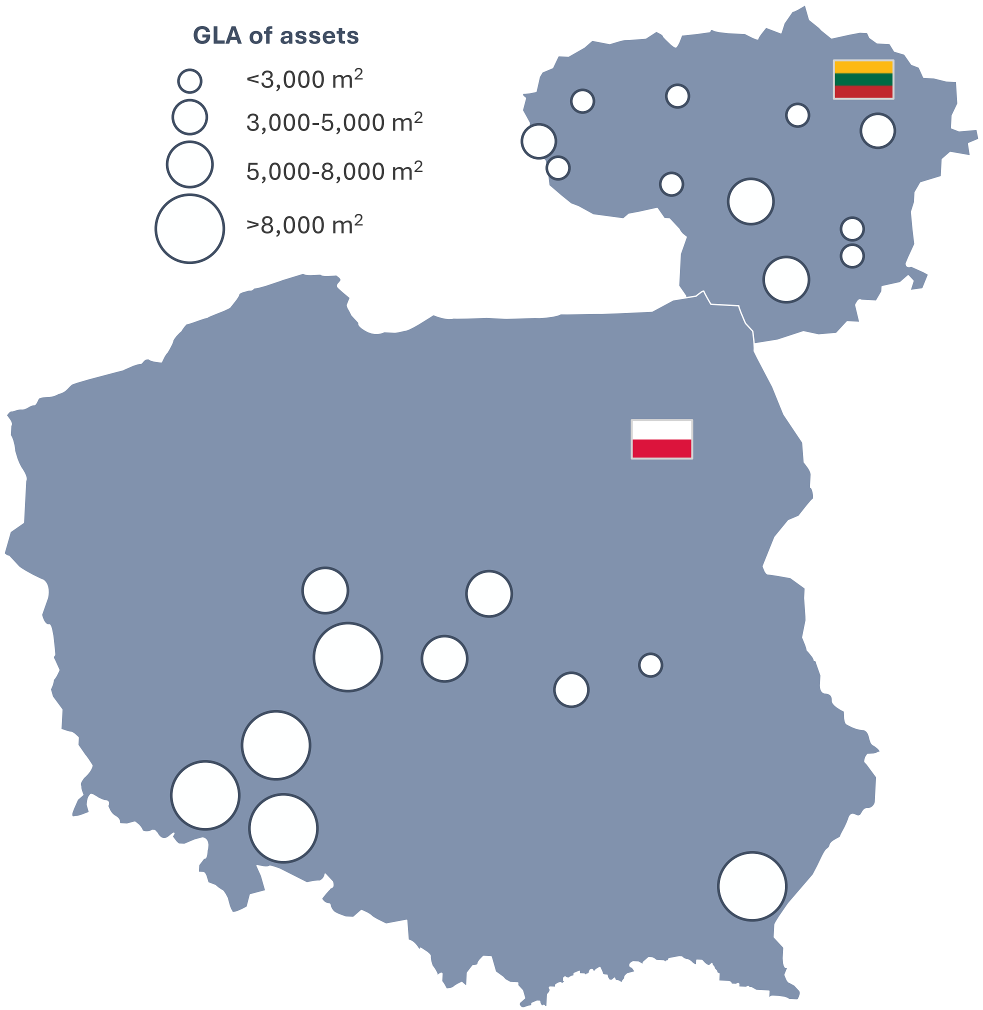
TENANT TYPE MIX[1]

- Grocery
- Fashion
- Electronics & Appliances
- Home & Furniture
- Sports
- Healthcare & Beauty
- Other



KEY TENANTS IN THE PORTFOLIO

LIDL, Biedronka, ROSSMANN, pepco, mediaexpert, SPORTS DIRECT, Rimi, iki, LEROY MERLIN, sinsay, TEDi, elesen



Source: Company information
Notes: (1) Metrics represent operating properties

Overview of operating properties

Tewox's diversified retail portfolio spans supermarkets and retail parks across Lithuania and Poland, totaling over 108,000 m^2 GLA

SUPERMARKETS


Alytus, Lithuania, GLA 6,250 m^2


Klaipėda, Lithuania, GLA 3,239 m^2


Vilnius, Lithuania, GLA 2,666 m^2


Jurbarkas, Lithuania, GLA 2,317 m^2


Panevezys, Lithuania, GLA 1,973 m^2

Dituva, Lithuania, GLA 2,004 m^2

Vilnius, Lithuania, GLA 1,777 m^2

Kretinga, Lithuania, GLA 1,774 m^2

Kuršėnai, Lithuania, GLA 1,657 m^2

RETAIL PARKS


Nysa, Poland, GLA 11,875 m^2


Wroclaw, Poland, GLA 10,567 m^2


Swidnica, Poland, GLA 10,312 m^2


Przemysl, Poland, GLA 8,952 m^2


Kalisz, Poland, GLA 8,020 m^2

Kaunas, Lithuania, GLA 7,174 m^2


Glowno, Poland, GLA 6,066 m^2


Lodz, Poland, GLA 5,445 m^2


Konin, Poland, GLA 5,436 m^2


Utena, Lithuania, GLA 4,944 m^2


Radom, Poland, GLA 3,695 m^2


Pulawy, Poland, GLA 2,593 m^2

Source: Company information

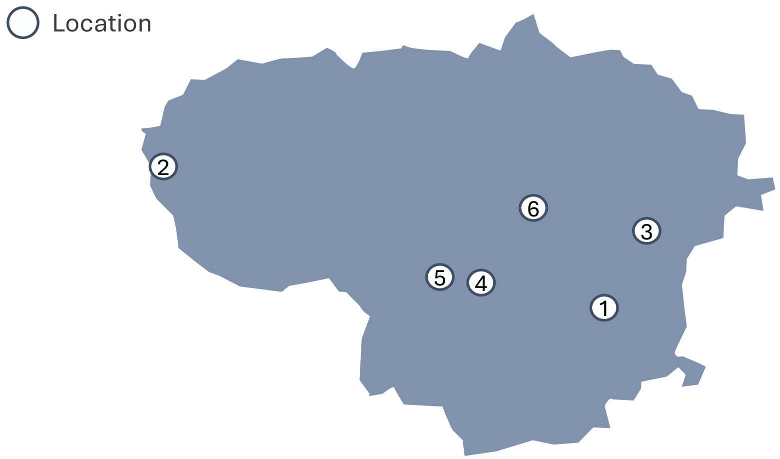
Overview of properties under development

