Hero

Investment Memorandum
September 2025

UAB Sostinės bokštai Bond Issue
7th Tranche



Modern office building in excellent location in Vilnius

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Investment Memorandum
September 2025



Executive summary

Executive summary



Development cost
EUR 112m

GLA
31,606 m²

Sustainability
BREEAM Excellent & WELL Gold

UAB Sostinės Bokštai, registered in Lithuania, is looking to raise up to EUR 67 m in total through the issuing of bonds. The funds will be used for the development of an A+ class office building in the heart of Vilnius – HERO (the "Property", "Project").

The bonds will be issued in different tranches. The first-sixth tranches of the bonds were issued during the period from 18th May 2023 to 10th June 2025 in the total amount of over EUR 50.6m. A total of EUR 84m has been invested in the Project. The distribution of bonds is carried out in accordance with the conditions of the base prospectus approved by the Bank of Lithuania on 24th April 2025 and the final terms for tranche 7 approved by the shareholders on 18th, 26th and 29th September 2025.

The GLA in the 15-storey building is 31,606 m². The Project was completed in September 2025, with an estimated total development cost of EUR 112m.

The developer of the Project is Realco UAB, one of the largest and most successful real estate project developers in Lithuania. Realco has provided a wide portfolio of apartment buildings and business premises to the market. Realco UAB and UAB Sostinės Bokštai are related through the same UBO's.

Summary of the terms

Total issue size	Up to EUR 67,000,000 (multiple tranches)
1st – 6th tranche	EUR 50,617,000 (issued 18 May 2023 – 10 June 2025)
7th tranche	Up to EUR 6,000,000 (issue date 7 October 2025)
Maturity	18 May 2026
Interest rate	6M EURIBOR + 6.0%
Type of placement	Public offering in Lithuania, Latvia and Estonia
Admission to trading	Newly issued bonds under this Tranche 7 shall be admitted to trading on Nasdaq First North alternative market via a separate application once the Notes are subscribed and fully paid by the investors and registered with Nasdaq CSD
Collateral	1st rank mortgage on the buildings and land plot located at Lvivo st. 21, Vilnius, Lithuania
Arranger	Redgate Capital AS
Managers & distributors	AB Artea bankas, UAB Evernord FMĮ
Legal adviser	Sorainen
Collateral agent	Audifina, UAB
Issuing agent	AB Artea bankas

Ownership structure



[1] 8 May 2024 - UAB "Flos Investment" changed its name to UAB „Cygnus Invest".
[2] Vitas Janukonis, Ignas Janukonis and Gintautas Jaugielavičius are the owners of UAB Sostinės Bokštai. Realco UAB has the same UBO's.

Key investment highlights

DEVELOPER

The project is being developed by Realco, a real estate developer with 19 years of experience, having successfully completed four business centre projects totalling over 55,000 m².

TENANTS

Tenant contracts have been signed, including Cobalt, PwC, Sapiegos klinika, Sirin Development, the restaurant Noon and Mylios, Real estate services and investment management Colliers and others.

LOCATION

The Hero business centre is situated in an exclusive Vilnius location—Lvivo Street, one of the capital's most attractive business districts.

FINANCING

The financing structure is secured by primary collateral and interest payments from annuity funds, ensuring investor stability.

CERTIFICATES

It is the first business centre in the Baltics pursuing WELL Gold certification, while also meeting BREEAM Excellent sustainability standards.

MARKETS

The newly issued bonds are expected to be admitted to trading on First North as soon as possible, no later than within 6 months.

PROGRESS

Construction completed in August 2025, delivered by the experienced general contractor Realco Statyba, ensuring top-quality execution.

DIVERSITY

A diverse investor base has joined the project, including participants from Lithuania, Latvia, and Estonia.



Key investment highlights

Modern office building in an excellent location in Vilnius

The business centre HERO has been built in the Central Business District of Vilnius to provide:

- **Premium class** offices in the capital city
- Two fifteen and fourteen-storey buildings connected by a three-storey stylobate
- Gross leasable area of **31,606 m²**
- Health-oriented environment
- Wide range of services and shops
- Intelligent ventilation, cooling and heating system
- Large floor plate on one floor – 4,000 m², this is a great advantage in such a location
- Good access by both public and private transport, including scooters and bicycles



HIGHEST STANDARDS

HERO offices are the first in Lithuania to seek **WELL Gold certificate** issued by the International WELL BUILDING Institute ™ (IWBI™). For this purpose, the business centre will be evaluated by the institute's experts, according to more than 100 criteria applied to healthy offices. The certificate confirms that the building has been designed and constructed to maximum extent focusing on human well-being and health. Moreover, HERO will meet the highest sustainability standards and shall qualify for **BREEAM Excellent sustainability certificate**, demonstrating the social responsibility, quality control and environmental-conscious approach.

RELIABLE AND EXPERIENCED DEVELOPER

Since 2006, Realco has completed 9 residential projects — Ozo parkas, Linkmenų ežerai, Žvėryno panoramos, Šventosios vartai, Prie Vilnelės, 7 Vakarai, GO Life, Vileišio 27 and Algirdo 3. The company has made over **3,935 flats** and 202,544 m² available to the market. Realco is currently developing 4 new residential projects in Vilnius city: Baltupis, Just-in, Opti.mist. and Juozapavičiaus 13, where it will build **1,960 flats** in projects covering 118,500 m². In Spain on the Costa del Sol, in one of the most expensive districts in Marbella, Realco is developing two luxury villa and apartment projects. The company has extensive experience in developing commercial and public buildings. These include the Ozas shopping and entertainment centre, Delfi sports centre, as well as the Penta, Alfa, Beta and Gama commercial projects. In total, Realco has developed more than **55,170 m²** of commercial space.

