



Akcinė bendrovė Invalda INVL

(a public limited liability company registered in the Republic of Lithuania with legal entity code 121304349)

PROGRAMME FOR THE ISSUANCE OF NOTES IN THE AMOUNT OF EUR 25,000,000

Under this programme for the issuance of notes in the amount of EUR 25,000,000 (the **Programme**) - described in this base prospectus (the **Base Prospectus**) Akcinė bendrovė Invalda INVL, a public limited liability company (in Lithuanian – *akcinė bendrovė*) incorporated in and operating under the laws of the Republic of Lithuania, legal entity code 121304349, with registered office at Gynėjų g. 14, LT01109 Vilnius, Lithuania (the **Issuer**, the **Company** or **Invalda INVL**), may issue and offer from time to time in one or several series (the **Series**) non-convertible notes denominated in EUR, having maturity up to 5 (five) years and with fixed interest rate (the **Notes**). Each Series may comprise one or more tranches of Notes (the **Tranches**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not at any time exceed EUR 25,000,000.

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued in accordance with the provisions described herein.

To the extent not set forth in this Base Prospectus, the specific terms of any Notes will be included in the relevant final terms (the **Final Terms**) (a form of which is contained herein). This Base Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein, and, in relation to any Tranche of Notes and with the Final Terms of the relevant Tranche of Notes.

This Base Prospectus has been prepared in connection with the offering and listing of the Notes pursuant to the requirements of the Regulation (EU) 2017/1129 (the **Prospectus Regulation**), the Law on Securities (in Lithuanian – *Vertybinių popierių įstatymas*) and the Commission Delegated Regulation No 2019/980/EU (the **Delegated Regulation**), in particular Annexes 6 and 14 thereof. The Bank of Lithuania (in Lithuanian – *Lietuvos Bankas*), as competent authority under the Prospectus Regulation, has approved this Base Prospectus and has notified the approval of the Base Prospectus to the competent authority in Latvia, the Bank of Latvia (in Latvian – *Latvijas Banka*) and Estonia, the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksioon*). The Bank of Lithuania only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus is valid for a period of 12 months from the date of approval. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

Application will be made to AB Nasdaq Vilnius, legal entity code 110057488, having its address at Konstitucijos pr. 29, LT-08105, Vilnius, Lithuania (**Nasdaq Vilnius**) for admitting each Tranche to listing and trading on the official bond list (the **Baltic Bond List**) of Nasdaq Vilnius according to the requirements of Nasdaq Vilnius not later than within 3 (three) months after the Issue Date of the respective Tranche. Nasdaq Vilnius is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended (the **MiFID II**).

The Notes shall be issued in the dematerialised form and registered in book-entry form with the Lithuanian branch of Nasdaq CSD SE (the merged central securities depository of the Republic of Lithuania, Latvia and Estonia) – Nasdaq CSD SE Lietuvos filialas, legal entity code 304602060, having its address at Konstitucijos pr. 29-1, LT-08105 Vilnius, Lithuania (**Nasdaq CSD**), which operates a central security depository in the Republic of Lithuania (the **Depository**). Investors may hold the Notes through participants of the Depository, including credit institutions and investment brokerage firms.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the **Securities Act**), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the **Regulation S**), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Investment in the Notes to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before making a decision to invest in the Notes. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed in Section "*Risk Factors*" below.

The date of this Base Prospectus is 28 May 2024

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RESPONSIBILITY STATEMENT

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer, the Issuer and its direct and indirect subsidiaries taken as a whole (the **Group**) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

The Issuer, represented by the Chief Executive Officer of the Issuer, Darius Šulnis, accepts responsibility for the information contained in this Base Prospectus and in any Final Terms which complete this Base Prospectus for each Tranche of Notes issued hereunder and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus does not omit anything likely to affect the import of such information.

Darius Šulnis
CEO of Akcinė bendrovė Invalda INVL

This document is signed electronically with secure electronic signatures containing time stamps.

IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation not contained in this Base Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the offering of the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Lead Manager or the Manager that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Lead Manager or the Manager, to any person to subscribe for or to purchase any Notes.

Each potential investor in the Notes must make their own assessment as to the suitability of investing in the Notes. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes are governed by Lithuanian law and any disputes arising in relation to the Notes shall be settled exclusively by the courts of the Republic of Lithuania.

DISTRIBUTION OF THE BASE PROSPECTUS AND SELLING RESTRICTIONS

The distribution of this Base Prospectus and any Final Terms may in certain jurisdictions be restricted by law, and this Base Prospectus and any Final Terms may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction other than the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia. The Issuer, the Lead Manager and the Manager expect persons into whose possession this Base Prospectus or any Final Terms comes to inform themselves of and observe all such restrictions. Neither the Issuer nor the Lead Manager or the Manager accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Notes is aware of such restrictions. In particular, this Base Prospectus and any Final Terms may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, Singapore, Russia, Belarus or any other jurisdiction in which it would not be permissible to deliver the Notes, and the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries.

Furthermore, this Base Prospectus and any Final Terms may not be addressed to any person who are Russian or Belarusian nationals or natural persons residing in Russia or Belarus or any legal persons, entities or bodies established in Russia or Belarus. The latter shall not apply to nationals of a Member State of the European Union, of a country member of the EEA or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the EEA or in Switzerland within the meaning of Council Regulation (EU) No 833/2014 of 31 July 2014 (as amended), and nationals of a Member State of the European Union or natural persons having a temporary or permanent residence permit in a Member State of the European Union within the meaning of Council Regulation (EC) No 765/2006 of 18 May 2006 (as amended).

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the **Securities Act**), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the **Regulation S**), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The Bank of Lithuania (in Lithuanian – *Lietuvos bankas*), as competent authority under the Prospectus Regulation, has approved this Base Prospectus and has notified the approval of the Base Prospectus to the competent authority in Latvia (the Bank of Latvia (in Latvian – *Latvijas Banka*) and Estonia (the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksioon*)). However, in relation to each member state of the European Economic Area (the **EEA**) (except the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia), the Issuer represent that it has not made and will not make any public offer of Notes prior to that EEA member state's authority receiving a certificate of approval of the Bank of Lithuania attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation together with a copy of the Base Prospectus.

Accordingly, any person making or intending to make an offer within the EEA of Notes which are the subject of an offering contemplated by this Base Prospectus and the relevant Final Terms (other than the offer of Notes in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia) may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

IMPORTANT – EEA RETAIL INVESTORS: The Notes have a fixed rate of interest and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) has been prepared by the Issuer.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Rounding

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Currencies

In this Base Prospectus, financial information is presented in euro (EUR), the official currency of the European Union Member States in the Eurozone.

Date of information

This Base Prospectus is drawn up based on information which was valid as of the date of the Base Prospectus. Where not expressly indicated otherwise, all information presented in this Base Prospectus (including the consolidated financial information of the Group, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Base Prospectus, this is identified by specifying the relevant date.

Certain publicly available information

Certain statistical data and other information appearing in this Base Prospectus have been extracted from public sources identified in this Base Prospectus. The Issuer does not accept responsibility for the factual correctness of any such statistics or information, but the Issuer accepts responsibility for accurately extracting and transcribing such statistics and information and believes, after due inquiry, that such statistics and information represent the most current publicly available statistics and information from such sources at the dates and for the periods with respect to which they have been presented. The Issuer confirms that all such third-party information has been accurately reproduced and, so far as the Issuer is aware and has been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Websites

Information contained in any website referred to herein does not form part of this Base Prospectus.

INFORMATION INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Base Prospectus and form a part of the Base Prospectus:

- the Consolidated Annual Report and Consolidated and Company's Financial Statements for the year ended 31 December 2023, prepared in accordance with IFRS (available at <https://www.invalidainvl.com/wp-content/uploads/2024/04/invalidainvl-2023-12-31-en.zip>), together with the audit report in connection therewith (available at <https://www.invalidainvl.com/wp-content/uploads/2024/04/INVL-Invalida-AR-2023-EN.pdf>);
- the Consolidated Annual Report and Consolidated and Company's Financial Statements for the year ended 31 December 2022, prepared in accordance with IFRS (available at <https://www.invalidainvl.com/wp-content/uploads/2023/04/invalidainvl-2022-12-31-en.zip>), together with the audit report in connection therewith (available at <https://www.invalidainvl.com/wp-content/uploads/2023/04/Invalida-INVL-Independent-Auditor-Report-2022.pdf>).

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the Group’s or the Issuer’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group’s results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See Section “*Risk Factors*” below.

These forward-looking statements are made only as of the date of this Base Prospectus. Except to the extent required by law, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Base Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the General Terms and Conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Notes should be based on a consideration by the investor of the Base Prospectus as a whole.

Words and expressions defined in the General Terms and Conditions of the Notes below or elsewhere in this Base Prospectus have the same meanings in this overview.

This overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of the Delegated Regulation.

Issuer:	Akcinė bendrovė Invalda INVL
Legal Entity Identifier (LEI) Code:	52990001IQUJ710GHH43
Programme Limit:	Up to EUR 25,000,000 aggregate nominal amount of Notes outstanding at any one time.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in Section “ <i>Risk Factors</i> ” below.
Method of Issue:	The Notes shall be issued in Series. Each Series may comprise one or more Tranches of Notes. The Notes of each Tranche will all be subject to identical terms, except that the Issue Dates and the Issue Prices thereof may be different in respect of different Tranches.
Form of the Notes:	<p>The Notes will be issued in dematerialized form and registered with Nasdaq CSD. According to the Law on Markets in Financial Instruments of the Republic of Lithuania, the book-entry and accounting of the dematerialized securities in the Republic of Lithuania shall be made by Nasdaq CSD.</p> <p>Entity to be in charge of keeping the records will be the Lead Manager.</p> <p>The Notes shall be valid from the date of their registration with Nasdaq CSD until the date of their redemption. No physical certificates will be issued to the Noteholders.</p>
Status:	The Notes constitute direct and unsubordinated obligations of the Issuer ranking <i>pari passu</i> without any preference among each other and with all other unsecured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
Collateral:	For the purpose of securing due and timely payment, discharge and performance of the Notes, the Issuer shall pledge, in first ranking, in favour of the Trustee (acting on behalf of and for the benefit of the Noteholders) part of the Issuer’s owned ordinary registered shares issued by Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348 Šiauliai, Lithuania, with nominal value of EUR 0.29 each (the Collateral). The number of the shares to be pledged in relation to each Tranche and other details of the pledge shall be specified in the Final Terms.

Please see Clause 11 (*Collateral*) of the General Terms and Conditions of the Notes for more information in relation to the Collateral.

Currency:	EUR
Denomination:	The nominal amount of each Note shall be specified in the Final Terms.
Issue Price:	The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount. The Issue Price shall be specified in the Final Terms.
Minimum Investment Amount:	The Notes will be offered for subscription for a minimum investment amount that will be specified in the Final Terms.
Interest:	The Notes will bear interest at a fixed annual interest rate as specified in the Final Terms.
Maturity:	The Notes shall be repaid in full at their nominal amount on the date which will be specified in the Final Terms. Each Series of Notes may have a maturity up to 5 (five) years.
Early Redemption by the Noteholders:	Except for cases specified in Clauses 10.4 (<i>De-listing Event or Listing Failure</i>) and 16 (<i>Events of Default</i>) of the General Terms and Conditions of the Notes, there are no other cases where the Noteholders have a right to demand redemption of the Notes prior their maturity.
Early Optional Redemption by the Issuer:	The Issuer is entitled to redeem each Series of Notes, in whole but not in part, after the first anniversary of the Issue Date at the price equal to (i) 101.00% of the principal amount of the Notes together with the accrued interest, if redeemed prior to the second anniversary or (ii) 100.00% (i.e. with no premium) if redeemed after the second anniversary.
Undertakings:	<p>The Notes will have the benefit of:</p> <ul style="list-style-type: none">(a) Indebtedness restrictions;(b) Negative pledge;(c) Pledge over Collateral;(d) Cross default, <p>as they are further described in Clause 15 (<i>Undertakings</i>) and Clause 16 (<i>Events of Default</i>) of the General Terms and Conditions of the Notes.</p>
Listing:	Application will be made to Nasdaq Vilnius for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) according to the requirements of Nasdaq Vilnius not later than within 3 (three) months after the Issue Date of the respective Tranche.
Taxation:	All payments in respect of the Notes by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (the Taxes), unless the withholding or deduction of the Taxes is required by laws of the Republic of Lithuania. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall

not be obligated to make any additional compensation to the Noteholders in respect of such withholding or deduction.

Rating:	Neither the Issuer, nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.
Governing Law:	Lithuanian law
Dispute Resolution:	Any disputes relating to or arising in relation to the Notes shall be settled solely by the courts of the Republic of Lithuania.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Base Prospectus in the United States of America, the EEA, UK, the Republic of Lithuania, the Republic of Latvia, the Republic of Estonia and other jurisdictions, see Section " <i>Distribution of the Base Prospectus and Selling Restrictions</i> ".
Lead Manager:	Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348 Šiauliai, Lithuania.
Manager	UAB FMĮ INVL Financial Advisors, legal entity code 304049332, having its address at Gynėjų g. 14, LT-01109 Vilnius, Lithuania.
Trustee:	UAB AUDIFINA, legal entity code 125921757, having its address at A. Juozapavičiaus g. 6, LT-09310 Vilnius, Lithuania.

RISK FACTORS

Prospective investors are advised to carefully consider the risk factors and other information provided in this Base Prospectus. Investing in the Notes involves certain risks including but not limited to the risks described herein.

The Issuer believes that if one or more of the risk factors described herein emerges, it could have a negative effect on the Issuer's business operations, financial position and/or business results and, thereby, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. If these risks were to lead to a decline in the market price of the Notes, prospective investors could lose all or part of their investment.

The risks and uncertainties described herein are the risks which the Issuer has deemed material; however, they are not the only factors affecting the Issuer's activities. Therefore, the Issuer does not claim that the statements below regarding the risks of acquiring and/or holding any Notes are exhaustive. Also, other factors and uncertainties than those mentioned herein, which are currently unknown or deemed immaterial, could negatively affect the Issuer's business operations, financial position and/or business results and, thereby, the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to assess or express a view on the likelihood of any such contingency occurring.

The most material risk factors have been presented at the beginning in each category. The order of presentation of the remaining risk factors in each category in this Base Prospectus is not intended as an indication of the probability of their occurrence or of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.

All investors should make their own evaluations of the risks associated with an investment in the Notes and should consult with their own professional advisers if they consider it necessary.

Macroeconomic and Geopolitical Risks

Exposure to geopolitical events

On 24 February 2022, Russia launched a military assault on Ukraine. This has led to significant volatility in the global credit markets and on the global economy.

There is speculation that the Baltics may become targets of Russian military action, especially given the region is bordering with both Russia and Belarus.

Although the Group has not owned any assets and does not perform any operations in Ukraine, Russia, and Belarus, the war in Ukraine and the potential risk of a military conflict in the Baltic region reduce the investment appeal of the region, which may adversely affect the value and liquidity of owned and managed assets and the attraction of investor capital, as the most of assets are from the Baltic region.

An additional impact on the Group's operations and financial results could be caused by the general deterioration of the economic situation due to such geopolitical risks. There is also a risk, that due to the rapidly changing environment other aspects related to geopolitical events may arise that are not currently identified but may affect the Group's business.

The Group deems the probability of such risk materializing to be medium. If such risk would materialize, the Group's considers the potential impact of the risk to be high.

Negative economic developments in the countries in which the Group and its investments operate may affect the Group's operations

Economic slowdown or a recession, regardless of its depth, or any other negative economic developments in the countries in which the Group operates, either directly or through collective investment undertakings, may affect the Group's business in a number of ways, including among other things, the income, wealth, liquidity, business and/or financial position of the Group and the companies and assets in which the Group has invested

in. Moreover, the Group may not be able to utilise the opportunities created by the economic fluctuations and the Group may not be able to adapt to a long-term economic recession or stagnation.

Although the Group's net asset value has increased over the last years, the Group remains susceptible to the uncertainties in both the global and local economies, with particular exposure to the Baltics, Moldova, Poland, and Romania (directly or indirectly through investments of managed funds). Although the Group's management believes that the Group's capital structure and access to potential external funding will provide sufficient liquidity, there can be no assurance that the Group's liquidity and access to financing will not be affected by changes in global and/or local economy or that its capital resources will, at all times, be sufficient to satisfy its liquidity needs.

Materialisation of any of the above risks could adversely affect the Group's asset values, future cost of debt and access to bank and capital market financing, which could, in turn, have an adverse effect on the Group's business, financial condition, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

Risks associated with reputation of asset management industry in the Baltic States

As a Lithuania-based asset manager, the Group's reputation may be influenced by the international standing of the Baltic region, particularly concerning the perception of companies and financial professionals from the region. Notably, allegations regarding the misconduct of a former fund manager in BaltCap, leading Baltic private equity investor, regarding the embezzlement of c. EUR 40 million from the fund's companies, has put a reputational dent on the region's investment market participants, which may lead to adverse impacts on the ability to attract investor capital as well as value and liquidity of owned and managed assets due to increased scrutiny and increased risk profile of the region. The scandal may as well lead to enhanced due diligence measures from business partners, investors and regulatory authorities, potentially having a material impact on the Group's business operations, since EUR 532.7 million of the assets under management (the AUM, 55% of the total AUM) as of 31 December 2023 and EUR 7.2 million of the Group's revenue for 2023 were allocated to the alternative investment segment, which is sensitive to reputation. In case of fraudulent activities taking place within funds or portfolio companies owned or managed by the Group, this may have a material adverse effect on portfolio companies and their valuations as well as, overall, the Group's business, financial position, results of operations and future prospects. The management of this risk is assisted by the regulatory oversight and the safekeeping of the funds' assets by the bank, which acts as the depository responsible for controlling fund movements. There are also procedures in place for the application of the 'four-eyes' principle, which ensures that not only the fund managers but also the staff of the management company's accounting department, who operate independently, are involved in the movement of the funds. Additionally, funds' investment committees are always involved in making and implementing material decisions related to funds' investment and operational decisions.

