

## FINAL TERMS OF THE BONDS

10<sup>th</sup> January 2025

SUTNTIB AB "TEWOX"

Issue of up to EUR 6,000,000 Bonds

under the EUR 35,000,000 Bond Issue

This document once signed will constitute the Final Terms for the Bonds described herein and must be read in conjunction with the Company's base prospectus drawn up by the Company, dated 13 August 2024 (the **Prospectus**) and Terms and Conditions which are provided therein. Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Prospectus. The Prospectus (including all its supplements (if any)) is and will be available for acquaintance at the Company's website ([https://lordslb.lt/tewox\\_bonds/](https://lordslb.lt/tewox_bonds/)). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds.

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

A summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been approved by a Decision of General Meeting dated 5 August 2024. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	SUTNTIB AB "TEWOX"
2.	Number of Tranche	3 <sup>rd</sup>
3.	Maximum Aggregate Nominal Value of the Issue	EUR 35,000,000
4.	Maximum Aggregate Nominal Value of the Tranche	Up to EUR 6,000,000. 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 3 <sup>rd</sup> Tranche as set out in the Final Terms.
5.	Maximum Aggregate Nominal Value of the Tranche for Offering through the Auction	Up to EUR 6,000,000. 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 3 <sup>rd</sup> Tranche as set out in the Final Terms.
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	Issue Price (%) without accrued interest: 100.7440% per Nominal Amount.  Issue Price (%) with accrued interest: 104.1262% per Nominal Amount.

9.	Minimum Investment Amount	EUR 1,000
10.	Issue Date	29 <sup>th</sup> January 2025
11.	Final Maturity Date	6 <sup>th</sup> October 2026
12.	Redemption/Payment Basis	<p>Redemption at par.</p> <p>Early redemption may occur at the sole discretion of the Issuer on the Early Redemption Date, designated in a 20-day prior written notice to the Bondholders and the Trustee but the Early Redemption Date may occur no earlier than 3 (three) months prior to the Final Maturity Date. The Issuer shall pay no premium in case of an early redemption of the Bonds.</p>
13.	Interest	<p>(i) Interest Payment Dates 6<sup>th</sup> April 2025, 6<sup>th</sup> October 2025, 6<sup>th</sup> April 2026, 6<sup>th</sup> October 2026.</p> <p>(ii) Interest Rate 8.5 % (fixed) annually.</p> <p>(iii) Interest calculation method Act/Act (ICMA) count convention</p>
14.	Yield	8 % per annum. Yield is calculated based on the Nominal Amount and on the Issue Date. Actual yield may differ depending on the price paid for a specific bond by an investor.
15.	Record Date	Third Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date, Early Maturity Date or De-listing Event or Listing Failure Put Date, whichever is relevant.
16.	Offering jurisdictions	The Republic of Lithuania, Estonia and Latvia
17.	Subscription Period	From 14 <sup>th</sup> January 2025 9:00 Vilnius time until 24 <sup>th</sup> January 2025, 15:30 Vilnius time.
18.	Payment Date	<p>Settlement Date for investors participating in the Rollover – 29<sup>th</sup> January 2025 (no actual payments of the Issue Price, exchange of bonds only).</p> <p>In case of an Auction, payment for the Bonds subscribed and distribution of the Bonds are made by Delivery Versus Payment method, meaning that the settlement procedure is carried out by Nasdaq CSD and Exchange Members on the Issue Date in accordance with the Auction Rules.</p> <p>Institutional investors placing orders through the Dealer shall pay for the Bonds no later than on the Issue Date.</p>