Tenants



Total leased area

7,862 m²

The current occupancy rate

25%

noon

Modern daily lunch restaurant

SIRIN

Real estate developers

pwc

International audit, tax and business advisory company

Colliers

Real estate services and investment management

sapiegos

The largest dermatologist clinic

eureka mokykla

Early childhood education school

COBALT

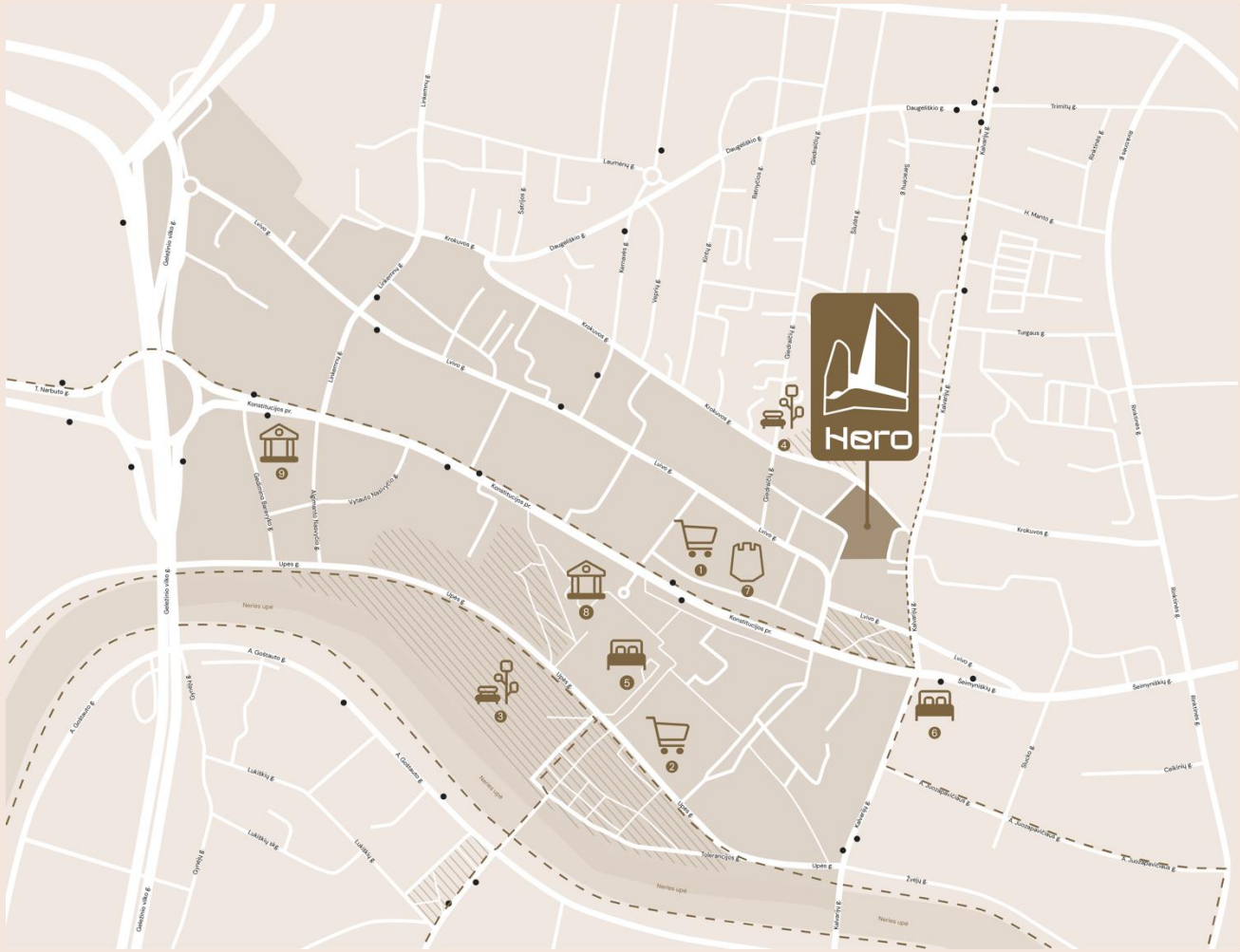
Top-Tier Baltic law firm

Familia sana

Spa center to relax

Location

- HERO Business Centre is located in the Central Business District of Vilnius. Konstitucijos Avenue is the pivotal area for corporate premises, with exclusively developed business, services, retail, and logistic infrastructure in the vicinity.
- Relevant business concentration and co-tenancy, inclusive Vilnius City Municipality, Centre of Registers, commercial banks, notaries, lawyer offices, hotels, shopping centres, education, health, recreational destinations.
- The buildings stands close to one of the city's arterial routes, with public transport stops within 1-min walking distance that offer commuting to all residential and suburban districts of the city.
- The distance between Lithuanian International Airport and the HERO Business Centre is 10 km (ca 25 minutes by public / 14 minutes by private car or taxi).



SHOPPING MALLS
1. Europa
2. CUP

GREEN SPACES
3. White Bridge Meadow
4. Dragon's Meadow

GREEN AREAS
5. Radisson Blu
6. Holiday Inn

INSTITUTIONS
7. Vilnius City Municipality
8. Swedbank
9. SEB bank

DISTANCES TO TRANSIT STATIONS
10. Train / Bus Station - 4 km
11. International Airport - 7.5 km

Boundary of CBD district
Green spaces
Cycling Routes
Planned bike path connection
Public transport stops


K29
QUADRUM
SEB BANK
TOWER
SWEDBANK
ARTERY
VILNIUS CITY MUNICIPALITY
EUROPA
BURĖS
HERO
FLOW

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Overview of the HERO development

Overview of the Property

A premium-class office building with GLA of 31,606 m^2 was completed in Lithuania in Q3 2025

The property is being developed on a land plot at Lvivo st. 21, which is located in the central business district of Vilnius, the capital of Lithuania. It is designed that the office building will offer 44,639 m² of gross building area, out of which 32,010 m² will be overground and 12,629 m² underground. The net leasable area will be 31,606 m² accommodated over 15 floors.

HERO offices will be among the most contemporary in Lithuania and will feature modern architectural designs, great aesthetics, multifunctional spaces, abundant integrated technologies, smart solutions, and scalable recreational areas with plenty of natural greenery. HERO business centre will seek to obtain WELL Gold and BREEAM Excellent certificates. WELL Gold recognizes the offices that had been designed with exclusive emphasis on human well-being and health, whereas BREEAM Excellent represents one of the highest standards in assessment of building sustainability.

KEY PROPERTY FACTS

Property type	Premium class office building
Address	Lvivo st. 21, Vilnius, Lithuania
Gross building area (GBA)	44,639 m²
Gross leasable area (GLA)	31,606 m²
Land plot	6,979 m²
Parking spaces	438
Floors	15
Start of construction / Commissioning	Q2 2022 / Q3 2025
Total development cost	EUR 112m
Developer	Realco UAB
Architectural bureau	Cloud architects

TERRITORY AND TECHNICAL PARAMETERS

Building density	74%	**Amount of greenery**	10%
Building intensity	4.59	**Underground floors**	3
Height	54.8 m		

PROJECT DEVELOPMENT STAGES — Done — To be done

July 2021 Public viewing

August 2021 Project accepted

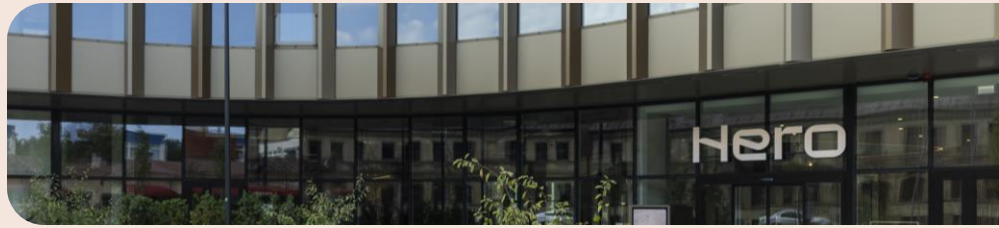
Q2 2022 Start of demolition works

Q4 2022 Start of foundation installation

Q2 2023 Start of construction of monolithic frame

Q4 2024 Start of interior fit-out works

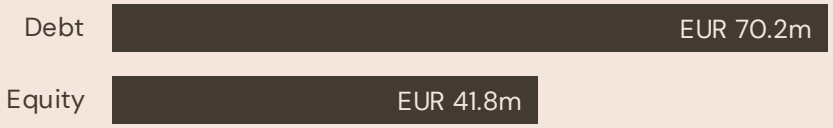
Q3 2025 Public opening



Project key assumptions

Investment into the development of premium-class office building in Vilnius – business centre HERO