The Group's estimate of the risk is medium.

Risks Related to Business Operations

Concentration risk due to significant investments in the banking sector

Concentration risks arise from significant exposure in a single counterparty, sector or country. A significant portion of the Issuer's assets comprises of investments in Akcinė bendrovė Šiaulių bankas and BC "MAIB" S.A. (MAIB) – banks in Lithuania and Moldova, respectively – with their investment value amounting to c. 60% of the Issuer's net asset value as of 31 December 2023. The investment value of Šiaulių bankas alone accounts for c. 48% of the Issuer's net asset value as of 31 December 2023. This means that adverse developments affecting Šiaulių bankas and/or the banking industry overall could disproportionately impact the value of the Issuer's financial assets and financial performance.

The Issuer's exposure in Šiaulių bankas increased significantly after the merger of the Group's retail asset management business in Lithuania as well as its life insurance business with Šiaulių bankas was completed in December 2023 as a strategic move to integrate the complementary business lines.

Šiaulių bankas is a long-standing banking franchise. In 2020, Šiaulių bankas became the third largest credit market participant registered in Lithuania at the time and, therefore, the European Central Bank (ECB) granted Šiaulių bankas the status of a significant Lithuanian financial institution, accordingly including it in ECB's list of the directly supervised banks operating in the euro area member states, with strong prudential indicators as of 31 December 2023, including 22.41% capital adequacy ratio 216.94% liquidity coverage ratio.

MAIB, which is under supervision of the National Bank of Moldova, is the largest bank in Moldova, accounting for 34% of the country's bank assets market and 37% of loans as of 31 December, posting 24.21% capital adequacy ratio and 326.05% liquidity coverage ratio as of 31 December 2023.

However, there is a risk that the deterioration in Šiaulių bankas and/or MAIB performance would negatively impact the Group's overall financial standing. The risk of industry-wide deterioration rather than company-specific performance, amplifies such concentration risk.

The Group's estimate of the risk is high.

Risks related to limited liquidity of the Group's investments

The investments made by the Group either directly or through collective investment undertakings, may be illiquid - there is a risk that the planned transactions will not take place at appropriate conditions when the management of the Issuer or management of relevant collective investment undertakings intend. When investing in portfolio companies, there is a possibility that the sale of securities may take longer than planned or may not be as profitable as planned or even unprofitable due to a lack of demand on acceptable terms or other market circumstances. To maximize the realisable value of investments, the management makes sales strategy decisions relevant to the specific investments, however, the timing and success of exit opportunities may be unpredictable. Although the funds themselves do not form part of the Group, both the Group and its clients are dependent on the liquidity of the fund investments. This reliance arises because the units of the funds, except for listed collective investment undertakings, are inherently non-transferable. Consequently, proceeds from fund investments can only be accessed upon realization. Key factors that determine the level of liquidity of the investments include internal qualities of the particular investments (such as financial performance, management team) as well as external factors such as the overall market environment and industry-specific trends (in particular in private equity, real estate, timberland and farmland, renewables). As an illustrative example, increased uncertainty in the regulatory environment of the agricultural industry (e.g. level and applicability of subsidies) may negatively impact the ability to sell an agricultural business (e.g. the Issuer has invested in UAB Litagra).

The Group's estimate of the risk is medium.

Reliance on cash-flows from subsidiaries and other investments

The Issuer is dependent on its subsidiaries and other investments that generate cash income. To meet its obligations under the Terms and Conditions of the Notes, and fulfil its own commitments, the Issuer relies on dividends, proceeds from reductions in share capital from its subsidiaries as well as redemptions of units invested in collective investment undertakings or other inflows from subsidiaries and other investments, including divestment of its investments. The ability of the subsidiaries and other portfolio investments to make such payments may be affected by compliance with financial covenants specific to certain entities. The amount of dividends from the subsidiaries and other investments as well as distributions from collective investment undertakings are influenced by broader economic conditions impacting their performance and profitability. The future performance of all investments is also influenced by various factors, including economic, financial, competitive, legislative, regulatory, and others beyond its control. Moreover, legal, or contractual restrictions may limit the ability of investees to distribute funds.

The Group's estimate of the risk is medium.

Failure to attract qualified personnel or loss of key employees may affect the profitability of the Group's operations

To remain competitive and able to implement its strategy, the Group needs to hire and retain sufficient numbers of highly skilled employees with expertise in all of the Group's business operations. A portion of this competence is held by certain key persons who are of particular importance in ensuring that the Group retains

and develops its competitiveness. A positive development of the future business activities of the Group will depend on the continued employment of such key employees and the Group's continued ability to hire the required number of skilled employees trained for the industry. If current personnel cannot be retained or the Group fails in recruiting necessary personnel and key persons, this may have a material adverse effect on the Group's business, financial position, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

Financial Risks

The Group's investments may significantly decline or fluctuate in value

The investments made by the Group either directly or through collective investment undertakings may not appreciate in value and, in fact, may decline in value. There can be no guarantee that the decisions made by Issuer's management and/or management teams at collective investment undertakings will result in a positive investment return and the value of the investments may decline in value. Accordingly, the Issuer cannot assure that its investments will continue to generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained. The Group's performance may be volatile and past performance is no indication of future results.

The Group's estimate of the risk is high.

Risk of double loss

As the Group invest in the Group-managed products together with fund participants, and this way is aligning interests with external investors (LPs), there exists a risk that in the event of a decline in the asset value of a fund managed by the Group, not only the Group's entity managing such fund may incur losses or experience fee reductions, but also the Group, which has invested directly in the fund, will experience the same negative consequences as the other participants in the fund.

The Group's estimate of the risk is medium.

Financing risk

Uncertainty in the financial market may mean that the price of the financing needed to carry out the Group's business, including the portfolio companies through collective investment undertakings, may increase and that financing may be less readily available.

It is possible that the Group could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs and there can be no assurance that the Group will be able to meet its financial covenants when required. Should any of the above factors materialise, this may have a material adverse effect on the Group's business, financial position, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

Liquidity risk

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet the Group's business needs or high extra costs are incurred for arranging them. The Group's fund inflows as well as borrowing capacity is directly dependent on the quality and performance of owned investments with deterioration of which the Group's liquidity may be negatively impacted both through lower expected existing funds (the Issuer relies on inflows from subsidiaries and other investments, including divestment of its investments), lower borrowing capacity and less attractive pricing of the potential borrowing. The Group's liquidity risk is mitigated by efficient cash management procedures.

Failure of successful liquidity management may have a material adverse effect on the Group's business, financial position, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

Credit risk

Credit risk arises when a counterparty to a financial instrument fails to fulfil its obligations, potentially causing a financial loss to the Issuer, its subsidiaries, or companies owned directly or indirectly by the Issuer or its subsidiaries, as well as to portfolio companies of collective investment undertakings.

As of 31 December 2023, the Issuer had no loans granted, and its exposure to credit risk primarily stems from the reliance on cash inflows from portfolio companies, which are directly correlated with their individual risks. The Group also incurs the risk of keeping funds in bank accounts or investing into short-term financial instruments.

The Issuer and/or its subsidiaries and/or portfolio companies of collective investment undertakings may experience disruptions to its ordinary business operations if a significant portion of its direct or indirect counterparties fail to meet their obligations on time. In such cases, the Issuer might need to seek additional sources of financing, which may not always be available.

The Group's estimate of the risk is medium.

Legal and regulatory risks

The Group's operations involve legal and regulatory risks

The main strategic activity of the Group is asset management, done through a regulated business model. The Group's asset management activities are regulated and supervised by the Bank of Lithuania. The managed funds are established and managed in compliance with the most stringent fund management requirements at the EU level, as set out in the Alternative Investment Fund Managers Directives (AIFMD). Moreover, the Group encompasses investment firm that are subject to Investment Firms Regulation ((Regulation (EU) 2019/2033, also known as "IFR") and Investment Firms Directive (Directive (EU) 2019/2034, also known as "IFD"). In addition, there is increasing relevance of ESG-related regulatory requirements, such as Sustainable Finance Disclosure Regulation (SFDR) which imposes mandatory ESG disclosure obligations for asset managers and its funds, as well as Corporate Sustainability Reporting Directive (CSRD) applicable at entity level, with key risks lying within the ability to properly implement the imposed standards and ensure proper data quality and accessibility. Compliance with relevant regulatory requirements is directly supervised and controlled by the Bank of Lithuania. This supervision and control enhance security for the Group's investors, while increasing the Group's risk that an increase in the regulatory burden may raise costs and adversely affect profitability, financial status or reputation. The asset management and investment firm businesses are also subject to capital adequacy requirements and, in the event of losses, may require additional contributions to the capital of the asset management and investment firms.

The Group's estimate of the risk is medium.

Risks related to the Notes

Possibility to forfeit interest and principal amount invested

Should the Issuer become insolvent, legal protection proceedings or out-of-court legal protection proceedings of the Issuer are initiated during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of its investment decisions.

In addition, in the likelihood that the Issuer remains capable of fulfilling all obligations under the Notes on schedule, market perceptions regarding the Issuer's creditworthiness may shift. Such shifts could arise from broader changes in market sentiment towards corporate debtors or financial industry where the Issuer mainly

operates. If market confidence in the Issuer declines, potential buyers in the secondary market may offer lower prices for the Notes. Consequently, this could lead to a decrease in the market value of the Notes.

Risk of insufficient value of the Collateral

The Notes will be secured by a first ranking pledge over the Collateral under the Pledge Agreement. Apart from the Collateral, there are no other securities of third parties securing the claims under the Notes of the investors pursuant to this Base Prospectus and Final Terms. The Collateral consists of a pledge over the shares – the Pledged Shares in Akcinė bendrovė Šiaulių bankas (a Lithuanian based entity holding a bank licence and supervised by ECB), which are listed on the Baltic Main List at Nasdaq. As a result, the value of the Collateral directly depends on the market price of the Pledged Shares and the value of the Collateral could be not high enough to cover the Issuer's obligations to the Noteholders. In addition to that, in case of enforcement pursuant to the Pledge Agreement and laws of the Republic of Lithuania, the foreclosure of the Collateral may be prolonged (e.g., it may be hard to find buyers of the Collateral) and subject to various regulatory approvals (e.g. if the Collateral comprises 10% or more of the shares/voting rights in Akcinė bendrovė Šiaulių bankas, acquisition of this stake, i.e. 10% or more, by the potential buyer might be subject to non-objection of the ECB). Moreover, the funds received upon realization of the Collateral as a first priority will be used for the satisfaction of and payment of all costs and expenses (including, without limitation, state duties, notary fees) related to or arising from enforcement (realization) of the Collateral incurred by the Trustee. Hence, the Noteholders will receive only the remaining amounts after satisfying the Trustee's claims.

Adverse change in the financial condition or prospects of the Issuer

Any adverse change in the financial condition or prospects of the Issuer may have a material adverse effect on the liquidity of the Notes, and may result in a material decline in their market price. Such adverse change may result in a reduced probability that the Noteholders will be fully repaid on time. This provision concerns for the principal and interest amounts and/or any other amounts and items payable to the Noteholders pursuant to the General Terms and Conditions of the Notes from time to time.

Refinancing risk

The Issuer may be required to refinance certain or all of its outstanding debt, including the Notes. Funds required to cover the payments related to the Notes and any other outstanding debt shall be accumulated from inflows from subsidiaries and other investments, including divestment of its investments, as well as potential other debt capital fundraisings. The Issuer's ability to successfully refinance its debt depends on the conditions of debt capital markets and its own financial condition. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Group's operations, financial condition, earnings and on the Noteholders' recovery under the Notes.

The market price of the Notes may be volatile

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of the Notes, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's results of operations, prospects or financial condition. Factors including increased competition or the Group's operating results, the regulatory environment, general market conditions, natural disasters, pandemics, terrorist attacks and war may have an adverse effect on the market price of the Notes.

An active market for the Notes may not develop

Although application(s) will be made for the Notes to be admitted to trading on Nasdaq Vilnius stock exchange, there is no assurance that such application(s) will be accepted and the Notes will be admitted to trading. In addition, admission of the Notes on a regulated market will not guarantee that a liquid public market for the Notes will develop or, if such market develops, that it will be maintained, and the Issuer is not under any obligation to maintain such market. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. A lack of liquidity may have a material adverse effect on the market value of the Notes.

Fixed interest rate and inflation

The Notes will bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, market interest rates typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security provides competitive risk-adjusted return. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security provides competitive risk-adjusted return. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can result in losses for the Noteholders if they sell the Notes. Furthermore, past performance of the Notes is not an indication of their future performance.

Also, inflation may result in a decline of the market price of the Notes, as it decreases the purchasing power of a currency unit and respectively the received interest.

Exchange rate risk

The Issuer will pay principal and interest on the Notes in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify currency exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease the Investor's Currency-equivalent: (i) yield on the Notes; (ii) value of the principal payable on the Notes; and (iii) market value of the Notes.

No assurance on change of laws or practices

The Notes are governed by the laws of the Republic of Lithuania. Lithuanian laws (including but not limited to tax laws) and regulations governing the Notes may change during the life of the Notes, and new judicial decisions can be issued and/or new administrative practices be adopted. No assurance can be given as to the impact of any of such possible changes of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Base Prospectus. Hence, such change may have a material adverse effect on the Issuer's business, financial condition, results of operations and/or future prospects and, thereby, the Issuer's ability to fulfil its obligations under the Notes, as well as taxation of the Notes, and the market price of the Notes. Such events may also result in material financial losses or damage to the Noteholders.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or reviews or regulations by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent: (i) the Notes constitute a legal investment from the part of the investor; (ii) the Notes can be used as collateral for various types of borrowings; and (iii) other restrictions apply to the purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. If the Notes are not a suitable investment for an investor due to legislative or regulatory restrictions or requirements such as the above, this may incur financial losses or damages, among other things, to such investor.

Early redemption risk

As per the General Terms and Conditions of the Notes, the Issuer retains the option to redeem the Notes prematurely. If the Issuer exercises this early redemption right, the investors' anticipated rate of return on their investment may not be obtained.

GENERAL TERMS AND CONDITIONS OF THE NOTES

1. Principal amount and issuance of the Notes

- 1.1. Under this programme for the issuance of notes (the **Programme**) the Issuer may issue notes up to an aggregate principal amount of EUR 25,000,000 (twenty five million euros) (the **Notes**).
- 1.2. The Notes shall be issued in series (the **Series**).
- 1.3. Each Series may comprise one or more tranches of Notes (the **Tranches**). The Notes of each Tranche shall all be subject to identical terms, except that the Issue Dates (as defined below) and the Issue Prices (as defined below) thereof may be different in respect of different Tranches.
- 1.4. In order to identify each Series and Tranches, the Final Terms (as defined below) shall stipulate a serial number of the respective Series and a serial number of the respective Tranche.
- 1.5. The terms and conditions of each Tranche shall consist of these general terms and conditions of the Notes (the **General Terms and Conditions**) and the final terms (the **Final Terms**). The General Terms and Conditions shall apply to each Tranche.
- 1.6. Each Final Terms shall be approved by the Management Board of the Issuer, published on the Issuer's website www.invaldainvl.com and submitted to the Bank of Lithuania, which shall forward them to the Bank of Latvia (in Latvian – *Latvijas Banka*) and the Estonian Financial Supervision Authority (in Estonian – *Finantsinspekcioon*).
- 1.7. The aggregate principal amount of a Tranche shall be specified in the Final Terms. Prior to allocation of the Notes to the holders of the Notes (the **Noteholders**) and subject to supplements or amendments to the Final Terms, the Issuer may increase or decrease the aggregate principal amount of a Tranche as set out in the Final Terms.
- 1.8. The nominal amount of each Note shall be specified in the Final Terms.
- 1.9. The Notes shall be offered for subscription for a minimum investment amount that shall be specified in the Final Terms (the **Minimum Investment Amount**).

2. Form of the Notes and ISIN

- 2.1. The Notes are freely transferable non-convertible debt securities, which contain payment obligations of the Issuer towards the Noteholders.
- 2.2. The Notes are dematerialized debt securities in dematerialized form which are disposable without any restrictions and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including the United States, Australia, Japan, Canada, Hong Kong, South Africa, Singapore, Russia, Belarus and certain other jurisdictions. In addition, the Noteholders are prohibited to resell, transfer or deliver the Notes to any person in a manner that would constitute a public offer of securities.
- 2.3. The Notes shall be registered with the Lithuanian branch of Nasdaq CSD SE (the merged central securities depository of the Republic of Lithuania, Latvia and Estonia) – Nasdaq CSD SE Lietuvos filialas, legal entity code 304602060, having its address at Konstitucijos pr. 29-1, LT-08105 Vilnius, Lithuania (**Nasdaq CSD**), which operates a central security depository in the Republic of Lithuania (the **Depository**). Entity to be in charge of keeping the records will be the Lead Manager. The Notes shall be valid from the date of their registration with Nasdaq CSD until the date of their redemption. No physical certificates will be issued to the Noteholders.
- 2.4. A separate ISIN shall be assigned to each Series, which shall be different from ISIN of other Series.
- 2.5. Before commencement of the offering of the Notes of the first Tranche of each Series, the Depository upon request of the Issuer shall assign ISIN to the respective Series. Where a further Tranche is

issued, which is intended to form a single Series with an existing Tranche at any point after the Issue Date of the existing Tranche, a temporary ISIN may be assigned to the Notes of such further Tranche, which is different from ISIN assigned to the relevant Series, until such time as the Tranches are consolidated and form a single Series.