19.	ISIN code	LT0000409567
20.	Expected listing and admission to trading on the Bond List of Nasdaq date	6 months after the Issue Date of the first Tranche (not later than 6 March 2025).
21.	Placing and underwriting	Not applicable
22.	Subscription channels	<p>Through the Issuer (in respect to the Rollover), Dealer and Auction.</p> <p>The form of Subscription Order for participation in the Rollover shall be provided by the Issuer upon request of investor and is available on the Issuer's website <a href="https://lordslb.lt/tewox_bonds/">https://lordslb.lt/tewox_bonds/</a>. The Subscription Orders shall be provided directly to Issuer at the office of the Issuer, at the address Jogailos st. 4, Vilnius, the Republic of Lithuania, or by e-mail of the Issuer info@lordslb.lt, if signed with a qualified e-signature.</p> <p>The Subscription Orders may be submitted through any Exchange Member having access to GENIUM INET trading system that are eligible to participate in the Auction (i.e. enter buy orders in Nasdaq trading system during the Subscription Period) in accordance with the Special Rules of Nasdaq in case an Auction of the Bonds is organized through Nasdaq (to be published on Nasdaq website at <a href="http://www.nasdaqbaltic.com">www.nasdaqbaltic.com</a> before the start of the Auction).</p>
23.	Allocation rule (in case of oversubscription)	<p>The Subscription Orders of the investors participating in the Rollover shall be satisfied in full, but only if the Subscription Orders are recognized as valid.</p> <p>The Issuer will decide on the allocation of the Bonds after the expiry of the Subscription Period. The Bonds will be allocated to the investors in accordance with the following principles, which the Issuer may change depending on the distribution of Subscription Orders collected in the offering, including during the ones participating in the Rollover, the total demand and other circumstances: (i) the allocation shall be aimed to create a solid, reliable and diversified Investor base for the Issuer; (ii) the Issuer may apply different allocation principles to a different group of investors; and (iii) the Issuer may set a minimum and a maximum number of the Bonds allocated to one investor.</p>
24.	Rollover	<p>Applicable in respect to EUR 7,474,000 bonds with ISIN LT0000313603. The Issuer intends to early redeem these bonds with ISIN LT0000313603 according to the terms and conditions governing this bond issue by providing a possibility for the investors (owners of the</p>

bonds with ISIN LT0000313603) to participate in a Rollover and exchange the bonds with ISIN LT0000313603 with the new Bonds of this 3<sup>rd</sup> Tranche.

Signed on behalf of SUTNTIB AB "TEWOX"

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Paulius Nevinskas

## SUMMARY

This Summary (the **Summary**) is a brief overview of the information disclosed in the base prospectus (the **Prospectus**) dated 13 August 2024 in connection with the public offering (the **Offering**) of up to 35,000 bonds with the nominal value of EUR 1,000 each (the **Bonds**) (the **Issue**) of a special closed-ended real estate investment company AB "Tewox", legal entity code 305733600, with its registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania (the **Company** or **Issuer**) during the period of up to 12 months in separate series (the **Tranche**).

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

### 1. INTRODUCTION AND WARNINGS

#### 1.1. Name and ISIN of the Bonds

EUR 8.50 TEWOX BONDS 24-2026 with ISIN LT0000409567.

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

Special closed-ended real estate investment company AB "Tewox" is a public limited liability company established and existing under the laws of the Republic of Lithuania (including, but not limited to the Law on Companies of the Republic of Lithuania, Civil Code of the Republic of Lithuania, the Law on Collective Investment Undertakings for Informed Investors of the Republic of Lithuania, etc.), legal entity code 305733600, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania.

Contact details: tel. No +370 5 261 9470, e-mail [info@lordslb.lt](mailto:info@lordslb.lt).

Issuer's LEI is 984500ETP929D4755B29.

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

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

#### 1.4. Date of approval of the Prospectus

The Prospectus was approved on 13 August 2024.

#### 1.5. Warning

- (i) This Summary has been prepared in accordance with Articles 7 and 8 of the Prospectus Regulation and should be read as an introduction to the Prospectus.
- (ii) Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.
- (iii) Any investor could lose all or part of their invested capital or incur other costs, related to disputes with regard to the Prospectus or Bonds.
- (iv) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

### 2. KEY INFORMATION ON THE ISSUER

#### 2.1. Who is the issuer of the securities?

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

The Issuer is incorporated in the Republic of Lithuania with its registered office at Jogailos st. 4, Vilnius, the Republic of Lithuania and its LEI is 984500ETP929D4755B29. The Issuer is incorporated and registered as a public limited liability company in the Register of Legal Entities of the Republic of Lithuania with legal entity code 305733600. The information about the Issuer and the Offering can be found at [https://lordslb.lt/tewox\\_bonds/](https://lordslb.lt/tewox_bonds/).