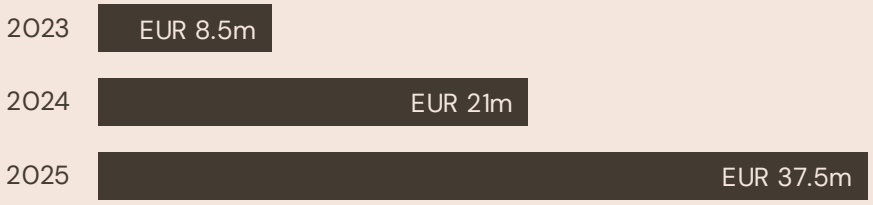
FINANCING STRUCTURE



TOTAL DEVELOPMENT COSTS (EXCL. FINANCING COSTS)

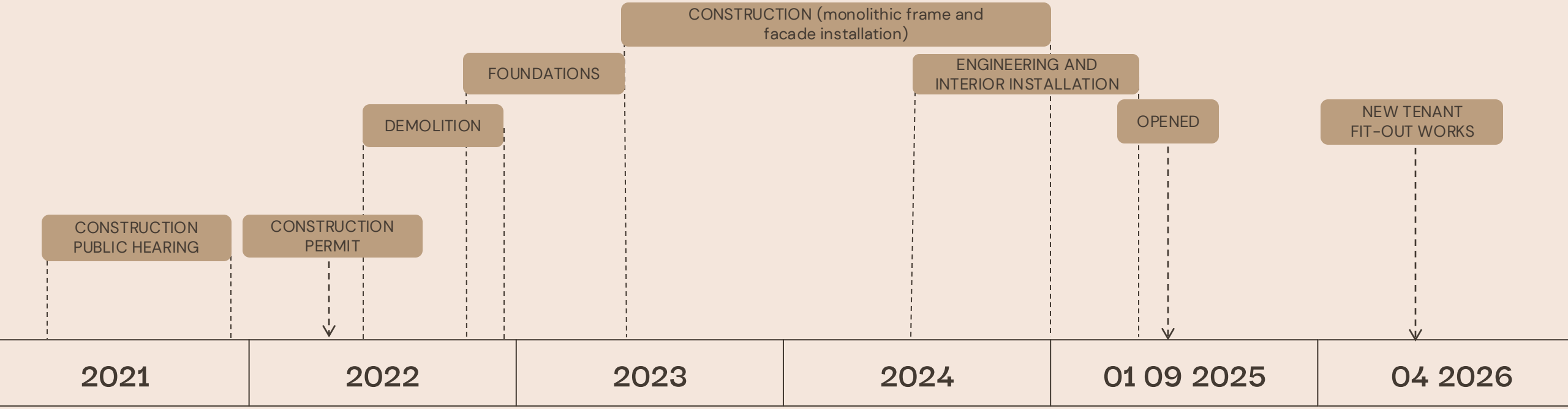
Type	Total cost (EUR k)	Per m² of GLA (EUR)	% of the total
Land (Lvivo st. 21)	25,940	821	26.1%
Construction costs	70,812	2,240	71.1%
Management costs	2,899	92	2.8%

USE OF PROCEEDS FROM BOND ISSUES





Landmark building completed by the end of 2025



The HERO project received a construction permit in Q2 2022, with dismantling works and the existing building demolished in subsequent three months. Afterwards, the developer started excavation works and installation of foundations.

Installation of the monolithic frame began in Q2 2023 and was completed in Q4 2024 as planned. Installation of the aluminium facade started in June 2024 and was finished in just eight months, in January 2025.

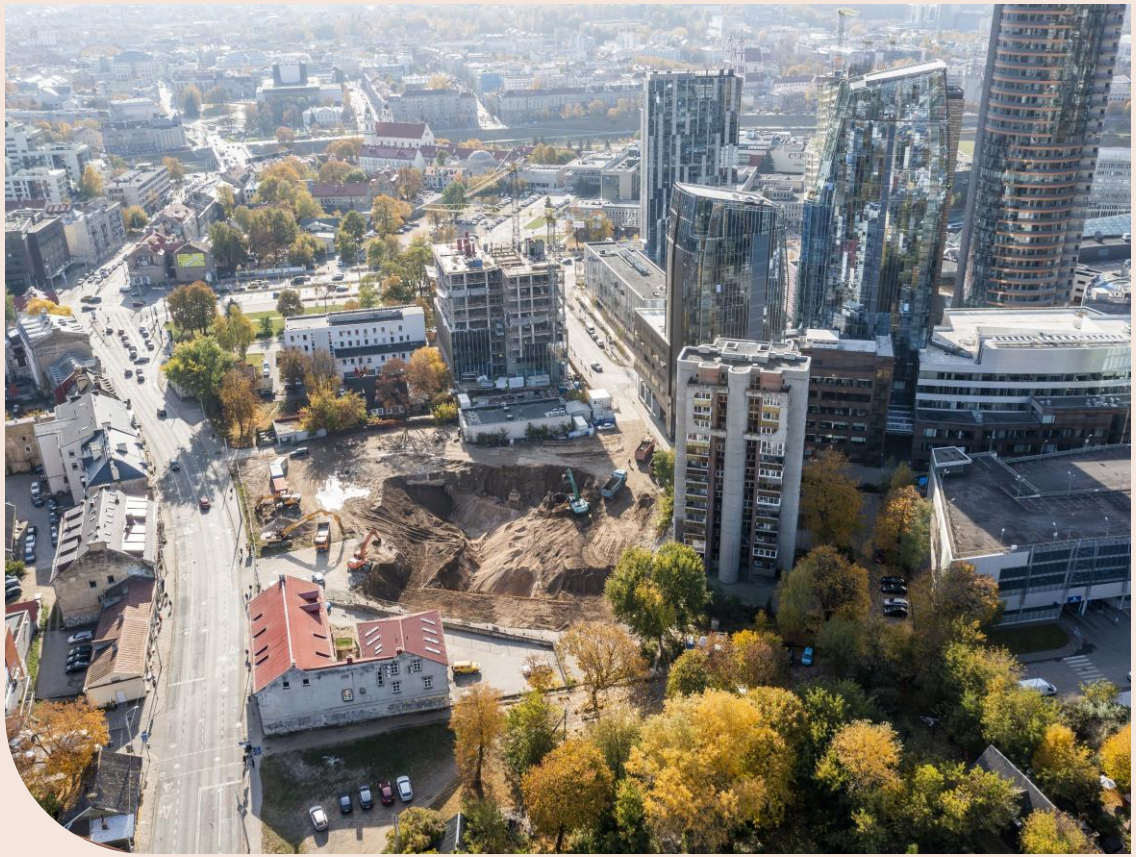
The building completion certificate was received on 19-08-2025. New tenant fit-out works are currently underway and will be completed in February 2026.