Tewox is actively progressing a diversified pipeline of strategically located development projects across Lithuania

LIST OF LAND PLOTS FOR DEVELOPMENT

No.	Location	Type	GLA, m²	Opening	Progress			
					Prep	Lease	Permit	Constr.
1.	Vilnius	GS	2,151	Y26	✓	✓	✓	↻
2.	Klaipeda	GS	2,127	Y26	✓	✓	✓	↻
3.	Pabrade	GS	2,094	Y26	✓	✓	✓	↻
4.	Kaunas	RP	4,800	Y27	✓	✓	↻	
5.	Kaunas dst.	GS	1,952	Y27	✓	✓	↻	
6.	Ukmerge	RP	4,400	Y27	✓	↻	↻	

GEOGRAPHIC LOCATION



PROJECTS UNDER CONSTRUCTION – PLANNED OPENING IN Y26

No. 1. Vilnius

No. 2. Klaipeda

No. 3. Pabrade

VISUALISATIONS – PLANNED OPENING IN Y27

No. 4. Kaunas

No. 5. Kaunas dist.

No. 6. Ukmerge

Source: Company information
Abbreviations: GS – grocery store; RP – retail park

Sustainability

Tewox drives a firm-wide ESG strategy through global standards, SFDR Article 8 alignment, and measurable sustainability commitments

ESG STRATEGY

Focus area	Strategic commitment	Quantitative target
SFDR Article 8	**Promote environmental characteristics**, primarily through energy efficiency improvements, greenhouse gas emission reduction, renewable energy integration and sustainability certifications.	**Up to 60% of assets**
EU Taxonomy compliance	Qualify as **EU Taxonomy compliant**, supporting sustainable economic activities.	**Up to 60% of assets**
CRREM decarbonization pathways	Align with the **CRREM 1.5°C pathway**, with annual monitoring and corrective decarbonization plans implemented for non-aligned assets.	**At least 50% of assets**
GRESB disclosure	Included in the annual **GRESB Real Estate Assessment** for ESG performance benchmarking and governance oversight	**100% of assets**

STANDARDS & CERTIFICATIONS

Signatory of:

PRI Principles for Responsible Investment

CRREM CARBON RISK REAL ESTATE MONITOR

WE SUPPORT UN GLOBAL COMPACT

GRESB REAL ESTATE member

BREEAM CODE FOR A SUSTAINABLE BUILT ENVIRONMENT BRE GLOBAL

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

SFDR

Source: Company information

Section 5

Key terms and subscription

Bond terms and conditions

Summary of key parameters for the bond offering

GENERAL INFORMATION

Issuer	SUTNTIB AB Tewox
Incorporation country	Lithuania
Company registration no.	305733600
Issuer's group webpage	https://lordslb.lt/tewox_bonds/
Type of security	Unsecured
ISIN	LT0000138281
Type of placement	Public offering in Lithuania, Latvia and Estonia
Currency of issue	EUR (€)
Nominal	€1,000.00
Issue size	Up to €50,000,000
Second tranche size[1]	Up to €19,000,000
Interest rate	8.00%
Second tranche yield	8.00%
Coupon payment frequency	Semi-annually
Coupon calculation convention	Act/Act (ICMA)
Second tranche issue date	02-10-2026
Interest payment dates	21-02-2027 / 21-08-2027 / 21-02-2028 / 21-08-2028 / 21-02-2029
Final maturity date	21-02-2029

LEGAL AND ADMINISTRATIVE

Arranger and Dealer	Luminor
Legal adviser	Ellex Valiunas
Trustee	Audifina
Registrar	Nasdaq CSD SE Lithuanian branch
Governing law	Lithuanian
Documentation language	English
Standard of the financial statements	Tewox – IFRS Tewox group of companies – local GAAP
Use of Proceeds	(i) for refinancing of the Prior Bond Issue, including by way of the Exchange, and the payment of accrued interest thereon; (ii) financing the acquisition and/or development of retail properties, grocery shopping centres and/or retail parks (iii) for the repayment of any of the Company's debts, whether incurred before or after the date of this Prospectus, including the payment of any accrued interest thereon.
Loan to value (LTV) covenant following Bond issue	Tewox Investment company <=55% Tewox related entities (aggregated) <=65%
Early redemption	At 101% of Nominal Value: Permitted during the period commencing 12 months and ending 3 months prior to the Final Maturity Date (with 30 days' notice). At 100% of Nominal Value: Permitted within the 3 months prior to the Final Maturity Date (with 10 days' notice).

Notes: (1) In accordance with the Terms and Conditions of the Bonds, prior to allocation of the Bonds to the Bondholders and subject to supplements or amendments to the Final Terms, the Issuer may increase or decrease the aggregate principal amount of this Second Tranche as set out in the Final Terms;

How to subscribe

Submit your order through any Baltic financial institution using your existing securities account

START OF OFFERING	END OF OFFERING	ANNOUNCEMENT OF THE RESULTS	ISSUE DATE	MATURITY DATE
14 September 2026	29 September 2026	2 October 2026	2 October 2026	21 February 2029

1. Investors must hold a valid securities account. Accounts can be opened through any financial institution offering investment services within the Baltic region.