- 2.6. ISIN of the respective Series and a temporary ISIN of the respective Tranche, if applicable, shall be specified in the Final Terms.

3. Status

- 3.1. The Notes constitute direct and unsubordinated obligations of the Issuer ranking *pari passu* without any preference among each other and with all other unsecured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
- 3.2. In case of insolvency of the Issuer, the Noteholders shall be entitled to recover their investment on the same terms as other creditors in the respective claims' group according to the applicable laws. Save for mandatory provisions of the applicable laws, there are no contracts or other transaction documents that would subordinate the claims of the Noteholders to other secured or unsecured liabilities of the Issuer.

4. Currency of the Notes

The Notes shall be issued in EUR.

5. Issue price and yield

- 5.1. The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount (the **Issue Price**). The Issue Price shall be determined by the Issuer and specified in the Final Terms.
- 5.2. The yield of each Tranche set out in the applicable Final Terms shall be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future yield.

6. Underwriting

None of the Tranches shall be underwritten.

7. Issue date

The issue date of each Tranche (the **Issue Date**) shall be specified in the Final Terms.

8. Payments to Noteholders

- 8.1. Payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Notes will be made to the Noteholders thereof, as appearing in Nasdaq CSD on the 3rd (third) Business Day preceding the due date for such payment (the **Record Date**). Payment of amounts due on the final or early redemption of the Notes will be made simultaneously with deletion of the Notes.
- 8.2. The Noteholders shall not be required to provide any requests to redeem the Notes, as the principal amount and interest accrued shall be paid through the Depository in accordance with the applicable rules of the Depository.
- 8.3. If the due date for any payment in relation to the Notes is not a Business Day, the Noteholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these General Terms and Conditions.

Business Day means a day on which the Depository system open and operational.

9. Interest

- 9.1. The Notes shall bear interest at fixed interest rate (the **Interest**) which shall be determined by the Issuer and specified in the Final Terms.
- 9.2. The Interest shall be paid on the dates specified in the Final Terms (the **Interest Payment Date**) until the Maturity Date (as defined below).
- 9.3. Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date.
- 9.4. Interest shall be calculated on 30E/360 basis. The interest payment shall be determined according to the following formula:
- CPN = F * C * n/360 where;
- CPN – amount of an interest in EUR;
- F – principal amount of Notes outstanding;
- C – annual interest rate payable on the Notes;
- n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated on 30-day month basis.
- 9.5. Interest on the Notes shall be paid in accordance with Clause 8 (*Payments to Noteholders*) of these General Terms and Conditions.

10. Redemption

- 10.1. *Scheduled redemption at maturity*
- 10.2. The Notes shall be repaid in full at their nominal amount on the date which shall be specified in the Final Terms (the **Maturity Date**), unless the Issuer has prepaid the Notes in accordance with Clause 10.3 (*Early optional redemption by the Issuer*), 10.3 Clause (*De-listing Event or Listing Failure*) or Clause 16 (*Events of Default*) as provided in these General Terms and Conditions.
- 10.3. *Early optional redemption by the Issuer*
- (a) The Issuer may redeem each Series of Notes, in whole but not in part after the first anniversary of the Issue date of the relevant Series of Notes at the price equal to (i) 101.00% of the principal amount of the Notes together with the accrued interest, if redeemed prior to the second anniversary or (ii) 100.00% (i.e. with no premium) if redeemed after the second anniversary.
- (b) Redemption in accordance with Clause 10.3(a) of these General Terms and Conditions shall be made by the Issuer by giving 30 (thirty) days' notice to the Noteholders and Trustee in accordance with Clause 19 (*Notices*) of these General Terms and Conditions.
- (c) The Issuer shall have the right to redeem each Series of Notes before the Maturity Date without any premium in case the Noteholder breaches or there is a reasonable concern that the Noteholder might breach anti-money laundering or sanction regulations. The Issuer, the Lead Manager or the Manager at any time are entitled to request any of the Noteholders directly or through the Trustee to provide necessary documents for the Issuer, the Lead Manager or the Manager to perform sanction screening or other verification checks so as to implement sanction and/or anti-money laundering requirements. The Noteholders undertake to submit the requested documents or information within the time period set by the Issuer, the Lead Manager or the Manager.

10.4. *De-listing Event or Listing Failure*

- (a) Upon a De-listing Event or a Listing Failure occurring, each Noteholder shall have the right to request that all or only some of its Notes are repurchased (whereby the Issuer shall have the obligation to repurchase such Notes) at a price per Note equal to 101.00% of the principal amount of the Notes together with accrued but unpaid interest during a period of 30 (thirty) days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 10.4(a) below.

De-listing Event means a situation where at any time following the listing of the Notes, trading in the Notes on Nasdaq Vilnius is suspended for a period of 30 (thirty) consecutive days (when Nasdaq Vilnius is at the same time open for trading).

Listing Failure means a situation where the Notes issued under the first Tranche have not been listed on the Baltic Bond List of Nasdaq Vilnius within 3 (three) months after its Issue Date.

- (b) The Issuer shall promptly notify the Trustee and the Noteholders upon becoming aware of the occurrence of a De-listing Event or a Listing Failure. Such notice shall specify the repurchase date and include instructions about the actions that the Noteholder needs to take for his/her/its Notes to be repurchased. If the Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4(a) above.
- (c) The Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any De-listing Event or Listing Failure (whether as a result of any purchase or redemption arising therefrom or otherwise).
- (d) The Issuer shall not be required to repurchase any Notes pursuant to this Clause 10.4, if a third party in connection with the occurrence of a De-listing Event or Listing Failure, as applicable, offers to purchase the Notes in the manner and on the terms set out in this Clause 10.4 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 10.4, the Issuer shall repurchase any such Notes within 5 (five) Business Days after the expiry of the time limit.

11. **Collateral**

- 11.1. The due and timely payment, discharge and performance of the Notes by the Issuer shall be secured by the first ranking pledge (the **Pledge**) over part of the Issuer's owned ordinary registered shares issued by Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348, Šiauliai, Lithuania, with nominal value of EUR 0.29 each (the **Pledged Shares** or the **Collateral**). The respective agreement on the Pledge (the **Pledge Agreement**) or amendment to the relevant Pledge Agreement (as applicable) shall be signed by the Issuer (as debtor and pledgor) and the Trustee (as pledgee acting on behalf of and for the benefit of the Noteholders) in respect of each Tranche. The number of the Pledged Shares and other details of the pledge shall be specified in the Final Terms.
- 11.2. The Pledged Shares are listed on the Baltic Main List of Nasdaq.
- 11.3. The Pledge shall be structured as a possessory pledge where, for the purposes of the Pledge, upon the Issue Date and within the term indicated in the Final Terms, the Pledged Shares shall be transferred to the special securities account opened in the name of the Trustee for the purposes of holding the Pledged Shares as security. For the avoidance of doubt, the Issuer shall remain the owner of the Pledged Shares and, until and unless there is a ground to enforce the Pledge as indicated in

Section 11.5 below, shall be entitled to use all property rights as well as voting rights attached to the Pledged Shares.

- 11.4. Further obligations of the Issuer in relation to the Collateral are specified in Clause 15.3 (*Pledge over the Collateral*) of these General Terms and Conditions.
- 11.5. The Trustee shall take all actions that the Trustee as the holder of the Collateral may reasonably take with the purpose to enforce Pledge over the Collateral according to the procedure provided for in the Pledge Agreement and applicable laws in case:
- (a) the obligations of the Issuer towards the Noteholders are not performed in accordance with their respective terms; and
 - (b) the meeting of the Noteholders of the Issuer convened following the requirements and procedure set forth in applicable laws and this Base Prospectus (the **Noteholders' Meeting**) has adopted a decision to enforce the Pledge.
- 11.6. The Noteholders' Meeting has the right to instruct the Trustee to take specific actions to enforce the Pledge in accordance with the procedure provided for in the Pledge Agreement. The Noteholders shall not have any independent power to enforce the Pledge or to exercise any rights or powers arising under the Pledge Agreement. Investors can exercise their rights in relation to the Collateral only through the Trustee pursuant to the Agreement on Noteholders' Protection.
- 11.7. The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
- (a) as a first priority – to the satisfaction and payment of all costs and expenses (including, without limitation, state duties, notary fees and valuation costs and fees) related to or arising from enforcement of the Collateral by the Trustee within the limits set forth in the Agreement on Noteholders' Protection;
 - (b) as a second priority (after the full satisfaction, payment and deduction of all claims and amounts set forth in point (a) above) – payment of the claims of the Noteholders arising from the Notes;
- 11.8. The Trustee shall withhold the proceeds necessary for satisfying the costs, expenses specified in Section 11.7(a) above and transfer the remaining proceeds to the Noteholders for satisfying their claims under Section 11.7(b) above.
- 11.9. The Trustee shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims under the order of priority established above to the Issuer.
- 11.10. In case the proceeds remaining after satisfying the fees, costs, expenses, damages and claims under Section 11.7(a) above do not cover the claims under Section 11.7(b) above in full, the claims arising from the Notes shall be satisfied pro rata.
- 11.11. The Trustee is not obliged to pay to the Noteholders or any other person any interest on the proceeds from the enforcement of the Collateral.
- 11.12. In case the Trustee is required, under applicable laws, to withhold or pay any taxes in connection with payments to be made by the Trustee hereunder, the amount to be paid by the Trustee shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Trustee.

12. Taxation

- 12.1. All payments in respect of the Notes by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (the **Taxes**), unless the withholding or deduction of the Taxes is required by laws of the Republic of Lithuania. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the

applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Noteholders in respect of such withholding or deduction.

- 12.2. If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Lithuania, references in these Terms and Conditions to the Republic of Lithuania shall be construed as references to the Republic of Lithuania and/or such other jurisdiction.

13. Admission to trading

13.1. The Issuer shall submit an application regarding inclusion of each Tranche in the Baltic Bond List of AB Nasdaq Vilnius, legal entity code 110057488, having its address at Konstitucijos pr. 29, LT-08105 Vilnius, Lithuania (**Nasdaq Vilnius**). An application shall be prepared according to the requirements of Nasdaq Vilnius and shall be submitted to Nasdaq Vilnius within 3 (three) months after the Issue Date of the respective Tranche.

13.2. The Issuer shall use its best efforts to ensure that the Notes remain listed in the Baltic Bond List of Nasdaq Vilnius or, if such listing is not possible, to obtain or maintain, listed or traded on another regulated market in any other country of the European Economic Area. The Issuer shall, following a listing or admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Notes.

13.3. The Issuer shall cover all costs which are related to the admission of the Notes to the relevant regulated market.

14. Representations and warranties

The Issuer represent and warrant to the Noteholders that at the Issue Date and for as long as any Notes are outstanding:

- (a) the Issuer is duly incorporated and validly existing as legal entities in their jurisdiction of incorporation, and operating under the laws of jurisdiction of their incorporation;
- (b) all obligations of the Issuer assumed under these General Terms and Conditions are valid and legally binding to them and performance of these obligations is not contrary to any laws applicable to them or their constitutional documents;
- (c) the Issuer has all the rights and sufficient authorisations to issue the Notes and to enter into these General Terms and Conditions and fulfil obligations arising from the Notes and these General Terms and Conditions, and the Issuer has performed all the formalities required for issuing the Notes;
- (d) all information that is provided by the Issuer to the Noteholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any material respect;
- (e) the Issuer is solvent, able to pay its debts as they fall due, there are no liquidation or bankruptcy proceedings pending or initiated against the Issuer;
- (f) there are no court or arbitration proceedings pending or initiated against the Issuer where an unfavourable decision would, according to reasonable assessment of the Issuer, have a material adverse impact on the economic condition of the Issuer.

The **Group** means the Issuer and its subsidiaries from time to time.

15. Undertakings

The undertakings in this Clause 15 (*Undertakings*) remain in force from the Issue Date and for as long as any Notes are outstanding. In addition to the undertakings specified in this Clause 15 (*Undertakings*), the Issuer may provide other undertakings in the Final Terms which shall remain in force from the Issue Date and for as long as any Notes are outstanding.

15.1. Indebtedness restrictions

The Issuer shall not assume any Indebtedness, save for the Permitted Debt.

Indebtedness means any indebtedness (whether principal, premium, interest or other amounts) in respect of any borrowed money.

Permitted Debt means incurrence of any of the following items of Indebtedness:

- (a) incurred under or in connection as a result of issuance of Notes by the Issuer under these Terms and Conditions;
- (b) Indebtedness not exceeding EUR 10,000,000 in aggregate during the year;
- (c) non-interest bearing Indebtedness incurred in the ordinary course of business of the Issuer;
- (d) intercompany Indebtedness incurred by the Issuer from the shareholders and/or the subsidiaries; or
- (e) incurred in order to fully refinance the Notes.

15.2. Negative pledge

The Issuer shall not incur, create or permit to subsist any security over all or any of its present or future assets or revenues or rights or enter into arrangements having a similar effect, except for the Pledge Agreement and Security to secure the Permitted Debt or other undertakings assumed prior to the date of this Base Prospectus.

Security means mortgage, pledge, guarantee, surety or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

15.3. Pledge over the Collateral

- (a) The Issuer undertakes to ensure that the Pledge over the Collateral remains valid throughout the term of the Notes.
- (b) The value of the Collateral shall comply with Loan-to-Value (LTV) ratio not exceeding 50%.
- (c) The valuation of the Collateral shall be based on the average weighted market price of the Shares. This valuation shall be conducted by the Trustee on a semi-annual basis using publicly available market data. The Issuer shall be responsible for ensuring that the value of the Collateral remains in compliance with the established LTV ratio at all times during the term of the Notes.

16. Events of Default

16.1. The Noteholders' Meeting shall have the right but not the obligation to demand immediate redemption of the Notes held by the Noteholders upon occurrence of any of the following events (an **Event of Default**):

- (a) **Non-Payment:** Any amount of Interest on or principal of the Notes has not been paid within 10 (ten) Business Days from the relevant due date;
- (b) **Breach of Other Obligations:** The Issuer does not comply with the General Terms and Conditions in any other way than as set out under Clause 16.1(a) (*Non-Payment*) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 10 (ten) Business Days after the Issuer becoming aware of the non-compliance;

(c) **Cross Default:**

- (i) Any Indebtedness of the Issuer or the Material Subsidiary is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Indebtedness of any Material Subsidiary; or
- (ii) Any security interest securing Indebtedness over any asset of the Issuer or the Material Subsidiary is enforced,

provided however that the amount of Indebtedness referred to under item (i) and/or (ii) above, individually or on the consolidated basis exceeds an amount corresponding to EUR 2,000,000 (two million).

Material Subsidiary means at any time any subsidiary of the Issuer: (i) whose total consolidated (or, if applicable, unconsolidated) assets (excluding intercompany loans, intercompany payables, intercompany receivables and intercompany unrealised gains and losses in inventories) represent not less than 10 (ten) per-cent of the total consolidated assets of the Issuer, in each case as determined by reference to the most recent publicly available annual or interim financial statements of the Issuer prepared in accordance with IFRS and the latest financial statements of the subsidiary determined in accordance with IFRS; or (ii) to which is transferred the whole or substantially all of the assets and undertakings of a subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

- (g) **Insolvency:** The Issuer or the Material Subsidiary is declared bankrupt by a final decision of a court or admits inability to pay its debts; (ii) the Issuer or the Material Subsidiary enters into any arrangement with majority of its creditors by value in relation to restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or (iii) an application to initiate insolvency, restructuring or administration of the Issuer or the Material Subsidiary, or any other proceedings for the settlement of the debt of the Issuer or is submitted to the court by the Issuer or the Material Subsidiary.

16.2. In case of the Issuer's liquidation or insolvency the Noteholders shall have a right to receive payment of the outstanding principal amount of the Notes and the interest accrued on the Notes according to the relevant laws governing liquidation or insolvency of the Issuer.

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

16.4. If the Trustee becomes aware of a potential Event of Default from sources other than the Issuer, it shall have the right to seek confirmation or denial from the Issuer by sending a relevant request. The Issuer must respond to such a request in writing (the **Response**). If the Issuer within 5 (five) Business Days from the receipt of the Trustee's request:

- (a) does not provide the Response, the Event of Default shall be considered to have occurred on the day following the expiration of the abovementioned 5 (five) Business Day period;
- (b) provides the Response explaining the reasons why the Event of Default has not occurred (supported with relevant evidence), the Event of Default shall be considered not to have occurred, unless the Noteholders' Meeting declares otherwise as specified below.

16.5. If the Issuer does not provide the Response (as specified in Clause 16.4(a) above) or the Noteholders' Meeting declares the occurrence of the Event of Default (as specified in Clause 16.4(b) above), and due to this the Noteholders' Meeting, in accordance with the procedure established by the law, adopts a decision by a qualified majority of no less than 3/4 of the Noteholders participating in the Noteholders' Meeting and having a voting right to demand early redemption of the Notes, the Issuer within 10 calendar days upon receiving the respective decision of the Noteholders' Meeting from the Trustee shall redeem all outstanding Notes from all the Noteholders holding them on the Record Date by paying

the outstanding principal amount of the Notes and the Interest accrued on the Notes, but without any premium or penalty. Interest on the Notes accrues until the prepayment date (excluding the prepayment date).

- 16.6. If the Noteholders' Meeting does not adopt a decision as prescribed above within 3 (three) months after the occurrence of the Event of Default, the Noteholders shall lose the right to demand early redemption of the Notes in accordance with this Clause.

17. Force majeure

- 17.1. The Issuer, the Lead Manager, the Manager, Nasdaq CSD or any other person involved in the offering (the **Affected Party**) shall be entitled to postpone the fulfilment of its obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

- (a) action of any authorities, war or threat of war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Affected Party and that materially affect operations of the Affected Party;
- (c) any interruption of or delay in any functions or measures of the Affected Party as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Affected Party; or
- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Affected Party.