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Opened September 2025

Construction progress





Excavation – November 2022

Construction completed, aluminium façade installed – January 2025

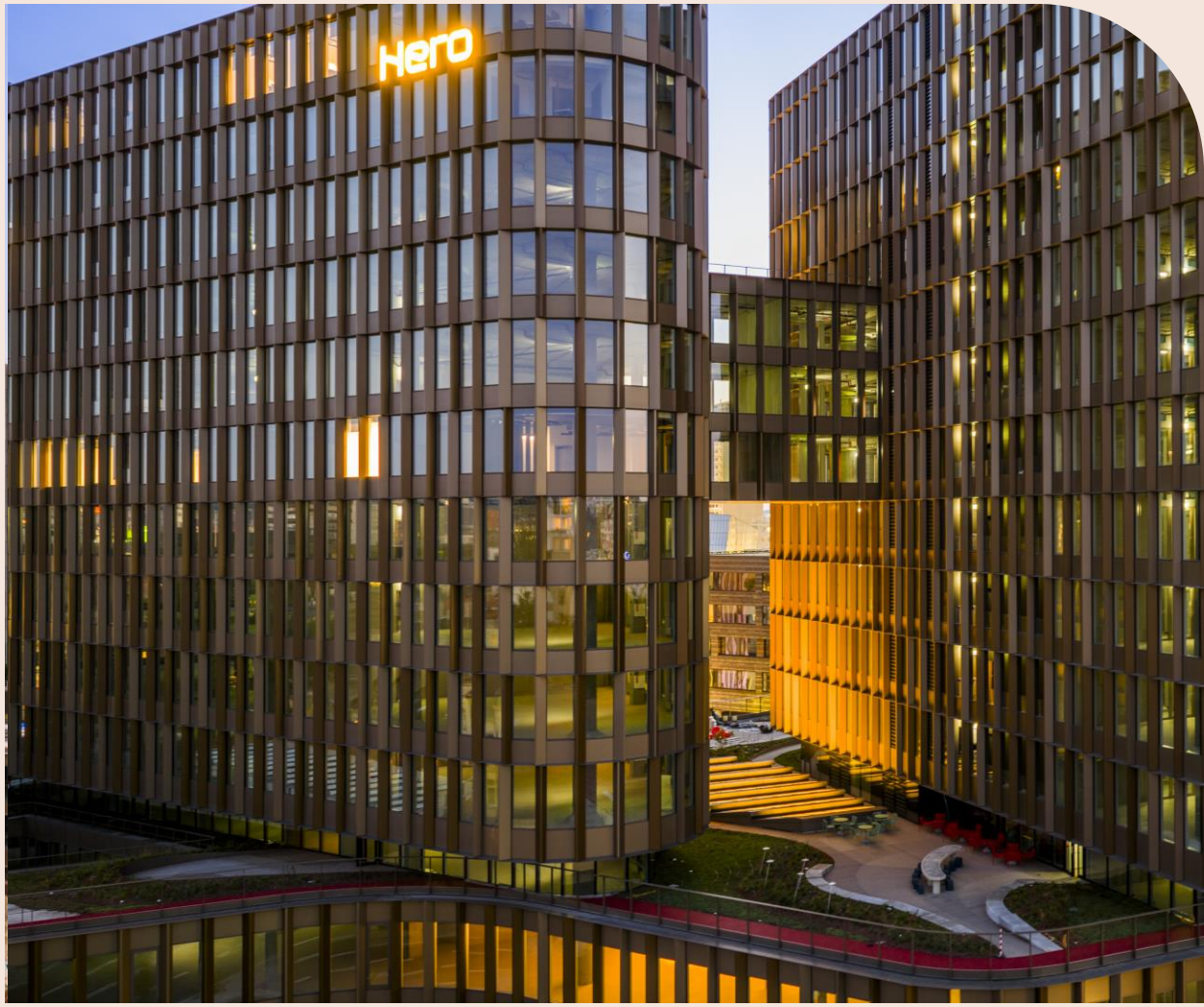
Opened on 1 September 2025



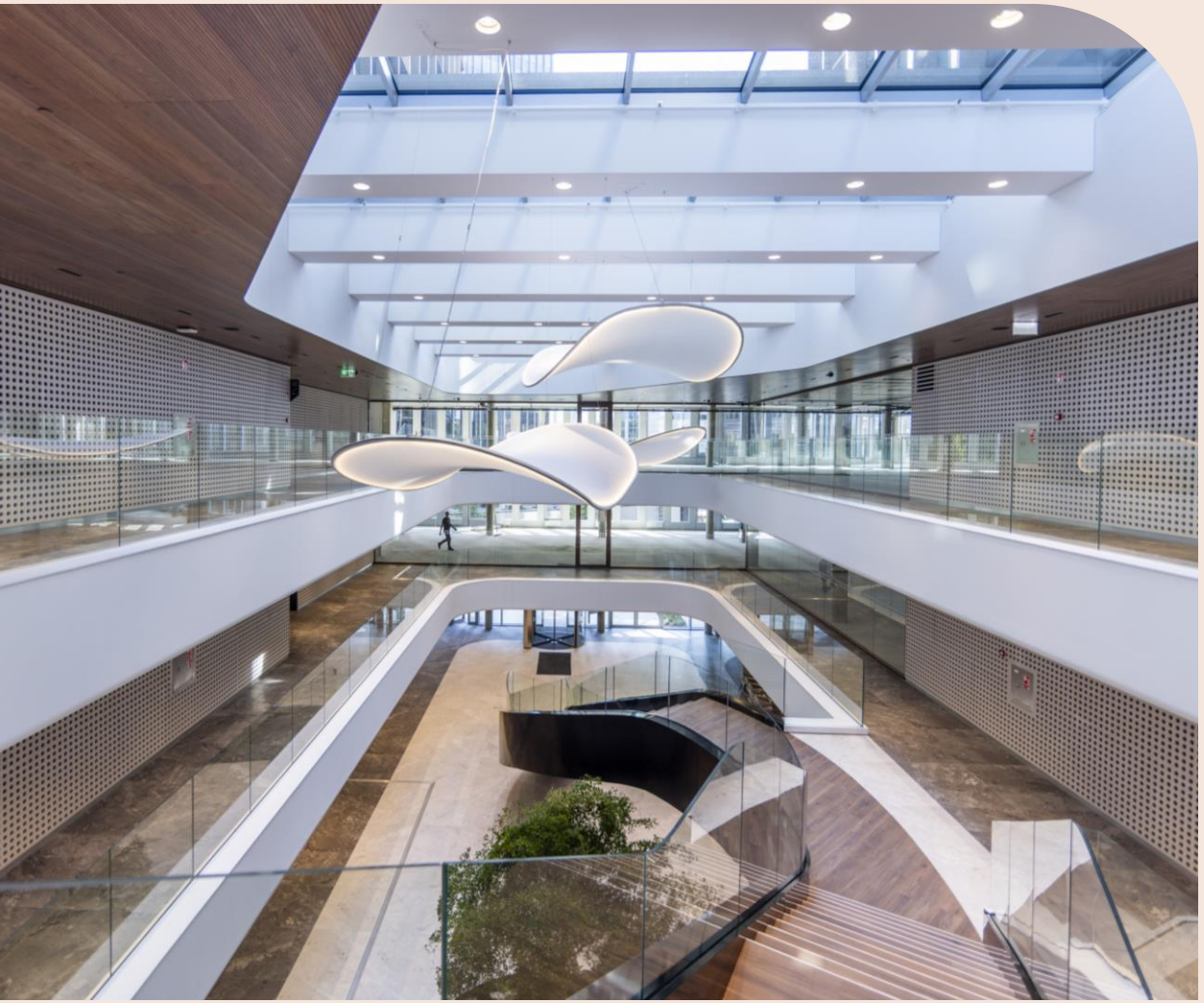


Opened on 1 September 2025





Opened on 1 September 2025





Opened on 1 September 2025





Opened on 1 September 2025





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September 2025



Overview of the developer

Overview of Realco in developing commercial projects

REALCO – ONE OF THE LEADING REAL ESTATE DEVELOPERS IN LITHUANIA, OPERATING SINCE 2006

Realco UAB is a Lithuanian real estate developer. The company focuses on general contractor functions, design and construction. Since starting its operations back in 2006, Realco has become one of the largest and strongest real estate developers in Lithuania. Strong business traditions, the integration of innovative technologies into working processes and a team of professional specialists formed in a purpose-oriented manner have helped the company to achieve its goals and gain a trustworthy reputation.

Realco builds and develops residential, public and commercial projects. During the process of creating buildings and spaces, the company focuses a lot of attention on maintaining harmony with the environment and the local infrastructure. Realco invests in high-quality materials and integral architectural solutions, which help every project become an integral part of the city.



Alfa

Completed in	Leasable area	Underground parking
2008	8,700 m²	240 cars



Beta

Completed in	Leasable area	Underground parking
2010	22,300 m²	670 cars



Gama

Completed in	Leasable area	Underground parking
2013	10,570 m²	360 cars

Overview of Realco in developing commercial projects



Penta

Completed in	Leasable area	Underground parking
2017	13,600 m^2	407 cars

The **Penta** business centre was developed with special attention paid to the environment and people's welfare. Its quality and cost-effectiveness are guaranteed by A class energy effectiveness and LEED Gold sustainable construction certificates, exceptional architecture, solid interior design, functional workplaces and modern IT solutions that build confidence in the project. For the convenience of people working in the business centre, guarded parking areas and separate spaces for electric cars were installed, while the green recreational zone in the courtyard invites workers to get some rest and use their break wisely.