2. Submit orders through any Baltic financial institution where you hold a securities account. Orders can be placed via internet banking or by contacting your bank directly.

3. Subscription orders can be submitted **from 14 September 2026 to 29 September 2026**.

NASDAQ CSD PARTICIPANTS

Section 6

Company structure

Organizational structure of Lords LB Asset Management

Integrated governance and executive structure ensuring oversight, compliance, and strategic execution

GOVERNANCE STRUCTURE

- **Mindaugas Marcinkevicius** – Board Member
- **Andrius Stonkus** – Board Member
- **Jan Litborn** – Chairman of the Board
- **Antanas Vainauskas** – Board Member
- **Marius Zemaitis** – Board Member

Management Board
1 April 2023 – 1 April 2027

- Chief Risk Officer
- Compliance Officer
- Depository
- Audit
- AML Procedures
- Conflict of Interest Procedures

EXECUTIVE RESPONSIBILITIES

Vilma Tvaronaviciene
CEO

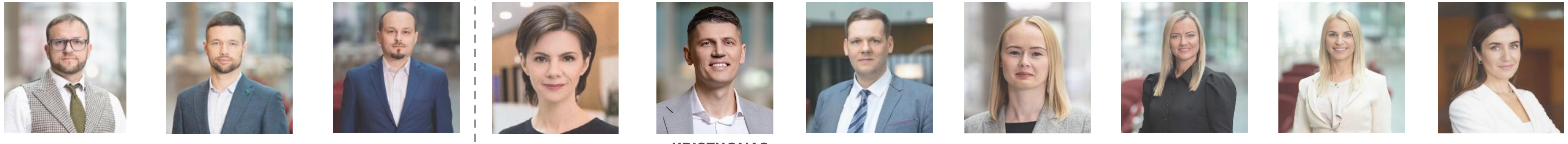
- Fund Management
- Finance
- Investor Relations
- Acquisitions & Investments
- Project Management
- Asset Management

Source: Company information

Management team

Tewox is led by an experienced management and support team with deep industry expertise

TEWOX TEAM



	Management team			Supporting team						
	PAULIUS NEVINSKAS	**KRISTIJONAS GRIGAITIS**	**JAN WALACH**	**VILMA TVARONAVICIENE**	**KRISTIJONAS FUDZINSKAS**	**GIEDRIUS ZILINSKAS**	**MONIKA MUKOVOZIENE**	**RASA BARTUSEVICIENE**	**DANA CESUNE**	**SIMONA KLIMANSKIENĖ**
Position	Investment Company Manager	Deputy Investment Company Manager	Investment Manager Poland	CEO	Finance Director	Chief Risk Officer	Compliance Officer	Investor Relations Manager	Investor Relations Manager	Investor Relations Manager
Joined Lords LB	2024	2022	2023	2011	2025	2021	2020	2018	2023	2025
Experience	22 years	9 years	16 years	25 years	18 years	13 years	12 years	24 years	19 years	16 years
Career highlights	VP Group, SBA Group	KN Energies	Savills, G-City, AERE	Achema Group	KPMG, Citadele, SEB Bank	Danske Bank	Noewe	Swedbank	SEB Bank	Swedbank

GOVERNANCE STRUCTURE

Source: Company information

Section 7

Risk factors

Risk factors (1/4)

Risk factors related to the bonds

RISKS RELATED TO THE COMPANY

FINANCIAL RISKS

Liquidity risk

Liquidity risk is the risk that the Company is unable to maintain a sufficient cash reserves or other liquid assets to meet its payment obligations, including the redemption of the Bonds issued under the Prospectus. The Company's ability to meet these obligations depends on the financial standing of the Group, access to financial markets and the availability of long-term financing. Any deterioration in the Group's financial position or difficulty in accessing these markets could increase funding costs or prevent the Company from raising necessary capital.

The Company and/or its Subsidiaries may also be exposed to counterparty solvency risks in connection with their financial investments and other contractual relationships. These may have an adverse effect on the Company's and/or its Subsidiaries' business, financial condition, and results of operations, and, consequently, on those of the Group as a whole. Although the Management monitors the Company's liquidity position and follows procedures to manage liquidity risk, a reduction in the Company's liquidity position could have a material adverse effect on the Company's business, financial condition, results of operations, or prospects, as well as the ability to redeem the Bonds at their maturity.

In evaluating liquidity risk, it is noted that the Company's consolidated financial statements for the year ended 31 December 2025 were prepared on a going concern basis. As of 31 December 2025, the Group's current liabilities exceeded current assets by EUR 34,784,875, primarily due to the outstanding obligations under the Prior Bond Issue maturing on 6 October 2026. The Group's liquidity ratio was 0.17 as of 31 December 2025 and 0.23 as of 31 December 2024. The Management's going concern assessment for 2025 was based on the assumption that in 2026 the Company will successfully issue Bonds under this Prospectus. While the Management has concluded that no material uncertainties exist regarding the Group's ability to continue as a going concern (and the audit company did not modify its opinion on the Company's 2025 consolidated financial statements) there is no guarantee that the Offering under this Prospectus will be successful or generate sufficient liquidity for the Company. Management's assessment of the Offering's success is based on a strengthened investment portfolio and projected cash flows from operations, which may prove to be incorrect.