##### 2.1.2. *Principal activities*

The Company was incepted in 2021; it is aiming to build a portfolio comprised of stable cash flow generating properties leased to grocery retailers, land plots suitable for grocery store development straight away, as well as land plots in key strategic locations which will be suitable in longer term as the cities develop. The pipeline of investments will be built to satisfy both short and long-term growth perspectives. The key criteria for all the assets under consideration is long-term leases by major grocery retailers in the region. The geographical scope of the Company is the Baltic Sea Region (the Republic of Lithuania, the Republic of Latvia, the Republic of Estonia, the Republic of Finland, the Kingdom of Denmark, the Republic of Poland and the Federal Republic of Germany). As of the date of the Prospectus, the Group is mainly active and holding assets in the Republic of Lithuania, Latvia, Estonia and the Republic of Poland. However, the expansion of the Group is planned in other listed countries as well.

##### 2.1.3. *Major shareholders*

The current registered and fully paid-in share capital of the Company is EUR 160,000 which is divided into 160,000 ordinary shares of the Company (the **Shares**) with the nominal value of EUR 1. The Shares are not admitted to trading on any regulated market. According to its Articles of Association, the Company has a right to issue additional shares up to the amount of EUR 250,000,000. The actual issued and paid-up share capital of the Company on 31 December 2023 was equal to EUR 38,037,000.

One Share carries one vote in the general meeting of shareholders.

The Company is being managed by UAB „Lords LB Asset Management“ (legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania) (the **Management Company**).

As at the date of the Prospectus, the shareholders holding directly over 5% of all Shares in the Company are the following:

Name of shareholder	Number of Shares	Proportion	Ultimate Beneficial Owner
UAB Viola invest	6,000,000.000	14,45%	Gintautas Jaugielavičius, Ignas Janukonis, Vitas Janukonis
Taikos projektas, UAB	5,500,000.000	13,24%	Mindaugas Marcinkevičius
UAB „In Group“	5,000,000.000	12,04%	Jordanas Kenstavičius Viktorija Kenstavičienė
AB ŠIAULIŲ BANKAS	3,000,000.000	7,22%	Vytautas Sinius
UAB BFIII LV	2,500,000.000	6,02%	Salva Marcinkevičienė

#### 2.1.4. Key managing directors

The Company is a collective investment undertaking the management of which is delegated to the Management Company – UAB „Lords LB Asset Management“. The Company does not have management bodies and the rights and duties of the Management Board and General Manager prescribed in the Law on Companies of the Republic of Lithuania are performed by the Management Company.

#### 2.1.5. Identity of the independent auditor

The Audited Consolidated Financial Statements for the years ended 31 December 2022 and 31 December 2023 (the **Audited Consolidated Financial Statements**) were prepared in accordance with the IFRS and audited by the audit company UAB “KPMG Baltics”, legal entity code 111494971, having its registered address at Konstitucijos ave. 29, Vilnius, the Republic of Lithuania.

In 2024, the General Meeting appointed PricewaterhouseCoopers, UAB, legal entity code 111473315, having its registered address at J. Jasinskio st. 16B, Vilnius, the Republic of Lithuania, as the Company’s new auditors for the years 2024-2026.

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

The Audited Consolidated Financial Statements for the years ended 31 December 2022 and 31 December 2023 were prepared in accordance with the IFRS. The Audited Consolidated Financial Statements are incorporated into the Prospectus by reference.

Audit company issued an unqualified auditor’s opinion with the emphasis of the matter described in the paragraph below regarding the Audited Consolidated Financial Statements for the year ended 31 December 2022. The audit company in its report regarding the Audited Consolidated Financial Statements for the year ended 31 December 2022 draw the attention to the Note 3.27 of the report which describes that the Group’s current liabilities exceed current assets by EUR 15,802 thousand. The consolidated financial statements of the Group have been prepared on a going concern basis. The going concern assessment was based on assumptions that in 2023 the Group will successfully issue public three-year bond emission of approx. EUR 50,000 thousand and non-public two-year bond emission of approx. EUR 15,000 thousand as well as successfully refinance short term loans of EUR 7,605 thousand. Accordingly, the management concluded that no material uncertainties exist in relation to the Group’s ability to continue as a going concern. The Note 3.27 to the consolidated financial statements further explains how the judgment was formed. The audit company’s opinion with regard to the Audited Consolidated Financial Statements for the year ending 31 December 2022 has not been modified in respect of this matter.