Overview of Realco in developing residential projects

COMPLETED

REALCO – ONE OF THE LEADING REAL ESTATE DEVELOPERS IN LITHUANIA, OPERATING SINCE 2006

Since 2006, Realco has completed 9 residential projects in Vilnius and Šventoji, including Ozo parkas, Linkmenų ežerai, Žvėryno panoramos, Šventosios vartai, Prie Vilnelės, 7 Vakarai, GO Life, Vileišio 27 and Algirdo 3. The company has already made 3,935 flats or apartments in 202,544 m² available to the market.

Ozo parkas

Completed in	Flats	City
2018	1,624	Vilnius



Linkmenų ežerai (3 phases)

Completed in	Flats	City
2019	840	Vilnius



Šventosios vartai

Completed in	Flats	City
2020	99	Šventoji



Overview of Realco in developing residential projects

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Linkmenų ežerai (3 phases)

Completed in	Flats	City
2019	840	Vilnius



Šventosios vartai

Completed in	Flats	City
2020	99	Šventoji



COMPLETED

Žvėryno panoramos (3 phases)

Completed in	Flats	City
2020	406	Vilnius



7 vakarai

Completed in	Flats	City
2023	298	Vilnius



Go life

Completed in	Flats	City
2023	279	Vilnius



Prie Vilnelės

Completed in	Flats	City
2023	232	Vilnius



Vileišio 27

Completed in	Flats	City
2024	66	Vilnius



Algirdo 3

Completed in	Flats	City
2024	86	Vilnius



Overview of Realco in developing residential projects

IN PROGRESS

Baltupis

Flats
367

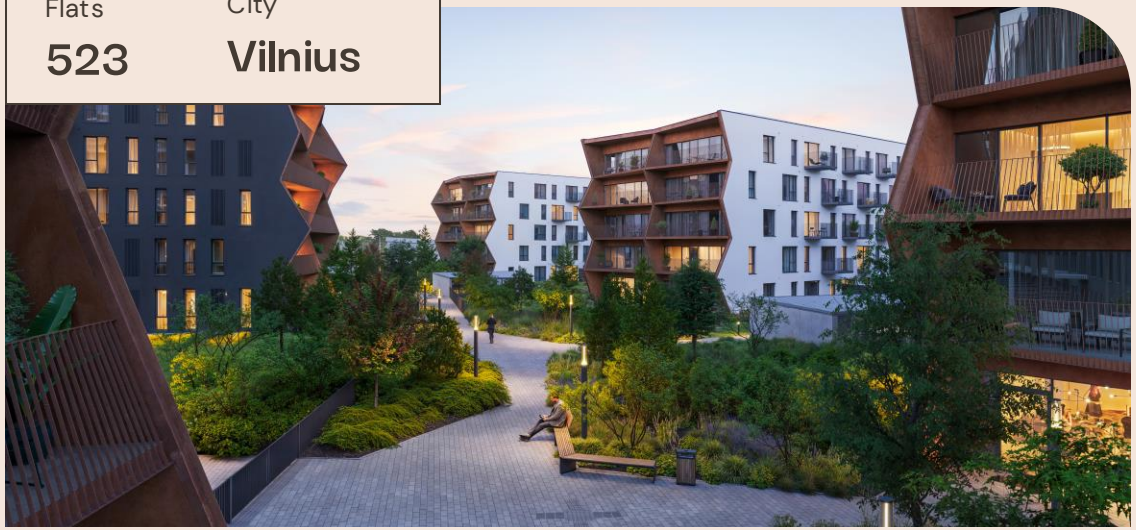
City
Vilnius



Just-in

Flats
523

City
Vilnius



Overview of Realco in developing residential projects

IN PROGRESS

Opti.mist

Flats
680

City
Vilnius



Juozapavičiaus 13

Flats
460

City
Vilnius



Management of Realco



Julius Dovidonis

General Manager

Julius Dovidonis has been working in the real estate market for 20 years, including 19 years as the CEO in REALCO UAB, one of the largest real estate development companies in Lithuania. By actively participating in all stages of development of the company's projects, he has accumulated extensive experience in developing both residential projects, business centres and public facilities. In developing the HERO Business Centre, Julius is responsible for strategic and financial decisions.



