



# LORDS LB ASSET MANAGEMENT

## **Terseta UAB**

Legal entity code 303556959, registered address Jogailos str. 4, Vilnius, Lithuania

### **Information Document for the offering of bonds of Terseta UAB in the amount of EUR 8,000,000 and admission thereof to trading on the alternative market First North, administered by Nasdaq Vilnius AB**

This information document (hereinafter – the **Document**) provides main information on offering of bonds of Terseta UAB (hereinafter – the **Issuer** or the **Company**) (hereinafter - the **Bonds**) in the amount of up to EUR 8,000,000 (hereinafter – the **Issue**) (hereinafter – the **Offering**) and admission of the Bonds (hereinafter – the **Admission**) to trading on the First North in Lithuania, a multilateral trading facility (alternative market in Lithuania) administered by the regulated operator Nasdaq Vilnius AB (hereinafter – **First North**).

This Document is not a prospectus within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (hereinafter – the **Prospectus Regulation**) and the Law on Securities of the Republic of Lithuania (hereinafter – the **Law on Securities**) and was not approved by the Bank of Lithuania.

The prospectus for this Issue has not been drawn in accordance with Article 3(2) of the Prospectus Regulation and Part 2 of Article 5 of the Law on Securities.

This Document has been drawn in accordance with Article 7 of the Law on Securities, Part 2 of Article 78 of the Law on Companies of the Republic of Lithuania (hereinafter – the **Law on Companies**), Description of Order on Preparation and Announcement of Information Document, Mandatory to Prepare When Publicly Offering Mid-Sized Issues and When Executing the Mid-Sized Crowdfunding Transactions, approved by Decision of the Board of the Bank of Lithuania No 03-173 dated 19 September 2019 (hereinafter – the **Description of the Bank of Lithuania**), and supplemented with information required under the Rules of Alternative Securities Market First North in Lithuania, approved with the Decision of the Board of Nasdaq Vilnius AB (hereinafter – **Nasdaq**) No 18-60 dated 12 December 2018 (hereinafter – **First North Rules**).

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

The Investor should carefully assess the information provided in this Document paying particular attention to Section II headed *Risk Factors* provided this Document. All statements about the Company's and the Fund's and the Management Company's business, financial standing and prospects, the Offering itself should be

carefully evaluated and Investor's decision to acquire Bonds could be made only upon thorough assessment of the risk factors listed in Section II of this Document.

The Investor should pay particular attention to the fact, that the latest audited financial statements reflect the financial standing of the Company before completion of the Spin-off (defined below) of the Company in a course of which material part of the Company's assets, rights and obligations had been transferred to UAB J13 (a New Company defined below). The Spin-off Terms (defined below), based on the resolution of the Sole Shareholder dated 14 October 2020, have not been audited. The post Spin-off financial statements of the Company, which shall be concluded and audited within the terms provided in the laws of the Republic of Lithuania, have not yet be concluded, therefore actual financial standing of the Company materially differs from the date as of which latest audited BAS Financial Statements have been concluded.

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

Information provided in this Document is current as of [the date of this Document]. Neither the delivery of this Document nor the Offering, sale or delivery of the Bonds shall under any circumstances create any implication that there have been no adverse changes occurred or events happened which may or could result in an adverse effect on the Company's business, financial condition or result of operations and/or the market price of the Bonds. Nothing contained in this Document constitutes or shall be relied upon as a promise or representation by the Issuer or the Lead Manager as to the future.

AS Redgate Capital, having its registered office at Pärnu mnt 10, Tallinn 10148, Estonia, registry code 11532616 (hereinafter – **Lead Manager**) is the lead manager in Lithuania for the purposes of the Offering of the Bonds and Admission of the Bonds to trading on First North.

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## I. INTRODUCTION

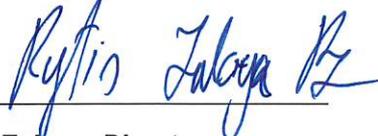
**Information Document.** This Document has been prepared by the Company in connection with Offering and the Admission, solely for the purposes of enabling any prospective Investor to consider an investment into the Bonds. The information contained in the Document has been provided by the Issuer and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

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

This Information Document forms integral part of the Bond Subscription Agreement.

### 1.1 Responsibility for this Document

**Persons responsible.** The person responsible for the information provided in this Document is Terseta UAB, legal entity code 303556959, having its registered office at Jogailos str. 4, Vilnius. The Company accepts the responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and its director Mr. Rytis Zaloga having taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import.



**Rytis Zaloga, Director**

**Limitations of liability.** The Lead Manager and the legal advisor to the Company or to the Lead Manager expressly disclaim any liability based on the information contained in this Document or any individual parts hereof and will not assume any responsibility for the correctness, completeness or import of such information. No information contained in this Document or disseminated by the Company in connection with the Offering and/or the Admission may be construed to constitute a warranty or representation, whether express or implied, made by the Lead Manager or the legal advisor to any parties.

Neither the Company nor the Lead Manager or the legal advisor will accept any responsibility for the information pertaining to the Offering, Admission, the Company or its operations, where such information is disseminating or otherwise made public by the third parties either in connection with this Offering or otherwise.

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

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

In case of dispute related to this Document or the Offering, the plaintiff may have to resort to the jurisdiction of the Lithuanian courts and consequently a need may arise for the plaintiff to cover relevant state fees and translation costs in respect of this Document or other relevant documents.

## 1.2 Notice to prospective Investors and selling restrictions

The distribution of this Document in certain jurisdictions may be restricted by law. Any person residing outside the Republic of Lithuania may receive this Document only within limits of applicable special provisions or restrictions. The Issuer requires persons into whose possession this Document comes to inform themselves of and observe all such restrictions. This Document may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws. This Document does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The Issuer, the Lead Manager or their representatives and/or legal advisers do not accept any legal responsibility whatsoever for any such violations, whether or not a prospective Investor is aware of such restrictions.

In addition to that this Document may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Bonds offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Document are required to inform themselves about and to observe any such restrictions, including those set out in this Section. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

As a condition for the subscription/ purchase of any Bonds in the Offering, each subscriber/ purchaser will be deemed to have made, or in some cases be required to make, certain representations and warranties, which will be relied upon by the Company, the Lead Manager and others. The Company reserves the right, at its sole and absolute discretion, to reject any subscription/ purchase of Bonds that the Company, the Lead Manager or any agents believe may give rise to a breach or a violation of any law, rule or regulation.

The Bonds have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

The Bonds have not been and will not be registered in accordance with the U.S. Securities Act of 1933 (the "Securities Act") or under the securities laws of any state of the United States of America and accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the United States of America, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any securities laws of any state of the United States of America.

## 1.3 Presentation of financial and other information

**Financial information.** This Document contains incorporated by reference financial statements and financial information of the Company.

The Document contains incorporated by reference the Company's audited financial statements for the years ended 31 December 2019 and 31 December 2018 (the "**BAS Financial Statements**") prepared in accordance with the Lithuanian Business Accounting Standards (the "**BAS**") as adopted by the Republic of Lithuania.

The presentation of financial information in accordance with BAS requires Management to make various estimates and assumptions which may impact the values shown in the financial statements and notes thereto. The actual values may differ from such assumptions.

The BAS Financial Statements for the years ended 31 December 2019 and 31 December 2018 were audited.

The latest BAS Financial Statements reflect the financial standing of the Company before completion of the Spin-off in a course of which material part of the Company's assets, rights and obligations had been transferred to the New Company.

The Spin-off Terms, based on the resolution of the Sole Shareholder dated 14 October 2020, have not been audited.

The post Spin-off financial statements of the Company, which shall be concluded and audited within the terms provided in the laws of the Republic of Lithuania, have not yet been concluded, therefore actual financial standing of the Company materially differs from the date as of which latest audited BAS Financial Statements have been concluded.

**Dating of information.** This Document is drawn up based on information which was valid on 31 December 2019. Where not expressly indicated otherwise, all information presented in this Document must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 31 December 2019, this is identified by either specifying the relevant date or by the use of expressions as “*the date of this Document*”, “*to date*”, “*until the date hereof*” and other similar expressions, which must all be constructed to mean the date of this Document 30 November 2020.

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

**Third party information and market information.** With respect to certain portions of this Document, some information may have been sourced from third parties, in such cases indicating the source of such information in the Document. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted, which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets, on which the Company are operating, is based on the best assessment made by the Management. With respect to the industry, in which the Company is active, and certain jurisdictions, in which its operations are being conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant market or seek professional advice. Information on market shares represents the Management’s views, unless specifically indicated otherwise.

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

In particular, such forward-looking statements may be identified by use of words such as strategy, expect, forecast, plan, anticipate, believe, will, continue, estimate, intend, project, goals, targets, would, likely, anticipate and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Document whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements is affected by the fact that the Company operates in a competitive business. This business is affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Company’s actual results may differ materially from the Management’s expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Company (please see Section II *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof). However, the risk factors described in the Document do not necessarily include all risk and new risk may surface. If one or more of the risk factors described in this Document or any other risk factors or uncertainties would materialise or any of the assumptions made would turn out to be erroneous, the Company’s actual business result and/ or financial position may differ materially from that

anticipated, believed expected or estimated. It is not the Company's intention, and it will not accept responsibility for updating any forward-looking statements contained in this Document, unless required by applicable legislation.

## 1.4 Information incorporated by Reference

The following information is incorporated in this Document by reference in accordance with Item 11 of the Description of the Bank of Lithuania:

- The Company's audited financial statements for the year ended 31 December 2019 together with annual report and the independent auditor's report (they may be found at: [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds));
- The Company's audited financial statements for the year ended 31 December 2018 together with annual report and the independent auditor's report (they may be found at: [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds));
- The Company's Spin-off Terms (it may be found at: [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds));
- Transfer Deed (it may be found at: [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds));
- Articles of Association of the Company (they may be found at: [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds)).

**Documents on Display.** Throughout the lifetime of this Document, this Document and the abovementioned documents may be inspected at the head office of the Company located at Jogailos str. 4, Vilnius, Lithuania, on business hours of the Company. Any interested party may obtain a copy of these documents from the Company without a charge. In addition to that, each Bondholder is entitled to receive the copy of the civil contract concluded between the Issuer and the Trustee on 30 November 2020 from the Issuer or from the Trustee, applying among other via an e-mail of the Issuer [info@lordslb.lt](mailto:info@lordslb.lt) or an e-mail of the Trustee [info@lt.gt.com](mailto:info@lt.gt.com).

## 1.5 Definitions and abbreviations

In this Document, the definitions in capital letters will have the meanings indicated below unless the context of the Document requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of more importance. Other definitions may be defined elsewhere in the Document.

<b>Admission</b>	Admission of the Bonds to trading on First North
<b>Allotment Date</b>	Date at which the Bonds will be allocated to Investors
<b>Articles of Association</b>	Articles of Association of the Company
<b>BAS</b>	Lithuanian Business Accounting Standards
<b>BAS Financial Statements</b>	The Company's audited financial statements for the years ended 31 December 2019 and 31 December 2018 together with the annual reports and independent auditor's reports on the financial statements and on the annual reports
<b>Bond Subscription Agreement</b>	The Information Document, the Subscription Order and the Confirmation form the Bond Subscription Agreement
<b>Bonds</b>	Up to 80,000 secured <sup>1</sup> non-convertible Bonds of the Company, with the nominal value of EUR 100 each to be issued by the Company and offered to the Investors during the Offering under the terms and conditions of this Document

<sup>1</sup> At the Issue Date of the Bonds in order to secure the Issuer's obligations to the Bondholders agreement on pledge over the Escrow Account (the **Escrow Pledge**) and the agreement on conditional mortgage over the Post Office (the **Conditional Mortgage**) shall be concluded with the Trustee acting on behalf and for the benefit of the Bondholders and registered with the Mortgage Register of the Republic of Lithuania. Immediately after the purchase price for the Post Office is duly paid to the seller of the Post Office and ownership title to the Post Office is transferred to the Company, the Escrow Account shall be closed and the Escrow Pledge shall become null and void, and the Conditional Mortgage, upon notification of the Trustee provided to the notary public (the **Notification**), shall turn into unconditional maximum mortgage, and from the moment the Notification is registered with the Mortgage Register of the Republic of Lithuania, the Bonds shall be secured with maximum mortgage over the Post Office, created in favor of the Trustee acting on behalf and for the benefit of the Bondholders.

<b>Bondholders</b>	Holders of the Bonds of the Company
<b>Bondholders' Meeting</b>	Meeting of the Bondholders of the Company
<b>Business Day</b>	A day on which banks in Vilnius are open for general business
<b>Collateral</b>	<p>(i) Until closure of the Escrow Account - first ranking pledge over the Escrow Account in favour of the Trustee acting on behalf of the Bondholders securing Issuer's obligations to the Bondholders arising under the Bonds;</p> <p>(ii) After purchase price for the Post Office is duly made to the seller and the Company duly registers its ownership title to the Post Office with the Real Estate Register of the Republic of Lithuania - first ranking mortgage over the Post Office in favour of the Trustee acting on behalf of the Bondholders securing Issuer's obligations to the Bondholders arising under the Bonds.</p>
<b>Collateral Agreement</b>	<p>(i) First ranking pledge agreement creating pledge over the Escrow Account concluded between the Issuer and the Trustee;</p> <p>(ii) First ranking mortgage agreement creating mortgage over the Post Office concluded between the Issuer and the Trustee.</p>
<b>Company or Issuer</b>	Terseta UAB, a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 303556959, with its registered address at Jogailos str. 4, Vilnius, Lithuania
<b>Confirmation</b>	The confirmation sent to Investor by the Issuer evidencing the extent of satisfaction or rejection of the Subscription Order submitted by the Investor, the number of Bonds allotted to the Investor
<b>EEA</b>	European Economic Area
<b>Escrow Account</b>	The escrow account opened on behalf of the Company with Šiaulių bankas, AB, account No. LT217189900017900083, designated to collect funds received from the subscription and payment of the Bonds by the Investors, the disposal thereof is restricted in a manner described in the Escrow Account Agreement
<b>Escrow Account Agreement</b>	The agreement concluded by and between the Company and Šiaulių bankas, AB on 30 November 2020 on the opening and administration of the Escrow Account
<b>EU</b>	European Union
<b>EUR, €, Euro</b>	The lawful currency of the European Union Member States that adopted the single currency, including Lithuania
<b>Events of Default</b>	Shall have the meaning assigned to in Section IV <i>Description of Bonds Offering and Admission to Trading</i>
<b>First North</b>	First North in Lithuania - a multilateral trading facility (the alternative market of Lithuania) administered by the regulated market operator Nasdaq
<b>Fund</b>	Lords LB Baltic Fund IV, a closed-ended real estate investment fund with a term of seven to nine years targeting cash flow generating commercial real estate in the Baltic States, having no legal personality, code with the Bank of Lithuania I011, managed by the Management Company
<b>General Meeting</b>	General Meeting of Shareholders of the Company
<b>Information Document or Document</b>	This document, prepared for the purpose of the Offering and the Admission, its annexes, information incorporated by reference, supplements and updates (if any)
<b>Investors</b>	Persons who subscribe/ purchase Bonds in the Offering
<b>Issue Date</b>	The issue date of the Bonds
<b>Issue Price</b>	The issue price per Bond, i.e. EUR 100
<b>Issuing Agent</b>	Akcinė bendrovė Šiaulių bankas, a public limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania
<b>Key Executives</b>	The Director, the Chief Financial Officer of the Company, and Members of the Board of the Management Company collectively
<b>Law on Companies</b>	Law of the Republic of Lithuania on Companies (as amended from time to time)
<b>Law on Protection of Interests of Bondholders</b>	Law of the Republic of Lithuania on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies (as amended from time to time)
<b>Law on Securities</b>	Law of the Republic of Lithuania on Securities (as amended from time to time)
<b>Lead Manager or Certified Adviser</b>	AS Redgate Capital, registry code 11532616, having its registered office at Pärnu mnt 10, Tallinn 10148, Estonia