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

18. Purchases by the Issuer and related parties

The Issuer and the related parties may at any time purchase the Notes in any manner and at any price in the secondary market (the related parties of the Issuer may purchase the Notes in the primary market as well). Such Notes may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Notes held by or for the account of the Issuer or any related party for their own account shall not carry the right to vote at the Noteholders' Meeting s and shall not be taken into account in determining how many Notes are outstanding for the purposes of these General Terms and Conditions.

19. Notices

- 19.1. For so long as the Notes are not admitted to trading on Nasdaq Vilnius, all notices and reports to the Noteholders shall be published on the website of the Issuer (www.invaldainvl.com). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.
- 19.2. As of the day when the Notes are admitted to trading on Nasdaq Vilnius, all notices and reports to the Noteholders shall be published on Nasdaq Vilnius information system, as well as on the website of the Issuer (www.invaldainvl.com). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

20. Trustee

- 20.1. Following the requirements of the Law on Protection of Interests of Noteholders of Public Limited Liability Companies and Private Limited Liability Companies of the Republic of Lithuania (the **Law on Protection of Interests of Noteholders**), on 23 May 2024 the Issuer has concluded the Agreement

on Noteholders' Protection (the **Agreement on Noteholders' Protection**) with UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus g. 6, LT-09310 Vilnius, Lithuania (the **Trustee**). In accordance with this agreement, the Trustee shall safeguard the interests of the Noteholders in their relations with the Issuer. The Trustee, acting on behalf of and for the benefit of the Noteholders, shall also act as pledgee under the Pledge Agreement. For the avoidance of doubt, the Trustee is a representative of all Noteholders of the Programme.

20.2. Contact details of the Trustee are the following:

E-mail: info@audifina.lt

Representative: Vidmantas Satkus

Website: <https://www.audifina.lt/>.

20.3. Each Noteholder is entitled to receive a copy of the Agreement on Noteholders' Protection concluded between the Issuer and the Trustee, applying via an e-mail of the Trustee (info@audifina.lt).

20.4. The Agreement on Noteholders' Protection expires:

- (a) when the Issuer fulfils all its obligations to the Noteholders;
- (b) upon redemption of the Notes by the Issuer on the Maturity Date or earlier, as provided and to the extent permitted by these General Terms and Conditions;
- (c) the Trustee ceases to meet the requirements established for a Trustee in the Law on Protection of Interests of Noteholders, including but not limited to when the Trustee acquires a status of “bankrupt” or “in liquidation”;
- (d) if other conditions established in the Law on Protection of Interests of Noteholders, the Civil Code of the Republic of Lithuania, the Law on Insolvency of Legal Entities of the Republic of Lithuania and the Agreement on Noteholders' Protection exist.

20.5. Main rights of the Trustee:

- (a) to receive a list of Noteholders from the Issuer;
- (b) to receive a copy of the decision to issue the Notes;
- (c) to get acquainted with the documents and information which are necessary to fulfil its functions and to receive the copies of such documents;
- (d) after having obtained the consent of the Noteholders' Meeting, to conclude contracts with third parties when it is necessary to ensure the protection of the interests of the Noteholders;
- (e) to bring an action to the court or other competent authorities for the purpose of safeguarding the rights of the Noteholders.

20.6. Main obligations of the Trustee:

- (a) to take actions in order that the Issuer fulfilled its obligations towards the Noteholders;
- (b) to convene the Noteholders' Meetings;
- (c) to publish information regarding the Noteholders' Meetings being convened under procedure of the Law on Protection of Interests of Noteholders;
- (d) to provide the Noteholders' Meetings with all relevant documents and information;

- (e) to provide the Noteholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Noteholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;
- (f) to execute the decisions of the Noteholders' Meetings;
- (g) no later than within 5 (five) Business Days as from the day of receipt of a request of the Noteholder to provide information, to gratuitously present all the information about the Issuer, the Programme or other information related to the protection of his/her/its/their interests;
- (h) no later than within 3 (three) Business Days from the receipt date of the Noteholder's request to provide a copy of the Agreement on Noteholders' Protection and Pledge Agreement free of charge;
- (i) to provide the Noteholders with all other information related to the protection of their interests;
- (j) no later than on the next Business Day to inform the Issuer that the Trustee has lost the right to provide audit services (in this particular case) or acquired legal status "in bankruptcy" or "in liquidation".

21. Decisions of the Noteholders

21.1. General provisions

- (a) The Noteholders shall have the following main rights:
 - (i) to receive the principal amount and the interest accrued (and the premium, if applicable) on the Maturity Date, or if applicable, before the Maturity Date;
 - (ii) to sell or transfer otherwise all or part of the Notes only strictly following the General Terms and Conditions and applicable laws;
 - (iii) to bequeath all or part of owned Notes to the ownership of other persons (applicable only towards natural persons);
 - (iv) to pledge all or part of the Notes owned;
 - (v) to participate in the Noteholders' Meetings;
 - (vi) to vote in the Noteholders' Meetings;
 - (vii) to initiate the convocation of the Noteholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Noteholders;
 - (viii) to adopt a decision to convene the Noteholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Noteholders;
 - (ix) to obtain (request) the information about the Issuer, the Programme of Notes or other information related to the protection of his/her/its interests from the Trustee;
 - (x) to receive a copy of the Agreement on Noteholders' Protection and Collateral Agreement;
 - (xi) other rights, established in the applicable laws, the Trustee Agreement or in the constitutional documents of the Issuer.
- (b) No Noteholder shall be entitled to exercise any right of set-off against moneys owed by the Issuer in respect of the Notes. The rights of Noteholders shall be executed during the term of validity of Notes as indicated in these Terms and Conditions and applicable Lithuanian laws.

More detailed rights of the Noteholders, rights and obligations of the Trustee being a representative of Noteholders is provided in the Agreement on Noteholders' Protection.

21.2. *Noteholders' Meetings*

- (a) The right to convene the Noteholders' Meeting shall be vested in the Trustee, the Noteholders who hold no less than 1/10 of the Notes of the Programme, providing voting right in the Noteholders' Meeting and the Issuer. As a general rule, the Noteholders' Meetings are convened by a decision of the Trustee. The Noteholders and Trustee shall have the right to attend the Noteholders' Meetings. The Trustee must attend the Noteholders' Meeting in cases when the Noteholders who hold no less than 1/10 of the Notes of the Programme providing voting right in the Noteholders' Meeting approve such a need. The CEO of the Issuer or its authorised person may also attend the Noteholders' Meeting, unless the Noteholders who hold no less than 1/10 of the Notes of the Programme providing voting right in the Noteholders' Meeting contradict thereto.
- (b) All expenses in relation to the convening and holding the Noteholders' Meeting shall be covered by the Issuer.
- (c) A notice of convocation of the Noteholders' Meeting no later than 15 (fifteen) Business Days before the date of the Noteholders' Meeting shall be published on the website of the Issuer. If any of the Noteholders expressed his/her/its request to get notifications on the convocation of the Noteholders' Meetings via e-mail and provided the e-mail address, the notice of convocation of the Noteholders' Meeting no later than 15 (fifteen) Business Days before the date of the Noteholders' Meeting shall also be send via the indicated e-mail through Trustee. The notice of convocation of the Noteholders' Meeting shall specify the details of the Issuer, the ISIN of the Notes, time, place and agenda of the meeting.
- (d) The Trustee is obliged to ensure proper announcement on the convocation of the Noteholders' Meetings.
- (e) The Noteholders' Meeting may be convened without observing the above terms, if all the Noteholders of the Issue, the Notes held by which carry voting right in the Noteholders' Meeting, consent thereto in writing.
- (f) A Noteholders' Meeting may take decisions and shall be held valid if attended by the Noteholders who hold more than 1/2 of the issued Notes, providing voting right in the Noteholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Noteholders' Meeting. If the quorum is not present, the Noteholders' Meeting shall be considered invalid and a repeated Noteholders' Meeting shall be convened.
- (g) A repeated Noteholders' Meeting shall be convened after the lapse of at least 5 (five) Business Days and not later than after the lapse of 10 (ten) Business Days following the day of the Noteholders' Meeting which was not held. The Noteholders must be notified of the repeated Noteholders' Meeting not later than 5 (five) Business Days before the repeated Noteholders' Meeting following the order, indicated above. 1 (one) Note carries 1 (one) vote. A decision of the Noteholders' Meeting shall be considered taken if more votes of the Noteholders, participating in the Noteholders' Meeting and having a voting right have been cast for it than against it, unless the Law on Protection of Interests of Noteholders requires a larger majority.
- (h) The Trustee shall chair the Noteholders' Meetings, unless that meeting decides otherwise. The meeting must also elect the secretary thereof. Minutes of the Noteholders' Meeting shall be taken. The minutes shall be signed in 2 (two) copies (to the Issuer and to the Trustee) by the chairman and the secretary of the Noteholders' Meeting. The decisions of the Noteholders' Meeting shall be published on the website of the Trustee after the Noteholders' Meeting as soon as possible and without any delay, except parts of the decisions, which include confidential information.
- (i) The Noteholders' Meeting shall take the following decisions, which bind all the Noteholders:

- (i) to remove the Trustee from its position and appoint a new trustee, which meets the requirements of the applicable laws and to also oblige the Issuer to terminate the contract with the existing Trustee and to conclude the contract with the new appointed trustee;
 - (ii) to indicate to the Trustee that the violation committed by the Issuer is minor, thus, there is no necessity to take action regarding protection of rights of Noteholders;
 - (iii) to approve the enforcement measures in respect of the Issuer's failed commitments to Noteholders, suggested by the Issuer. This decision shall be adopted by a qualified majority of no less than 3/4 of Noteholders, participating in the Noteholders' Meeting and having a voting right;
 - (iv) to determine, which information the Trustee will have to provide to the Noteholders' Meetings periodically or at the request of the Noteholders and to establish the procedure of provision such information;
 - (v) to adopt other decisions which according to the provisions of Law on Protection of Interests of Noteholders are assigned to the competence of the Noteholders' Meeting.
- (j) Resolutions passed at the Noteholders' Meeting shall be binding on all Noteholders of the Programme, except for the cases, when in the decision of the Noteholders' Meetings the instructions to the Trustee are provided to execute certain actions.
- (k) Disputes regarding the decisions adopted in the Noteholders' Meetings shall be settled in the courts of the Republic of Lithuania.

22. Governing law and dispute resolution

- 22.1. These General Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of the Republic of Lithuania.
- 22.2. Any disputes relating to or arising in relation to the Notes shall be settled solely by the courts of the Republic of Lithuania.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Base Prospectus

IMPORTANT – EEA RETAIL INVESTORS: The Notes have a fixed rate of interest and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) has been prepared by the Issuer.

Final Terms dated [...]

Akcinė bendrovė Invalda INVL

Issue of [Aggregate Nominal Amount of Tranche] Notes due [...]

under the Programme for the issuance of Notes in the amount of EUR [...]

[to be consolidated and form a single series with [...]]

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions set forth in the Base Prospectus dated [...] 2024, together with its supplements, if any (the **Base Prospectus**) for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus (together with its supplements, if any) has been published on the Issuer's website www.invaldainvl.com.

A summary of this Tranche has been appended to these Final Terms.

The Final Terms have been approved by a decision of the Management Board of the Company on [...]. The Final Terms have been filed with the Bank of Lithuania but are not subject to its approval.

A summary of the individual issue is annexed to these Final Terms.

1. Issuer: Akcinė bendrovė Invalda INVL
2. [Series Number: [...]]
3. Tranche Number: [...]
4. ISIN: [[...]]/[Temporary ISIN: [...]. Upon admission of the Notes to the regulated market the Notes will be consolidated and form a single series with [...]]and will have a common ISIN [...]]
5. Aggregate principal amount: [EUR [...] [in addition to [...]]]
6. Nominal amount of the Note: EUR [...]
7. Issue Date: [...]
8. Annual Interest Rate: [...] / [The annual interest rate will be set within the range of [...] to [...] per-cent. The final annual interest rate will be determined in accordance with the Section "Offering of the Notes" of the Base Prospectus.]

9. Interest Payment Dates: [...]
10. Maturity Date: [...]
11. Minimum Investment Amount: [...]
12. Issue Price: [...]
13. Yield: [...]. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
14. Collateral
 The due and timely payment, discharge and performance of the Notes issued under this Tranche shall be secured by the first ranking pledge of [...] ordinary registered shares issued by Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348 Šiauliai, Lithuania, with nominal value of EUR 0.29 each.

 The pledge over the shares indicate above shall be effected based on the Pledge Agreement dated [...] [(as amended on [...])].

 Within [...] Business Days as of the Issue Date the Pledged Shares shall be transferred to the special securities account opened in the name of the Trustee for the purposes of holding the Pledged Shares as security.
15. Additional undertakings: [...]/[Not applicable.]
16. Additional financial covenants: [...]/[Not applicable.]
17. Subscription Period: [...]
18. Procedure for submission of the Subscription Orders: [...]
19. Procedure for allocation of the Notes and settlement: [...]
20. Estimated total expenses of the issue of the Notes: [...]
21. Estimated net amount of the proceeds from the issue of the Notes: [...]
22. Lead Manager: Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348, Šiauliai, Lithuania.
23. Manager: UAB FMĮ INVL Financial Advisors, legal entity code: 304049332, having its address at Gynėjų g. 14, LT-01109, Vilnius, Lithuania.
24. Settlement Agent: Akcinė bendrovė Šiaulių bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348, Šiauliai, Lithuania
25. Rating: The Notes to be issued have not been rated.

Vilnius, [date] [month] [year]

OFFERING OF THE NOTES

Words and expressions defined in the General Terms and Conditions of the Notes above or elsewhere in the Base Prospectus have the same meanings in this Section of the Base Prospectus.

1. General structure of the offering of Notes

- 1.1. The Programme consists of a public offering of the Notes to retail investors and institutional investors (each an **Investor**) in the Republic of Lithuania, the Republic of Latvia and in the Republic of Estonia, irrespective of whether they qualify as qualified investors within the meaning of Article 2(e) of the Regulation (EU) 2017/1129 (the **Prospectus Regulation**), and/or institutional Investors only in certain Member States of the European Economic Area (the **EEA**), other than Republic of Lithuania, the Republic of Latvia and in the Republic of Estonia, who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in each case pursuant to an exemption under Article 1(4)(a) of the Prospectus Regulation.
- 1.2. The Noteholders shall be prohibited to resell, transfer or deliver the Notes to any person in a manner that would constitute a public offer of securities.
- 1.3. For the purposes of the public offering, only such prospective Investors will be eligible to participate in the offering who at or by the time of placing their orders have opened securities accounts with entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania, the Republic of Latvia or the Republic of Estonia and which are members of Nasdaq Vilnius or have relevant arrangements with a member of Nasdaq Vilnius. The list of the members of Nasdaq Vilnius is available here: <https://nasdaqbaltic.com/statistics/en/members>.
- 1.4. The offering of Notes is not addressed to Investors who are Russian or Belarusian nationals or natural persons residing in Russia or Belarus or any legal persons, entities or bodies established in Russia or Belarus. The latter shall not apply to nationals of a Member State of the European Union, of a country member of the EEA or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the EEA or in Switzerland within the meaning of Council Regulation (EU) No 833/2014 of 31 July 2014 (as amended), and nationals of a Member State of the European Union or natural persons having a temporary or permanent residence permit in a Member State of the European Union within the meaning of Council Regulation (EC) No 765/2006 of 18 May 2006 (as amended).
- 1.5. The public offering shall be structured in the following order:
 - (a) the subscription of each of the Tranche shall be carried out through an auction facilitated by Nasdaq Vilnius (the **Auction**) and the relevant Auction rules prepared by the Lead Manager and published on the website of Nasdaq at www.nasdaqbaltic.com before opening of the Auction of the relevant Tranche (the **Auction Rules**) will be applied. The Auction Rules shall specify in detail procedure on how the members of Nasdaq Vilnius will enter the orders into Nasdaq trading system;
 - (b) the Issue Price shall be paid by the Investors according to the order described in this Base Prospectus and the Final Terms;
 - (c) based on the decision of the Issuer, the Notes shall be allocated to the Investors;
 - (d) the Notes will be registered with the Depository and distributed to the Investors.

2. Subscription for the Notes

- 2.1. The subscription period (the **Subscription Period**) for each Tranche shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Subscription Period.
- 2.2. The Investors wishing to subscribe for and purchase the Notes shall submit their orders to acquire the Notes (the **Subscription Orders**) at any time during the Subscription Period.

- 2.3. At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Notes in a securities account maintained in its name and opened with a credit institution or an investment brokerage firm of their choice which are licensed to provide such services within the territory of the Republic of Lithuania, the Republic of Latvia or the Republic of Estonia and are members of Nasdaq Vilnius or have relevant arrangements with a member of Nasdaq Vilnius.
- 2.4. Upon submission of the Subscription Order the Investor shall (besides other authorisations, acknowledgements and undertakings provided in the Base Prospectus):
- (a) authorise the Depository, Nasdaq Vilnius, the Lead Manager, the Manager and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor's Subscription Order before, during and after the Subscription Period;
 - (b) confirm that it/she/he has got familiarized with this Base Prospectus, Final Terms and Auction Rules.
- 2.5. An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible.
- 2.6. The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible or that has not been completed and submitted and/or has not been supported by the necessary additional documents, requested by the Issuer, the Lead Manager or the Manager during the Subscription Period and in accordance with all requirements set out in the General Terms and Conditions of the Notes.
- 2.7. Any consequences of form of a Subscription Order for the Notes being incorrectly filled out will be borne by the Investor.