Gintarė Žemaitė

Head of Commercial Property Development

Gintarė is an expert of commercial real estate, with almost 20 years of executive experience and proven track record in the fields of asset management and lease. As the Head of Commercial Property Development at UAB Realco, she is one of the key persons overseeing the development of the Project. Previously, she has worked for large institutional investors and developers, supervising volumes of real estate portfolios with a combined value of over EUR 400 million, cross-Baltic.



Vygantas Laucius

Head of Construction

Vygantas Laucius has been working in the construction sector for over two decades and has been managing Realco Statyba for more than 19 years. The company managed by Vygantas is the general contractor for the HERO Business Centre, responsible for the construction part of the Project.



Tadas Černauskas

Project Manager

Tadas is a project manager at UAB Realco statyba (the General Contractor). Tadas is one of the key persons in charge of construction works on the Project. Tadas has many years of experience in managing the construction processes of residential and commercial real estate projects. He has been with UAB Realco statyba for 4 years, but his total experience as a project manager in different construction companies is more than 19 years.

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Market overview

Lithuanian economy

TRUSTED ENVIRONMENT FOR DOING BUSINESS

Lithuania, as a member of the European Union, is part of the largest single market in the world. Since 1st January 2015, Lithuania has also been a member of the Eurozone; and since 2018, a member of the OECD.

According to the latest World Bank annual rankings, Lithuania is ranked 11th among 190 economies in the "ease of doing business". In the 2025 Index of Economic Freedom, Lithuania was ranked 16th, belonging to the group of mostly free economies. According to the latest Forbes Best Countries for Business, Lithuania is ranked 27th.

LITHUANIA'S ECONOMIC DEVELOPMENT AND OUTLOOK

The Lithuanian economy performed better than expected in 2024, entering 2025 with strong growth prospects and historically high consumer confidence.

In H1 2025, GDP grew 3.2% on the back of investment and household consumption. The second half of the year is expected to be weaker, but full-year growth remains solid. In 2026, household-driven consumption is set to jump, lifting the GDP forecast to 3.1%.

Falling interest rates and substantial EU fund inflows are driving an investment recovery. Lending to non-financial firms is already growing at double-digit rates.

Real wage growth is expected to slow in 2026-2027, while unemployment is projected to slightly drop. Inflation is projected to remain above 3%.

KEY INDICATORS

% YoY	2023	2024	2025F	2026F	2027F
GDP growth	0.3	2.8	2.7	3.1	2.1
Unemployment, % of labour force	6.9	7.1	7.0	6.8	6.7
Wages and salaries	12.2	10.3	8.5	7.8	7.0
HICP inflation	8.7	0.9	3.7	3.4	2.7



2.4%

GDP growth (2020-2024 avg.)

Lithuania's annual average real GDP growth from 2020 to 2024 was 2.4%, compared to the EU's 1.1%, indicating that Lithuania's economy grew faster than the EU's over the past 5 years. In its latest Economic Review, the Bank of Lithuania forecasted 2.3% GDP growth for 2025.



6.5%

Unemployment rate Q1 2025

The unemployment rate in Lithuania decreased to 6.5% in Q1 2025, down from 7.3% in Q1 2024. This figure remains slightly higher than the European Union average of 6.0%.



40.6%

Government debt (% of GDP, Q1 2025)

Lithuania stands out in the EU for having a low level of gross government debt. In Q1 2025, the government debt, measured as a % of GDP, was over two times lower than the EU's average of 81.8%. Low levels of debt increases the capacity for government spending that help to soften the effects of unexpected economic shocks.

Sources: SEB Nordic Outlook February 2025 & and August 2025, Eurostat, European Commission, Lithuania.eu, OECD, World Bank, The Heritage Foundation, Forbes, Bank of Lithuania

Office market in Lithuania

Several companies are relocating to higher-quality, modern, sustainable, and efficient offices that better meet today's tenant expectations.

TOTAL MARKET STOCK REACHES OVER 1 MILLION M²

The Vilnius office market remained stable in H1 2025. In Q1, 8,200 m² of new space was delivered, while Q2 saw no new completions. The total modern office stock in the city has surpassed 1 million m². All ongoing projects are **actively under construction**, with the bulk of new supply expected to enter the market in the second half of the year.

Take-up in H1 2025 reached 50,000 m², slightly below the long-term average. Activity was mostly driven by **long-planned relocation deals**. Interest remains focused on high-quality projects, particularly those under construction with strong ESG features and flexible layouts.

Pre-leasing continues to **concentrate in prime CBD developments** due for completion in late 2025 or early 2026, attracting early commitments from anchor tenants and larger corporates. Demand is led by legal, finance, tech, and professional services, with tenants focusing on consolidation and **relocating to modern, efficient, and sustainable offices**.

Vacancy remained stable at 8.1% in Q2 2025, though trends diverged by segment. **Class A vacancy fell** to 5.4% on the back of **strong demand for modern, ESG-compliant offices** and active pre-leasing in upcoming projects. In contrast, Class B vacancy climbed to 10.2%, as older buildings face rising churn, slower absorption, and struggle to meet modern tenant expectations. With significant new supply ahead, pressure on secondary stock and the Class B segment is expected to increase.

Rental rates stayed largely stable across all segments, with only minor fluctuations. Landlords remain cautious, but competition for tenants is increasing, particularly in the B class segment.

VILNIUS OFFICE MARKET Q2 2025

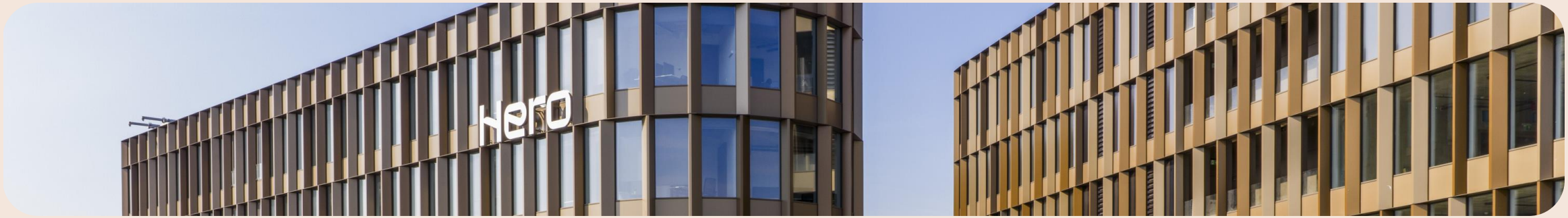
Key indicators		QoQ	YoY	Forecast
Supply				
Stock	1,066,000 m²	↔	↑	↑
New supply	0 m²	↓	↓	↑
Under construction	130,700 m²	↔	↑	↓
Demand				
Take-up	18,500 m²	↓	↓	↑
Vacancy				
Total	8.1%	↑	↔	↑
A class	5.4%	↓	↓	↑
B class	10.2%	↑	↑	↑
Rent rates				
Prime	19-23 EUR/m²	↔	↑	↔
A class	16-20 EUR/m²	↔	↑	↔
B class	12-16 EUR/m²	↔	↑	↔
Yields				
Prime	6.50-6.75%	↔	↔	↔
Secondary	7.50-8.75%	↔	↔	↔