It is noted that, as at 31 March 2026, (i) the LTV ratio at the Issuer level was 43.04%, while, under Section 10.16(a) "Issuer's LTV Ratio" of this Prospectus, the Issuer has undertaken to maintain its LTV ratio at a level that does not exceed 55%; (ii) the LTV ratio at the Subsidiaries' level was 55.76%, while, under Section 10.16(b) "Subsidiaries' LTV Ratio" of this Prospectus, the Issuer has undertaken to ensure that the Subsidiaries' LTV ratio does not exceed 65%; and (iii) consolidated Group LTV ratio was 73.52% and is also below the 80% cap established in the Company's Articles of Association. Please note that the consolidated Group LTV ratio is disclosed for information purposes only, as it may also be relevant for assessing the Group's capacity to secure new debt for refinancing purposes. It does not constitute a financial covenant under Section 10.16 "Covenants of the Issuer" of this Prospectus. The proceeds of the Issue are intended for refinancing current liabilities and funding continued business development.

The Company considers that the strong cash-generation profile of its operational assets supports its liquidity profile. Nevertheless, the probability of this risk materialising and its potential impact are assessed as moderate, as a failure to secure sufficient liquidity could make the Company to pursue accelerated financing alternatives on potentially less favorable terms.

Investment projects' success risk

The Company's investment success is highly dependent on the diligent investment planning and negotiations with counterparties. As at 31 December 2025, the Company's investment portfolio, comprising investments in Subsidiaries and financial assets measured at fair value through profit or loss, amounted to EUR 79,285,000, representing an increase of EUR 6,697,000, or 9.23%, compared to 31 December 2024. While the portfolio is diversified, an underperforming investment may still have a negative impact on the Company's and Group's financial performance and results. Therefore, the Management utilizes all available information and analytical resources when planning investments, and thorough due diligence procedures are performed before any investment decision is approved and implemented. However, there is no guarantee that all information used to evaluate real estate projects is exhaustive and error free, or that unpredictable external events will not impact the real estate market and the Company's investment projects.

Therefore, there is a risk that key variables underlying the investment assumptions could change significantly and negatively. Adjustments to initial calculations might be required, consequently reducing the overall profitability of the Company's investment portfolio and adversely affecting the Company's and Group's activities, financial position, and the Company's ability to redeem the Bonds.

The Company assesses the probability of this risk materialising as moderate despite its rigorous due diligence frameworks, and the potential impact also as moderate, as the diversification of the asset portfolio naturally limits the financial exposure to any single underperforming investment.

Tenants' risk

The Group's revenue is primarily derived from leasing real estate assets. Although the Company itself does not directly hold such real estate assets, this is directly relevant to the Company, as available cash flows generated at the level of the Subsidiaries are upstreamed to the Company by way of dividends and/or payments under intra-group financing arrangements.

While rent is generally paid on time, payment delays occur. As of 31 December 2025, according to the 2025 Audited Consolidated Financial Statements, the total receivables from tenants amounted to EUR 283,780 (1.93% of the Group's total income from tenants), of which EUR 161,756 was overdue (1.1% of total income from tenants). Notably, the expected credit loss recognised in respect of these receivables amounted to only EUR 339.

Although historical overdue amounts have not significantly impacted operations, there is a risk that deteriorating economic conditions or a broader downturn could increase tenant defaults. Such defaults would negatively affect the Group's profit and cash flows. If a significant portion of tenants fails to meet their obligations, the Group's normal business activities may be disrupted, and additional sources of financing might be required (which may not always be available).

As of 31 May 2026, the Group's operational portfolio occupancy rate was 97% and remained above 95% which is in line with historical averages and demonstrates strong, sustained tenant demand. Nevertheless, the Group may face challenges in covering fixed operating costs if it fails to maintain high occupancy rates or achieve expected rental prices. This risk is compounded by potential market shifts, such as an increase in the supply of rental premises or a decrease in demand. Any significant reduction in rental income or occupancy, without a corresponding decrease in fixed costs, would reduce profitability and could materially affect the Company's ability to redeem the Bonds.

The Company assesses the probability of this risk materialising as low, evidenced by historically strong collection rates and a necessity-based tenant mix, and the potential impact as moderate, as the portfolio's diversification limits exposure to individual tenant defaults.

BUSINESS ACTIVITIES AND INDUSTRY RISKS

Real estate market risk

Since the Company's main business is the management and development of real estate projects through its Subsidiaries, negative developments in the Group's current target markets (the Baltic States and Poland), could have a negative impact on both real estate market prices and market transaction volume.

Due to the constantly changing market situation, there is a risk that the Group's investments may lose their value or that anticipated investment projects may have to be reconsidered and/or postponed. As illustrated in the chart below, regional investment volumes experienced a notable drop following the outbreak of Russia's war in Ukraine and are currently demonstrating a gradual recovery. Fluctuations in the real estate market may reduce the rental income received by the Company through its Subsidiaries, as well as the liquidity and value of the Group's assets.

The real estate market can also fluctuate significantly due to increased interest rates and reduced financing options. This can lead to a decrease in buyers' activity and an increase in sellers' activity in the market, resulting in a decrease in asset prices and a drop in liquidity. On the one hand, increased sellers' activity may create opportunities for the Group to acquire desirable properties at lower acquisition costs. On the other hand, the Group's existing assets are exposed to the same market risk, and their value and liquidity may decrease accordingly. Consequently, if required, it may become more difficult to sell assets owned by the Company.

Moreover, due to economic processes in Lithuania and internationally, the Group's target clients may slow their expansion and growth plans; thus, interest in the Group's properties and services may decrease, making it difficult to find suitable tenants or buyers for developed properties.

Note: Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, 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 the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

Risk factors (2/4)

Risk factors related to the bonds

The Company assesses the probability of this risk materialising as moderate due to the inherent cyclicality of real estate markets and regional geopolitical factors, and the potential impact as moderate, as the Group's strategic focus on necessity-based, grocery-anchored retail provides strong cash flow resilience against broader market downturns.