3. Interest rate

- 3.1. The Issuer may offer the Notes for a fixed annual interest rate as already specified in the Final Terms or within a range as specified in the Final Terms.
- 3.2. In case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, each Investor undertakes to specify the investment amount(s) Investor is willing to invest at one or more annual interest rate levels within the available annual interest rate range as indicated by the Issuer. For the avoidance of doubt, the Investor may subscribe to the Notes on different preferred annual interest rate levels.
- 3.3. By submitting the Subscription Order, the Investor acknowledges that, in case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, each investment amount to be invested per each offered preferred annual interest rate has to be not less than Minimum Investment Amount as specified in the Final Terms. Otherwise, the relevant part of the Subscription Order for subscribing to the Notes with the less than Minimum Investment Amount shall not be considered valid and shall not be processed.
- 3.4. By submitting the Subscription Order, the Investor acknowledges that, in case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, the final interest rate of the Notes shall be determined upon the discretion of the Issuer within the range indicated in the Final Terms, taking into consideration, among other factors, the volume and price level of the Subscription Orders received from the Investors. The Investors will be informed about the final annual fixed interest rate upon allocation the Notes to the Investors by publishing the relevant supplements or amendments to the Final Terms.

4. Place of the subscription

- 4.1. Initially the Notes will be book-entered in the subscription account of the Depository participant (the **Settlement Agent**) which shall be specified in the Final Terms.

- 4.2. The subscription to the Notes shall be made on the Subscription Orders which may be requested from the Lead Manager, the Manager and/or in accordance with the Auction Rules or the Depository's participants located in the Republic of Lithuania, of the Republic of Latvia or of the Republic of Estonia.
- 4.3. The Subscription Orders may be submitted through any credit institution or an investment brokerage firm that is licensed to provide such services within the territory of the Republic of Lithuania, the Republic of Latvia or the Republic of Estonia and which are members of Nasdaq Vilnius or have relevant arrangements with a member of Nasdaq Vilnius.
- 4.4. The total amount of the Notes to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount. The procedure of submission of the Subscription Orders shall be specified in the Final Terms if any additional information shall be provided.
- 4.5. All Subscription Orders shall be binding and irrevocable commitments to acquire the allotted Notes, with the exceptions stated below. The Subscription Orders shall not be considered valid and shall not be processed in case the purchase amount indicated in the Subscription Orders is less than the Minimum Investment Amount or the Subscription Orders were received after the Subscription Period. The Issuer has no obligation to inform the Investors about the fact that their Subscription Orders are invalid.

5. Withdrawal of the Subscription Orders

- 5.1. An Investor may withdraw a Subscription Order for the Notes of the respective Tranche by submitting a written statement to the credit institution or investment brokerage firm through which the Subscription Order was made at any time until the end of the Subscription Period of the respective Tranche:
 - (a) if any supplement or amendment to the Base Prospectus is made public concerning an event or circumstances occurring before the allocation of the Notes, of which the Issuer became aware prior to allocation of the Notes, within 2 (two) Business Days as from the date of the publication of the supplement or amendment to the Base Prospectus; or
 - (b) if the issuance of the Tranche of the relevant Series is suspended or postponed in accordance with Clause 9.3 of this Section of the Base Prospectus, within 2 (two) Business Days as from the date of the announcement of suspension or postponement of the issuance of the Tranche of the relevant Series.
- 5.2. The right of an Investor to withdraw a Subscription Order in accordance with Clause 5.1 of this Section of the Base Prospectus shall only apply to the relevant Tranche and not to any other Tranches of the Notes under this Base Prospectus.
- 5.3. An Investor shall be liable for payment of all fees and costs charged by a credit institution or an investment brokerage firm used by the Investor for the Subscription of the Notes in connection with the withdrawal or amendment of the Subscription Order.
- 5.4. Following withdrawal of a Subscription Order, the repayments shall be made (or blocked funds shall be released) in accordance with the Subscription Order within 10 (ten) Business Days following submission of a statement regarding withdrawal of the Subscription Order.

6. No assignment or transfer

The rights arising out of this Base Prospectus in relation to the subscription for the Notes (including, without limitation, rights arising from any Subscription Orders or any acceptance thereof) are not assignable, tradable or transferable in any way and any assigned or transferred rights will not be recognised by the Issuer and will not be binding on the Issuer.

7. Payment for the Notes

- 7.1. By submitting a Subscription Order, each Investor shall authorise and instruct the credit institution or investment brokerage firm operating the Investor's current account connected to the Investor's

securities account to immediately block the whole subscription amount on the Investor's current account until the payment for the allotted Notes is completed or until the funds are released.

- 7.2. The subscription amount to be blocked shall be equal to the Issue Price multiplied by the number of the Notes the respective Investor wishes to subscribe for. In case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms and the Investor has placed Subscription Orders at different preferred annual interest rates, the total transaction amount to be blocked will correspond to the largest investment amount (EUR) payable per Investor's offered preferred annual interest rate level. For illustrative purposes only, assuming the Investor has placed the following Subscription Orders:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 50,000
y%	EUR 80,000
z%	EUR 100,000

the amount of EUR 100,000 shall be the transaction amount and it will be blocked on the Investor's cash account until the settlement is completed or funds are released.

- 7.3. An Investor may submit a Subscription Order only when there are sufficient funds on the Investor's current account. If the blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.
- 7.4. The Investors who have not been allotted any Notes, including in case of withdrawal of Subscription Orders in accordance with Clause 5.1 of this Section of the Base Prospectus and subject to requirements set forth in Clause 5.3 of this Section of the Base Prospectus, or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order (or the blocked funds will be released) in accordance with instructions provided by each such Investor, as required under the procedures applicable within the credit institution or an investment brokerage firm through which the Subscription Order was placed. The reimbursement will take place (or the blocked funds will be released) within 10 (ten) Business Days as from the end of the Subscription Period or withdrawal of a Subscription Order in accordance with Clause 5.1 of this Section of the Base Prospectus. The payments shall be returned (or the blocked funds will be released) without any reimbursement for costs incurred by the Investors in the course of subscribing for the Notes and shall be net of all transfer expenses and without interest.

8. Allocation of the Notes

- 8.1. On the next Business Day following the Subscription Period the Issuer shall decide whether to proceed with the issuance of the Tranche of the relevant Series or cancel the relevant issuance.
- 8.2. In case the Issuer decides to proceed with the issuance of the Tranche of the relevant Series the following actions shall be taken within the next 3 (three) Business Days following the Subscription Period:

(a) Allocation of the Notes to the Investors

- (i) The Issuer will establish the exact amount of the Notes to be allotted with respect to each Subscription Order.
- (ii) In case the subscription amount for the Tranche of the relevant Series is equal to or exceeds the aggregate principal amount of the relevant Tranche, the Issuer shall decide which Investors shall be allotted with the Notes and to what amount, and which Investors shall not be allotted with the Notes. The Notes shall be allocated to the Investors participating in the offering in accordance with the following main principles: (A) the division of Notes between the retail and institutional investors has not been predetermined. The Issuer shall determine the exact allocation in its sole discretion;

(B) under the same circumstances, all Investors shall be treated equally, whereas dependent on the number of Investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Notes allocated to one Investor; (C) the allocation shall be aimed to create a solid and reliable Investor base for the Issuer; (D) possible multiple Subscription Orders submitted by the Investor shall be merged for the purpose of allocation; (E) Subscription Orders via a nominee accounts (incl. if made on the account of pension investment accounts) shall be treated as Subscription Orders from separate independent Investors only if this was disclosed to the Issuer. Although each Investor subscribing via a nominee account is considered as an independent Investor during the allocation process, the nominee account holder is responsible for the allocation of the Notes to the Investor; and (F) each Investor entitled to receive the Notes shall be allocated a whole number of the Notes and, if necessary, the number of Notes to be allocated shall be rounded down to the closest whole number. Any remaining Notes which cannot be allocated using the above-described process shall be allocated to the Investors on a random basis. Accordingly, the Investors who subscribe the Notes of the relevant Tranche may not receive all of the Notes they have subscribed for and it is possible they may not receive any.

- (iii) In case the subscription amount for the Tranche of the relevant Series is below the aggregate principal amount of the relevant Tranche, the Issuer may decide to cancel the issuance of the Tranche of the relevant Series or, subject to supplements or amendments to the Final Terms, to adjust the aggregate principal amount of the relevant Tranche corresponding to the subscription amount of the Tranche.
- (iv) In case any additional provisions apply to allocation of a separate Tranche of the Notes, these will be specified in the Final Terms for the relevant Tranche. Material changes to the allocation principles (if any) shall be reflected in a supplement to this Base Prospectus.
- (v) The Issuer shall not be obliged to allocate any Notes to any Investors participating in the offering of the Notes. Furthermore, there will be no target minimum individual allocation of the Notes to the Investors.
- (vi) In case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, only the Subscription Orders which are at or below the set final annual interest rate will be subject to allocation. If the Investor has placed Subscription Orders at different preferred annual interest rates, the largest Subscription Order amount will be used for allocation purpose. All Investors who have been allocated the Notes of the relevant Tranche shall pay the same price and receive the same fixed annual interest rate for the Notes.

For illustrative purposes only, assuming the Investor has placed the following Subscription Orders at different preferred annual interest rates, below are a set of illustrative examples of various subscription alternatives and potential outcomes. The list is not exhaustive and there may be other potential outcomes:

Example 1:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 50,000
y%	EUR 80,000
z%	EUR 100,000

If the Issuer decides to set the final annual interest rate at y per-cent and there is no oversubscription and Issuer does not decrease the aggregate principal amount of the relevant Tranche (i.e. each Investor receives full allocation of the Notes), then in the case above the Investor receives EUR 80,000 of the Notes.

Example 2:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	-
y%	EUR 80,000
z%	EUR 100,000

If the Issuer decides to set the final annual interest rate at x per-cent, then in the case above the Investor does not receive any allocation of the Notes.

Example 3:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 50,000
y%	-
z%	-

In case the Issuer decides to set the final annual interest rate at z per-cent and there is no oversubscription and Issuer does not decrease the aggregate principal amount of the relevant Tranche (i.e. each investor receives full allocation of the Notes), then in the case above the Investor receives EUR 50,000 of the Notes.

Example 4:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 100,000
y%	EUR 50,000
z%	EUR 150,000

In case the Issuer decides to set the final annual interest rate at y per-cent and there is no oversubscription and Issuer does not decrease the aggregate principal amount of the relevant Tranche (i.e. each investor receives full allocation of the Notes), then in the case above the Investor receives EUR 100,000 of the Notes.

(b) **Announcement**

After completion of the allocation of the Notes, announcement about allotment of the Notes shall be made to the Investors pursuant to internal documents and procedures of a respective credit institution or investment brokerage firm where an Investor has submitted his/her/its Subscription Order.

(c) **Information about the results of the offering of the Notes**

Information about the results of the offering of each Tranche (amount of the Notes issued and an aggregate principal amount of the respective Tranche) shall be published on the Issuer's website www.invaldainvl.com as well as at www.nasdaqbaltic.com.

9. Cancellation, suspension or postponement of the offering of the Notes

- 9.1. Subject to Clause 8.1 of this Section of the Base Prospectus, the Issuer may cancel the issuance of any Tranche of the relevant Series at any time prior to the settlement of the offering of the Notes without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the Subscription Period, or decide that the issuance of the Tranche of the relevant Series

will be postponed and that new dates of the issuance of the Tranche of the relevant Series will be provided by the Issuer later.

- 9.2. The Issuer may cancel the issuance of the Tranche of the relevant Series prior to the settlement of the offering of the Notes if the Issuer considers it impracticable or inadvisable to proceed with the issuance of the Tranche of the relevant Series. Such reasons include, but are not limited to:
- (a) suspension or material limitation of trading in securities;
 - (b) sudden and material adverse change in the economic or political situation in Lithuania or worldwide;
 - (c) a material loss or interference with the Issuer's or its subsidiaries' business; or
 - (d) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations or the operations of the subsidiaries. In such an event, subscriptions for the Notes that have been made will be disregarded, and any Subscription payments made will be returned (or the blocked funds will be released) without interest or any other compensation.
- 9.3. If the issuance of the Tranche of the relevant Series is suspended or postponed, the Issuer may decide that the Subscription Orders made and payments made (or the blocking of funds) will be deemed to remain valid until the settlement of the offering of the Notes.
- 9.4. In case the issuance of the Tranche of the relevant Series is cancelled, suspended or postponed, the Issuer shall notify the Settlement Agent and the Depository accordingly, and publish an announcement on its website www.invaldainvl.com thereof.

10. Settlement of the offering of the Notes

- 10.1. The settlement for the offering of the Notes will be carried out in accordance with the DVP (*Delivery vs Payment*) principle by the Settlement Agent pursuant to the applicable rules of the Depository. After the Settlement Agent submits a corresponding DVP instruction via the Depository system, an Investor, acting through its credit institution or investment brokerage firm with which the investor has opened a securities account, shall confirm that instruction immediately (by sending a relevant instruction), but not later than by 4 pm (Vilnius time) on the same day.
- 10.2. The Notes allocated to the Investors shall be transferred to their securities accounts in accordance with the DVP (*Delivery vs Payment*) principle pursuant to the Auction Rules simultaneously with the transfer of payment for such Notes.
- 10.3. The title to the Notes shall pass to the relevant Investors upon transfer of the Notes to their securities accounts.
- 10.4. If an Investor has submitted several Subscription Orders through several securities accounts, the Notes allocated to such Investor shall be transferred to all such securities accounts proportionally to the number of the Notes indicated in the Subscription Orders submitted for each account, rounded up or down as necessary.
- 10.5. The settlement of the offering of the Notes shall take place on the Issue Date. All paid up or exchanged Notes shall be treated as issued.

USE OF PROCEEDS

The net proceeds from the issue of each Series of Notes will be used by the Issuer to cover general corporate needs, including the Group's current expenses, other liquidity needs, commitments of the Group to invest into managed funds. The main part of the net proceeds from the first Tranche of Notes (up to EUR 6.3 million) will be used to repay the credit line under agreement with Luminor Bank AS Lithuanian branch; the remaining part will be used to cover the Group's operational and other expenses.

The estimated total expenses of the issue of the Notes of each Tranche and the estimated net amount of the proceeds from the issue of the Notes of each Tranche will be provided in the Final Terms.

INFORMATION ABOUT THE GROUP

General information

The legal and commercial name of the Issuer is Akcinė bendrovė Invalda INVL. The Issuer is a public limited liability company (in Lithuanian – *akcinė bendrovė*) incorporated pursuant to the laws of the Republic of Lithuania on 20 March 1992. The Issuer is registered with the Register of Legal Persons of the Republic of Lithuania and operates in accordance with the laws of the Republic of Lithuania.

The Issuer is a parent (holding) company of the Group. All business operations of the Group are mainly conducted by the Issuer's direct and indirect subsidiaries, whose primary objective is to steadily increase investors equity value, solely for capital appreciation or investment income (in the form of dividends and interest). The Group's main investments are in asset management, family office services, banking, and agriculture activities. Asset management segment provides investment-related services to investors. The entities of the asset management segment manage alternative investment funds (private equity, real assets (forests and agricultural land, renewable energy, real estate), as well as private debt), pension funds in Latvia, invest in global third-party funds, provide family office services in Lithuania and Latvia as well as portfolio management services. The Issuer also invests directly and indirectly in collective investment undertakings managed by subsidiaries and has other historical investments (key investments is banking and agriculture).

Basic information about the Issuer

Legal entity code:	121304349
LEI	529900011QUJ710GHH43
Registered address:	Gynėjų g. 14, LT01109 Vilnius, Lithuania
Website:	www.invaldainvl.com
Telephone number:	+370 5279 0601
E-mail:	info@invaldainvl.com

History and development of the Group

From 1991 to 2013 (from incorporation of the Issuer until split-off)

- In 1991, at the dawn of the restoration of Lithuania's independence, the Issuer began its activities. The first Articles of Association were registered on 23 December 1991. Initial name of the Issuer - public investment company Invalda. Initial Issuer's share capital – EUR 3,185.82 (RUB 1,100,000 at that time). At that time, the first several thousands of people invested their investment cheques into the Issuer. Some of them are still shareholders of the Issuer. The founding meeting of the Issuer took place in the beginning of 1992 and the Company was registered on 20 March 1992.
- Since 1995 the shares of the Issuer have been listed on the Nasdaq Vilnius exchange (at that time it was National Securities Stock Exchange). As of 31 March 2024, the Issuer's share price has increased more than 200 times. The illustration of share price dynamics from 1 January 2000 until 31 March 2024 is provided below:

Invalda INVL (IVL1L) Share Price Dynamics (from 1 January 2000 until 31 March 2024)



The share price of the Issuer was EUR 0.05 as of 1 January 2000 and EUR 11.9 as of 31 March 2024.