Source: Newsec Baltic Office Outlook 2025 Q2 & Vilnius Office Outlook 2025 H1



Terms and conditions

General information & terms of the 7th tranche



GENERAL INFORMATION

Issuer	UAB „Sostinės bokštai“
Incorporation country	Lithuania
Co. reg. no	304849153
LEI code	9845009C3QBB08EFB768
Webpage	www.realco.lt
Type of security	Secured floating rate non-convertible bonds
ISIN	LT0000407629
Currency of issue	EUR
Nominal	EUR 1,000
Total issue size	Up to EUR 67,000,000
Interest rate	6M EURIBOR + 6.0%
Interest payment frequency	Semi-annually, 18 May and 18 November
First issue date	18 May 2023
Maturity date	18 May 2026

Use of proceeds	To finance the development of the commercial property at Lvivo st. 21, Vilnius, Lithuania
Collateral	1st rank mortgage over: • office building, unique No. 1099-4035-8012, address: Lvivo st. 21, Vilnius, Lithuania; • office building, unique No. 4400-5858-8104, address: Lvivo st. 21B, Vilnius, Lithuania; • land plot, total size 0.6979 ha, unique No. 4400-6123-4635, cadastral No. 0101/0032:1181, address Lvivo st. 21, Vilnius, Lithuania.
Covenants	• LTC < 80%[1] • Subordinated debt
Early redemption	Bonds may be redeemed at the option and sole discretion of the Issuer in whole or in part on any business day. Premium after First issue date: up to 1y: 1%; 1y-2y: 0.5%; over 2y: n/a
Admission to trading	First North Bond List, Nasdaq Vilnius, as soon as possible, no later than within 6 months from the Issue date

[1] Actual LTC as at 30 June 2025 - 71%

General information & terms of the 7th tranche

7th TRANCHE

Size of the 7th tranche	Up to EUR 6,000,000
Subscription period	22 September 2025 – 29 September 2025
Issue yield	7.121 % (6M EURIBOR value as of 12 May 2025 + 5.0%)
Issue price	EUR 1,037.3478
Issue date	7 October 2025
Offering	Public offering in Lithuania, Latvia and Estonia

LEGAL AND ADMINISTRATIVE

Arranger	Redgate Capital AS
Managers & distributors	AB Artea bankas, UAB Evernord FMĮ
Legal adviser	Sorainen
Collateral agent	Audifina UAB
Issuing agent	AB Artea bankas
Depository	Nasdaq CSD SE
Governing law	The agreement shall be governed by the Lithuanian laws
Documentation language	English
Standards of the financial statements	IFRS

TARGET MARKET DESCRIPTION

Manufacturer target market (MIFID II product governance), for whom the product is intended for is eligible counterparties, professional clients and retail clients (execution with appropriateness). All distribution channels can be used. Investors should: have at least average understanding of relevant financial instruments (have several investment holdings, frequent investment/trading activity); be able to bear moderate to high losses on the capital invested; have a moderate risk tolerance; have a time horizon and an investment objective that meets the terms of the bonds.

No negative target market has been assigned for this product.

No PRIIPs key information document (KID) has been prepared.



Investment Memorandum
September 2025



Overview of the risks

Overview of the risks (1/3)

CHANGES IN ISSUER'S FINANCIAL STANDING

The Issuer is a limited liability company established for the purposes of development of the Project, with the minimum share capital of EUR 2,500. Based on the Issuer's audited annual financial statements for the year ended 31 December 2024, the own capital of Issuer is EUR 17,604,288, which is composed of the share capital of EUR 2,500, the legal reserve of EUR 250 and undistributed profit of EUR 17,601,538. The undistributed profit was accumulated due to re-evaluation of the assets owned by the Issuer. The real estate assets owned by the Issuer were acquired from the funds lent to the Issuer by its shareholders. Any adverse change in the Issuer's financial condition or prospects may have a material adverse effect on the liquidity of the bonds, which may lead to a significant decrease in the market price of the bonds, or may render the Issuer unable to fully redeem the bonds, which may lead to investors losing part or all of their invested funds.

The Issuer deems this risk factor to be of high relevance.

LIQUIDITY RISK

Liquidity risk is the risk that the Issuer is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due and to redeem the bonds. The liquidity indicator of the Issuer (all short-term assets divided by all short-term liabilities) on 31 December 2023 was 3.73 and on 31 December 2024 was 3.08. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Issuer to meet its payment obligations in cash, whether scheduled or unscheduled. Although the Issuer monitors its liquidity position and follows procedures to manage liquidity risk, a reduction in the Issuer's liquidity position could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects, as well as ability to redeem the bonds at their maturity.

The Issuer deems this risk factor to be of high relevance.

CONSTRUCTION COST AND PROJECT'S SUCCESS RISK

The Issuer's employee and persons contracted by the Issuer invoked all available information and analytical resources when planning the Project, however there is no guarantee, that all information on which the planned investments in the Project were based was true and exhaustive. Furthermore, the increased geopolitical tension because of the ongoing war between Russia and Ukraine as well as volatility in the electricity market caused high pressure on the global building materials supply chain and rise of materials and local labour costs.

The Project's construction costs were planned considering various scenarios, including negative ones and many materials necessary for the constructions were bought in advance. However, as the situation in global markets and building materials supply chain is changing frequently, by the time of completion of the Project and key variables regarding which investments assumptions have been made, could significantly change and adjustments to the initial calculations might be required in the later stages of the Project due to reasons indicated above.

An unexpected increase in construction costs or inability to secure construction material required to complete the Project may reduce the overall profitability of the Project, delay the completion of the Project and as a result adversely affect the Issuer's activities, financial situation and ability to redeem the bonds. Even if economic and geopolitical situation would stabilize until completion of the Project, there is no guarantee the investments made will generate anticipated or planned return on the Project.

Moreover, the Issuer cannot provide any assurance that there will not be any disputes with its suppliers or that it will be able to maintain business relationships with its existing suppliers. Any disruption to the Issuer's supply chain as a result of an issue with a supplier, or any damage to such supplier's integrity could cause the Issuer significant time and expense in remediation of any deficiencies and could impact its reputation, which could adversely affect its reputation and profitability.

The Issuer deems this risk factor to be of medium relevance.