Audit company issued an unqualified auditor’s opinion with the key audit matter described in the paragraph below regarding the Audited Consolidated Financial Statements for the year ended 31 December 2023. The audit company in its last report draw the attention to the Note 3.28 of the report (as a key audit matter (Significant judgments with regards to assessment of the Company’s and Group’s ability to continue as a Going Concern)) which describes that the Group’s current liabilities exceed current assets by EUR 23,181 thousand. The consolidated financial statements of the Group have been prepared on a going concern basis. The going concern assessment was based on assumptions that in 2024 the Group will successfully issue non-public one-year bond emission of approx. EUR 10,000 thousand and a second non-public two-year bond emission of approx. EUR 16,000 thousand in order to refinance its current liabilities. Accordingly, the management concluded that no material uncertainties exist in relation to the Group’s ability to continue as a going concern. The Note 3.28 to the Audited Consolidated Financial Statements further explains how the judgment was formed by the Management.

Table 1. Income statement (EUR)

Year	2023.12.31 (audited)	2022.12.31 (audited)
Operating profit/loss	6 341 326	2 277 859

Source: the Audited Consolidated Financial Statements

Table 2. Balance sheet (EUR)

Year	2023.12.31 (audited)	2022.12.31 (audited)
Net financial debt (long term debt plus short term debt minus cash)	85 579 824	35 989 476

Current ratio (current assets/current liabilities)	0,27	0,20
Debt to equity ratio (total liabilities/total shareholder equity)	2,19	1,27
Interest cover ratio (operating income/interest expense)	1,73	5,51

Source: the Audited Consolidated Financial Statements

Table 3. Cash flow statement (EUR)

Year	2023.12.31 (audited)	2022.12.31 (audited)
Net Cash flows from operating activities	3 800 823	2 153 535
Cash flows from financing activities	(54 684 184)	(13 783 966)
Net Cash flow from investing activities	49 452 686	13 583 452

Source: the Audited Consolidated Financial Statements

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

#### *Financial risks*

- (i) **Investment projects' success risk.** The Company's investment success is highly dependent on the Management Company's decisions and experience of the Management in relation to planning of investments, negotiations with counterparties, etc. Considering that even one unsuccessful investment can have a significant negative impact on the Company's financial performance and results, the Management Company's employees invoke all available information and analytic resources when planning investments, thorough due diligence procedures are carried out, however, there is no guarantee, that all information based on which the investments in the real estate projects are made is exhaustive and error free or there will be no other unpredictable external events with impact on the real estate market and Company's investment projects. Therefore, there is a risk that the key variables regarding which investments assumptions are made could significantly and negatively change and adjustments to the initial calculations might be required consequently reducing overall profitability of the Company's investment portfolio and affecting the Company's activities, financial situation, and ability to redeem the Bonds.
- (ii) **Tenants' risk.** The Company's strategy is to lease the real estate objects for the highest possible price. Even though rent is usually paid on time by tenants (tenants' obligations not fulfilled on time according to the latest Audited Consolidated Financial Statements as of 31 December 2023 amounted to EUR 166,652, EUR 73,052 of which are not overdue receivables and EUR 93,600 was overdue). Accordingly, the total amount of receivables represented 2.03% of the Company's total income from tenants and the overdue amount represented 1.14% of the Company's total income from tenants. Therefore, the amounts not paid by the tenants on time do not have a significant impact on the Company's activities, there is a risk that changed economic conditions and/or economic downturn would cause tenants defaults. This would negatively affect the Company's profit and cash flows. As a result of non-fulfilment of a large part of obligations on time by tenants, the Company's normal business activities may be disrupted, additional sources of financing may have to be sought, which may not always be available. The Company may face the problem of non-reimbursed costs of constant tenants if it fails to obtain the expected rental income or to maintain a high occupancy rate of the buildings. This risk may occur from significant increase in the supply of rental premises and decrease in demand, resulting in a fall in rental prices. If it is not possible to rent the premises at the expected prices or volumes, if the existing tenants terminate the lease agreements, the Company's income could decrease, without any change in fixed costs. The Company's profits would decrease accordingly and this might affect the Company's ability to redeem the Bonds.
- (iii) **Liquidity risk.** Liquidity risk is the risk that the Issuer is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due and to redeem the Bonds. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Issuer to meet its payment obligations in cash, whether scheduled or unscheduled. There may be difficulty in the future in accessing the financial markets, which could make it more difficult or expensive to obtain funding. There can be no assurance that the Company will be able to continue to raise financing at a reasonable cost, or at all. The Company may also be subject to solvency risks of its counterparties in its financial investments and arrangements. These may have an adverse effect on the Group's business, financial condition and results of operations. Although the Management Company monitors its 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 ability to redeem the Bonds at their maturity. In evaluating the liquidity risk, it is notable that the Company's consolidated financial statements for the year ended 31 December 2023 were prepared on a going concern basis. As of 31 December 2023, the Group's current liabilities exceeded current assets by EUR 23,181,000. The audit company, in its report on these financial statements, highlighted this matter and the going concern assumption. However, it should be noted that the going concern assessment was based on assumptions that the Group would successfully issue a non-public one-year bond of EUR 10,000,000 and a second non-public two-year bond of approximately EUR 16,000,000 in 2024 to refinance its current liabilities. The Management concluded that no material uncertainties exist regarding the Group's ability to continue as a going concern. The audit company did not modify its opinion on the consolidated financial statements for the year ended 31 December 2023 concerning this issue. Nevertheless, as correctly anticipated by the Management, the Company issued EUR 9,974,000 in bonds (ISIN LT0000313603) in early 2024, with a maturity date of 12 February 2025. Therefore, the remaining assumption hinges on the success of the Offering based on the Prospectus.