<b>Management</b>	The Key Executives
<b>Management Company</b>	LORDS LB ASSET MANAGEMENT UAB, legal entity code 301849625, having its registered office at Jogailos str. 4, Vilnius, Lithuania, and AIFM licensed fund management company, which is supervised by the Bank of Lithuania
<b>Manager</b>	Director of the Company (General Manager)
<b>Maturity Date</b>	The date specified in the Document on which the Bonds shall be repaid in full at their nominal amount
<b>Member State</b>	A Member State of the European Economic Area
<b>N/A</b>	'not applicable'
<b>Nasdaq</b>	Nasdaq Vilnius AB, a public limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, Lithuania, administering the First North in Lithuania, a multilateral trading facility (alternative market in Lithuania)
<b>Nasdaq CSD</b>	Lithuanian branch of Nasdaq CSD SE ( <i>Societas Europea</i> ), the merged central securities depository of Lithuania, Latvia and Estonia, the clearing and settlement institution of these Baltic countries, legal entity code 304602060, registered at the address at Konstitucijos ave. 29-1, Vilnius, Lithuania
<b>New Company</b>	UAB J13, a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 305663041, with its registered address at Konstitucijos pr. 29-1, Vilnius, Lithuania
<b>Offering</b>	The offering of the Bonds based on this Document
<b>Placement Agreement</b>	The agreement concluded on 30 November 2020 between the Company and the Lead Manager related to the Offering and Admission
<b>Post Office</b>	Historic central post office building, unique No 1094-0082-1016, located at the heart of central Vilnius – Gediminas av. 7, Vilnius
<b>Project</b>	Acquisition and reconstruction of the Post Office
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>Register of Legal Entities</b>	Register of Legal Entities of the Republic of Lithuania
<b>Related Parties</b>	As defined in Lithuanian Business Accounting Standard No 30 „Related parties“
<b>Rules</b>	The Rules of the First North in Lithuania of multilateral trading facility (the alternative market in Lithuania), approved by the decision of the Board of Nasdaq No. 18-60, dated 12 December 2018
<b>Section</b>	A section of this Document
<b>Settlement Date</b>	The date of settlement of payments by the Investors
<b>Spin-off</b>	Spin-off of Company in a course of which part of the Company's assets, rights and obligations had been transferred into the New Company in accordance with the Spin-off Terms which has been completed on 26 November 2020
<b>Spin-off Terms</b>	The Company's Spin-off terms dated 14 October 2020 approved by the Sole Shareholder of the Company on 17 November 2020, with all their annexes, appendices and subsequent supplements and/or amendments (if any)
<b>Sole Shareholder</b>	The Fund
<b>Subscription Orders or Subscriptions</b>	Orders of the Investors to subscribe and acquire the Bonds
<b>Subscription Period</b>	The period during which the Investors will be allowed to submit the Subscription Orders for the subscription of the Bonds in accordance with the terms and conditions of this Document
<b>Shares</b>	Ordinary registered shares of the Company with the nominal value of EUR 1 each issued and outstanding at any time
<b>Summary</b>	The summary of this Document
<b>Terms and Conditions</b>	Terms and Conditions for the Bonds issue, as described in Section IV <i>Description of Bonds Offering and Admission to Trading</i> and in the document, signed by the Investors, when subscribing the Bonds
<b>Transfer Deed</b>	The transfer-acceptance deed dated 27 November 2020 on transfer of the Company's assets, rights and obligations to the New Company concluded

	between the Company and the New Company in accordance with the Spin-off Terms
<b>Trustee</b>	Trustee of the Bondholders, Grant Thornton Baltic UAB, a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 300056169, with its registered address at Upės str. 21, Vilnius, Lithuania, (i) with which the Company has concluded an agreement on protection of interests of Bondholders and collateral agency, (ii) which shall be the pledgee under the Collateral Agreement on behalf and for the benefit of the Bondholders, and (iii) which executes other orders specified in the Collateral Agreement

## II. RISK FACTORS

*The following is a disclosure of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the risks associated with the Bonds are described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to the Issuer or which it may not currently be able to anticipate. Prospective Investors should also read the detailed information set out elsewhere in this Document and reach their own views prior to making any investment decision.*

*Before deciding to purchase/ subscribe the Bonds, Investors should carefully review and consider the following risk factors and other information contained in this Document. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, net assets, financial position and financial performance of the Issuer. Moreover, if any of these risks occur, the market value of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the Bondholders could lose all or part of their investments. Additional risks and uncertainties, which are not currently known to the Issuer or which the Issuer currently believes are immaterial, could likewise impair the business operations of the Issuer and have a material adverse effect on their cashflows, financial performance and financial condition. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the cash flows, financial performance and financial condition of the Issuer.*

This part provides information on the risk factors related to the Issuer and the offered Bonds. This information should not be considered as comprehensive description covering all possible aspects of risk factors related with the Issuer and the Bonds. The following risks might have adverse effect on the Issuer and on extreme circumstances might cause insolvency of the Issuer and breach in performing obligations arising under the Bonds.

**The Investor must pay particular attention that this Information Document is not a prospectus within the meaning of the Regulation (EU) No 2017/1129, and it is not approved by the Bank of Lithuania.**

### 2.1 General Business Risks

#### **Risk related to COVID-19 pandemic situation**

As of current date, the Issuer recognizes that it will be impacted by the global pandemic situation, but the severity of the impact is not certain at the moment. Many businesses will be negatively affected by the unprecedented nature and extent of the current health and safety measures. While the definite outcome is still uncertain, there is no doubt that many tenants, especially from certain sectors, will face financial difficulties as their revenues will shrink significantly and they will face difficulties in fulfilling their obligations under the lease contracts.

Additional challenges arise from the organization of operations in the light of the quarantine situation and taking precautionary measures to ensure the safety of customers and employees.

#### **Market risk**

Situation in capital markets influence value on the Bonds. Market disruptions can be triggered by current tendencies challenging the stability of the EU in its current form, such as the undergoing process of the United Kingdom leaving the EU (Brexit), which, in addition to increasing economic volatility and market uncertainty globally, could have a significant negative impact on the economic development of the EU Member States. COVID-19 situation has additionally contributed to and increased market uncertainties. There is a risk that the value and the price of the Bonds will go down in the secondary market due to increase of interest rates or due to other reasons.

### **Real estate market risk**

In the course of Company's business activities, the Company, upon reconstruction of the Post Office, shall lease the premises in the developed project. Potential negative development of Lithuanian real estate market could have a negative impact on both real estate market prices and transaction volume. Such decreases in prices and volumes could have an adverse effect on Company's financial position and could degrade the value and liquidity of real estate mortgaged in favour of the Bondholders as a Collateral which in turn could have adverse effect on the Bondholders' ability to fully satisfy their claims against the Issuer under the Bonds.

### **Exposure and conduct of other market participants**

The Company's access to financing may be adversely affected by market practises of other market participants. The markets are interrelated and defaults and failures to conduct sound business by other market players could lead to market-wide liquidity problems or other market wide issues, which could adversely affect the Company's access to capital resources. In addition to that, the Company has exposure to many counterparties arising from trading, clearing, funding or other relationships with them. Failure of such market participants to meet their obligations may result in the default of the Company before other counterparties and clients, which in turn may have material adverse effect on the Company's operations and financial position.

## **2.2 Risk factors associated with the Issuer**

### **Changes in Issuer's financial standing, Spin-off**

Any adverse change in the Issuer's financial condition or prospects may have a material adverse effect on the liquidity of the Bonds and may lead to a significant decrease in the market price of the Bonds.

The latest BAS Financial Statements reflect the financial standing of the Company before completion of the Spin-off in a course of which material part of the Company's assets, rights and obligations had been transferred to the New Company.

The Spin-off Terms, based on the resolution of the Sole Shareholder dated 14 October 2020, have not been audited.

The post Spin-off financial statements of the Company, which shall be concluded and audited within the terms provided in the laws of the Republic of Lithuania, have not yet be concluded, therefore actual financial standing of the Company materially differs from the date as of which latest audited BAS Financial Statements have been concluded.

### **Ownership risk**

The Issuer is a company 100% owned by the Fund, having prominent expertise, management team, professional staff and resources to outsource professional advisers. Change in ownership of the Issuer could result in reduction of attractiveness and liquidity of the Bonds. To mitigate this risk the Change of Control covenant is assumed by the Issuer (Section 4.4 *Additional obligations of the Issuer to the Bondholders*), breach of which shall be considered as one of the Events of Default.

### **Competition risk**

Risk that increased competition would affect the Issuer's profitability, or that the Issuer's improper reaction to the actions of competitors or changes in the environment would result in Issuer's loss.

### **Economic environment risk**

The Issuer's activities and results depend on the economic processes in Lithuania and internationally. In scenario of economic slowdown demand for Issuer's services can go down, and the risk of insolvency of the

Company's tenants can increase, and this could have adverse effect on the implementation of the Issuer's business strategy and results.

#### **Tax risk**

The introduction of new taxes related to the Issuer's activities or the changes applicable taxation may adversely affect the Issuer's results.

#### **Operational risk**

The risk of incurring losses due to inadequate or unenforceable Issuer's internal control processes, employee errors and illegal actions, and software malfunctions.

#### **Management and human resources risk**

The Issuer's results largely depend on the Issuer's and Management Company's employees' teams and their decisions, and on the competence and experience of the team members. The loss of important team members, their possible employment with the Issuer's competitors, and the inability to attract other qualified professionals may have a material adverse effect on the Issuer's management, operations, results and financial condition.

#### **Risk of legal disputes**

The Issuer may be involved in legal disputes due to its activities. If a dispute is resolved in the manner unfavourable to the Issuer, this could adversely affect its operations and financial condition, and reputation. All of this can have an impact on the Issuer's ability to properly perform its obligations to the Bondholders, and on the attractiveness and liquidity of the Bonds.

#### **Insolvency risk**

The Issuer is subject to the Law on Insolvency on Legal Entities of the Republic of Lithuania and Issuer's insolvency may affect the Investors' ability to recover their investments.

#### **Success of investment projects**

The Company and the Fund has implemented and may implement in the future investment projects of a large scope. Though the Fund and its Management Company's employees invoke all available information and analytical resources when planning investments, there is no guarantee, that all information on which the investments planned were based was true and exhaustive. Furthermore, there is no guarantee that the investment plans and the investments made will generate anticipated or planned return on investment; there is no guarantee that investment will not cost more than it was anticipated.

Failure of anticipated investment projects, where return on investment from these projects is lower than it was expected or prices of such investments are higher than it was planned, may have a significant adverse effect on the Company's activities, its financial situation and business results.

#### **Counterparty risk**

Counterparty risk is inherent to all business activities the Company is engaged in. Counterparty risk may result in financial losses (including, but not limited to, revenues not being received from customers, funds deposited at banks, money not being received under the Company's hedging agreements, partners in long term projects failing to perform their obligations etc.) to the Company. Default of a Company counterparty may affect the completion of the Company's commenced investment projects, the quality of services provided by the Company or harm the Company's and Fund's reputation. Although the Company and the Management Company monitor and manage the counterparty risk, the occurrence of any of the mentioned counterparty risks may have an adverse impact on the Company's business and financial position.

## 2.3 Risk factors associated with the Bonds

### **No guarantee, risk factors related to Collateral**

Upon issuance of the Bonds, the Issuer shall mortgage on behalf of the Bondholders the Post Office.

On the Issue Date the Bonds shall be secured with the Escrow Pledge only. The Escrow Pledge shall be valid until the Escrow Account is closed. The Escrow Account shall be closed after the funds deposited on the Escrow Account are duly paid to the seller of the Post Office, or refunded to the Investors in case the Offering of the Bonds has been cancelled, in accordance with the terms of the Escrow Account Agreement.

On the Issue Date the mortgage over the Post Office shall be a **conditional** mortgage, and the mortgage over the Post Office shall come in full force and effect only after the ownership title to the Post Office is transferred to the Issuer upon full payment of the purchase price for the Post Office. If due to any reason the Issuer fails to pay the purchase price for the Post Office or due to other reasons the Issuer is unable to register the ownership title to the Post Office in the name of the Issuer, and until the proper registration of ownership title to the Post Office in the Issuer's name the Bonds shall not be secured with the mortgage.

Apart from the above Collateral, the Bonds will not be obligations of anyone other than the Issuer and they will not be guaranteed. No one other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Bonds.

Securing the Issue with the Collateral does not guarantee that upon the Issuer's default, the Collateral can be enforced in such way that all the claims of the Bondholders could be satisfied.

### **Regulatory and tax risks**

Changes to the laws and legal acts applicable in Lithuania and/or the Bondholder's domicile, or the implementation of any new laws or other legal acts may cause additional expenses or taxes and/or reduce the return on investment for the Bondholder.

### **Transaction costs/ charges**

When the Bonds are purchased/ subscribed or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase/issue or sale price of the Bonds. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Bondholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Bonds.

### **Price risk**

The Bonds will be offered by the Issuer at the price equal to their nominal value with a fixed coupon rate. However, in the secondary market the price of the Bond may decrease due to market situation or events related to the Issuer.

### **Interest rate risk related to Bonds**

The Bonds bear interest on their outstanding nominal value at a fixed interest rate. Investor is exposed to the risk that the value of the Bonds decreases as the results of changes in the market interest rates. While nominal interest rate of the Bond is fixed until its redemption, the prevailing capital market rates change on a daily basis. If the market interest rate increases, the market value of the Bond may fall.

### **Early redemption risk**

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

### **Inflation risk**

Inflation reduces the purchasing power of a Bond's future coupons and principal. Inflation may lead to higher interest rates which could negatively affect the Bond price.

### **Liquidity, listing and inactive secondary market risk**

The Bonds constitute a new issue of securities by the Issuer. Prior to Admission to trading on First North, which is an alternative market in Lithuania, there is no public market for the Bonds and other securities of the Issuer. The liquidity of the Bonds cannot be guaranteed. Bondholders might bear a loss due to not being able to sell the Bond or having to sell them at an unfavourable price.