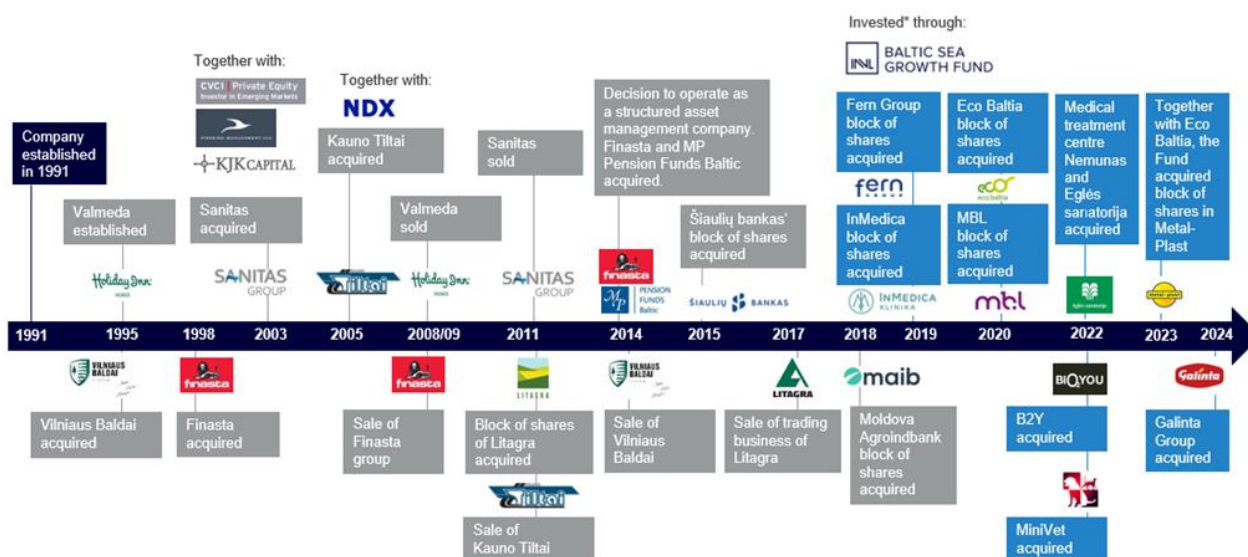
Source: <https://nasdaqbaltic.com/>

- The period from 1997 to 2003 was marked with the privatization of state-owned assets, which was implemented in accordance with the State Property Primary Privatization law of the Republic of Lithuania. The Issuer was licensed as an investment holding company and invested in various companies, made changes to their management teams, implemented necessary changes to improve the performance and development of those companies. Profits were made from dividends and the sale of shares. Since asset management is the core business of the Issuer, the activities in this sector are described below.
- In 1998 the Issuer entered the finance sector by acquiring at that time a small-scale brokerage company Finasta with 10 employees and the annual turnover of EUR 1.1 million. With the acquisition of several other smaller brokers and expanding the range of financial services, it turned into the leading non-banking financial brokerage in Lithuania. After the pension system reform was started in Lithuania, 2003 brought the creation of the asset management company Finasta Investicijų Valdymas, which within a few years became the Lithuanian asset manager with the largest number of investment fund participants. As part of market consolidation process, two pension funds – Medicinos banko investicijų valdymas and PZU Gyvybės draudimas, were acquired. While expanding its activities, Finasta decided to seek a banking operating licence. In 2008 the investment bank Finasta was established. Finasta bank was the first Lithuanian capital bank incorporated in Lithuania within the past decade. Finasta group companies were profitably sold in 2009 to Snoras bank group for EUR 13.25 million.
- Throughout its history, the Issuer has undergone various reorganisations to enhance corporate governance efficiency, define the shareholding structure, and refine its business model. In 2013 the major shareholders of the Issuer, seeking to implement different strategies for the Issuer, decided to split-off the Issuer. After the reorganisation of the Issuer in May 2013, its operations were continued by two separate companies. As part of the Issuer was split-off and on the basis of this part a new company Invalda Privatus Kapitalas was formed. In the split-off, 45.45% of the total assets of the Issuer as well as 45.45% of the company's equity capital and liabilities were allocated to the newly established entity. After this reorganisation the Issuer continued to acquire competitive businesses that, with an

influx of additional capital or management resources, could successfully further develop organically, consolidate fragmented markets or provide other possibilities to increase value.

From 2014 (introduction of new business model) to Present

- In 2014, it was decided to revise the group's business model and manage not only shareholders' assets but also those of other investors.
- To have an efficient and clear business model, have the ability to provide investors with more choice, liquidity and risk segregation, the Issuer underwent a restructuring. Three companies (INVL Technology, INVL Baltic Farmland, INVL Baltic Real Estate) each managing uniform types of assets were spined-off from the Issuer; two of them were granted closed-end investment company status in 2016. After the operations were refined, the Issuer started operating as a structured asset management group and had its own historical investments as well.
- In 2014, the Issuer bought the Finasta group from the bankruptcy administrator of Snoras. Finasta Bank, the financial brokerage firm Finasta, as well as 100% of the asset management companies Finasta Asset Management in Lithuania and Latvia were acquired. During that year, pension fund manager MP Pension Funds Baltic was also acquired. Since completion of the merger of INVL Asset Management, MP Pension Funds Baltic and INVL Fondai in October 2015, it is INVL Asset Management that operates in the market. In 2015, the Issuer sold its shareholdings in Bankas Finasta and the brokerage firm Finasta to Šiaulių Bankas. To close the deal Šiaulių Bankas issued new shares, which were acquired by the Issuer. The Issuer subscribed to 6.79% of the share capital at that time in Šiaulių Bankas.
- In February 2018, INVL Asset Management acquired a 51% stake in the asset management company Mundus in Lithuania, strengthening its asset management business and moving into the private debt segment. The shareholding in Mundus, which manages the private debt fund, was increased to 100% in February 2023.
- In 2019 INVL Baltic Sea Growth Fund was launched. With a size of EUR 165 million, INVL Baltic Sea Growth Fund is a leading equity fund in the Baltics with the European Investment Fund (EIF) as an anchor investor. After the first closing of INVL Baltic Sea Growth Fund in February 2019, the Issuer undertook not to invest in private equity assets that comply with the fund's strategy and to conduct its main investment activity through this fund. Experience of the Issuer and the Group in the private equity market is presented below:



- In 2022-2023, the Issuer had significant transactions in the field of asset management. In 2022 Mandatum Life's life insurance business in the Baltics was acquired in order to expand opportunities

to strengthen clients' financial security. Later that year, an agreement on merging part of the retail businesses of the Issuer and Šiaulių Bankas was signed. On 30 November 2023, Invalda INVL and Šiaulių Bankas completed merging their retail businesses. Invalda INVL obtained additional 9.39% of the share capital of Šiaulių Bankas, and second and third pillar pension and investment funds in Lithuania and life insurance services business previously managed by the Issuer joined Šiaulių Bankas group.

Solvency

There have not been any recent material events that would be relevant for assessing the solvency of the Issuer.

Investments

The Issuer, either directly or through consolidated and unconsolidated subsidiaries, has made investments into asset management and family office services, as well as own investments, including investments in products managed by the Group. Please refer to Section “*Organisational Structure*” below for further information.

Asset management

Traditional

Traditional asset management includes pension fund management in Latvia and individual investment portfolio management services. As of 31 December 2023, the AUM for the traditional asset management segment amounted to EUR 431.0 million. The distribution of these assets was 77% for pension funds in Latvia and 23% for discretionary portfolios.

Alternatives

Alternative investment strategies – namely, private equity, real assets, private debt, and investments into third-party funds – are executed through dedicated collective investment undertakings. As of 31 December 2023, the alternative investment segment had a reported AUM of EUR 532.7 million, allocated as follows: 41% to private equity, 36% to real assets, 6% to private debt, and 17% to third-party products. The investment entities, managed by the Group, are provided in the table below.

Collective investment undertakings	Alternative investment strategy	Description
INVL Baltic Sea Growth Fund	Private equity	One of the largest private equity funds in the Baltics, with the European Investment Fund (EIF) as its anchor investor. The fund is focused on the Baltic countries and neighbouring regions including Poland, the Nordics, and Central Europe. INVL Baltic Sea Growth Fund has already built a diversified portfolio of nine investments. The fund has invested in companies, focusing on sectors including food processing, healthcare, medical rehabilitation, civil engineering, environmental management (plastic recycling and waste management), veterinary services, and the manufacturing of cosmetics and hygiene products.
INVL Baltic Sea Growth Capital Fund	Private equity	Feeder fund investing in INVL Baltic Sea Growth Fund. INVL Baltic Sea Growth Capital Fund provides the opportunity for individuals who meet the requirements for informed investors to indirectly invest in INVL Baltic Sea Growth Fund.
INVL Technology	Private equity	A closed-end investment company listed on the Nasdaq Vilnius. The company targets investments in IT companies serving large corporations and public-sector clients, initiatives aimed at improving

		the business climate, e-governance, IT services, programming, and cybersecurity.
INVL Special Opportunities Fund	Private equity	The fund has made an indirect investment in the shares of BC “MAIB” S.A. (MAIB), the largest bank in Moldova.
INVL Sustainable Timberland and Farmland Fund II	Real assets	The fund focuses on investing in forests and agricultural land across the Baltic region and Central and Eastern Europe with a long-term sustainable management approach. The fund is registered in Luxembourg and is administered by Apex Group.
INVL Sustainable Timberland and Farmland Fund II – Capital Fund	Real assets	A feeder fund investing in INVL Sustainable Timberland and Farmland Fund II.
INVL Renewable Energy Fund I	Real assets	The fund invests in greenfield and brownfield renewable energy projects, specifically focusing on solar and wind energy. This includes the construction of new power plants, acquisition of existing power plants, development and/or acquisition of necessary infrastructure for power plant operations, and efficient management of existing power plants.
INVL Baltic Real Estate	Real assets	A closed-end investment company listed on the Nasdaq Vilnius. The portfolio comprises commercial real estate properties in the Baltic States, including office and warehousing facilities located in Lithuania and Latvia.
INVL Bridge Finance	Private debt	An investment fund aiming to achieve long-term stable returns by investing in non-publicly traded debt securities of companies within the alternative financing sector in the Baltic States and CEE region by providing bridge financing.
INVL Partner Private Equity Fund I	Third-party	The assets of INVL Partner Private Equity Fund I are invested in EQT X, a fund managed by EQT, a leading global private equity firm. The fund's primary investment strategy focuses on investing in companies within the European and US healthcare, technology, and business services sectors.
INVL Partner Global Infrastructure Fund I	Third-party	The fund invests in a fund of infrastructure assets established by a fund manager of global stature which has been in operation for 26 years. The strategy of investing in infrastructure assets is based on very long-term investment and high-quality core infrastructure in member states of OECD.
INVL Partner Energy and Infrastructure Fund	Third-party	The fund invests in the Renewable Energy and Infrastructure Fund managed by Lords LB Asset Management, which has been operating since 2017.
INVL Partner Global Distressed Fund I	Third-party	The fund invests in a distressed debt fund established by a world-class manager.
INVL Partner Global Real Estate Fund I	Third-party	The fund invests in funds managed Brookfield Asset Management which utilise the capital raised to invest in commercial and residential properties in major cities in the US and Europe that meet the requirements of the core plus investment strategy.

Family office

Group's family office (UAB FMĮ INVL Financial Advisors) focuses on understanding clients' financial goals and crafting suitable action plans, providing a range of wealth management services such as financial planning (including family governance through the establishment of constitutions, assemblies, and inheritance planning), discretionary management of portfolios of financial instruments, analysis and selection of tax and legal services. Family office distributes both investment products managed by the Group as well as offers third-party products to its clients. It operates in Lithuania and opened a branch in Latvia in January 2024.

Key own investments

AB Šiaulių Bankas

Founded in 1992, Šiaulių Bankas provides a full range of banking, leasing and life insurance services to individuals, businesses, and investors, with total assets and total equity of EUR 4,809 million and EUR 543.1 million as of 31 December 2023, respectively. Šiaulių Bankas shares are listed on Nasdaq Vilnius. On 30 November 2023, merger of Invalda INVL retail asset management business in Lithuania as well as its life insurance business with Šiaulių bankas was completed.

UAB Litagra

UAB Litagra operates in the primary production, cultivation, and processing of agricultural products, alongside poultry farming. The group supplies a variety of feeds, supplements, premixes, baits, food for pets, and cat litter. Additionally, it offers mobile feed production and ration calculation services. The group's companies conduct business in the local markets of Lithuania as well as export products to other markets.




BC "MAIB" S.A.

MAIB is the largest bank in Moldova. As of 31 December 2023, it accounted for 34% of the country's bank assets market and 37% of loans. The bank serves more than a third of the people in Moldova and is one of the country's largest employers. The investment is made by an international consortium (acquiring a 41.09% stake in total), which includes EBRD, Horizon Capital, the Issuer and INVL Special Opportunities Fund.

General Partner investments

The Group's investments into various collective investment undertakings managed by the Group (described under the heading "*Asset management – Alternatives*" in this Section above), ensuring the alignment of interests with their investors.

A summary of the Group's key own investments as of 31 December 2023 is provided in the table below:

OVERVIEW OF KEY OWN INVESTMENTS			
GENERAL PARTNER INVESTMENTS	OTHER OWN INVESTMENTS		
Products managed by UAB INVL Asset Management	 #4 bank in Lithuania 18.45%* stake	 Largest bank in Moldova 7.89% stake	 Leading agricultural group in Lithuania 48.81% stake
VALUE OF INVESTMENT AS OF 31 DECEMBER 2023			
€57.7m	€85.4m	€22.2m	€19.3m

*19.99% upon completion of the pending agreement with EBRD, expected by end of May 2024

Geographical markets

The Issuer, based in Lithuania, serves as the parent (holding) company, overseeing the Group's business activities, which are predominantly conducted by the Issuer's direct and indirect subsidiaries. As of the date of this Base Prospectus, the Issuer has own investments in the Lithuanian and Moldovan markets.

The Group offers family office services in Lithuania and Latvia. Additionally, the Group provides asset management services, including individual portfolio management services in Lithuania, pension fund management in Latvia, and the execution of alternative investment strategies – namely, private equity, real assets, and private debt – through dedicated vehicles established in Lithuania or Luxembourg. Direct investment mandates of most alternative funds are defined within the EU / EEA / EFTA, with largest focus and exposure on the Baltic and CEE regions. Several feeder funds investing in funds managed by third parties offer global and/or outside EU / EEA / EFTA investment exposure for the Group's investors.

The Group's strategy

Development strategy

The Group's development strategy focuses on several pillars:

- Asset management business:** expansion and development of existing product lines (private equity, real assets, private debt, third party funds as well as Latvian pension funds), increasing assets under management through establishment and fundraising of successor funds and/or potentially adding new strategies to the portfolio. The development strategy targets include delivering returns in the top quartile for the funds under management as well as doubling the assets under management by 2027. One of the key upcoming projects in 2024 – first closing of INVL Private Equity Fund II, the successor of the private equity fund INVL Baltic Sea Growth Fund, targeting EUR 250 million of capital with a hard cap of EUR 400 million which will make it the largest fund in the Baltics.
- Family office business:** expansion from Lithuania to Latvia (with the branch established in January 2024) and potentially Estonia, establishing INVL Family Office from a national to a regional wealth management services provider.
- Other own investments:** development and value creation of the existing portfolio, working on exit strategies as appropriate. Since the launch of INVL Baltic Sea Growth Fund, the Group and its related parties ceased further private equity investments competing with the fund and its successor funds, i.e.

all new investment opportunities which fall within the fund's investment strategy are offered to and executed by the fund, with the exceptions being agricultural and financial services industries (as part of the Issuer's legacy investments).

The Group is continuously exploring opportunities to acquire healthy businesses in both asset management as well as wealth management segments in Baltics and CEE region.

Financing strategy

No material changes in the Issuer's and/or the Group's borrowing and funding structure have taken place since 31 December 2023.

INFORMATION ABOUT THE GROUP'S BUSINESS OPERATIONS

Since its inception in 1991, the Group has been a pivotal contributor to the evolution of the local capital market, primarily focusing on the Baltic countries and CEE. With over 30 years of experience, the Group has cultivated a distinguished reputation and an extensive network of partners in the region. This long-standing presence has enabled the Group to strategically concentrate on asset classes and regions where it can generate substantial value. Currently, the Group places a strong emphasis on alternative investments management.

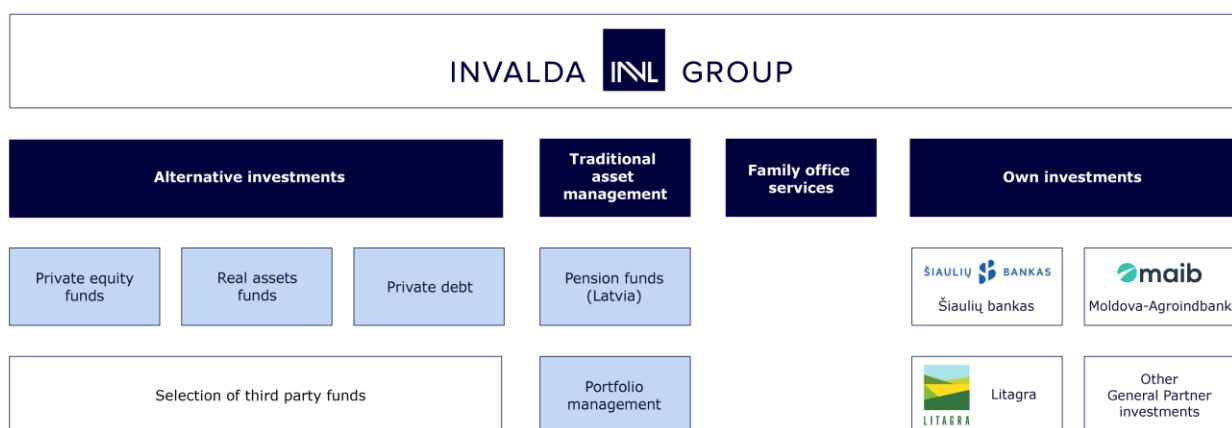
The Group's strategic advantages lie in its speed and adaptability, established long-term relationships, a 30-year track record, and a vested interest, demonstrating the company's commitment to its investment decisions. Guided by its core values, the Group emphasizes responsible decision-making, embracing change as an avenue for growth and innovation, fostering an open culture built on trust and collaboration, and maintaining a focus on client satisfaction and results.

ORGANISATIONAL STRUCTURE

The Issuer is engaged in investment activities and is the parent company of the Group.

The companies in the Issuer's Group carry out asset management and family office services. The Issuer also has own investments, including investments in products managed by the Group.

The information under the heading Investments in Section "Information about the Group" and the graphic illustration provided below, the best describes the segments represented by the Group's principal companies.