#### *Business activities and industry risks*

- (i) **Real estate market risk.** Since the Company's main business is management and development of real estate projects, negative developments in the Company's 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 (including increase in geopolitical risks caused by the Russia's war in Ukraine), there is a risk that the Company's investments may lose their value or the anticipated Company's investment projects may have to be reconsidered and/or postponed. The fluctuations in the real estate market may reduce the rental income received by the Company and the liquidity and value of the 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 in the market and an increase in sellers' activity in the market. This would lead to a decrease in asset prices and a drop in liquidity. In essence, it would become more difficult to sell assets owned by the Company. Moreover, because of the economic processes in Lithuania and internationally, the Company's target clients may slow their expansion and growth plans, thus interest in the Company's properties and services may decrease and it may be difficult to find suitable tenants or buyers of developed properties.
- (ii) **Inflation risk.** Inflation and significant changes in inflation negatively affect the economy. The lease agreements of the assets owned by the Company (Group) may not always be indexed or not adjusted exactly according to inflation, so there remains a risk that inflation may have a negative impact on the Company's (Group's) rental return. Additionally, geopolitical tension and accelerating inflation significantly impact consumer spending habits. In response to the rising cost of living, consumers are cutting their overall expenditure, reducing spend on non-essential items and focus on saving. Because of changes in households' behaviour, turnover of the Group's tenants may be lower than in stable economy. Lower turnover of tenants may directly affect the Group's financial situation as usually the rent fees are determined according to turnover of the tenants.

#### *Legal risks*

- (i) **Risk of legal disputes.** Even though the Company is not involved in any legal proceedings at the moment, the Company cannot provide any assurance that there will not be any disputes with its tenants or other counterparties, the outcome of which cannot be predicted in advance. In unlikely situation where dispute is resolved in the manner unfavourable to the Company, this could adversely affect its operations, financial condition, and reputation as the Company may be required to pay damages awarded, including the legal costs of the opponent (the Issuer itself would also incur legal costs). All of this can have an impact on the Company's ability to properly perform its obligations to the investors, and on the attractiveness and liquidity of the Bonds.

#### *Governance and internal control risks*

- (i) **Management and human resources risk.** As the Group's management is transferred to the Management Company, the Group's success depends on the Management Company's team and their decisions, along with the expertise and experience of its members. The Group's ability to grow relies on qualified executives and employees, especially those with specialized knowledge in project development, financing, operation, and maintenance. Loss of key individuals could significantly impact the Group's business and financial health. As the Group expands, its success depends on the Management Company's ability to attract and retain additional qualified personnel, particularly in locations where the Group operates. The Management Company must also handle the business, financial, legal, and tax aspects of complex transactions. Failure to attract new talent or effectively manage departures could adversely affect the Group's business and financial condition.

### **3. KEY INFORMATION ON THE SECURITIES**

#### **3.1. What are the main features of the securities?**

##### **3.1.1. *Type, class and ISIN***

A fixed-term non-equity non-convertible non-subordinated (debt) security instrument with ISIN LT0000409567.