Inflation risk

As of the date of this Prospectus, there is no significant economic downturn in the Baltic States or Poland, the Group's main markets. However, inflationary pressure and significant fluctuations in the economy may have negative effects. Lease agreements for the assets owned by the Group may not always be indexed or fully adjusted according to inflation; therefore, a risk remains that inflation may negatively impact the Group's rental return and, consequently, the Company's investment returns.

Additionally, geopolitical tension and accelerating inflation significantly impact consumer spending habits. In response to the rising cost of living, consumers may reduce overall expenditure, cutting spending on non-essential items and focus on saving. Such changes in households' behaviour may result in lower turnover (sales) for the Group's tenants compared to a stable economy. As rental fees are often partially determined based on tenant turnover, a decrease in tenant sales would directly affect the Group's rental revenues and cash flows, thereby also affecting the Company's financial position and results of operations.

The Company assesses the probability of this risk materialising as moderate given current macroeconomic conditions, and the potential impact as low, because the necessity-based, grocery-anchored nature of the Group's properties naturally insulates its tenants from severe reductions in consumer spending.

Competition risk

The Group's real estate portfolio comprises grocery-anchored properties, retail parks, and standalone grocery stores. A defining characteristic of these assets is a tenant mix heavily focused on convenience goods and daily essential services. While macroeconomic pressures can impact overall consumer purchasing power, the necessity-driven nature of these tenants provides a foundational baseline of demand. As a result, these properties generally maintain more resilient foot traffic compared to discretionary retail, offering a strong defensive quality to the Group's rental income.

To further safeguard its market position, the Group employs a strategy of geographic and tenant diversification, alongside a rigorous evaluation process for new locations and tenant selection. By focusing on prime, necessity-based locations and a balanced mix of resilient retailers, the Group aims to develop and maintain assets that are difficult for competitors to replicate or challenge directly.

However, the retail real estate market remains dynamic. While the Group's properties are strategically positioned, the potential for new developments or the expansion of other market participants in nearby areas could influence local market dynamics. Such changes in the competitive landscape could, over time, affect the Group's ability to maintain its desired rental levels or occupancy rates. While the Group's focus on essential goods and its grocery-anchored strategy provides a strong competitive moat, its financial performance continues to depend on its ability to adapt to these evolving market conditions and maintain the attractiveness of its properties relative to new market entries.

The Company assesses the probability of this risk materialising as moderate due to the inherently competitive nature of the real estate sector, and the potential impact as low, as the Group's good locations and necessity-based tenant mix provide a strong competitive advantage, evidenced by historically high occupancy levels, which help sustain tenant demand and rental income.

Currency exchange risks

A significant part of the Group's business is carried out in Poland, which is not a Eurozone country, and the Polish zloty fluctuates against the euro. This creates currency exchange risk for the Company and the Group.

The Group may generate revenues and incur operating costs in Polish zloty in connection with its grocery stores and retail parks in Poland. Any adverse fluctuation of the Polish zloty against the euro may reduce the euro-equivalent value of such revenues and cash flows and/or increase the euro-equivalent amount of costs.

The Company always evaluates the necessity of using active or passive hedges against the currency risk. Furthermore, a majority of current cash flows are euro-denominated and the bank financing is denominated in euros. However, such hedging arrangements may not fully cover the Group's exposure or may prove insufficient to prevent losses resulting from adverse currency movements.

The Company assesses the probability of this risk having a material effect as low, and the potential impact also as low, because the Group's bank financing and the vast majority of its cash flows are euro-denominated, providing a strong structural hedge against Polish zloty fluctuations.

OPERATIONAL RISKS

Operational term

According to the Company's Articles of Association, the Company's current operational term is 50 years (until 26 April 2071). However, the Company's Articles of Association provide that, by the end of 2027 at the latest, the General Meeting will have to consider and approve one of the following matters: (i) admission of the Company's shares to trading on a regulated market and/or a multilateral trading facility; or (ii) conversion of the Company's legal form from a closed-ended investment company to a variable capital investment company.

If no resolution on any of these matters is adopted by the General Meeting, there is a risk that the Company's operational term may be shortened to 8 years from the date on which the Bank of Lithuania authorised the Management Company to approve the Company's Articles of Association and select the depositary, i.e. until 26 April 2029, unless extended for an additional period of up to 2 years.

If the Company's operational term is shortened to 8 years and no additional extension is approved, the Company may become subject to liquidation proceedings before or close to the Final Maturity Date of the Bonds. In such circumstances, the Company may be required to redeem the Bonds earlier than expected, sell assets or otherwise realise investments within a shorter timeframe. Any accelerated sale of assets or early redemption may take place under unfavourable market conditions and may result in lower proceeds than would have been achieved in an ordinary course disposal. This could adversely affect the Company's liquidity, financial condition and ability to meet its obligations under the Bonds.

The Company assesses the probability of this risk materialising as low, as the General Meeting has sufficient time and strategic intent to adopt the necessary resolutions before the 2027 deadline, but acknowledges the potential impact as moderate, because a shortened operational term would necessitate an accelerated realization of the portfolio.