Although application(s) will be made for the Bonds to be admitted to trading on First North, there is no assurance that such application(s) will be accepted, and the Bonds will be admitted to trading. In addition, Admission to trading of the Bonds on an alternative market will not guarantee that a liquid public market for the Bonds will develop or, if such market develops, that it will be maintained, and neither the Issuer, nor the Lead Manager is under any obligation to maintain such market. If an active market for the Bonds does not develop or is not maintained, it may result in a material reduction in the market price of the Bonds, and the liquidity of the Bonds may be adversely affected. In addition, the liquidity and the market price of the Bonds can be expected to vary with changes in market and economic conditions, the financial condition and the prospects of the Issuer, as well as many other factors that generally influence the market price for securities. Accordingly, due to such factors the Bonds may trade at a discount to the price at which the Bondholders purchased/ subscribed the Bonds. Therefore, Investors may be not able to sell their Bonds at all or at a price that will provide them with a yield comparable to similar financial instruments that are traded on a developed and functioning secondary market. Further, if additional and competing financial instruments are introduced on the markets, this may also result in a material reduction in the market price and value of the Bonds.

### **Credit and default risk**

Any person who purchases/ subscribes the Bonds is relying on the creditworthiness of the Issuer and has no rights against any other person. Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/ or redemption payments that the Issuer is obliged to make under the Bonds. The worse the creditworthiness of the Issuer, the higher the risk of loss. A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, the third parties would only be willing to purchase Bonds for a lower price than before the materialisation of said risk. The market value of the Bonds may therefore decrease.

### **Amendments to Bonds bind all Bondholders**

The Bond Issue is subject to the Law on Protection of Interests of Bondholders. This law provides for the possibility to resolve certain matters at the Bondholders meetings. In order to adopt decision of the Bondholders meeting it is not required that all the Bondholders attend the meeting and that all the Bondholders vote in favour of the respective decision, therefore the decisions of the Bondholders meeting shall be valid and shall be applicable in respect of all the Bondholders, including those who did not attend the meeting or voted against such decision.

### **Not suitability of the Bonds to some Investors**

The Bonds may be not suitable investment to some Investors. Each potential Investor into the Bonds should assess suitability of the investment taking into account all relevant personal circumstances. Potential Investor should not invest into the Bonds unless he/she has sufficient personal experience himself/herself or with the advice of professional financial advisors, can evaluate the impact on the value of the Bonds upon changes in market and economic conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential Investor's overall investment portfolio.

### **Legal investment considerations may restrict certain investments**

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

### **Refinancing risk**

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. 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 Bondholders' recovery under the Bonds.

### **The Bonds do not limit Company's ability to merge or otherwise effect significant transactions that may have a material adverse effect on the Bonds and the Bondholders**

The terms of the Bonds do not, except for the Covenants and Events of Default conditions to certain extent, restrict the Issuer's ability to increase or decrease its share capital, to enter into a merger or other significant transaction that could materially alter its existence, jurisdiction of organization or regulatory regime and/or its composition and business. Therefore, in the event that the Company enters into any of the above transactions, Bondholders could be materially adversely affected.

### **No voting rights**

Only the shareholders of the Issuer have voting rights in the General Meetings. The Bonds carry no such voting rights. Consequently, the Bondholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

### **Restrictions on the transferability of the Bonds**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws, other than laws of the Republic of Lithuania. Each potential Investor should read the information of the Section 1.2 *Notice to Prospective Investors and Selling Restrictions* for further information about the transfer restrictions that apply to the Bonds. It is the Bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

### **Risk of difference in insolvency law**

In the event that an Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of that Issuer's place of incorporation, which in each case is Lithuania. The insolvency laws of Lithuania may be different from the insolvency laws of an Investor's home jurisdiction (when it is not Lithuania) and the treatment and ranking of holders of Bonds issued by the Issuer and Issuer's other creditors and shareholders under the insolvency laws of Lithuania may be different from the treatment and ranking of holders of those Bonds and that Issuer's other creditors and shareholders if that Issuer was subject to the insolvency laws of the Investor's home jurisdiction.

## **2.4 Other risk factors**

### **Systemic risk**

The risk of technical failures of central securities depository systems, credit institution or similar institutions may result in losses to the Bondholder due to non-executed or deferred transactions or incorrectly executed transactions.

**Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events**

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Company and its employees from being able to provide services to its customers.

Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions in such countries or decrease the demand for or increase the costs of the Company's services. Such events and acts are difficult to predict and may also affect employees, including key employees. If the Company's business continuity plans do not fully address such events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialisation of these risks may have a material adverse effect on the Company's business, results of operation or financial condition.

### III. INFORMATION ABOUT THE ISSUER

#### 3.1 Registration data of the Issuer

Legal and commercial name of the Issuer	Tersetā UAB
Place of registration of the Issuer (registered office)	Jogailos str. 4, Vilnius, Lithuania
Corporate ID code (legal entity code) of the Issuer	303556959
Legal form of the Issuer	Private limited liability company
Legislation under which the Issuer operates	Lithuanian
Country of incorporation of the Issuer	Republic of Lithuania
Date of incorporation of the Issuer	28 January 2015
Telephone number	+370 5 2619470
E-mail	<a href="mailto:info@lordslb.lt">info@lordslb.lt</a>
Internet address	<a href="http://www.lordslb.lt">www.lordslb.lt</a>

#### 3.2 Authorised capital and Management of the Issuer

On the day of this Document the authorised capital of the Company is EUR 2,500 and is divided into 2,500 ordinary registered Share with the nominal value of EUR 1 each. All the Shares issued by the Company are fully paid up and entitle to equal voting rights to their holders. All shares belong to the participants of the Fund.

The Company has no Supervisory Board or Management Board, and its Manager is Rytis Zaloga.

There are no other securities, issued by the Company as at the date hereof. However, in order to pay the purchase price of the Post Office, the Company shall issue ordinary non-convertible bonds in the amount of EUR 3,380,000, with the final redemption date on 14 July 2024, with the interest rate determined within transfer-pricing assessment procedure at the time of issuance thereof, which shall be all subscribed by the Fund and subordinated to payment of Bondholders' claims on terms and in a form acceptable to the Trustee acting on behalf and for the benefit of the Bondholders.

The Bonds to be issued based on this Document are described in Section IV *Description of Bonds Offering and Admission to Trading*.

#### 3.3 Organization structure

The Issuer belongs to the Fund managed by one of the largest investment management companies in Lithuania – Lords LB Asset Management. The brand “Lords LB” is one of the most well-known commercial real estate brands in Lithuania. The history of the Management Company, focusing today mostly on real estate and private equity strategies, dates back 12 years.

The Management Company currently manages 15 funds: 12 real estate funds, 2 private capital funds and 1 energy and infrastructure fund. The total value of assets managed by the funds reached more than EUR 530,000,000 at the end of December 2019.

The Issuer is owned by the Fund, which owns and actively manages cash-generating objects in the capitals of the Baltic States.

The Management Company's organisation structure, legal structure of the Fund and management team of the Management Company are presented in figures below.

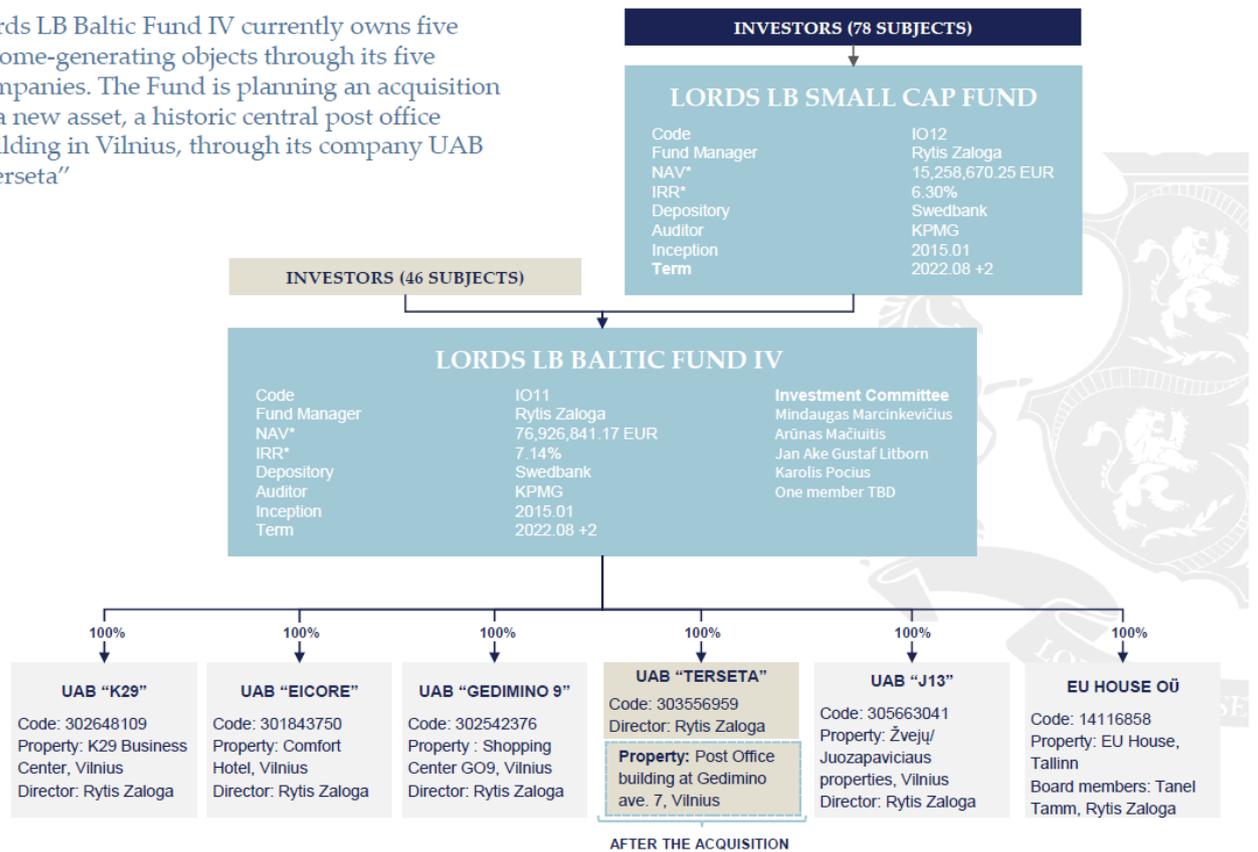
## Organisational structure of the Management Company

Lords LB Asset Management's organization in core functions and other units – at the present  
Lords LB Asset Management controls 15 funds



## Legal structure of the Fund

Lords LB Baltic Fund IV currently owns five income-generating objects through its five companies. The Fund is planning an acquisition of a new asset, a historic central post office building in Vilnius, through its company UAB "Terseta"



\*As of 2020.06.30

## Management team of the Management Company

Lords LB Asset Management is led by a strong management team with diverse backgrounds and ample of experiences

						
	VILMA TVARONAVIČIENĖ	KIRILAS KUNDUŠAS	RASA BARTUSEVIČIENĖ	JELENA ŠAMENKO	TOMAS TRUMPA	EFIM HITERER
Position	CEO	CFO	Investor relations manager	Investor relations manager	Financial controller	Fund manager Baltic Fund III
Career highlights	Achema group	E&Y	Swedbank	Danske Bank	Citco	Colliers International
						
	RYTIS ZALOGA	MARIUS ŽEMAITIS	KAROLIS TUINYLA	ARTŪRAS ŠILINIS	GIEDRIUS BERNOTAS	
Position	Fund manager Baltic Fund IV, Small Cap Fund	Fund manager Special Fund I Subfund A, Special Fund II, Central Development Fund	Fund manager Special Fund I Subfund B, Special Fund IV	Fund manager Private Equity Fund I, Private Equity Fund III	Fund manager Special Fund V Special Fund III	
Career highlights	Hanner	Newsec, McKinsey & Company	Inreal	Kapitalo srautai, Ūkio bankas	Hanner, Lietuvos Energija	

### 3.4 Key Executives

**Andrius Stonkus** – board member, founder and shareholder.

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

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

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

**Mindaugas Marcinkevičius** – board member, shareholder.

Mr. Marcinkevičius has over 20 years of experience in real estate development within Vilniaus prekyba group, the largest business consortium in the Baltics. In the Lords LB Management Company, Mr. Marcinkevičius is responsible for real estate development and project management.

For ten years, he was a Chairman of Akropolis, the largest and most successful shopping centre developer in the Baltics with operations in Lithuania, Latvia, Estonia, and Bulgaria. Under Mr. Marcinkevičius' management, Akropolis developed over 250.000 m<sup>2</sup> of flagship retail and office space, which was recognized as the most valuable commercial real estate asset in Lithuania.

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

**Jan Ake Gustaf Litborn** - board member

Mr. Jan Ake Gustaf Litborn is a partner and honorary chairman of Glimstedt Law Firm. Jan Litborn is also founder of the Baltic offices of Glimstedt law firm. He is a member of the Swedish and International Bar Associations, and has been practising law as such since 1982. Jan Litborn has extensive experience representing several of the largest Swedish property and private equity companies, in matters regarding primarily merger and acquisitions, financing, and securitization. Mr. Litborn has also been involved in several large cross-border transactions. He is a graduate from the University of Stockholm and Stockholm School of Economics.

**Antanas Vainauskas** – board member

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

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

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

**Rytis Zaloga** – Fund manager.

Mr. Zaloga has five years of experience in real estate development within Hanner and Urban Inventors (Part of the SBA group). In the Lords LB Management Company, Mr. Zaloga is responsible for managing Lords LB Baltic Fund IV.

Mr. Zaloga is also the Manager of the Company.

Mr. Zaloga holds a master's degree in finance and banking from Vytautas Magnus University and a master's degree in management from Universite catholique de Louvain.

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

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

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

**Kirilas Kundušas** – CFO (Chief Financial Officer) of the Management Company.

Mr. Kundušas has more than 13 years of progressive experience in finance and asset management with Lords LB Asset Management, EY Baltic, National Audit Office of Lithuania, Deloitte Lietuva.

Mr. Kundušas holds a Magna Cum Laude master's degree in accounting and audit from Vilnius University.

**Tomas Trumpa** – Financial Controller of the Management Company.

Mr. Trumpa has three years of experience in real estate investments financial control and accounting within Citco Vilnius and Lords LB Asset Management. In the Lords LB Management Company, Mr. Trumpa is responsible for financial control and risk management.

Mr. Trumpa holds a master's degree in business economy from Vilnius University.

### 3.5 Principal Activities outside the Company of members of the Management

Neither the Manager of the Company, nor any of the members of the Management engages in other activities, which has or may have significant effect on the Company, competence of management and experience.

### 3.6 Conflicts of interest of members of Management bodies

Key Executives may influence the voting in the General Meeting, and they may favour their own interests rather than those of the Company. Apart from the above, the Company is not aware of any potential conflict of interests between any duties to the Company of the members of the Board of the Management Company or the Key Executives.

Furthermore, none of the members of the Board of the Management Company is related to any other member of these bodies as by blood or marriage.

### 3.7 Shareholders of the Company

On the date of this Document, all the Shares of the Company are owned by the participants of the Fund, exercising their rights through the Management Company.

## 3.8 Principal activities of the Fund

### Fund description

Lords LB Baltic Fund IV was established in 2015, after Lords LB Baltic Fund III completed its portfolio. The term of the fund is August 2022 (with the possibility to extend it by two years). Fund's investments are diversified between different types of commercial real estate. The Fund currently holds three office buildings, one hotel and one high street shopping centre. All assets owned by the Fund are located in the capital cities of Baltic countries. Asset value of the properties under management exceeds EUR 157,000,000. As of 31 December 2019 the Fund's unrealized Net IRR was equal to 9.4%, unrealized Money Multiple – 1.32.