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

The currency of the Bonds is euros. The Nominal Value of Bond is EUR 1,000. The Maximum Aggregate Nominal Value of the Offering under the Prospectus amounts to EUR 35,000,000. The Final Maturity Date of the Bonds is 6 October 2026.

##### **3.1.3. *The rights attached to the securities***

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

On 5 August 2024 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, LT-09310 Vilnius, the Republic of Lithuania (the **Trustee**).

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

In case of the Issuer's insolvency, the Investors shall have a right to receive payment of the outstanding principal amount of the Bonds and the interest accrued on the Bonds according to the laws of the Republic of Lithuania governing the insolvency of the Issuer.

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

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

#### **3.2. Where will the securities be traded?**

The Issuer will seek admission of the Bonds to trading to the Baltic Bond List of Nasdaq Vilnius AB (the **Bond List of Nasdaq or Nasdaq**), a regulated market in the Republic of Lithuania.

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

#### *Risks concerning the terms of the Bonds*

- (i) **Inflation risk.** At the time of the Prospectus high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities. Inflation reduces the purchasing power of a Bond's future interest and Nominal Value. Inflation may lead to higher interest rates which could negatively affect the Bonds price in the secondary market.
- (ii) **Refinancing risk.** The Company may be required to refinance certain or all of its outstanding debts, including the Bonds. Up to date of the Prospectus Company's bonds amounting to EUR 24,974,000 remain outstanding: EUR 15,000,000 bonds (ISIN LT0000407785) with a maturity date of 7 September 2024 and EUR 9,974,000 bonds (ISIN LT0000313603) with a maturity date of 12 February 2025. The Company plans to redeem the bonds with funds generated by operating Subsidiaries and funds raised from the issuance of new Bonds on a basis of the Prospectus. The Company's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. In unfavourable debt capital market situation, the Company's access to financing sources at a particular time may not be available on favourable terms, or at all. The Group's level of indebtedness presents a number of risks to its financial condition, including the following: certain of the Company's borrowings are at variable rates of interest, exposing the business to the risk of increased interest rates; and if due to liquidity needs the Company must replace any borrowings upon maturity, the business would be exposed to the risk that it would be unable to do so as the result of market, operational or other factors. The Company's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Company's operations, financial condition, earnings and on the Bondholders' recovery under the Bonds. The Company plans to use bank loan (although no negotiations regarding the terms of the loan have commenced at this time), equity, investment proceeds or proceeds from another bond issue as the main source for the redemption of the Bonds (the proportions may change, therefore the Company decided not to list them). The Issuer's preventative actions and/or anticipated plans on refinancing of the Bonds described above does not guarantee that the Company will be able to redeem the Bonds as anticipated on the day of the Prospectus and that Bondholders will recover their planned investments.
- (iii) **Interest rate risk.** The Bonds bear interest on their outstanding Nominal Value at a fixed interest rate. Investor is exposed to the risk that the value of the Bonds decreases as the results of changes in the market interest rates. While nominal interest rate of the Bond is fixed until its redemption, the prevailing capital market rates change on a daily basis. If the market interest rate increases, the market value of the Bond may fall.

#### *Offering and admission to trading on the Bond List of Nasdaq related risks*

- (i) **There is no active trading market for the Bonds.** The Bonds are new and may not have a widely distributed or active trading market. If a market does develop, it may lack liquidity, making it difficult for Bondholders to sell their Bonds or obtain favorable prices. Market disruptions or volatility could negatively impact the Bonds, regardless of the Company's performance. Applications will be made for the Bonds to trade on the Bond List of Nasdaq, but there is no assurance they will be accepted, or that an active market will develop. The Bond List of Nasdaq typically has lower liquidity and limited secondary trading, which could result in losses for Bondholders if they cannot sell their Bonds or must sell at unfavorable prices.
- (ii) **Bonds may not be appropriate to some investors.** Investing in the Bonds may not be suitable for all investors. Potential investors must evaluate the appropriateness of the investment, considering personal circumstances and ensuring adequate financial resources to bear all associated risks, including potential capital loss, unless the Bonds are subscribed through the Exchange Members or Distributors that shall initially evaluate the appropriateness of the Bonds to the investor and the investor shall base its decision to invest in the Bonds on the provided outcome. Investors should possess: (i) knowledge and experience to assess the Bonds and associated risks; (ii) access to analytical tools for portfolio impact evaluation; (iii) sufficient financial resources and liquidity; (iv) understanding of Bond terms and relevant markets; and (v) ability to evaluate economic and interest rate scenarios. The Issuer does not assess the Bonds' appropriateness for investors directly, and lack of such evaluation may result in an unsuitable investment, even if assessed by the Exchange Members or Distributors.