RISKS RELATED TO THE BONDS

GENERAL RISKS

Refinancing risk

As of the date of this Prospectus, the Company has outstanding bonds under the Prior Bond Issue in the aggregate amount of EUR 35,000,000 (ISIN code LT0000409567), maturing on 6 October 2026. If these bonds are held to maturity, the Company will also be required to make a semi-annual coupon payment of EUR 1,491,575.33. The Company intends to redeem these bonds primarily from the proceeds raised through the issuance of the new Bonds under this Prospectus, including through the Exchange. There is a risk that the Offering under this Prospectus may not attract sufficient demand or generate sufficient proceeds to fully redeem the bonds of the Prior Bond Issue. If the Company is unable to raise sufficient funds through the Offering, it may be required to seek alternative sources of financing, use available cash reserves, dispose of assets, renegotiate existing liabilities or pursue other refinancing measures, any of which may be unavailable on acceptable terms or at all. Any inability to secure sufficient refinancing may increase the Company's credit risk and adversely affect investor confidence. Failure to refinance or redeem the Prior Bond Issue in a timely manner would trigger the terms of the Prior Bond Issue, including the obligation to pay default interest, and may also result in the breach or triggering of financial covenants provided for in this Prospectus, which could lead to the early redemption of the Bonds being required in accordance with the Prospectus. This could adversely affect the Company's liquidity, financial condition, reputation and ability to meet its obligations under the Bonds.

Moreover, the Company may be required to refinance some or all of its other outstanding indebtedness, including the Bonds issued under this Prospectus. On 12 June 2026, the Company has entered into a loan agreement in the amount of EUR 5,500,000, with the loan maturing on 18 December 2026. The Company intends to refinance this debt at maturity using the proceeds raised from the issuance of the Bonds on the basis of this Prospectus.

The Company's ability to successfully refinance its debt depends on the prevailing conditions of the debt capital markets and its financial condition at the time of refinancing. In an unfavourable market environment, financing may not be available on acceptable terms, or at all. The Group's level of indebtedness presents several risks, including: (i) exposure to variable interest rates on certain borrowings, which could increase debt service costs; and (ii) the risk of being unable to refinance maturing obligations due to market volatility, operational constraints, or other liquidity factors.

Note: Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, 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 the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

Risk factors (3/4)

Risk factors related to the bonds

The Company intends to use bank financing, equity, investment proceeds, or subsequent bond issuances as the primary sources for the redemption of the Bonds. The source or combination of sources ultimately used for the redemption of the Bonds will depend on the Company's financial position, market conditions and availability of financing prior to the Final Maturity Date. The Company intends to assess and pursue the available redemption funding options closer to the Final Maturity Date, while allowing sufficient time to implement the selected option. However, there can be no assurance that any such option will be available on acceptable terms, or at all, or that the Company will be able to redeem the Bonds as scheduled. Failure to refinance on favourable terms could have a material adverse effect on the Company's operations, financial condition, and the recovery prospects for Bondholders.

Accordingly, the refinancing risk is currently most significant in respect of the Prior Bond Issue, as its upcoming maturity requires the related refinancing to be addressed. The Company assesses the probability of this risk materializing in respect of the Prior Bond Issue as moderate, as there is no guarantee that the Company will be able to secure sufficient demand for the Bonds offered under this Prospectus. Therefore, the Company acknowledges the potential impact as high, as adverse refinancing conditions could significantly constrain the Company's liquidity and limit its ability to refinance the Prior Bond Issue on acceptable terms.

Credit and default risk of the Company

An investment in the Bonds is subject to credit risk, representing the risk that the Company may fail to meet its payment obligations under the Bonds in a timely and complete manner. The Company's ability to fulfill its obligations, and the subsequent receipt of payments by Bondholders, depends on the financial position and results of operations of the Group and on the ability of its Subsidiaries to generate sufficient cash flows and upstream such cash flows to the Company by way of dividends, repayment of intra-group loans or other permitted distributions, as well as on the Company's ability to refinance its indebtedness, including the Bonds, when due, which are subject to the various risks described in this Prospectus. The availability and timing of such upstreamed cash flows and refinancing depend on the successful operation and expansion of the Group's business, including the Subsidiaries' ability to maintain rental income, occupancy levels, tenant quality, asset values and access to financing. Any deterioration in the operating performance of the Group, failure to implement the Group's expansion strategy, reduction in distributable profits, restrictions under financing arrangements or applicable law, or other limitations on the ability of the Subsidiaries to make payments to the Company or inability to obtain refinancing on acceptable terms or at all, could adversely affect the Company's liquidity and its ability to service and redeem the Bonds.

If the Company is unable to generate or receive sufficient funds or obtain refinancing to meet its payment obligations under the Bonds, this may result in a default and, in a worst-case scenario, insolvency of the Company. In such circumstances, there is a risk that Bondholders may not receive any payments related to the Bonds, potentially resulting in a loss of their entire investment or a portion thereof. The Company provides no guarantee that a default will not occur prior to the Final Maturity Date. Accordingly, investors should independently assess the Issuer's creditworthiness and financial condition before making an investment decision regarding the Bonds.

The Company assesses the probability of this risk materialising as low, supported by the resilient, necessity-driven cash flows generated by its operating Subsidiaries, but acknowledges the potential impact as high, as an inability to meet payment obligations may result in financial losses for the Bondholders.

Interest rate risk

The Bonds bear fixed annual interest on their outstanding Nominal Value. Once the interest rate is determined in accordance with the procedure set out in this Prospectus, it will remain fixed until the Final Maturity Date, irrespective of changes in broader capital market conditions.

Investors are exposed to the risk that the market value of the Bonds may decrease as a result of changes in market interest rates. While nominal interest rate of the Bonds remains fixed until redemption, prevailing capital market rates fluctuate daily. Consequently, if the market interest rate increases, the market price of the Bonds may decline. Such increase in market interest rates may be driven, among other factors, by inflationary pressures, changes in central bank policy rates and/or increases in relevant benchmark rates, including EURIBOR.