### Fund strategy

The purpose of the Fund is to earn a return for the Fund's investors on investments in income-generating commercial and multi-purpose real estate properties and development projects in Lithuania, Latvia, Estonia, and other countries. The Fund's investment portfolio can be diversified in following manners:

- Income-generating commercial real estate properties: at least 70%
- Multi-purpose real estate properties: not more than 40%
- Development projects: not more than 30%
- Single real estate property: not more than 30%

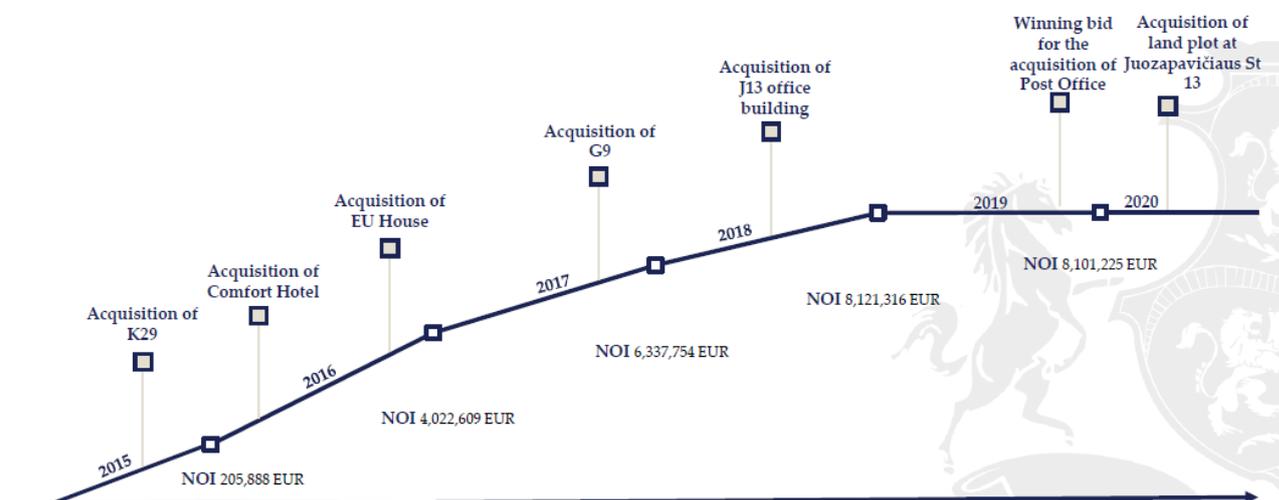
### Key information of the Fund

<b>Asset management</b>	All assets are owned through the SPVs (Special Purpose Vehicles). The Fund does not own any assets directly.
<b>Term</b>	August 2022 (with the possibility to extend it by two years)
<b>Fund status</b>	Fully invested / Management
<b>Invested equity</b>	EUR 65,330,322
<b>Distributed capital</b>	EUR 4,950,000
<b>Asset value</b>	EUR 157,760,000
<b>Net IRR</b>	9,4%
<b>Net Money Multiple</b>	1.32

History and development of the Fund, overview of the Fund's assets, data on the Fund's performance and information on the Fund's tenants are presented in figures below.

## History and development of the Fund

Over the years the Fund achieved growth through various acquisitions



FUND ASSET VALUE & NET ASSET VALUE <sup>1</sup>					
	2015	2016	2017	2018	2019
NAV	23,440,062	43,607,790	51,276,035	79,950,662	81,482,383
NAV <sup>2</sup>	23,142,421	45,734,251	67,098,455	78,629,551	86,802,813
Asset value	43,330,000	91,230,000	127,866,000	149,705,000	157,760,000
IRR	1.0%	18.0%	13.1%	11.0%	9.0%
Leverage	46.6%	49.9%	47.5%	47.5%	44.9%

<sup>1</sup>Non-consolidated financial data

<sup>2</sup>Asset value less outstanding external loans

## Overview of the Fund's assets



Comfort Hotel (Kauno St. 14, Vilnius)



G9 (Gedimino ave. 9, Vilnius)



EU House (Rāvala puiestee 4, Tallinn)



J13 Property (Žvejų St. 14, Vilnius)



K29 (Konstitucijos ave. 29, Vilnius)

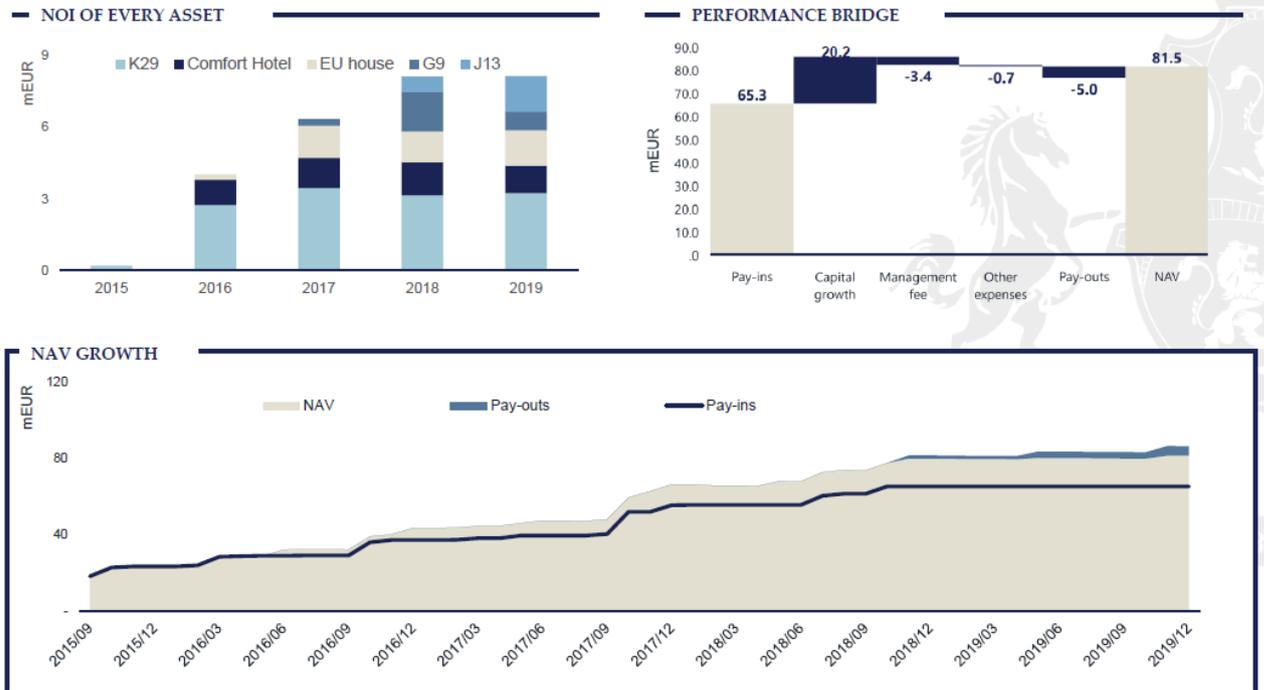
FUND ASSET VALUE & NET ASSET VALUE						
	K29	Comfort Hotel	EU House	G9	J13 property	Total
Location	Vilnius	Vilnius	Tallinn	Vilnius	Vilnius	
Asset type	Office	Hotel	Office	Shopping center	Office	
GLA, m <sup>2</sup>	15,452	7,509	9,670	13,887	14,355	60,630
Parking	434	67	40	0	225	766
Year built / Renovations	2015	2012	2006	1940 / 2007, 2009	1962 / 2005	
Occupancy	100%	74%	100%	100%	96%	99%
Key tenants	NASDAQ, TELIA, KPMG	Comfort	EU Parliament and Commission, Ernst & Young	H&M, COS, UMA	Ignitis, Šiaurės Licėjus School	
Asset value <sup>1</sup>	55.7 mEUR	12.8 mEUR	29.0 mEUR	37.1 mEUR	23.8 mEUR	158.4 mEUR
NOI <sup>2</sup>	3.2 mEUR	1.2 mEUR	1.5 mEUR	0.8 mEUR	1.5 mEUR	8.1 mEUR

<sup>1</sup>As of 2020.04.30

<sup>2</sup>As of 2019.12.31

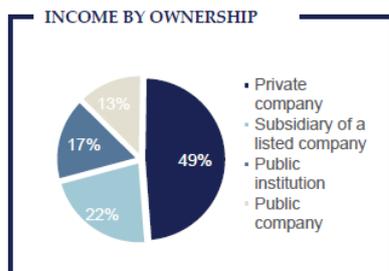
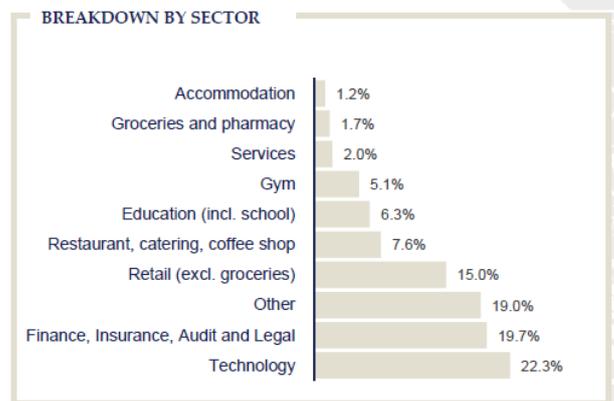
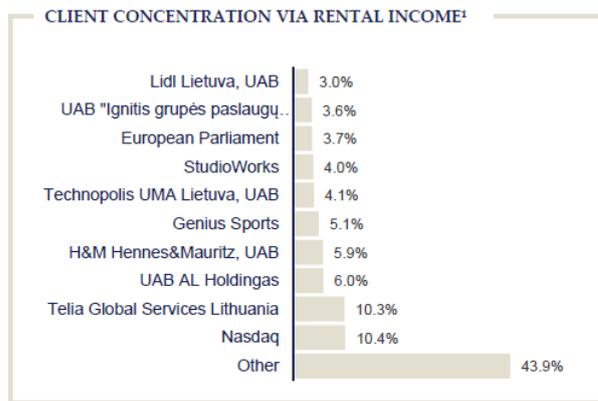
## Fund performance

In 2019, the unrealized net IRR of the Fund was 9.4%



## Tenant base

Diversified and strong tenant base, including public sector companies, EU institutions, subsidiaries and local representatives of international corporations



**TOP 10 TENANTS BY M<sup>2</sup>**

Tenant name	Sector	Area
NASDAQ	Finance	4,716
Telia Global Services	Telecommunications	4,539
AL Holdingas	Private School	4,031
H&M Hennes&Mauritz	Retail	3,411
"Ignitis Grupės Paslaugų Centras"	Energy	2,981
My Fitness	Gym	2,364
Technopolis UMA lietuva	Offices	2,147
Genius sports	Technology	1,979
StudioWorks	IT	1,817
Lidl Lietuva	Retail	1,585



<sup>1</sup>Rental income is a sum of office and parking rent payments, without advanced OPC payments and VAT.

### 3.9 Project description

The Fund, through the Company is going to acquire and reconstruct the Post Office located in the Old Town of Vilnius – Gediminas avenue. The 0.2297 ha land plot unique No. 4400-0979-7842 on which the Post Office is situated belongs to the Republic of Lithuania and shall be leased by the Issuer from the state.

The reconstruction of the three-storey building with the gross leased area (GLA) of 3,627 m<sup>2</sup> will be led by the tenants' needs. Two different concepts are currently under discussion to guide the reconstruction. The first of these foresees a combination of retail, offices and coworking spaces, while according to the second concept, the building would be used for offices and coworking spaces only. After the reconstruction, the Post Office will be classified as Class A, mainly due to the excellent location and planned heat, ventilation, and air conditioning (HVAC) system upgrades.

Auction for the acquisition of the Post Office was won with a bid of EUR 11,220,000. The estimated cost of reconstruction is EUR 3,000,000. The total investment of approximately EUR 14,220,000 will be financed through the Bond issue and equity (in the form of subordinated loans by the Fund).

The Issuer has signed the acquisition contract with AB Lietuvos Paštas on 16 September 2020, which has to be closed by 15 December 2020. The start of the reconstruction works is planned for Q4 2020. The reconstruction is expected to be finished in Q4 2021.

Post Office stands out for its unbeatable location. Within a radius of four km is all necessary social infrastructure: shopping centers, public schools, universities, and numbers of commercial facilities as offices, restaurants, services, hotels, etc.

It is a desirable spot for high street stores and restaurants. Proximity to governmental institutions and private business clusters also creates opportunities to open successful office/co-working premises.

More details on the Post Office and acquisition and reconstruction thereof are presented in figures below.

## Key facts



### — OVERVIEW OF THE PROPERTY —

Address	Gedimino ave. 7
Land plot	2,297 m <sup>2</sup>
Gross building area	5,429 m <sup>2</sup>
Gross building area after reconstruction	5,533 m <sup>2</sup>
Gross leasable area	3,627 m <sup>2</sup>
Number of floors	3
Start of construction	Q4 2020
End of construction	Q4 2021
Acquisition price	11.2 mEUR
Indicative reconstruction price	3 mEUR
Land ownership	Republic of Lithuania
Land lease term	29.01.2069
Units	1,500-2,000 m <sup>2</sup> for a coworking unit; 500-1,000 m <sup>2</sup> for an office unit
Number of parking spaces	29 (before reconstruction – 16)
Remarks	Cultural heritage (capacity, floor plans, architecture solutions of the façade, building constructions, and the main interior space)

## About the project

### Acquisition and reconstruction of a trophy asset in Vilnius Old Town

Lords LB Baltic Fund IV, through its company UAB "Terseta," is going to acquire and reconstruct historic central post office building of Lithuanian Post. The Central Post Office (the "Post Office," the "Property") is located in the Old Town of Vilnius – Gediminas avenue. The land plot of the Property belongs to the Republic of Lithuania.

The reconstruction of the three-storey building with the GLA of 3,627 m<sup>2</sup> will be led by the tenants' needs. Two different concepts are currently under discussion to guide the reconstruction. The first of these foresees a combination of retail, offices and coworking spaces, while according to the second concept, the building would be used for offices and coworking spaces only. After the reconstruction, the Property will be classified as Class A, mainly due to the excellent location and planned heat, ventilation, and air conditioning (HVAC) system upgrades.

Auction for the acquisition of the Property was won with a bid of 11.22 mEUR. The estimated cost of reconstruction is ca 3 mEUR. The total investment of approximately 14.2 mEUR will be financed through the Bond issue and equity (in the form of subordinated loans by the Fund).

The Fund signed the acquisition contract with AB Lietuvos Paštas on September 16, 2020. The design works have already started, while the reconstruction works are scheduled to be completed by Q4 2021.



## Location

Situated on the main street of Vilnius, the Post Office has a notable presence in high-visibility location



Post Office stands out for its unbeatable location. Within a radius of four km is all necessary social infrastructure: shopping centers, public schools, universities, and numbers of commercial facilities as offices, restaurants, services, hotels, etc.

It is a desirable spot for high street stores and restaurants. Proximity to governmental institutions and private business clusters also creates opportunities to open successful office/co-working premises.