The Group consists of the Issuer and the following consolidated directly and indirectly owned subsidiaries:

Name	Country of incorporation and place of business	Effective ownership directly / indirectly held by the Issuer / Group (%) as of 31 December 2023	Nature of business
UAB INVL Asset Management	Lithuania	100.00	Alternative investments funds
IPAS INVL Asset Management	Latvia	100.00	Pension funds, clients' portfolio management
AS INVL Atklātais Pensiju Fonds	Latvia	100.00	3 rd pillar pension funds management
UAB FMĮ INVL Financial Advisors	Lithuania	100.00	Financial brokerage, wealth management, clients' portfolio management
UAB Mundus	Lithuania	100.00	Private debt investments funds management
UAB INVL Farmland Management	Lithuania	100.00	Land administration services
UAB Invalda INVL Investments	Lithuania	100.00	Dormant

INVL LUX GP1 S.à r.l.	Luxembourg	100.00	General partner of managed entity -fund
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The Group has also the following unconsolidated subsidiaries:

Name	Country of incorporation and place of business	Effective ownership directly/indirectly held by the Issuer/Group (%) as at 31 December 2023	Nature of business
UAB MD Partners	Lithuania	51.37	Indirectly investment into MAIB bank (investment entity)
UAB IPPG	Lithuania	100.00	Investment into facilities management entities
INVL Life UAB	Lithuania	100.00	Own book investment
VšĮ Iniciatyvos Fondas	Lithuania	100.00	Social initiatives activities
UAB Aktyvo	Lithuania	54.55	Management of bad debt
UAB Aktyvus Valdymas	Lithuania	100.00	Dormant
UAB Cedus Invest	Lithuania	100.00	Investment into agriculture entity UAB Litagra (investment entity)
UAB MGK Invest	Lithuania	100.00	Dormant
UAB MBGK	Lithuania	100.00	Dormant
UAB RPNG	Lithuania	100.00	Dormant
UAB Regenus	Lithuania	100.00	Dormant
UAB Consult Invalda	Lithuania	100.00	Dormant
UAB Cedus	Lithuania	100.00	Dormant

The Group has the following associates owned indirectly:

Name	Country of incorporation and place of business	Effective ownership directly/indirectly held by the Company/Group (%)	Nature of business
UAB Litagra	Lithuania	48.81	The primary crop and livestock (milk) production, feed production and poultry farming

Special Closed-Ended Type Real Estate Investment Company INVL Baltic Real Estate	Lithuania	23.43	Real estate owner and lessor
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The Issuer also indirectly owns 17.22% in the Special Closed-Ended Type Private Equity Investment Company INVL Technology, managed by Group company INVL Asset Management.

The Issuer directly and indirectly owns 18.45% (19.99% with pending agreement EBRD to be completed by end of May 2024) in AB Šiaulių Bankas.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In accordance with the Law on Companies of the Republic of Lithuania (the **Law on Companies**) and the Articles of Association, the Company has the following corporate governance structure:

- General Meeting of Shareholders;
- Management Board; and
- Chief Executive Officer (General Manager).

The Issuer has no Supervisory Council (the Management Board carries out the supervision function).

General Meeting of Shareholders

The General Meeting of Shareholders is the highest corporate body of the Issuer. The General Meeting of Shareholders adopts decisions on strategic issues of operational activities and approves key operational guidelines (guidelines for corporate governance, collegiate body remuneration, etc.). The powers and responsibilities of the General Meeting of Shareholders are set forth in detail in the Law on Companies and the Articles of Association.

Management Board

The Management Board is a collegial management body provided for in the Articles of Association. The Management Board does not have executive powers and its main function is adopting the strategic decisions of the Issuer, and it is also responsible for the appointment and removal of the CEO, calling General Meetings of Shareholders, and adoption of other corporate decisions which are economically feasible for the Issuer. The powers and responsibilities of the Management Board are set forth in detail in the Law on Companies and the Articles of Association.

The members of the Management Board are elected by the General Meeting of Shareholders. The Chairman of the Management Board is elected by the Management Board and is responsible for organising the activities of the Management Board.

The Management Board of the Issuer consists of 3 (three) members:

- **Mr Alvydas Banys**, a Chairman of the Management Board. After graduating from Vilnius Gediminas Technical University, Mr Banys worked as a junior research fellow at the Economics Institute of the Lithuanian Academy of Science for two years. From 1996 to 2006, he was the Vice-President of the Issuer, from 1996 to 2000, he was a Board Member and from 2001 to 2007 he was the Chairman of the Board. Mr Banys was also on the boards of real estate, hotel management and manufacturing companies. Having extensive experience in the establishment, acquisition, sale and reorganisation of companies as well as in performance optimisation, risk distribution and different management and financing methods, in 2007, he decided to start his own business. Even after withdrawing from the Group's day-to-day operations, Mr Banys remained a financial investor with a significant equity stake, and in early 2013, he returned to the Issuer's board. He has been a member of the Management Board of the Issuer since the end of May 2013. The principal activities performed by Alvydas Banys outside of that Issuer:
 - LJB investments, UAB (code 300822575, A. Juozapavičiaus g. 9A, Vilnius) – CEO (the main workplace);
 - LJB property, UAB (code 300822529; A. Juozapavičiaus g. 9A, Vilnius) – CEO;
 - INVL Baltic Sea Growth Fund, managed by INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) – Investment Committee member;
 - INVL Asset Management, UAB (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) – Senior Advisor;

- INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Chairman of the Board;
- Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius, Lithuania) – Member of the Board.
- **Ms Indrė Mišeikytė**, a member of the Management Board. Ms Mišeikytė has a degree in Architecture from Vilnius Gediminas Technical University. From 1994 to 1996, she worked at Vilniaus baldai AB, later joining the real estate and investment firms Gildeta UAB and Kreimi UAB. She has been an architect at Inreal valdymas UAB since 2002 for more than 15 years. Indrė is a member of the Management Board of the Issuer since April 2012. The principal activities performed by Indrė Mišeikytė outside of that Issuer:
 - INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Member of the Board.
- **Mr Tomas Bubinas**, independent member of the Management Board. Mr Bubinas holds a master's degree in economics from Vilnius University and a master's degree in business administration from the Baltic Management Institute (BMI). He is a member of the Association of Chartered and Certified Accountants (ACCA) and a Lithuanian sworn auditor. Mr Bubinas was the Executive Director of Biotechpharma UAB from 2013 till 2022. Before that, he was the Senior Director of TEVA Biopharmaceuticals USA and the Chief Financial Officer of Teva Pharmaceuticals for the Baltics for six years. He has also worked as a Finance Director at Sicor Biotech, Senior Manager at PricewaterhouseCoopers, and Senior Auditor at Coopers & Lybrand. The principal activities performed by Tomas Bubinas outside of that Issuer:
 - INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – independent Member of the Board.

The main workplace is an individual consulting activity.

The business address of each member of the Management Board is Gynėjų g. 14, LT01109 Vilnius, Lithuania.

Chief Executive Officer

The Chief Executive Officer (the **CEO**) is in charge of daily management of the Issuer and has authority to represent the Issuer. For certain transactions with a high value (i.e. certain transactions, the value of which exceeds 1/20 of the authorised capital of the Issuer) and important strategic decisions the CEO needs to get the prior approval of the Management Board. The powers and responsibilities of the CEO are set forth in detail in the Law on Companies and the Articles of Association.

The CEO of the Issuer is **Mr Darius Šulnis**. Mr Šulnis holds a master's degree in accounting and Audit from Vilnius University. In 2013, he earned a Global Executive MBA from Duke University (USA). He has over 25 years of experience in establishing and managing businesses that are leaders in their respective sectors, as well as in carrying out mergers, sales and acquisitions, including attracting investments and working together with strategic and financial investors. Mr Šulnis was the CEO of the financial brokerage company Finasta for 8 years and of the real estate company Inreal valdymas for 4 years. He has been managing the Issuer since 2006. He has also been on the boards and supervisory councils of numerous Polish, Latvian and Lithuanian companies. The principal activities performed by Darius Šulnis outside of that Issuer:

- INVL Baltic Sea Growth Fund, managed by INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) - Investment Committee Member;
- INVL Asset Management, UAB (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) – Chairman of the Board;
- FERN Group UAB (code 306110392, Granito g. 3-101, Vilnius, Lithuania) – Chairman of the Supervisory Board;
- Akcinė bendrovė Šiaulių bankas (code 112025254, Tilžės g. 149, Šiauliai, Lithuania) – Member of the Supervisory Board;

- Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius, Lithuania) – Member of the Board.

The business address of the CEO is Gynėjų g. 14, LT01109 Vilnius, Lithuania.

Conflict of interest

2 (two) members of the Management Board – Mr Alvydas Banys and Ms Indrė Mišeikytė – are the shareholders of the Issuer, holding 32.77% (directly 7.45% and indirectly through the controlled company LJB investments 25.32%) and 1.94% of the shares respectively. In addition, the CEO of the Issuer Mr Darius Šulnis indirectly, through the controlled company Lucrum Investicija, holds 26.01% of the shares.

It is possible that the direct and indirect shareholders of the Issuer who are also the members of the administrative and management bodies, may have conflict of their own interests and those of the Issuer. However, the Issuer's and its Group companies' transactions with its related parties are regulated by the Civil Code, the Law on Companies and the Articles of Association of the Issuer, which provide rules concerning related party transactions and conflicts of interest between a company and its management (and persons close to such members).

Apart from the above, the Issuer is not aware of any potential conflict of interests between any duties to the Issuer of the members of the administrative and management bodies (as defined above) of the Issuer as well as private interests or other duties of these persons.

Furthermore, none of the members of the administrative and management bodies of the Issuer are related to any other member of those bodies by blood or marriage.

SHAREHOLDERS

The Company's shares are traded on the Baltic Secondary List of Nasdaq Vilnius.

As of the date of this Base Prospectus, the number of shareholders exceeds 3,800. The following table shows the shareholders who hold or control more than 5% of the share capital and/or voting rights of the Issuer as of 31 December 2023:

Shareholder name and surname or company name	Number of shares owned	Owned share capital and votes, %	Indirectly held votes ³ , %	Total votes of the shareholders group, %
UAB LJB Investments ¹	3,098,196	25.32	60.31	85.63
Mr Alvydas Banys	910,875	7.45	78.18	
Mrs Irena Ona Mišeikienė	3,048,161	24.91	60.72	
Ms Indrė Mišeikytė	236,867	1.94	83.69	
UAB Lucrum Investicija ²	3,181,702	26.01	59.62	
Mr Darius Šulnis	0	0	85.63	

1. A company controlled by Mr Alvydas Banys.

2. A company controlled by Mr Darius Šulnis.

3. The Issuer's shareholders Mr Alvydas Banys, UAB LJB Investments, Mrs Irena Ona Mišeikienė, Ms Indrė Mišeikytė, Mr Darius Šulnis and UAB Lucrum Investicija have signed an agreement with the purpose of agreeing on the long-term management policy of the Issuer. Therefore, in accordance with Article 16(1)(2) of the Law on Securities, their votes are counted together. Given that the said agreement does not contain any provisions on the direct use of voting rights of the parties of the agreement in other companies affiliated with the Issuer, their votes are counted together only at the level of the issuer, i.e. only in Akcinė bendrovė Invalda INVL.

As of the date of this Base Prospectus, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table is a summary of the Group's consolidated financial performance and key performance indicators for the two financial years ending 31 December 2022 and 2023. The information set out in the table below has been extracted (without any material adjustment) from, and is qualified by reference to and should be read in conjunction with the audited Group's consolidated annual reports for the years ended 31 December 2023 and December 2022, which are incorporated by reference to this Base Prospectus and form an integral part of this Base Prospectus. The Group's consolidated annual report is prepared according to International Financial Reporting Standards (IFRS).

Consolidated Income Statements and Statements of Comprehensive Income of the Issuer for the years ended 31 December 2023 and 31 December 2022

Consolidated Income Statements

EUR thousands	2023	2022
Revenue from contracts with customers	16,960	15,317
Dividend income	1,759	5,196
Other income	124	117
Gain from transfer of retail business	29,753	-
Net changes in fair value of financial instruments at fair value through profit or loss	22,499	13,533
Employee benefits expenses	(13,385)	(10,755)
Funds distribution fees	(53)	(62)
Amortisation of costs to obtain contracts with customers	-	(370)
Information technology maintenance expenses	(1,190)	(1,096)
Depreciation and amortisation	(744)	(1,033)
Premises rent and utilities	(246)	(253)
Advertising and other promotion expenses	(259)	(361)
Impairment of financial and contract assets	8	-
Other expenses	(4,587)	(4,225)
Operating profit (loss)	50,639	16,008
Finance costs	(317)	(90)
Share of net (loss) profit of consolidated subsidiaries accounted for using the equity method	-	-
Profit (loss) before income tax	50,322	15,918
Income tax income (expenses)	(4,506)	796
NET PROFIT FOR THE YEAR	45,816	16,714
Attributable to:		
Equity holders of the parent	45,816	16,666
Non-controlling interests	-	48
Basic earnings per share (in EUR)	3.85	1.41
Diluted earnings per share (in EUR)	3.77	1.38

Consolidated Statements of Comprehensive Income

EUR thousands

	<u>2023</u>	<u>2022</u>
NET PROFIT FOR THE YEAR	45,816	16,714
Net other comprehensive income that may be subsequently reclassified to profit or loss	-	-
Net other comprehensive income not to be reclassified to profit or loss	-	-
Other comprehensive income for the year, net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	45,816	16,714
Attributable to:		
Equity holders of the parent	45,816	16,666
Non-controlling interests	-	48

Consolidated Statements of Financial Position of the Issuer as of 31 December 2023 and 31 December 2022

EUR thousands

	<u>As at 31 December 2023</u>	<u>As at 31 December 2022</u>
ASSETS		
Non-current assets		
Property, plant and equipment	1,567	1,710
Intangible assets and costs to obtain contracts	233	427
Investments into subsidiaries	43,120	18,416
Investments into associates	23,313	25,975
Financial assets at fair value through profit or loss	139,740	74,197
Other non-current receivable	-	161
Deferred tax asset	114	472
Total non-current assets	208,087	121,358
Current assets		
Trade, other receivables and contract assets	5,038	5,294
Prepaid income tax	360	277
Prepayments and deferred charges	147	117
Financial assets at fair value through profit or loss	1,122	1,015
Cash and cash equivalents	3,710	3,609
Assets of disposal group classified as held for sale	-	12,356
Total current assets	10,377	22,668
TOTAL ASSETS	218,464	144,026

(cont'd on the next page)

EUR thousands	<u>As at 31 December 2023</u>	<u>As at 31 December 2022</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	3,548	3,494
Own shares	(929)	(929)
Share premium	5,630	5,033
Reserves	14,708	14,214
Retained earnings	155,073	108,978
Equity attributable to equity holders of the parent	178,030	130,790
Non-controlling interests	-	137
Total equity	178,030	130,927
Liabilities		
Non-current liabilities		
Lease liabilities	773	969
Deferred tax liability	2,809	2,370
Other non-current liabilities	233	260
Total non-current liabilities	3,815	3,599
Current liabilities		
Borrowings	4,900	3,300
Lease liabilities	539	433
Trade payables	592	376
Income tax payable	3,340	23
Advances received	21	3
Other current liabilities	27,227	2,780
Liabilities directly associated with the assets held for sale	-	2,585
Total current liabilities	36,619	9,500
Total liabilities	40,434	13,099
TOTAL EQUITY AND LIABILITIES	218,464	144,026

(the end)

The Group's liquidity ratio (calculated based on the formula indicated under Section "Alternative Performance Measures (APM)" below) as at 31 December 2023 was approximately 0.28 (2.39 as at 31 December 2022). As at 31 December 2023 the current assets were lower than current liabilities by EUR 26,242 thousand in the Group. The main factors contributing to this are the Group's liabilities to its unconsolidated subsidiary INVL Life UAB of EUR 23,570 thousand, resulting from the assign of receivables following the transfer of the retail business to AB Šiaulių Bankas. The Management expects to cover liabilities of EUR 23,570 thousand through the distribution of dividends from the subsidiary and the reduction of its authorised capital. Additionally, the Group is set to receive EUR 5,742 thousand in dividends from AB Šiaulių Bankas, which have already been approved by AB Šiaulių Bankas shareholders in March 2024.