In addition, inflation may reduce the real return on the Bonds, as the fixed interest payments may become less attractive if inflation increases during the term of the Bonds. In such circumstances, investors may require higher yields for comparable debt instruments, which could further reduce the attractiveness, liquidity and market value of the Bonds. To the extent that any secondary market develops, Bondholders may therefore be able to sell the Bonds only at a price below their acquisition cost or otherwise on unfavourable terms.

Given that the Bonds may have a maturity of up to 3 years and that market interest rates and inflation may fluctuate during this period, the Company assesses the probability of this risk materialising as moderate, and the potential impact as moderate, as this risk primarily affects secondary market pricing and real returns rather than the fixed nominal interest paid to Bondholders.

No limitation on incurring additional debt

The Company is not prohibited from incurring additional indebtedness or issuing further debt instruments. If the Company incurs significant additional indebtedness ranking pari passu with the Bonds, this would increase the number of claims entitled to receive proceeds in the event of the Company's insolvency.

However, the Company is subject to a leverage constraint (i. e., the Group LTV): total borrowed capital (including consolidated loans from the Subsidiaries) shall not exceed 80% of the market value of the Company's assets as of the date of the debt agreement. As of 31 March 2026, this ratio was 73.52%. This ratio may change over time, including as a result of the refinancing of the Prior Bond Issue and the issuance of the Bonds under this Prospectus. However, based on the Company's current assessment, the issuance of the Bonds under this Prospectus is not expected to result in a breach of the leverage constraint. In addition, under this Prospectus, the Issuer provides certain financial covenants at both the Issuer and Subsidiary levels in favour of the Bondholders. Accordingly, investors should review the reporting information furnished by the Company throughout the term of the Bonds in order to monitor the Issuer's compliance with such financial covenants.

The Company assesses the probability of this risk materialising as moderate, as future borrowing is subject to restrictions set out in the Articles of Association and the Prospectus covenants, and the potential impact as moderate, as compliance with the 80% leverage cap is intended to preserve a structural equity buffer.

Unsecured Bond Issue

Investors should be aware that the Bonds are unsecured. This means that the Bonds are not backed by collateral, such as property or other assets. In addition, the Issuer's assets are generally limited to shares owned in the Subsidiaries, most of which are pledged to secure financial arrangements of the Subsidiaries. In the event that the Issuer faces financial difficulties or bankruptcy, Bondholders will not have a claim to any specific assets of the Issuer. Instead, Bondholders will be treated as general creditors, ranking behind any secured creditors who have a prior claim on the Issuer's assets. As a result, the recovery prospects of Bondholders may be further limited if the value of the Issuer's unencumbered assets is insufficient to satisfy claims under the Bonds. The payment obligations of the Issuer under the Bonds, together with interest thereon, 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.

The Company assesses the probability of this risk materializing into a financial loss as low, in line with the Company's overall credit and default risk. Furthermore, the Company assesses the potential impact as moderate, because the Group's substantial equity position and LTV limit, as described in risk "No limitation on incurring additional debt" above, as well as, inter alia, the LTV limits at the Issuer and Subsidiaries levels set out in Section 10.16 "Covenants of the Issuer" of this Prospectus, may support the Bondholders' recovery prospects, although such recovery would remain subject to the claims of secured creditors and the actual residual value of the Group's assets at the relevant time.

Early redemption risk

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

Moreover, there is no guarantee that Extraordinary Early Redemption Event will not occur. In the event of such occurrence, the Bonds will have to be redeemed by the Company in accordance with the procedure established in the Prospectus. In such cases, the investor's actual rate of return may be adversely affected and may be lower than initially anticipated.

Note: Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, 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 the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

Risk factors (4/4)

Risk factors related to the bonds

The Company assesses the probability of this risk materializing as moderate, depending on future capital market conditions and the Company's strategic financing decisions, and the potential impact as low, as investors would receive their principal and accrued interest in full upon early redemption, and, in certain circumstances, may also receive an applicable redemption premium. Nevertheless, their overall investment return may be lower than anticipated and they may be exposed to reinvestment risk.

Transaction costs/charges

When the Bonds are subscribed, purchased, or sold, various incidental costs may be incurred in addition to the Issue Price or market price of the Bonds. To the extent that additional domestic or foreign parties are involved in the execution of an order – including, but not limited to, dealers or brokers – investors may be charged brokerage fees, commissions, and other expenses. Furthermore, other charges may arise that could not be foreseen by the Issuer or disclosed in this Prospectus.

Natural persons who are Lithuanian tax residents should note that if the Issue Price of a Bond within a specific Tranche is higher than its Nominal Value (i.e., a premium), the Nominal Value received upon redemption is not treated as taxable income. However, for personal income tax purposes, the difference between the higher Issue Price and the Nominal Value (the capital loss) will not reduce the taxable interest income or any other taxable income of the natural person.

Moreover, changes to laws and legal acts in the Republic of Lithuania and/or the investor’s domicile, or the implementation of new regulations, may result in additional expenses or taxes for investors, potentially reducing the overall return on investment.

The Company assesses the probability of unexpected material transaction costs or adverse tax changes materialising as moderate, and the potential impact as low, because these costs generally result in a marginal reduction of the investor's net yield rather than threatening the recovery of the invested principal.

OFFERING AND ADMISSION TO TRADING ON THE BOND LIST OF NASDAQ VILNIUS-RELATED RISK

There is no active trading market for the Bonds / Risk of Listing Failure or De-listing Event (Put Option)

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If a market does develop, it may not be liquid. Therefore, no liquidity for the Bonds can be assured, nor can the ability of Bondholders to sell their Bonds or the prices at which such sales might occur. The Issuer notes that the Prior Bond Issue is already listed and admitted to trading on the Bond List of Nasdaq Vilnius. However, trading volumes in such bonds have been relatively low. This indicates that, even where debt securities of the Issuer are admitted to trading, the secondary market may remain limited.