### LEGEND

Vilnius Cathedral	4 min
Gediminas Castle Tower	12 min
Vilnius City Hall	14 min
King Mindaugas Bridge	8 min
Lithuanian National Opera And Ballet Theatre	4 min
Bernardine Park	14 min
Vincas Kudirka Square	2 min
Kalnai Park	23 min
Aurochs Mountain	16 min
Central Business District	12 min
Vilnius University	7 min
Shopping Mall G9	1 min
Shopping Mall Centro Pasažas	2 min
Shopping Mall Europa	18 min
Shopping Mall Vcup	14 min

## Competitive advantages of the project

A historical gem where excellent location meets impressive architecture

### EXCELLENT LOCATION WITHIN A 12 MINUTE WALK FROM CBD<sup>1</sup>:

- Located nearby of many restaurants, opportunities for leisure, sports, education, entertainment, shopping, and business
- Parks, squares and Old Town within a short walking distance
- Constant flow of people – high value for restaurant/retail category of tenants

### AN ELEGANT HISTORICAL BUILDING WITH A UNIQUE DESIGN:

- Impressive architecture, well-designed floor plans, high concrete ceilings and stone walls
- Spectacular views over the city center

### MODERN SOLUTIONS OFFERING HIGH-END LUXURY:

- Class A real estate value after the renovation
- Well-appointed interior design packages with smart office solutions
- In-building premium class commercial space and a big and airy space for a restaurant



<sup>1</sup>Central Business District

## Target customers

Excellent location makes the Post Office ideal for different type of tenants, allowing to choose between various concepts to guide the reconstruction

### — OPTIONS

Currently, two different concepts are under discussion:

- Option 1: restaurant/retail on the ground floor, offices/coworking space on the 2<sup>nd</sup> and 3<sup>rd</sup> floors.
- Option 2: Coworking space on the ground floor and 2<sup>nd</sup> floor, offices on the 3<sup>rd</sup> floor.

In both options – the parking space is expanded in the basement.

### — EXAMPLES OF TENANT LEADS

Based on the Issuer's experience, the premises due to their location and layout could be potentially attractive to retail chains, restaurants, co-working operators and usual offices.



### 3.10 Historical evolution of the Company

#### Prominent track record in capacity of the owner of the property complex

In 2018, the Company acquired the headquarter of the state-controlled energy holding Ignitis (former name: Lietuvos Energija) at Žvejų str. 14, Vilnius and Juozapavičiaus str. 13, Vilnius (the **Property Complex**). In 2020, the Company has purchased a land plot at A. Juozapavičiaus Str. 13, Vilnius (on which the Property Complex is situated) from the state (the **Land Plot**).

#### Key information of the Property Complex

Asset type	Office
GBA, m <sup>2</sup>	16,398
GLA, m <sup>2</sup>	14,355
Parking spaces	225
Occupancy	95%
WAULT	3.2 years
Number of tenants	22
Normalized yearly NOI (2019)	1,501,738
Asset value, EUR (2019)	20,561,856

#### Transfer of the Property Complex and the Land Plot to the New Company

As a result of Spin-off Property Complex and Land Plot, together with the rights and obligations, including the Company's obligations to SEB bankas, AB under the credit agreement, had been transferred to the New Company on 26 November 2020.

### 3.11 Prospect situation of the Company after acquisition of the Post Office

After the acquisition of the Post Office the company shall perform reconstruction works which are planned to be started in Q4 2020 and are expected to be finished in Q4 2021.

The estimate of the Post Office reconstruction works amounts to EUR 3,000,000.

During the reconstruction period of the Post Office and shortly thereafter, equity injections by the Fund (granted in a way of subordinated debt) shall help to cover all the costs related to the Post Office.

It is expected that starting with December 2021 the premises of the Post Office shall be leased to tenants and the Post Office shall be fully operating and income generating property.

### 3.12 Historical financial information

The BAS Financial Statements for the years ended 31 December 2019 and 31 December 2018 have been audited by KPMG Baltics, UAB, legal entity code 111494971, registered address at Konstitucijos av. 29, Vilnius, Lithuania, audit company licence number 001446, by the auditors Ieva Voverienė (BAS Financial Statements for the year ended 31 December 2019) and Toma Jensen (BAS Financial Statements for the year ended 31 December 2018).

The BAS Financial Statements are incorporated by reference in this Document and may be found on the website of the Fund at [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds).

The latest BAS Financial Statements reflect the financial standing of the Company before completion of the Spin-off in a course of which material part of the Company's assets, rights and obligations had been transferred to the New Company.

The Spin-off Terms, based on the resolution of the Sole Shareholder dated 14 October 2020, have not been audited.

The post Spin-off financial statements of the Company, which shall be concluded and audited within the terms provided in the laws of the Republic of Lithuania, have not yet be concluded, therefore actual financial standing of the Company materially differs from the date as of which latest audited BAS Financial Statements have been concluded.

### 3.13 Capitalisation of the Company

The Issuer is of the opinion that the Issuer, using equity injections by the Fund (granted in a way of subordinated debt) shall have sufficient working capital to satisfy the claims of the Company's creditors for its present requirements, i.e. for at least next twelve months commencing as of the date of this Document.

The table below presents the information on the capitalisation of the Company as at 31 October 2020, prior to the Spin-off. The table below should be read in conjunction with the BAS Financial Statements, Spin-off Terms, Transfer Deed and other financial data and information contained in the Document.

#### Capitalisation of the Company (EUR)

**The Investor should pay particular attention to the fact that the figures provided in this table below do not reflect the capitalisation of the Company after the Spin-off.**

<i>Item</i>	<i>As of 31<sup>st</sup> of October 2020 (unaudited)</i>
<b>Current debt:</b>	
Current portion of non-current borrowings	717.764
Current portion of non-current obligations under finance lease	0
Short-term borrowings from banks, legal entities and private individuals	96.694
<b>Total</b>	<b>814.458</b>
<b>Guaranteed</b>	<b>0</b>
<b>Secured</b>	<b>0</b>
<b>Unguaranteed/ Unsecured</b>	<b>814.458</b>
<b>Non-Current debt (excluding current portion of long-term debt):</b>	
Non-current borrowings from banks, legal entities and private individuals	21.724.284
Obligations under finance lease	0
<b>Total</b>	<b>21.724.284</b>
<b>Guaranteed</b>	<b>0</b>
<b>Secured</b>	<b>0</b>
<b>Unguaranteed/ Unsecured</b>	<b>21.724.284</b>
<b>Shareholder's equity:</b>	
Share capital	1.410.000
Share premium	0
Revaluation reserve	0
Legal reserve	141.000
Reserve for granting of shares	0
Currency exchange differences	0
Retained earnings / (accumulated deficit)	(74.657)
Minority interest	0
<b>Total</b>	<b>1.476.343</b>
<b>Total Capitalization (total current debt + total non-current debt + total equity)</b>	<b>24.015.085</b>

The Issuer is expecting that its operations will start by Q4 2021 and will be stable with positive cashflow generation. Obligations to the Bondholders under the Bonds shall be met by using the following sources:

- (i) interest payments under the Bonds shall be made using injections from the Fund;
- (ii) the Bonds shall be redeemed by using the funds received by the Company as the loan/ debt intended for refinancing of the Bonds, or using the proceeds from the sale of the Post Office.

### 3.14 Profit forecasts or estimates

The Issuer has made a decision not to include the profit forecasts or estimates in the Document.

### 3.15 Legal and arbitration proceedings

The Company is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Issuer's financial position or profitability.

### 3.16 Material contracts, patents and other documents

The Company does not have material contracts other than:

Sale-Purchase Agreement dated 16 September 2020 concluded between the Company and Lietuvos paštas, AB on the acquisition of the Post Office, for the purchase price of EUR 11,220,000 (eleven million two hundred twenty thousand EUR).

## IV. DESCRIPTION OF BONDS OFFERING AND ADMISSION TO TRADING

### 4.1 Grounds and reasons for the offer, use of proceeds and obligations assumed by the Issuer

The Bonds are issued based on decision of the Director of the Company dated 30 November 2020 and resolution of the Sole Shareholder dated 30 November 2020, in accordance with:

- Law on Companies of the Republic of Lithuania;
- Law on Securities of the Republic of Lithuania;
- Law on Protection of Interests of Bondholders of Public Limited Liability Companies and Private Limited Liability Companies of the Republic of Lithuania;
- Description of Order on Preparation and Announcement of Information Document, Mandatory to Prepare When Publicly Offering Mid-Sized Issues and When Executing the Mid-Sized Crowdfunding Transactions, approved by Decision of the Board of the Bank of Lithuania No 03-173 dated 19 September 2019;
- Rules of Alternative Securities Market First North in Lithuania, approved with the Decision of the Board of Nasdaq Vilnius AB No 18-60 dated 12 December 2018.

The Bond Issue is intended to attract debt financing of EUR 8,000,000 required for acquisition and reconstruction of the Post Office. The Bond Issue shall also serve for diversification of the Company's financing sources, and create an access for the Company to international capital markets.

### 4.2 Information concerning the securities to be offered and admitted to trading

#### Description of the Bonds of the Company to be issued

<b>Securities to be offered and admitted to trading on First North:</b>	80,000 Bonds with a nominal value of EUR 100 each (of an aggregate principal amount of EUR 8,000,000)
<b>Type of securities:</b>	Secured <sup>2</sup> non-convertible bonds of the Company – debt bonds with a fixed-term, non-equity (debt) securities under which the Company shall become the debtor of the Bondholders and shall assume obligations for the benefit of the Bondholders. The Bonds may not be converted into ordinary shares or other instruments of ownership of the Issuer
<b>Security name:</b>	Lords LB Baltic Fund IV Tersetā notes 10.6.2022
<b>ISIN:</b>	
<b>Total number of Bonds:</b>	80,000
<b>Nominal value and Issue Price per Bond:</b>	EUR 100 at the moment of Issue, may be reduced as the result of early optional redemption
<b>Total nominal value of Bonds:</b>	EUR 8,000,000 at the moment of Issue, may be reduced as the result of early optional redemption
<b>Currency of Bonds:</b>	EUR

<sup>2</sup> At the Issue Date of the Bonds in order to secure the Issuer's obligations to the Bondholders agreement on Escrow Pledge and the agreement on conditional mortgage over the Post Office (the **Conditional Mortgage**) shall be concluded with the Trustee acting on behalf and for the benefit of the Bondholders and registered with the Mortgage Register of the Republic of Lithuania. Immediately after the purchase price for the Post Office is duly paid to the seller of the Post Office and ownership title to the Post Office is transferred to the Company, the Escrow Account shall be closed and the Escrow Pledge shall become null and void, and the Conditional Mortgage, upon notification of the Trustee provided to the notary public (the **Notification**), shall turn into unconditional maximum mortgage, and from the moment the Notification is registered with the Mortgage Register of the Republic of Lithuania, the Bonds are secured with maximum mortgage over the Post Office, created in favor of the Trustee acting on behalf for the benefit of the Bondholders.

<p><b>Legislation under which the Bonds shall be created:</b></p>	<p>The Civil Code of the Republic of Lithuania, the Law on Companies, the Law on Securities and other related legal acts. All the relations of the Company and the Investors in connection with the Bonds shall be determined in accordance with the laws of the Republic of Lithuania, including without limitation, the Law on Companies, Law on Banks and the Law on Protection of Interests of Bondholders.</p> <p>Any disputes, relating to or arising in relation to the Bonds shall be finally settled solely by the courts of the Republic of Lithuania of competent jurisdiction</p>
<p><b>Form of Bonds:</b></p>	<p>The Bonds shall be registered in book-entry form. According to the Law on Markets in Financial Instruments the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the alternative market (First North), shall be made by Nasdaq CSD. Entity to be in charge of keeping the records will be Šiaulių bankas, AB, legal entity code 112025254, having its registered office at Tilžės str. 149, Šiauliai, Lithuania</p>
<p><b>Interest rate and Interest payment dates:</b></p>	<p>Annual interest rate per Bonds is 6%</p> <p>Interest payment dates shall be 10 June 2021, 10 December 2021, 10 June 2022.</p> <p>The first interest payment date shall be 10 June 2021 and the last interest payment date shall be the Maturity Date. Thus, the interest on Bonds shall be paid semi-annually until the Maturity Date and will be calculated on the aggregate outstanding principal amount of the Bonds.</p> <p>Interest Calculation Date (fixing date) – close (i.e. at 23:59 Vilnius time) of the third Business Day before interest payment date. On Interest Calculation Date Nasdaq CSD, after request of the Issuer, shall set the list of Bondholders who are eligible for Interest or redemption payment.</p> <p>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 the Bonds outstanding from time to time. The first interest period starts on the Issue Date and ends on the first Interest Payment Date (the „First Interest Period“). 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.</p> <p>Interest in respect of the Bonds will be calculated in respect of a fraction of a year, shall be determined on the basis of a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days, and, in case the month is not ended - on the basis of the actual number of days, i.e. a day count convention 30/360E shall be used.</p> <p>The interest payment, made in one of several equal interest payment periods, will be determined according to the following formula:  <math>INT = F * I / D</math>, where:  INT - Payment of Interest in one of several equal Interest Periods (amount in EUR);  F - Nominal value;  I - Interest rate (annual);  D - Number of interest payments (Interest periods) per year.</p> <p>Accrued interest between Interest Payments (Interest Periods) will be calculated as follows:  <math>AI = F * I * D / 360</math>:  AI - accrued interest (amount in EUR);  F - Nominal value;  I - Interest rate (annual);</p>

	<p>D - number of days from the previous Interest payment date or Issue Date in case the First Interest Payment has not occurred to the current Interest payment date (but excluding it) calculated using 30/360E day count convention as described above.</p> <p>Should any Interest Payment Date fall on a date which is not a Business Day, the payment of the interest due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable</p>
<b>Issue Date of the Bonds:</b>	10 December 2020
<b>Maturity (redemption) date of Bonds and principal payment:</b>	<p>10 June 2022.</p> <p>The term for provision of the requests/ applications to redeem the Bonds shall not be applicable, as upon Maturity Date of Bonds, the nominal value thereof with the cumulative interest accrued shall be transferred to the bank accounts indicated by the Bondholders when purchasing the Bonds without separate request/ application of the Bondholders.</p> <p>If the Maturity Date is not a Business Day, the Issuer shall make redemption payment through Nasdaq CSD on the first Business Day after the holiday observing the terms and conditions stated in this clause. The postponement of the payment date of the redemption payment in such case shall not have an impact on the amount payable.</p> <p>Following transfer of the redemption price to Nasdaq CSD, the Issuer shall be deemed to be fully executed the obligations, related to the Bonds and their redemption, disregarding the fact, whether the Bondholder actually accepts those funds, and the Bonds shall be removed from First North. The Bondholder is obliged to immediately notify the Company of any change in requisites of the bank account, and assumes all the risk related to the failure to meet this obligation.</p> <p>The Bondholders, eligible for redemption payments, will be indicated on the last interest calculation date in the Bondholders list, compiled by Nasdaq CSD. The redemption payments shall be paid by the Issuer through Nasdaq CSD.</p> <p>If the mentioned amounts are not transferred to the accounts indicated by the Bondholders, the Bondholders shall have a right to claim for redemption of the Bonds within 3 years after the Maturity Date. If the Bondholders shall not claim for redemption of the Bonds within this term, the respective Bondholders shall forfeit the right of claim.</p>
<b>Redemption price of the Bond:</b>	On the day of redemption, the Bonds shall be repaid in full at their nominal value (EUR 100 unless reduced as a result of early optional redemption), with the cumulative interest accrued (unless early redeemed, as indicated below)
<b>Early optional redemption of Bonds by the Issuer:</b>	<p>The Bonds shall be redeemable at the option of the Issuer prior to their maturity on the following conditions:</p> <ul style="list-style-type: none"> <li>(i) early redemption may occur at the discretion of the Issuer on any Interest payment date, upon Issuer having given not less than 30 day notice to the Trustee;</li> <li>(ii) at the respective Early Optional Redemption Amount, which will be at proposed percentage of Nominal value of the Bond subject to early redemption plus accrued unpaid interest from last Interest payment date plus Call Premium, calculated according to the below formula:</li> </ul> <p><i>Call Premium = Nominal value of the Bond subject to early redemption x (1% x (A – B) / 360), where</i></p> <p>“A” is actual days count from the Issue Date (inclusive) until the Maturity Date (inclusive), and</p>