Consolidated Statements of cash flows of the Issuer for the years ended 31 December 2023 and 31 December 2022

EUR thousands

	<u>2023</u>	<u>2022</u>
Cash flows from (to) operating activities		
Net profit for the year	45,816	16,714
Adjustment to reconcile result after tax to net cash flows:		
Non-cash:		
Depreciation and amortisation including amortisation of costs to obtain contracts with customers	744	1,403
(Gain) on disposal of property, plant and equipment	(10)	(26)
Realized and unrealized loss (gain) on investments and transferred retail business	(52,252)	(13,533)
Share of net (loss) profit of consolidated subsidiaries accounted for using the equity method	-	-
Interest income	(66)	(99)
Interest expenses	317	90
Income tax (income) expenses	4,506	(796)
Provision for impairment of financial and contract assets	(8)	-
Other impairment	9	-
Change in provisions	-	-
Share-based payments	619	479
Dividend income	(1,759)	(5,196)
	<u>(2,084)</u>	<u>(964)</u>
Working capital adjustments:		
Decrease (increase) in trade, other receivables and contract assets	910	2,314
Decrease (increase) in other current assets	(35)	114
Increase (decrease) in trade payables	249	(45)
Increase (decrease) in other liabilities	1,195	779
	<u>1,195</u>	<u>779</u>
Cash flows from (to) operating activities	235	2,198
Income tax paid	(72)	(254)
Net cash flows from (to) operating activities	<u>163</u>	<u>1,944</u>

(cont'd on the next page)

EUR thousands

	<u>2023</u>	<u>2022</u>
Cash flows from (to) investing activities		
Acquisition of non-current assets (intangible and property, plant and equipment)	(113)	(365)
Proceeds from sale of non-current assets (intangible and property, plant and equipment)	-	-
Costs to obtain contracts with customers	(338)	(435)
Acquisition and establishment of subsidiaries, net of cash acquired for consolidated subsidiaries	-	(4,094)
Proceeds from transfer of retail business, net of cash transferred	(747)	-
Proceeds from sales of unconsolidated subsidiaries and redeemed convertible bonds	-	2,632
Deconsolidation of subsidiary net of cash deconsolidated	-	(317)
Acquisition of associates	-	-
Proceeds from sales of associates	-	-
Acquisition of financial assets at fair value through profit or loss (except held-for-trading)	(2,827)	(5,410)
Sale of financial assets at fair value through profit or loss (except held-for-trading)	-	1,614
Dividends received	1,613	5,068
Loans granted	-	(2,384)
Repayment of granted loans	825	4,468
Interest received	62	92
Net cash flows from (to) investing activities	<u>(1,525)</u>	<u>869</u>
Cash flows from (to) financing activities		
Cash flows related to company shareholders:		
Issue of shares	651	14
(Acquisition) of non-controlling interests	(376)	-
Dividends paid to equity holders of the parent	(7)	(7,520)
Dividends paid to non-controlling interests	-	(59)
Disposal of own shares	-	-
	<u>268</u>	<u>(7,565)</u>
Cash flows related to other sources of financing:		
Proceeds from borrowings	3,400	3,300
Repayment of borrowings	(1,800)	-
Payments of lease liabilities	(406)	(450)
Interest paid	(308)	(90)
	<u>886</u>	<u>2,760</u>
Net cash flows to financing activities	<u>1,154</u>	<u>(4,805)</u>
Impact of currency exchange on cash and cash equivalents	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(208)</u>	<u>(1,992)</u>
Cash and cash equivalents at the beginning of the year	<u>3,918</u>	<u>5,910</u>
Cash and cash equivalents at the end of the year	<u>3,710</u>	<u>3,918</u>
		<i>(the end)</i>

Alternative performance measures (APM)

This document includes certain data which the Issuer considers to constitute alternative performance measures (APMs) for the purposes of the European Securities Markets Authority (ESMA) Guidelines on Alternative Performance Measures. These include Return on equity (ROE), Debt ratio, Debt – Equity ratio, Liquidity ratio, Price Earnings ratio (P/E), Net Asset Value per share, Price to book value (P/Bv).

These APMs are not defined by, or presented in accordance with, IFRS. The APMs are unaudited and are not measurements of the Issuer's operating performance under IFRS and should not be considered as alternatives to any measures of performance under IFRS or as measures of the Issuer's liquidity.

The Issuer believes that the below measures provide useful information to investors for the purposes of evaluating the financial condition and results of operations of the Issuer, the quality of its assets and the fundamentals of its business. However, the Issuer's use and method of calculation of APMs may vary from other companies' use and calculation of such measures.

It should be noted that APMs are calculated for years ended 31 December 2023 and 31 December 2022 for the Group.

	2023	2022
Return on Equity (ROE), %	29.66	13.25
Debt ratio	0.19	0.09
Debt – Equity ratio	0.23	0.10
Liquidity ratio	0.28	2.39
Price Earnings ratio (P/E)	3.09	8.07
Net Asset Value per share, EUR	14.83	11.07
Price to book value (P/Bv)	0.80	1.03

Description of Issuer's alternative performance measures

Return on Equity (ROE) – the ratio of net profit to average equity for a reporting period, measured in percentage terms.

Return on Equity (ROE) (measured in percentage terms) = Net profit / Average equity for a reporting period

Return on equity excludes debt in the denominator and compares net profit for the period with total average shareholders' equity. It measures the rate of return on shareholders' investment and is, therefore, useful in comparing the profitability of the Group with its competitors.

Average equity is an arithmetical average of the beginning equity and ending equity for the reporting period.

Average equity = (The beginning equity for the reporting period + The ending equity for the reporting period)/2

Debt ratio – ratio between total liabilities and total assets.

Debt ratio = Total liabilities / Total assets

The debt ratio is a financial ratio that measures the extent of a company's leverage. It can be interpreted as the proportion of a company's assets that are financed by debt.

Debt to Equity ratio – ratio between total liabilities and equity.

Debt to Equity ratio = Total liabilities / Equity

The debt to equity ratio is calculated by dividing a company's total liabilities by its equity. The ratio is used to evaluate a company's financial leverage.

Liquidity ratio – the ratio of current assets to current liabilities.

Liquidity ratio = Current assets / Current liabilities

Liquidity ratio is a financial metric used to determine a debtor's ability to pay off current debt obligations without raising external capital.

Price earnings ratio (P/E) – share price at the end of a reporting period divided by earnings per share (EPS).

Price earnings ratio (P/E) = The share price at the end of a reporting period / Earnings per share (EPS)

To determine the P/E value, one simply must divide the current stock price by the earnings per share (EPS). It is used to compare a company against its own historical record or to compare aggregate markets against one another or over time.

Net assets value per share – the Group's equity divided by the number of shares, excluding the Group's own shares, at the end of a reporting period.

Net asset value per share = The Group's equity / The number of shares, excluding the Group's own shares, at the end of a reporting period

The net assets value per share indicates the euro value remaining for shareholders after all assets are liquidated and all debtors are paid.

Price to Book value ratio – the ratio of the share price at the end of a reporting period to the net assets value per share.

Price to Book ratio = The share price at the end of a reporting period / The net assets value per share

Price-to-book ratio compares a firm's market to book value by dividing price per share by net assets value per share. This shows how the valuation is covered by equity.

FINANCIAL AND TREND INFORMATION

Historical Financial Information

The Group's consolidated annual reports for the years ended 31 December 2023 and 31 December 2022, together with the independent auditor's report for the relevant period, prepared in accordance with IFRS, are incorporated by reference to this Base Prospectus and forms an integral part of this Base Prospectus.

Legal and arbitration proceedings

The Group is not engaged in any governmental, legal or arbitration proceedings, and is not aware of any such proceedings pending or threatened against it during the 12 month-period prior to the date of this Base Prospectus that may have, or have had in the recent past, significant effect on the Issuer and/or the Group's financial position or profitability.

Significant Changes in Financial Position

There has been no material adverse change in the Issuer's or the Group's financial or trading position since 31 December 2023.

Trend Information

There has been no significant change in the prospects of the Issuer or the Group since the date of the audited consolidated annual report of the Group for 2023.

As of the date of this Base Prospectus there are no information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's or the Group's prospects and the industries in which the Issuer or the Group operates.

Profit Forecasts or Estimates

The Issuer is not providing financial forecasts or estimates.

ADDITIONAL INFORMATION

Share Capital

The amount of the share capital of the Company is EUR 3,547,948.45, and it is composed of 12,234,305 shares. All shares are paid up. All shares are registered shares and they are dematerialised. The nominal value of a share is EUR 0.29.

Articles of Association

The Company is registered with the Register of Legal Persons of the Republic of Lithuania under legal entity code 121304349.

The objectives and purposes of the Company are stated in Section 7 of the Articles of Association. The Company's objective is to meet the interests of all shareholders by ensuring the continued increase in the value of the shares held. To this end, the Company: (i) rationalises the structure of its investment portfolio, (ii) carries out active investment and reinvestment activities, (iii) supervises the economic and financial activities of controlled companies.

Material Contracts

Neither the Company nor any of its subsidiaries have entered into any contracts outside the ordinary course of its business, which could result in any of the Company or its subsidiaries being under an obligation or entitlement that is material to the ability of the Company to meet obligations in respect of the Notes being issued.

TAXATION

Tax legislation of the investor's state of tax residence and of the Issuer's state of residence may have an impact on the taxation of the income received from the Notes.

The following is a general summary of certain tax considerations in the Republic of Lithuania, as a country of tax residence of the Issuer, in relation to the Notes. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Notes, as well as does not consider or discuss the tax implications of any country other than the Republic of Lithuania. The information provided in this section shall not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership, and disposal of the Notes applicable to their particular circumstances.

This summary is based on the laws of the Republic of Lithuania as in force on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.

The Republic of Lithuania has concluded a number of tax conventions on the elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined.

Definition of tax residents of the Republic of Lithuania

A "resident individual" means an individual whose permanent place of residence during the tax period is in the Republic of Lithuania, or whose place of personal, social, or economic interests is in the Republic of Lithuania rather than abroad, or who stays in Lithuania continuously or intermittently for at least 183 days in the relevant tax period or at least 280 days in two consecutive tax periods and at least 90 days in one of these tax periods, or a person who does not meet any of the listed criteria, but who is a citizen of the Republic of Lithuania and who is remunerated for the performance of his employment or analogous functions from the budget of the Republic of Lithuania or municipalities thereof.

A "resident entity" means an entity which is established under the legal acts of the Republic of Lithuania, a collective investment undertaking without the status of a legal entity established under the legal acts of the Republic of Lithuania, and a Lithuanian hybrid entity as defined in the Law on Corporate Income Tax of the Republic of Lithuania.

Taxation of non-resident individuals acting through a fixed base in the Republic of Lithuania is the same as that of resident individuals defined above, if such a non-resident individual earns income through his fixed base in the Republic of Lithuania. Taxation of non-resident entities acting through a permanent establishment in the Republic of Lithuania is the same as that of resident entities defined above, if such a non-resident entity earns income through its permanent establishment in the Republic of Lithuania. Therefore, for relevant details on the taxation of non-resident individuals with a fixed base or non-resident entities with a permanent establishment in the Republic of Lithuania as Noteholders, please refer to further sections on the taxation of resident individuals and entities respectively.

Taxation of interest on the Notes

Interest earned by individuals

Payments in respect of interest on the Notes (including, to the extent applicable, the difference between the redemption price and the issue price of the Notes) to a resident or a non-resident individual will be subject to personal income tax at progressive tax rates of (i) 15%, if the total amount of income other than income from employment, self-employment, dividends, remuneration of management board, supervisory board and loan committee members, income from employers under copyright contracts, service fees of small partnership managers, received by an individual during the calendar year does not exceed the sum of 120 state average monthly wages (which is used to calculate the base of state social insurance contributions for insured persons), and (ii) 20%, which shall be applied to such income exceeding the aforementioned threshold. Separate double taxation treaties with the Republic of Lithuania can provide for a lower tax rate for non-residents.

Resident individuals are themselves liable for the payment of the due tax on interest. Personal income tax due on interest paid to non-resident individuals shall be withheld from payable interest at the rate of 15% and remitted to the revenue authorities by the interest-paying Lithuanian entity or a permanent establishment of a foreign entity. If non-resident individual's interest is subject to 20% tax, an individual shall file an annual income tax return and remit the due additional tax amount directly to the revenue authorities.

Interest on non-equity securities and deposits up to an amount of EUR 500 per tax period are exempt from personal income tax. This exemption is only available to non-resident individuals after they file an annual income tax return.

Interest earned by entities

Payments in respect of interest on the Notes (including, to the extent applicable, the difference between the redemption price and the issue price of the Notes):

- (i) to a resident entity will be included into the total taxable income for the purposes of the calculation of taxable profit that is subject to corporate income tax at the rate of 15% (0% or 5% for certain small-sized entities).
- (ii) to a non-resident entity, which is incorporated or otherwise organized in a state that is a member of the European Economic Area or in a state with which the Republic of Lithuania has concluded an effective convention for the avoidance of double taxation of income, will not be subject to withholding tax in the Republic of Lithuania.
- (iii) to other non-resident entity will be subject to 10% withholding tax in the Republic of Lithuania.

If the interest payer cannot ascertain the identity of the recipient or whether it is eligible for any tax relief, it must withhold the maximum applicable tax of 15%.

Taxation on the Disposition of the Notes

Capital gains of individuals

Capital gains (i.e. the difference between the sale price and the acquisition price and acquisition related costs) on the disposal of the Notes received by a resident individual will be subject to personal income tax at progressive tax rates of (i) 15%, if the total amount of income other than income from employment, self-employment, dividends, remuneration of management board, supervisory board and loan committee members, income from employers under copyright contracts, service fees of small partnership managers, received by an individual during the calendar year does not exceed the sum of 120 state average monthly wages (which is used to calculate the base of state social insurance contributions for insured persons), and (ii) 20%, which shall be applied to such income exceeding the aforementioned threshold.

Capital gains from the disposal of financial instruments (including the Notes) or the realisation of derivatives, except financial instruments issued by entities established in the target territories, up to an amount of EUR 500 per tax period are exempt from personal income tax.

Capital gains on the disposal of the Notes by non-resident individuals will not be subject to tax in the Republic of Lithuania.

Capital gains of entities

Capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident entity will be included into the total taxable income for the purposes of the calculation of taxable profit that is subject to corporate income tax at the rate of 15% (0% or 5% for certain small-sized entities).

Capital gains on the disposal of the Notes by non-resident entities will not be subject to tax in the Republic of Lithuania.

Registration and Stamp Duty

Transfer of the Notes will not be subject to any registration or stamp duty in Lithuania.

GENERAL INFORMATION

Authorisation

In accordance with the resolution dated 23 May 2024, the Management Board of the Issuer has authorised the issue of the Notes and approved the Base Prospectus and the General Terms and Conditions of the Notes.

Each Final Terms issued in respect of each issue of Notes shall be approved by a separate resolution of the Management Board of the Issuer.

Auditors

KPMG Baltics, UAB, legal entity code 111494971, having its registered address at Lvivo g. 101, LT-08104 Vilnius, Lithuania, has audited the consolidated financial statements of the Group for the years ended 31 December 2023 and 31 December 2022. All these financial statements are incorporated into this Base Prospectus by reference. KPMG Baltics, UAB issued unqualified auditor's reports regarding all these financial statements.

KPMG Baltics, UAB is a member of the Lithuanian Chamber of Auditors and holds audit firm's certificate No 001506.

Listing

Application will be made to Nasdaq Vilnius for admitting each Tranche to listing and trading on the official Note list (the Baltic Bond List) of Nasdaq Vilnius according to the requirements of Nasdaq Vilnius not later than within 3 (three) months after the Issue Date of the respective Tranche. Nasdaq Vilnius is a regulated market for the purposes of MiFID II.

Depository

The Notes shall be issued in the dematerialised form and registered with the Lithuanian branch of Nasdaq CSD SE (the merged central securities depository of the Republic of Lithuania, Latvia and Estonia) – Nasdaq CSD SE Lietuvos filialas, legal entity code 304602060, having its address at Konstitucijos pr. 29-1, LT-08105, Vilnius, Lithuania, which operates a central security depository in the Republic of Lithuania.

Documents available

For as long as the Notes are listed on the official bond list (the Baltic Bond List) of Nasdaq Vilnius, the copies of the following documents will be available on the Issuer's website www.invaldainvl.com:

- (a) the Articles of Association of the Issuer;
- (b) the audited financial statements of the Group and the Company;
- (c) this Base Prospectus together with any supplement; and
- (d) each Final Terms.

Each investor may also familiarize with other documents relating to the Notes, including the Agreement on Noteholder's Protection, Pledge Agreement, by requesting them from the Trustee via e-mail info@audifina.lt.

Interests of natural and legal persons involved in the issue/offer of the Notes

The Lead Manager is appointed by the Issuer as responsible person in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia for the purposes of offering and admission of the Notes to trading on the Baltic Bond List of Nasdaq. The Issuer is paying fees (commissions) established in the Placement Agreement concluded with the Lead Manager on 23 May 2024 for the services provided by the Lead Manager.

The Manager UAB FMĮ INVL Financial Advisors is appointed by the Issuer as responsible person in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia for the purposes of offering. The

Issuer is paying fees (commissions) established in the Placement Agreement concluded with the Manager UAB FMĮ INVL Financial Advisors on 23 May 2024 for the services provided by the Manager.

The Law Firm Norkus ir partneriai COBALT is appointed by the Issuer as legal adviser for the purposes of the Base Prospectus related matters and Issuer's representation at the Bank of Lithuania. The Issuer is paying fees established in the legal services agreement dated 23 April 2024 for the services provided by the legal advisers.

The Trustee is appointed by the Issuer as Noteholders' trustee as required under the Law on Protection of Interests of Noteholders. The Issuer is paying fees established in the Agreement on Noteholders' Protection concluded with the Trustee on 23 May 2024 for the services provided by the Trustee.

There are no other persons appointed by the Issuer in connection with the Base Prospectus, offering and admission of the Notes to trading on the Baltic Bond List of Nasdaq as of the date of this Base Prospectus. To the best knowledge of the Issuer, neither the Lead Manager nor the Manager, legal advisers or the Trustee have any conflict of interest pertaining to the responsibilities assigned to them by the Issuer.

Expenses charged to the Investors

No expenses or taxes will be charged to the investors by the Issuer in respect to the issue of the Notes. However, the investors may be obliged to cover expenses which are related to the opening of securities accounts with the credit institutions or investment brokerage firms, as well as commissions which are charged by the credit institutions or investment brokerage firms in relation to the execution of the investor's purchase or selling orders of the Notes, the holding of the Notes or any other operations in relation to the Notes. The Issuer shall not compensate the Noteholders for any such expenses.

Credit ratings

Neither the Issuer, nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

ISSUER

Akcinė bendrovė Invalda INVL

LEAD MANAGER TO THE ISSUER

Akcinė bendrovė Šiaulių bankas

MANAGER TO THE ISSUER

UAB FMĮ INVL Financial Advisors

LEGAL ADVISER TO THE ISSUER

Law firm Norkus ir partneriai COBALT