It is possible that the market for the Bonds will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on the market price of the Bonds, regardless of the Company’s prospects and financial performance. Consequently, there is no assurance that an active trading market for the Bonds will develop or be sustained.

Even though applications will be made for the admission of the Bonds to trading on the Bond List of Nasdaq, there can be no assurance that such applications will be accepted, that any particular Tranche of the Bonds will be admitted, or that an active trading market will develop. Therefore, Bondholders may incur a loss due to an inability to sell the Bonds or being forced to sell them at an unfavourable price. If the Bonds are not admitted to trading within the period specified in the Prospectus, or if a De-listing Event occurs, Bondholders may be entitled to require early redemption of the Bonds in accordance with the Prospectus. Any such early redemption could require the Company to use significant cash resources, seek additional financing or dispose of assets, and there can be no assurance that the Company would be able to do so on acceptable terms, or at all.

The Company assesses the probability of an active secondary market failing to develop as high, consistent with historical trading volumes, with a moderate impact primarily limiting investors' pre-maturity liquidity. Conversely, the probability of a Listing Failure or De-listing Event is assessed as low (remote). However, the potential impact is acknowledged as high, as it could trigger mandatory early redemption demands and materially strain the Company's cash resources.

Bonds may not be appropriate to some Investors

The Bonds may not be an appropriate investment for all investors. Each potential investor should assess the suitability of the investment by taking into account all relevant personal circumstances and the possession of sufficient financial resources and liquidity to bear all associated risks, including the potential loss of a substantial portion or the entirety of the invested capital. Unless the Bonds are subscribed through Exchange Members or Distributors, which, if required under applicable law, will perform suitability, appropriateness or other required assessments in respect of the investor, the investor must independently ensure the investment aligns with their financial profile. The potential investor should be aware that the Issuer is not obliged to, and will not, carry out an assessment regarding whether the Bonds are a suitable financial product for any specific investor. Therefore, subscribing to the Bonds directly through the Issuer may result in an unsuitable investment due to a lack of independent assessment or an improper evaluation of appropriateness by the investor.

In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of the investment, and the information contained in this Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate the investment within the context of their specific financial situation and its impact on their overall portfolio; (iii) possess sufficient financial resources and liquidity to bear all risks, including scenarios where the currency for principal or interest payments differs from the investor's functional currency; (iv) thoroughly understand the terms of the Bonds and be familiar with the behaviour of relevant financial markets; and (v) be able to evaluate, either alone or with a financial adviser, possible scenarios for economic, interest rate, and other factors that may affect the investment.

The Company assesses the probability of an investor making an unsuitable investment as moderate, as it depends on individual financial literacy and whether subscriptions are routed through regulated intermediaries. However, the potential impact on such an individual investor is assessed as high, because a misalignment between the Bonds' risk profile and the investor's financial capacity could lead to unmanageable liquidity constraints or material personal financial losses.

Cancellation of the Offering

The Offering is subject to the sole discretion of the Issuer. The Issuer reserves the right to cancel the Offering of any Tranche conducted pursuant to the respective Final Terms at any time prior to its Issue Date, for any reason, and without the consent of investors or the Trustee. Prospective investors should be aware that the decision to cancel a Tranche may be influenced by various factors, including market conditions, regulatory considerations, or other unforeseen circumstances.

In the event of a cancellation, all submitted Subscription Orders will be disregarded and deemed null and void. Any payments made in respect of such orders will be returned to investors without interest or any other compensation. Furthermore, the Issuer shall not be liable for any costs, damages, or losses incurred by prospective investors as a result of such cancellation, including but not limited to expenses related to due diligence, legal counsel, or other professional fees.

The Company assesses the probability of the Offering being cancelled as low, as the Company intends to complete the issuance to support its strategic and refinancing objectives. The potential impact on prospective investors is also assessed as low, because all subscribed funds would be fully refunded by the Company, limiting the investment-related financial consequences for investors primarily to the temporary unavailability of such funds and any related transactional costs.

Continuous Offering

While the Company intends to issue the total aggregate amount of up to EUR 50,000,000 under this Prospectus, the full amount of the Bonds may not be issued prior to the expiration of the Prospectus validity term. In such an event, the Company would be required to prepare and seek approval for a new base prospectus for any remaining portion of the Issue.

There is a risk that such a new prospectus may not be approved by the Bank of Lithuania or may be subject to different regulatory standards or material changes. Any failure to approve or publish a subsequent base prospectus could significantly impact the total proceeds available to the Company, its ability to execute its growth strategy and investment projects, its overall financial stability, and the volume of Bonds available for trading in the secondary market.

The Company assesses the probability of failing to secure a subsequent prospectus approval, should it be necessary, as low. The potential impact is assessed as moderate, because while an inability to issue the remaining portion of the Bonds would restrict this specific funding channel, the Company could pursue alternative capital sources to support its future expansion.

Note: Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, 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 the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

Section 8

Contacts

Contacts

For all inquiries related to the bond offering, please contact our team

Rasa Bartusevičienė
Investor Relations Manager
rasa.bartuseviciene@lordslb.lt

Dana Česūnė
Investor Relations Manager
dana.cesune@lordslb.lt

Simona Klimanskienė
Investor Relations Manager
simona.klimanskiene@lordslb.lt

Paulius Nevinskas
Tewox Manager
paulius.nevinskas@lordslb.lt

Kristijonas Grigaitis
Tewox Deputy Manager
kristijonas.grigaitis@lordslb.lt

Luminor

Daumantas Pocius
Fixed Income Sales
daumantas.pocius@luminorgroup.com

Rasmus Perend
Fixed Income Sales
rasmus.perend@luminorgroup.com