	<p>“B” is actual days count from the Issue Date (inclusive) until the Early Redemption Date (inclusive).</p> <p>The appropriate notice shall be signed by a duly authorized officer of the Issuer and shall specify:</p> <p>(i) whether Bonds are to be redeemed in whole or in part only and, if in part only, the aggregate outstanding principal amount (percentage of outstanding nominal value) of the Bonds which are to be redeemed;</p> <p>(ii) the due date for such redemption, which shall be not less than 30 days after the date on which such notice is validly given; and</p> <p>(iii) the amount at which such Bonds are to be redeemed, which shall be their Early Optional Redemption Amount.</p> <p>Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.</p>
<b>No early redemption of Bonds under the request of the Bondholders:</b>	<p>The Bondholders do not have a right to require to redeem the Bonds prior to their Maturity Date, unless:</p> <p>(i) the Issuer has prepaid the Bonds in accordance with Section Events of Default below, or,</p> <p>(ii) in case the Bondholders’ Meeting, upon proposal of the Issuer, has decided that the Bonds shall be redeemed prior to the Maturity Date.</p>
<b>Compensation for non-admission:</b>	<p>If the Bonds are not admitted to trading on First North within expiry of 6 months term from the Issue Date the Bondholders shall be entitled to one-off Compensation for non-admission of 1% of Nominal value of the Bond payable together with the Bond redemption.</p>
<b>Cancellation of the fully redeemed Bonds:</b>	<p>All Bonds redeemed in full will be cancelled and may not be reissued or resold nor can the Issuer use any voting rights arising from the Bonds, if at any time should the Bonds be partially repurchased</p>
<b>Payments:</b>	<p>Payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Bonds will be made by the Issuer through Nasdaq CSD to the Bondholders thereof, as appearing in Nasdaq CSD at the close of business (i.e. at 23:59 Vilnius time) of the third Business Day before the due date for such payment (the “Record Date”). Payment of amounts due on the final redemption of the Bonds will be made simultaneously with deletion of the Bonds. If the due date for payment of the final redemption amount of the Bonds is not a Business Day, the Bondholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with the Terms and Conditions.</p> <p>Payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Bonds will be made by the Issuer through Nasdaq CSD to the Bondholders’ accounts indicated when purchasing the Bonds</p>
<b>Credit ratings assigned to the Issuer or the Bonds and status thereof:</b>	<p>Neither the Issuer nor the Bonds shall be assigned with the credit ratings as a result of the Offering.</p> <p>Until unconditional Collateral securing the Bonds comes into full force and effect the Bonds constitute direct unsecured and unguaranteed obligations of the Issuer, ranking pari passu without any preference among each other and with all unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as indicated hereof and as may be preferred by mandatory provisions of law.</p> <p>After unconditional Collateral securing the Bonds comes into full force and effect the Bondholders’ interest shall be secured with the first ranking maximum mortgage over the Post Office.</p>
<b>Offering and listing (admission) of Bonds:</b>	<p>The Lead Manager shall offer the Bonds to the Investors under the terms and conditions provided hereof. The Bonds shall be applied for introduction to trading on First North once Bonds shall be subscribed and fully paid by the Investors and registered with Nasdaq CSD.</p>

	<p>The Management expects that the Bonds shall be admitted to trading on First North within 6 months from the Issue Date the latest. Disregarding this, the Management will put best efforts so that this term would be as short as practically possible.</p> <p>The Issuer shall also put its best efforts to ensure that the Bonds remain listed on First North. The Issuer shall, following a listing or admission to trading, take all reasonable actions required as a result of such listing or trading of Bonds.</p> <p>The Issuer will cover all costs which are related to the Admission of the Bonds to First North.</p>
<b>Collateral:</b>	Immediately after the Company acquires the Post Office under its ownership title and registers its ownership title to the Post Office with the Real Estate Register of the Republic of Lithuania, conditional mortgage created in favour of the Trustee acting on behalf of the Bondholders shall be transformed and registered as the first ranking maximum mortgage over the Post Office created in favour of the Trustee acting on behalf of the Bondholders.
<b>Decision by which the Bonds are issued:</b>	The Offering and Admission shall be executed based on the decision of the Director of the Company dated 30 November 2020 and resolution of the Sole Shareholder dated 30 November 2020. The Information Document was approved by the decision of the Director of the Company dated 30 November 2020.
<b>Transfer restrictions:</b>	There are no restrictions on transfer of the Bonds as they are described in the applicable Lithuanian laws. However, the securities account managers may temporarily block the Bonds on a Bondholder's securities account to ensure performance of corporate actions regarding the Bonds. Moreover, the Bonds 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 the Lithuanian laws, including, without limitation, in the United States of America. It is the Bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. For more information on this issue please see Section 1.2 <i>Notice to Prospective Investors and Selling Restrictions</i> .
<b>Taxation:</b>	All payments to be made in connection with the Bonds shall be calculated and paid taking into account any taxes and other deductions mandatory under applicable law. In case withholding or deduction of the applicable taxes is required under applicable law, 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 amounts so required to be withheld or deducted. The Issuer will not be obliged to make any additional compensation to the Bondholders in respect of such withholding or deduction
<b>Estimated Expenses Charged to the Investor:</b>	No expenses or taxes will be charged to the Investors by the Issuer in respect to the Offering and Admission of the Bonds. However, the Investors may be obliged to cover expenses which are related to the opening of securities accounts with 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 Bonds, the holding of the Bonds or any other operations in relation to the Bonds. The Issuer will not compensate the Bondholders for any such expenses
<b>Certified Adviser and Lead Manager:</b>	AS Redgate Capital, registry code 11532616, having its registered office at Pärnu mnt 10, Tallinn 10148, Estonia

### Interest of Natural and Legal Persons Involved in the Offering

The Issuer shall pay commissions to the Lead Manager related to the Offering and Admission (for more information please refer Section 4.6 *The main contracts concluded*).

Furthermore, the Fund, any legal entity controlled by the Fund and the members of the Management may participate in the Offering and subscribe for the Bonds. Such Investors may subscribe for material amounts of the Bonds.

### **Events of Default**

The Bondholders' Meeting has the right to decide in accordance with the procedure provided below that the Bonds be redeemed prior to their Redemption Date upon occurrence of any of the following events (the "Event of Default"):

(a) Non-Payment: Any amount of interest on or principal of the Bonds has not been paid within 10 (ten) Business Days from the relevant due date, unless the failure to pay is caused by a reason of *Force Majeure* as indicated in a relevant Section below.

(b) Breach of Other Obligations: The Issuer fails to ensure fulfilment any of the covenants set in Section 4.4 *Additional obligations of the Issuer to the Bondholders* of this Document or otherwise acts in contravention of the Document, except that the Issuer has rectified such situation within 1 (one) month after the Issuer becomes or should have become aware of such failure to comply thereof.

(c) Cross Default: Any outstanding indebtedness (including guarantees given by the Issuer) of the Issuer in a minimum amount of EUR 1,000,000 (one million euro) or its equivalent in any other currency, is accelerated prematurely because of default, however described, or if any such indebtedness is not paid or repaid on the due date thereof or within any applicable grace period after the due date, or if any security given by the Issuer for any such indebtedness becomes enforceable by reason of default.

(d) Cessation of Business: The Issuer ceases to carry on its current business in its entirety or a substantial part thereof, other than: (i) pursuant to any sale, disposal, demerger, amalgamation, reorganization or restructuring or any cessation of business in each case on a solvent basis, or (ii) for the purposes of, or pursuant to any terms approved by the Bondholders' Meeting.

(e) Liquidation: An effective resolution is passed for the liquidation of the Issuer.

(f) Insolvency: (i) The Issuer is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts; (ii) the Issuer 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 (including procedures such as legal protection process (TAP) and out of court legal protection process (ATAP)) or administration of the Issuer or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by the Issuer.

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

In no other case is it possible to redeem the Bonds before their Redemption Date unless this Document explicitly provides otherwise.

Upon the occurrence of any of the circumstances specified in items (a)-(f) above and if due to this the Bondholder's Meeting, in accordance with the procedure established by the Law on Protection of the Interests of Bondholders, adopts a decision to demand immediate redemption of the Bonds at Nominal value and pay all accrued interest, the Company within 10 days after such decision of the Bondholders' Meeting will redeem all issued and unredeemed Bonds from all Bondholders by paying the nominal value of the Bonds and accrued and still unpaid interest. If such a decision of the Bondholders' Meeting to request the Company to redeem the Bonds immediately is not made within 3 months after the occurrence of any of the circumstances specified in clauses (a)-(f) above, the Bondholders shall lose the right to demand early redemption of the Bonds.

### **Purchases**

The Issuer, the Fund or any legal entity controlled by the Fund may at any time purchase the Bonds in any manner and at any price on the secondary market. Bonds held by or for the account of the Fund or any legal entity controlled by the Fund will not carry the right to vote at the Bondholders' Meetings and will not be taken into account in determining how many Bonds are outstanding for the purposes of these terms of the Document.

## Force Majeure

The Issuer, the Lead Manager and/ or Nasdaq CSD shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to continuous existence of any of the Force Majeure circumstances under the applicable laws.

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 Issuer, the Lead Manager and/ or Nasdaq CSD shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of their obligations, as soon as possible.

## Further Issues

The Issuer may from time to time, without the consent of and notice to the Bondholders, create and issue further bonds subordinated to payment of Bondholders' claims on terms and in a form acceptable to the Trustee acting on behalf and for the benefit of the Bondholders. For the avoidance of doubt, this Section shall not limit the Issuer's right to issue any other bonds subordinated as described in the preceding sentence.

### 4.3 Rights conferred by securities to be offered and admitted to trading

A Bond is a fixed-term non-equity non-convertible (debt) security under which the Company which is the Issuer of the Bond becomes the debtor of the Bondholder and assumes obligations for the benefit of the Bondholder. The Bonds are incorporeal and shall be fixed by entries in the securities accounts of their holders. The Bonds of issues shall grant their holders equal rights. The Bonds may not be converted into ordinary shares or other instruments of ownership of the Issuer.

As from the maturity date of the Bonds, Bondholders shall have a right to receive from the Company the nominal value of Bonds and the interest, as indicated above, i.e. he/ she/ it shall have a right to require, that the Bonds would be redeemed for their redemption price. If the Company does not redeem the Bonds on their maturity, all settlements with the Bondholders shall be made through the deposit account of the Trustee.

Bondholders shall have the rights provided in Law on Protection of Interests of Bondholders, the Civil Code of the Republic of Lithuania, the Law on Companies and other laws regulating the rights of Bondholders, as well as the rights specified in the decision to issue Bonds. The Bondholders shall have the following main rights:

- 1) to receive the cumulative interest accrued semi-annually;
- 2) to receive the nominal value of Bonds and the cumulative interest accrued on the maturity date of the Bonds;
- 3) to sell or transfer otherwise all or part of the Bonds;
- 4) to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);
- 5) to participate in the Bondholders' Meetings;
- 6) to vote in Bondholders' Meetings;
- 7) to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- 8) to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- 9) to obtain the information about the Issuer, the issue of Bonds or other information related to the protection of his/ her/ its interests;
- 10) to receive the copy of the contract concluded between the Issuer and the Trustee and the Collateral Agreement;
- 11) other rights, established in the applicable laws or in the documents of establishment of the Issuer.

No Bondholder shall be entitled to exercise any right of set-off against moneys owed by the Issuer in respect of such Bonds.

The rights of Bondholders shall be executed during the term of validity of Bonds according to the order, indicated in this Document and the applicable Lithuanian laws.

## Notices

Bondholders shall be advised of matters relating to the Bonds by a notice published in English and Lithuanian on the website of the Fund at : [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds) and, after the Bonds are admitted to the alternative market First North, also on Nasdaq website at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com). Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified in this Section.

### 4.3.1 Collateral Agreement

At the Issue Date of the Bonds in order to secure the Issuer's obligations to the Bondholders agreement on Escrow Pledge, and the agreement on conditional mortgage over the Post Office (the **Conditional Mortgage**) shall be concluded with the Trustee acting on behalf and for the benefit of the Bondholders and registered with the Mortgage Register of the Republic of Lithuania. Immediately after the purchase price for the Post Office is duly paid to the seller of the Post Office and ownership title to the Post Office is transferred to the Company, the Escrow Account shall be closed and the Escrow Pledge shall become null and void, and the Conditional Mortgage, upon notification of the Trustee provided to the notary public (the **Notification**), shall turn into unconditional maximum mortgage, and from the moment the Notification is registered with the Mortgage Register of the Republic of Lithuania, the Bonds shall be secured with maximum mortgage over the Post Office, created in favor of the Trustee acting on behalf and for the benefit of the Bondholders.

In accordance with the Collateral Agreements, without a prior written consent of the Trustee the Issuer shall not be entitled:

- to dispose the funds credited on the Escrow Account otherwise than in accordance with the Escrow Account Agreement;
- to encumber or dispose of the Post Office, except (i) lease of the premises forming the Post Office to the third persons in the course of normal commercial activities of the Issuer, and (ii) sale of the Post Office on a condition that the part of the sale price of the Post Office, not less than the total amount required to fully fulfil all and any obligations of the Issuer to all Bondholders under the Document, would be transferred to the Company's issuer account at NASDAQ CSD, from which the funds will be transferred to each public trading intermediary, crediting the funds owed to each Bondholder to the cash account of each Bondholder.

In accordance with the Collateral Agreements, to the extent allowed under applicable legal acts the funds received upon realization of Collateral shall be distributed in following sequence:

- (i) To cover all expenses related to the realization of the Collateral, including fees to the Trustee and expenses incurred by the Trustee related to the representation of the Bondholders and the realization of the Collateral;
- (ii) To fulfil all obligations under the Document to the Bondholders other than the Bondholders specified in item (iii) below;
- (iii) To fulfil all obligations under the Document to the Bondholders which are the legal entities directly or indirectly controlled by the shareholder of the Company.

The Company has concluded with the Trustee the agreement on protection of interests of bondholders and collateral agency dated 30 November 2020 with all subsequent amendments thereof (the **Trustee Agreement**), in accordance to which the Trustee shall enter into the Collateral Agreements on behalf of and for the benefit of the Bondholders and shall be authorized to execute all the rights stipulated therein for the benefit of the Bondholders in accordance with the Collateral Agreements and the Trustee Agreement.