## 4. KEY INFORMATION ON THE OFFERING

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

In the course of the Offering, the Company offers up to 6,000 Bonds to be issued under the third Tranche (the **Offer Bonds**). The issue price (%) for the offered Bonds without accrued interest: 100.7440 % per Nominal Amount, issue price (%) with accrued interest: 104.1262 % per Nominal Amount, Yield is set at 8% per annum (the **Issue Price**). The Offering may be decreased by the amount unsubscribed or increased as provided in the Final Terms. The third Tranche is subject to a Rollover in respect to the Issuer's another outstanding bond issue with ISIN LT0000313603.

**Subscription period.** The subscription period is the period during which the persons who have the right to participate in the Offering (the **Subscription Period**) may submit the subscription orders for the Offer Bonds (the **Subscription Order**). The Subscription Period commences on 14 January 2025 and ends on 24 January 2025, unless the Offering is cancelled pursuant to the Prospectus.

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

The investors participating in the Rollover through the Issuer shall have a Securities Account (or have the Securities Account opened by nominee) with entities of investor's choice which is licensed to provide such services within the territory of the Republic of Lithuania, Latvia or Estonia.

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

#### **Subscription channels.**

The Subscription Orders as to acquisition of the Bonds of the third Tranche subject to a Rollover, shall be submitted by the investors to the Issuer at its office or via e-mail indicated in the Prospectus and/or Final Terms.

As the Offering is also conducted by way of an Auction through Nasdaq, the Subscription Orders as to acquisition of the Bonds of the third Tranche shall be submitted by the Investors to the Exchange Members. Auction Rules are published on the website of Nasdaq at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com) (the **Auction Rules**).

**Allocation.** The Issuer shall accept all Subscription Orders of the investors that are considered valid under the Prospectus. In case the Maximum Aggregate Nominal Value of the third Tranche is exceeded (i.e., oversubscription), the Issuer following the recommendation of the Dealer shall allocate the Bonds based on the respective allocation rule indicated in the Final Terms.

**Payment.** The investors participating in the Rollover shall make no payments of the Issue Price to the Issuer as on the relevant Issue Date a unilateral settlement by way of set-off that can be carried on the basis of total amount (nominal amount or Issue Price, respectively, and accrued interest in each case) of Issuer's liability towards respective investor against investor's liability towards the Issuer.

In respect to the Auction, payment for the Bonds subscribed and distribution of the Bonds are made by Delivery Versus Payment method, meaning that the settlement procedure is carried out by Nasdaq CSD and Exchange Members on the Issue Date in accordance with the Auction Rules and title to the Bonds purchased in the subscription process is obtained upon Bonds transfer to the respective Securities Accounts which is done simultaneously with making the cash payment for the purchased Bonds.

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

**Admission to trading.** It is expected that the Offer Bonds will be listed and admitted to trading on the Bond List of Nasdaq not later than within 6 months as from placement of the Bonds of the first Tranche (i.e., 6 March 2025).

**Return of funds.** In respect to the Auction, 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). No returns are applicable in respect to a Rollover.

**Changes to the Offering.** Any decision on cancellation, suspension and changes of dates of the primary distribution or other information will be published on the Issuer's website at [https://lordslb.lt/tewox\\_bonds/](https://lordslb.lt/tewox_bonds/) and/or sent to the investors via e-mail indicated by each investor in respective Subscription Order.

#### 4.2. Why is this Prospectus being produced?

The Prospectus has been prepared in connection with the (i) Offering in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia and (ii) Admission to trading on the Bond List of Nasdaq.

Provided that all the Bonds under the Issue are subscribed for and issued by the Company, the expected amount of gross proceeds would be up to EUR 35,000,000 less the amounts of costs and expenses incurred in connection with the Offering, as prescribed below.

The Company will bear approximately up to EUR 500,000 of fees and expenses in connection with the Offering (including the maximum amount of any discretionary commission, admission to trading on the Bond List of Nasdaq related costs, legal costs, etc.) under the Issue. These costs of the Offering will be covered from proceeds of the Offering.

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