Pursuant to the provisions of this Document the Bondholders are entitled to inspect the Collateral Agreements and the Trustee Agreement.

#### 4.3.2 Bondholders' Meetings

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

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

A notice of convocation of the Bondholders' Meeting no later than 15 (fifteen) Business Days before the date of the Bondholders' Meeting shall be published on the website of the Fund at [www.lordslib.it/terseta\\_bonds](http://www.lordslib.it/terseta_bonds). If any of the Bondholders expressed his/ hers/ its request to get notifications on the convocation of the Bondholders' Meetings via e-mail and provided the e-mail address, the notice of convocation of the Bondholders' Meeting no later than 15 (fifteen) Business Days before the date of the Bondholders' Meeting shall also be send via the indicated e-mail. The notice of convocation of the Bondholders' Meeting shall specify the details of the Issuer, the ISIN of the Bonds, time, place and agenda of the meeting.

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

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

A Bondholders' Meeting may take decisions and shall be held valid if attended by the Bondholders who hold more than ½ of Bonds of the same issue (excluding the Bonds held by or for the account of the Fund or any legal entity controlled by the Fund), providing voting right in the Bondholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Bondholders' Meeting. If the quorum is not present, the Bondholders' Meeting shall be considered invalid and a repeated Bondholders' Meeting shall be convened.

A repeated Bondholders' 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 Bondholders' Meeting which was not held. The Bondholders must be notified of the repeat Bondholders' Meeting not later than 5 (five) Business Days before the repeat Bondholders' Meeting following the order, indicated above.

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

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

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

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

- 1) 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;

- 2) to indicate to the Trustee that the violation committed by the Issuer is minor, thus, there is no necessity to take action regarding protection of rights of Bondholders;
- 3) to approve the enforcement measures in respect of the Issuer's failed commitments to Bondholders, suggested by the Issuer. This decision shall be adopted by a qualified majority of no less than  $\frac{3}{4}$  of Bondholders, participating in the Bondholders' Meeting and having a voting right;
- 4) to determine, which information the Trustee will have to provide to the Bondholders' Meetings periodically or at the request of the Bondholders and to establish the procedure of provision such information;
- 5) to adopt other decisions which according to the provisions of Law on Protection of Interests of Bondholders are assigned to the competence of the Bondholders' Meeting.

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

Disputes regarding the decisions, adopted in the Bondholders' Meetings shall be settled in the court. The Claim may be brought to the court by the Trustee, the Company or any Bondholder, if there are suspicions, that the content of the decision and/ or its form, and/ or its adoption procedure contradict to the laws regulating these issues or infringes the legitimate interests of the Bondholders. The term of 20 (twenty) Business Days is established for provision of such claims as from the date on which the claimant found out or had to find out the respective decision.

#### 4.3.3 Representation of Bondholders

Law on Protection of Interests of Bondholders foresees that before issuing Bonds offered for public trading, a company must conclude a civil contract with a Trustee of the Bondholders for representation of Bondholders' interest. Under this contract, the Trustee shall undertake to safeguard the interests of the holders of a certain bonds issue in their relations with the Issuer and the Issuer shall undertake to pay remuneration thereto. The Director has the right to conclude and to terminate the contract with the Trustee.

On 30 November 2020 the Issuer has concluded the civil contract with the Trustee (Grant Thornton UAB), which meets the requirements established for the trustees in the Law on Protection of Interests of Bondholders. Contact data of this Trustee are the following: Upės str. 21, Vilnius, Lithuania, tel. +370 5 2127586, e-mail [info@lt.gt.com](mailto:info@lt.gt.com). as indicated above, each Bondholder is entitled to receive the copy of the civil contract concluded between the Issuer and the Trustee, applying among other via an e-mail of the Issuer [info@lordslb.lt](mailto:info@lordslb.lt) or and e-mail of the Trustee [info@lt.gt.com](mailto:info@lt.gt.com).

The Company shall pay to the Trustee the fee, indicated in the above contract. The fee shall be paid until full execution of the obligations, indicated in the decision to issue the Bonds, except for the cases when the contract ceases earlier.

A contract on protection of Bondholders' interests expires:

- 1) when the Company properly discharges all its obligations to Bondholders;
- 2) when an auditor (in this particular case) loses the right to provide relevant services or when the Trustee acquires the legal status of a "legal entity in bankruptcy" or "liquidation";
- 3) in other cases, set in the contract on protection of Bondholders' interests;
- 4) in other cases, set in the Law on Protection of Interests of Bondholders, in the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Insolvency of Legal Entities.

Below please find a brief description of certain provisions of the above contract with the Trustee as well as of the applicable Lithuanian laws, related to rights and obligations of the Trustee, etc. For full description of the respective provisions please see the Law on Protection of Interests of Bondholders and the contract, concluded with the Trustee.

#### **Main rights of the Trustee**

- 1) to receive the list of Bondholders from the Issuer;
- 2) to receive the copy of the Issuer's decision to issue the Bonds;

- 3) to get acquainted with the documents and information which are necessary to fulfil its functions and to receive the copies of such documents;
- 4) after having obtained the consent of the Bondholders' Meeting, to conclude contracts with third parties when it is necessary to ensure the protection of the interests of Bondholders;
- 5) to bring an action to the court for the purpose of safeguarding the rights of the Bondholders.

Trustee, acting on behalf of and for the benefit of the Bondholders shall also act as pledgee under the Collateral Agreements.

#### **Main obligations of the Trustee**

- 1) to take actions in order that the Company fulfilled its obligations towards the Bondholders;
- 2) to convene Bondholders' Meetings;
- 3) to publish information regarding the Bondholders' Meetings being convened under procedure of the Law on Protection of Interests of Bondholders;
- 4) to provide the Bondholders' Meetings with all relevant documents and information;
- 5) to provide Bondholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Bondholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided;
- 6) to execute the decisions of the Bondholders' Meetings;
- 7) no later than within 5 (five) Business Days as from the day of receipt of a request of the Bondholder(s) to provide information, to gratuitously present all the information about the Issuer, the issue of Bonds or other information related to the protection of his/ her/ its/ their interests;
- 8) no later than within 3 (three) Business Days as from the day of receipt of a request of the Bondholder(s) to provide, free of charge, a copy of a contract concluded between the Issuer and the Trustee, and/or a copy of the Collateral Agreement;
- 9) to provide the Bondholder(s) with all other information related to the protection of his/ her/ its/ their interests;
- 10) no later than on the next Business Day to inform the Issuer that the Trustee has lost the right to provide audit services, or acquired legal status "in bankruptcy" or "in liquidation".

#### 4.4 Additional obligations of the Issuer to the Bondholders

##### **Loan to Value Ratio**

Until full redemption of the Bonds the Issuer shall ensure that the Issuer's Loan to Value Ratio based on the quarterly financial statements of the Issuer drawn in accordance with BAS shall not be higher than 75%.

The Loan to Value Ratio shall be calculated according to the below formula:

*Loan to Value Ratio = Total Financial Obligations / Market Value of the Post Office X 100%.*

In this provision

**Total Financial Obligations** means all the Company's financial obligations towards the Bondholders hereunder and all the other interest-bearing financial liabilities of the Company (excluding the subordinated debt).

**Market Value of the Post Office** means, on the date of this Document, the market value of the Post Office of EUR 11,320,000 (eleven million three hundred twenty thousand EUR) established by the independent valuator Newsec Valuations UAB, legal entity code 126212869, valuation report dated 13 August 2020 drawn based on valuation performed on 5 August 2020, as subsequently re-evaluated on (or around) the following dates: 30 May 2021, 31 November 2021 and 31 May 2022.

##### **No additional debt**

Until full redemption of the Bonds the Issuer shall not assume any Financial Indebtedness other than any debt from the Fund subordinated to payment of Bondholders' claims on terms and in a form acceptable to the Trustee acting on behalf and for the benefit of the Bondholders.

In this provision **Financial Indebtedness** means any indebtedness for or in respect of (i) moneys borrowed; (ii) any acceptance under any acceptance credit facility (including any dematerialised equivalent); (iii) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (iv) any lease, hire purchase contract or other agreement which would, in accordance with BAS in force on the date of this Document, be treated as a balance sheet liability; (v) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis); (vi) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price; (vii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (viii) the acquisition cost of any asset or service to the extent payable before or after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or of financing the acquisition or the construction of that asset or service, or is due to be made more than six months after the date of acquisition or supply; (ix) any other transaction of a type not referred to in any other items of this definition having the commercial effect of a borrowing; or (x) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in items (i) to (ix) above.

### **Negative pledge**

Until full redemption of the Bonds the Issuer shall not create or permit to subsist any Security over any of its assets and/or shares. For the avoidance of doubt, the obligation of Issuer established in herein includes an obligation not to secure the performance of obligations of third parties.

The Issuer shall not (arrangements and transitions described below, the Quasi-Security):

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Issuer;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising any indebtedness or of financing the acquisition of an asset.

The obligations provided above do not apply to any Security or Quasi-Security entered into pursuant to this Document.

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

### **Change of control**

Until full redemption of the Bonds the Issuer undertakes to ensure that no Change of Control shall occur.

A **Change of Control** shall be deemed occurred if:

- (a) the Shareholders as of the date of this Document cease jointly to own directly or indirectly (through a fully owned entity) more than 50 per cent of the ordinary issued share capital and voting rights of the Issuer or may not exercise the control of the Borrower due to other legal restrictions;

- (b) in the event of admission (listing) of any shares of the Issuer on any public securities market in any jurisdiction becoming effective whether effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise (in whole or in part).

### **Disposal of assets**

Until full redemption of the Bonds the Issuer shall not:

- (a) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary, sell, transfer, restrict the title to or otherwise dispose of any Issuer's assets;
- (b) enter into a single transaction or a series of transactions (whether related or not) and sell or transfer otherwise or lease the Company, its business or any part thereof, make material changes to the nature of its activities.

### **Subordination of debt owing to the Related Parties**

The Issuer undertakes to ensure that until full redemption of the Bonds all and any debt owed by the Issuer to the Related Parties shall be subordinated to payment of Bondholders' claims on terms and in a form acceptable to the Trustee acting on behalf and for the benefit of the Bondholders.

### **Mortgage over the Post Office**

The Issuer undertakes to ensure that immediately, however in any case not later than within 10 Business Days after the Issue Date the Issuer takes all the necessary measures and performs all the required actions to ensure that Post Office is mortgaged in favour of the Trustee acting on behalf and for the benefit of the Bondholders to secure all the obligations of the Issuer to the Bondholders, and first ranking maximum unconditional mortgage, with maximum mortgage amount at 130% of the aggregate Issue amount, is duly registered with the Mortgage Register of the Republic of Lithuania.

### **Reporting obligations**

The Issuer undertakes until full redemption of the Bonds to provide to the Bondholders:

- (a) as soon as the same becomes available, but in any event within 4 months after the end of each financial year of the Issuer: the audited financial statements of the Issuer for that financial year, prepared in accordance with the BAS, including a profit and loss account, balance sheet, cash flow statement, shareholder's equity statement, explanatory letter, annual report and the auditors' report on those statements;
- (b) as soon as the same become available, but in any event within 20 days after the end of each quarter of the financial year of the Issuer: unaudited interim financial statements of the Issuer for that quarter, prepared in accordance with BAS.

In case the Bonds are admitted to trading on the First North, the First North Rules will be applied to the Issuers reporting obligations and the terms of this clause above shall be applied only to the extent it is not contrary to the mandatory provisions of the First North Rules. If the reporting frequency under the First North Rules is lower than the frequency provided in this clause above, the frequency as set forth in in this clause above shall be applied (while the contents of the reports would be determined as provided in the first sentence of this paragraph).

## 4.5 Terms and Conditions of the Offer

### General information

The Issuer shall issue Bonds in the amount of EUR 8,000,000.

The Issuer may decrease the aggregate principal amount of Bonds before the Confirmations are sent to the Investors.

As indicated in this Document, it is designated to (i) Bond issue in the amount of EUR 8,000,000 and (ii) Admission thereof to trading on the alternative market First North.

The Bonds will be offered for Subscription for a minimum investment amount (the **Minimum Investment Amount**) which is EUR 100.

### General Structure of the Offering

This Offering is made pursuant to exemption under Article 1 of the Prospectus Regulation and in accordance with Article 7 of the Law on Securities.

Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts (or have the securities accounts opened by their nominee) with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.

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

- (i) the Subscriptions as to acquisition of the Bonds shall be received from the Investors as well as paid according to the order described in this Document;
- (ii) based on the decision of the Issuer together with the Lead Manager the Bonds shall be finally allocated to the Investors;
- (iii) the Bonds shall be registered with Nasdaq CSD and distributed to the Investors.

Subsequently the Bonds will be introduced to trading on First North.

### Expected timetable of the Offering

The expected timetable below lists expected key dates relating to Offering on or around which the events listed below should occur. The Issuer reserves the right to change the timetable of the Offering. Should the Issuer decide to materially adjust the dates set out in the timetable, the Issuer will announce the updated Document in compliance with applicable regulations, as well as market practices in Lithuania.

From 3 December 2020 until 8 December 2020 (until 5 p.m. Vilnius time)	Accepting Subscriptions from all the Investors
Until 8 December 2020	Payment for the Bonds by all Investors (the "Subscription Date")
On 9 December 2020	Determination and announcement of the final number of the Bonds and the allotment between the Investors (the Allotment Date)
On 10 December 2020	Settlement Date
The beginning of June 2021	Trading in Bonds is expected to commence on First North

All times and dates referred to in this timetable may be adjusted by the Issuer, in consultation with the Lead Manager, if deemed necessary for the successful completion of the Offering and the admission. In particular, the Issuer upon recommendation from the Lead Manager, may extend the Subscription Period for the Bonds,

based on monitoring the market. An extension of the Subscription Period will result in the postponement of the allotment date of the Bonds, as well as in the postponement of the date of Admission of the Bonds on First North. Information of any changes in the above dates should be published on the website of the Fund ([www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds)).

Where required by law, any changes in the Offering dates should be published in the form of an updated Document. Information of any change of the dates should be published no later than on the date preceding the last day (according to the new timetable) of the acceptance of Subscription Orders.

### **Subscription Procedure; invalidity of the Subscription Orders**

Subscriptions will be accepted at the offices of the Lead Manager, at the addresses Konstitucijos ave. 15, Vilnius, or via e-mail [bonds@redgatecapital.eu](mailto:bonds@redgatecapital.eu).

Subscriptions will be accepted on a Subscription Order form in English. The Investors are encouraged to provide electronically signed (with certified electronic signature) Subscription Order forms via e-mail [bonds@redgatecapital.eu](mailto:bonds@redgatecapital.eu). If electronic signing is unacceptable, the Investors are allowed to submit a copy of a signed Subscription Order form to the Lead Manager by e-mail prior to submitting an original document to the office of the Lead Manager.

Subscriptions will be accepted if Investors have brokerage account agreement with the entities licensed to provide such services within the territory of the Republic of Lithuania. The Subscription Order form will be published on website of the Fund at: [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds), or shall be provided by the Lead Manager on request of the Investor.

Firms managing securities portfolios on a discretionary basis should place Subscription Orders for the Bonds by submitting Subscription Order form together with the list of Investors on whose behalf the Subscription Order is placed. The list must include details required to be included in the Subscription Order form with respect to each Investor listed and must be signed by persons authorized to represent the firm.

All Subscription Orders shall be binding and irrevocable commitment to acquire the allotted Bonds, 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, unless the Issuer decides otherwise, or Subscription for the Bonds by the Investor has not been fully paid by the end of the Subscription Period in accordance with the provisions of Section *Procedure and dates for payment for the Bonds* of this Document below. Neither the Issuer nor the Lead Manager has any obligation to inform the Investors about the fact that their Subscription Order is invalid.

### **General information regarding the Subscription procedure**

At the time of placing a Subscription Order Investors shall be required to make irrevocable instruction for depositing the Bonds in a securities account maintained in their name and opened with the entities licensed to provide such services within the territory of the Republic of Lithuania.

By placing a Subscription Order, each Investor will be deemed to have read this Document, the Company's Articles of Association, the Collateral Agreement and the contract between the Company and the Trustee, and accepted their content, as well as to have consented to being allotted a lower number of Bonds than the number specified in such Investor's Subscription Orders, or to not being allotted any Bonds at all, pursuant to the terms and conditions of the Offering.

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

An Investor must ensure that all information contained in the Subscription Order is correct, complete and legible. The Issuer reserves a right to reject any Subscription Orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/or have not been supported by the necessary additional documents requested by the Issuer or the Lead Manager during the Subscription Period and in accordance with all requirements set out in terms and conditions of the Offering.

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

### **Withdrawal of the Subscription Orders**

Subscription Orders for the Bonds may be withdrawn (and new orders placed) at any time until the end of the Subscription Period. An investor will be liable for the payment of all fees charged by the Lead Manager in connection with the withdrawal or amendment of the Subscription Order.

Furthermore, a Subscription for the Bonds may also be withdrawn when after the start of the Offering, an updated Document is made public concerning an event or circumstance occurring before the allotment of the Bonds, of which the Issuer became aware before the Allotment. The Investor who has made a Subscription before the publication of the updated Document may withdraw such Subscription by submitting a written statement to the institution where the Subscription was made, within 2 (two) Business Days as from the date of the publication of the updated Document.

The repayments will be made in accordance with the Subscription Order within 3 (three) Business Days after making the statement on the Subscription cancellation.

### **Pricing**

The nominal value and the Issue Price per Bond shall be EUR 100.

### **Procedure and dates for payment for the Bonds**

Subscriptions for the Bonds by the Investors will have to be fully paid within 3 (three) Business Days after provision of the Subscription Order, however, no later than by the end of the Subscription Period. The full payment by the Investors shall mean a payment equal to the number of the Bonds indicated in the Subscription Order multiplied by the Issue Price, indicated in the Document. Payments by the Investors can be made by wire transfer only (cash payments shall not be accepted) and has to be made in EUR to the Escrow Account indicated in the Subscription Order.

The funds received from the subscription and payment of the Bonds by the Investors, shall be deposited in an Escrow Account, opened on behalf of the Issuer. The money held within the Escrow Account will be used only for purchase of the Post Office, and only after the Company providing to the account administrator sufficient proof evidencing payment of the part of the Post Office purchase price, calculated as the result of aggregate Post Office purchase price minus the aggregate amount of fully paid Subscriptions for the Bonds allotted to the Investors. Every transfer of funds from the Escrow Account will be signed by the Issuer and the Trustee, excluding the reimbursements to the Investors as per the paragraph below (reimbursements shall be made by the Escrow Account administrator automatically).

The Investors who have not been allotted any Bonds or whose Subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order in accordance with instructions provided by each such Investor, as required under the procedures applicable in the investment firm with which the Subscription Order was placed. The reimbursement will take place within 3 (three) Business Days as from the end of the Subscription Period or from the date of the publication of the announcement on the cancellation of the Offering (if applicable). The payments shall be returned without any reimbursement for costs incurred by the Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

Payments for the Bonds are interest free.

A legal consequence of non-payment on time or a partial payment for the Bonds will be the invalidity of the entire Subscription.

### **Allotment**

On the next Business Day following the end of the Subscription Period or about that date the Issuer together with the Lead Manager will decide whether to proceed with the Offering of the Bonds or cancel the respective Offering.

In case the Offering of the Bonds is cancelled, the Issuer will publish an announcement on the website of the Fund at [www.lordslb.lt/terseta\\_bonds](http://www.lordslb.lt/terseta_bonds). In case the Issuer decides to proceed with the Offering of the Bonds the following actions shall be taken on the next Business Day following the Subscription Period or about that date:

#### *Allotment of the Bonds to the Investors*

The Issuer together with the Lead Manager will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.

The Bonds shall be served based on the sole discretion of the Issuer, i.e. the Issuer shall decide on which Investors, which have provided their Subscription Orders, shall be allotted with the Bonds first and up to what amount, and which Investors shall not be allotted with the Bonds at all. Therefore there can be the case that the Subscription of any Investor will be reduced in any manner acceptable to the Issuer, and Investor refuses from any right to complaint on any such decision of the Issuer.

The Issuer and the Lead Manager will not be obliged to allocate any Bonds to any Investors participating in the Offering. Furthermore, there will be no target minimum individual allotment to the Investors.

#### *Confirmations*

After completion of the allotment the Issuer shall submit a trade Confirmation to each Investor. The Confirmation will evidence the extent of satisfaction or rejection of the Subscription Order submitted by the Investor, the number of Bonds allotted to the Investor.

### **Information about the results of the Offering**

Information about the results of the Offering (amount of the Bonds issued and aggregate principal amount) shall be published on the website of the Fund at [www.lordslb.lt](http://www.lordslb.lt) within 3 (three) Business Days after the Issue Date.

### **Cancellation, suspension or postponement of the Offering**

The Issuer may cancel the Offering, upon recommendation of the Lead Manager or at its own initiative, at any time prior to the Settlement Date 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 Offering will be postponed and that new dates of the Offering will be provided by the Issuer later.

The Issuer may cancel the Offering, upon recommendation of the Lead Manager if the Issuer considers it impracticable or inadvisable to proceed with the Offering. Such reasons include, but are not limited to: (i) suspension or material limitation of trading in securities generally on Nasdaq, as well as any other official stock exchange in the EU and the United States; (ii) sudden and material adverse change in the economic or political situation in Lithuania or worldwide; (iii) a material loss or interference with the Issuer's or its Subsidiaries business, or (iv) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations. In such an event, Subscriptions for the Bonds that have been made will be disregarded, and any Subscription payments made will be returned without interest or any other compensation.

If the Offering is suspended, the Issuer may decide that the Subscriptions made and payments made will be deemed to remain valid, however, for no longer than 7 (seven) Business Days. In such case, the Investors will

be allowed to withdraw Subscriptions made by submitting a relevant statement to that effect within 2 (two) Business Days after the report on the suspension is announced.

Any decision on cancellation, suspension, postponement or changes of dates of the Offering will be published in a manner compliant with applicable regulations, as well as market practices in Lithuania.

If the Offering is cancelled or suspended, Investors who placed Subscription orders and paid for the Subscription will get their payments back:

- (i) if the Offering is cancelled – within 3 (three) Business Days after the public announcement by the Company of the Offering cancellation;
- (ii) if the Offering is suspended – within 3 (three) Business Days after the date on which the Investor has made a statement cancelling his/ her/ its Subscription or 3 (three) Business Days after the date that the Issuer announces that the placed are not valid.

The timely repayment of money paid will be without any interest or compensation.

#### 4.6 Admission to trading

The Issuer shall submit an application regarding Admission of the Bonds to trading on First North. The decision on Admission of the Bonds to trading on First North shall be adopted by the Board of Nasdaq. The Company shall implement all the measures, established in First North Rules, needed that the Bonds would be admitted to trading on First North as soon as practicably possible.

The Management expects that the Bonds shall be admitted to trading on First North within 6 (six) Months from the Issue Date. Disregarding this, the Management will put its best endeavours so that this term would be as short as practicable possible.

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

The Issuer will cover all costs which are related to the Admission of the Bonds to First North.

The Issuer does not intend to apply for admission of the Bonds to trading on regulated markets or equivalent markets.

#### 4.7 The main contracts concluded

##### **Lead Manager and Certified Advisor**

The issuer has appointed AS Redgate Capital, having its registered office at Pärnu mnt 10, Tallinn 10148, Estonia, registry code 11532616, as the Lead Manager and Lead Manager for the purposes of the Offering and Admission of the Bonds to trading on First North. The Lead Manager also acts as a Certified Advisor, related to Offering and Admission.

##### **Placement Agreement**

On 30 November 2020 the Issuer and the Lead Manager have concluded a Placement Agreement in respect of the Offering and Admission.

The Issuer and the Lead Manager do not expect to enter into an underwriting agreement.

Based on this agreement and following the preliminary calculations, the Issuer's expenses, related to this Offering and Admission, shall comprise of up to 3% from the gross proceeds from the placement of the Bonds (including the fees for the Lead Manager, the legal counsel, fees to Nasdaq CSD and Nasdaq).

The Issuer has agreed to pay all commissions and expenses in connection with the Offering. However, the Investors will bear their own costs related with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by the broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

#### **Issuing Agent's Agreement**

On 30 November 2020 the Issuer and the Issuing Agent have concluded an Agreement on Accounting of Financial Instruments, according to which the Issuing Agent shall (i) open Bonds Issue registration accounts with Nasdaq CSD, (ii) represent the Issuer with Nasdaq CSD in relation to accounting of the Bonds on Nasdaq CSD, (shall act as the Issuer's representative with Nasdaq CSD), (iii) pay interest under the Bonds through the NASDAQ CSD to the Bondholders from the interest amount transferred to the Issuing Agent by the Issuer, (iv) prepare a list of Bondholders eligible to Interest, calculate the Interest payable to the Bondholders, provide the Issuer with the information on the Interest amount to be paid to the Bondholders and, upon receipt of the total Interest amount to transfer this amount to NASDAQ CSD, which transfers the Interest to each public trading intermediary crediting to each Bondholder's cash account.

#### **Escrow Account Agreement**

On 30 November 2020 the Issuer and Šiaulių bankas, AB concluded an agreement on the opening and administration of the Escrow Account to secure the funds paid by the Investors.

#### **Agreement on Protection of Interests of Bondholders and Collateral Agency**

On 30 November 2020 the Issuer and the Trustee have concluded an agreement on protection of interests of Bondholders and collateral agency, according to which the Trustee acts as the representative of the Bondholders in accordance with the Law on Protection of Interests of Bondholders (please refer to Clause 4.3.3 hereof more detailed information) and acts as the pledgee under the Collateral Agreements on behalf and for the benefit of the Bondholders.



## Annex to the Offer Document

### LETTER OF DISCLOSURE

23<sup>rd</sup> of February, 2021

Vilnius

UAB „Terseta“, company code 303556959, address Jogailos g. 4, Vilnius (hereinafter – **Company**), represented by Director Rytis Zaloga, disclose the following information according to the Alternative market First North rules (hereinafter – **Rules**):

**Regarding the Clause 7.2.5. of the Rules**, Company confirms, that as of today there are no ongoing legal proceedings, and there were no legal proceedings in previous reporting periods against the Company. This confirmation is also valid for petitions of insolvency, instituted bankruptcy proceedings, as well as any legal proceedings in connection with fraud or other economic violations, in which members of the Company management bodies or the Supervisory Board or other persons connected with the issuer were involved.

**Regarding the Clause 7.2.6 of the Rules**, Company discloses the following transactions with related parties:

1. Bonds agreement between Lords LB Baltic Fund IV (sole shareholder of the Company) and the Company no. OBL-TER-20181115, signed on 2018-11-15. Agreement amount: 6.987.000 EUR, outstanding amount: 5.579.500 EUR. Maturity: 2024-07-14
2. Bonds agreement between Lords LB Baltic Fund IV (sole shareholder of the Company) and the Company no. OBL-TER-20200318, signed on 2020-03-18. Contract amount: 956.000 EUR, outstanding amount: 956.000 EUR. Maturity: 2024-07-14
3. Rent Agreement between the Company and UAB “Gedimino 9” (100% of shares are owned by Lords LB Baltic Fund IV): 20,63 sq.m. are leased to the UAB “Gedimino 9” for 103,15 EUR + VAT per month.

Agreements No. 1, No. 2 and No.3 were transferred to UAB “J13” (100% of shares are owned by Lords LB Baltic Fund IV), UAB “J13” was created during the spin-off of the Company, which was completed on the 26<sup>th</sup> of November, 2020.

4. Bonds agreement between Lords LB Baltic Fund IV (sole shareholder of the Company) and the Company no. OBL-TER-20201207, signed on 2020-12-07. Agreement amount: 3.380.000 EUR, outstanding amount: 3.380.000 EUR. Maturity: 2024-07-14
5. Bonds agreement between Lords LB Baltic Fund IV (sole shareholder of the Company) and the Company no. OBL-TER-20201218, signed on 2020-12-18. Agreement amount: 140.000 EUR, outstanding amount: 140.000 EUR. Maturity: 2024-07-14

**Regarding the Clause 7.2.7 of the Rules**, the Company discloses that Incentive programs are regulated by the Employee Remuneration Policy of Lords LB Asset Management (hereinafter – **Management Company**).

According to the Employee Remuneration Policy, upon decision of the Lords LB Asset Management Board and/or CEO of the Lords LB Asset Management, remunerations of the employees may consist of the fixed and variable remuneration components.

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UAB „Terseta“

Registracijos adresas: Jogailos g. 4, LT- 01116 Vilnius  
Buveinės adresas: Jogailos g. 4, LT- 01116 Vilnius  
Įmonės kodas: 303556959 | PVM mokėtojo kodas: LT100011755610  
Telefonas: +370 5 261 94 70 | E-paštas: [info@lordslb.lt](mailto:info@lordslb.lt)  
A/s LT71 7300 0101 4494 9176 | Swedbank  
E-paštas: [info@lordslb.lt](mailto:info@lordslb.lt)



LORDS LB  
Asset Management

Variable remuneration (if any decided to be paid to a specific employee) shall be paid in the Management Company:

- a) only in money; or
- b) both in money and in instruments. In such a case, the variable remuneration part paid in instruments shall constitute not less than 50% of the whole variable remuneration. Variable remuneration in money and in instruments can normally be paid to fund managers (in such a case, instruments shall be securities of the collective investment undertaking that the relevant fund manager deals with); or
- c) only in instruments: investment units or shares of a specific collective investment undertaking managed by the Management Company that the specific employee works with and with whom his/her functions are associated.

In all cases fixed remuneration component shall be a sufficiently large part of the total remuneration. General principle – the amounts of variable remuneration for employees shall not be predefined. The issue of variable remuneration shall be considered during Quarter 1 of a calendar year for the preceding financial year taking into consideration the overall performance result of the Management Company and of the collective investment undertakings it manages, as well as of the employees.

Director Rytis Zaloga

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UAB „Terseta“

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Įmonės kodas: 303556959 | PVM mokėtojo kodas: LT100011755610  
Telefonas: +370 5 261 94 70 | E-paštas: [info@lordslb.lt](mailto:info@lordslb.lt)  
A/s LT71 7300 0101 4494 9176 | Swedbank  
F-paštas: [info@lordslb.lt](mailto:info@lordslb.lt)