ECONOMIC ENVIRONMENT AND INSOLVENCY RISK

The Issuer's activities and results depend on the economic processes in Lithuania and internationally. The war between Russia and Ukraine is also contributing to already existing economic tension, however currently it is hard to estimate what impact the war will have on Lithuanian economy. Even if currently there is no material economic downturn both domestically and internationally, in the event of its occurrence, the demand for the Issuer's services may decrease, the risk of insolvency of the Company's tenants and/or other contractors may increase, which may have a negative impact on the implementation and results of the Issuer's business strategy and the Project may not generate expected positive returns. These factors individually, or in combination might cause the insolvency of the Issuer. The Issuer is subject to the Law on Insolvency of Legal Entities of the Republic of Lithuania and Issuer's insolvency may affect the investors' ability to recover their investments.

The Issuer deems this risk factor to be of medium relevance.

RISK OF INCREASE OF PROJECT COSTS DUE TO INFLATION

Lithuania and other European economies have experienced significant inflation during last years. Though expected to subside in the upcoming years, in 2025 inflation still could be significantly higher than historic average levels. Relevant expenses of the Issuer, e. g., investment to equipment and workforce, are closely related to the general price level. Though the Issuer has succeeded to hold the estimated cost of the Project under control (so far no changes were needed to the initial cost estimate of the Project that was approved on 11 April 2023), growing inflation in the future may prevent the Issuer from changing the prices of its services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Issuer's expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless the Issuer manages to increase its prices. Thus, strong inflation may have a considerable adverse influence on the Issuer's financial situation and business results.

The Issuer deems this risk factor to be of medium relevance.

*The risks presented on these slides outline some of the key risks related to the Issuer's business and the bond issuance. The list of the risks is not exhaustive and other risks may adversely affect the Issuer, its financial position and the investment in the bonds. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer.

Overview of the risks (2/3)

INTEREST RATE RISK

The operations of the Issuer are inherently exposed to interest rate risk. Considerable increases in interest rates (including EURIBOR) at which funding is available to the Issuer may negatively impact the profitability of the Issuer. Interest rates are affected by numerous factors beyond the control of the Issuer, which may not be estimated adequately. Such factors include the changes in the overall economic environment, level of inflation, monetary policies of the central banks, etc. Further, the ongoing war in Ukraine may also further increase the inflationary pressure and market volatility and therefore also contribute to rising interest rate levels. Therefore, interest rate risk may have a material adverse effect on the Issuer's business, financial condition, and results of operations.

The Issuer deems this risk factor to be of low relevance.

EXPOSURE AND CONDUCT OF OTHER MARKET PARTICIPANTS

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

The Issuer deems this risk factor to be of low relevance.

REAL ESTATE MARKET RISK

Potential negative development of Lithuanian real estate market could have a negative impact on both real estate market prices and market transaction volume. Currently increase in geopolitical risks caused by the Russia's war in Ukraine is considered as one factor which could have a negative effect on the Lithuanian real estate market. Decreases in prices and volumes could have an adverse effect on the Issuer'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.

The Covid-19 pandemic, and the associated lockdown restrictions, has led to widespread agile and homeworking for some of the Lithuania's office-based workforce. As a result, the future role of offices has been subject to considerable discussion among both landlords and occupiers, and more widely in the media. There is a risk that if agile and/or homeworking continues at high levels, and is sustained in the long-term, it could lead to occupiers requiring less space, increased vacant space and downward pressure on rental levels. Office space which has fewer desks, more collaboration space, meeting rooms, video conference facilities and other amenities is likely to be more desirable to occupiers. Buildings that are unable to meet these objectives may suffer in value unless they can be redeveloped or repurposed. If the Issuer fails to develop or update its properties to meet these objectives, this would likely have a material adverse effect on the Issuer's performance.

The Issuer deems this risk factor to be of medium relevance.

REAL ESTATE DEVELOPMENT RISK

Real estate development usually poses a higher risk than investing in fully completed objects, because they have no operating income (e.g. leasing). Although the construction of the building is over and on August 19, 2025 the construction completion certificate was received for the buildings of the Business Center HERO, still high costs may be incurred, including the costs for fit-out works in the premises of the building and installation of various internal structures and components, real estate taxes and insurance. Real estate development also faces the risk that significant financial resources will be invested in projects that can be terminated for legal and regulatory reasons, or be severely delayed, or incur higher than planned costs. This may have a significant negative impact on the Issuer's financial state and limit the ability to settle properly with the bondholders. The Issuer deems this risk factor to be of low relevance.

COUNTERPARTY RISK

A counterparty risk is inherent to all business activities that the Issuer is engaged in. Such a counterparty risk may result in financial losses (including, but not limited to, revenue not being received from customers, funds deposited in banks, partners in long-term projects failing to perform their obligations, etc.) to the Issuer. A default of the Issuer's counterparty may affect the completion of the Issuer's commenced investment projects, the quality of the services provided by the Issuer or may harm the Issuer's reputation. Although the Issuer monitors and manages the counterparty risk, the occurrence of any of the mentioned counterparty risks may have an adverse impact on the Issuer's business and financial position.

The Issuer deems this risk factor to be of medium relevance.

COMPETITION RISK

Commercial real estate is competitive industry. To maintain the attractiveness of its properties, the Issuer must quickly react to changes in the competitive environment. Possible responses to competitors' actions include upgrading properties with new features (e.g. smart technologies and environmental solutions), refurbishment, rent discounts, and greater promotion and marketing activities. These could all result in unforeseen substantial expenses that could adversely affect the Issuer's financial position and cash flow.

The Issuer deems this risk factor to be of low relevance.

PROJECT MANAGEMENT RISK

The general contractor has implemented investment projects on a large scope. Although the general contractor invokes all available information and analytical resources when planning investments, there is no guarantee that all the information on which the planned investments were based was true and exhaustive. Furthermore, there is no guarantee that the Issuer's investment plans, and the investments made, will generate the anticipated or planned return on investment; also, there is no guarantee that the Issuer's investment in the Project will not cost more than was anticipated.

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

The Issuer deems this risk factor to be of medium relevance.

*The risks presented on these slides outline some of the key risks related to the Issuer's business and the bond issuance. The list of the risks is not exhaustive and other risks may adversely affect the Issuer, its financial position and the investment in the bonds. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer.

Overview of the risks (3/3)

REFINANCING RISK

At the maturity of the bonds, the Issuer plans to refinance its obligation to bondholders by a bank loan. The Issuer has already initiated negotiations for a loan with several banks. However, the Issuer's ability to successfully refinance such a debt is dependent on the conditions of the financial markets in general at such a time. As a result, 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 could have a material adverse effect on the Issuer's business, financial condition and results of operations, as well as on the investor's recovery under the bonds.

The Issuer deems this risk factor to be of high relevance.

PRICE RISK

The issue price of the bonds with a fixed interest rate may be lower or higher than their nominal value. Moreover, in the secondary market, the price of the bonds may decrease due to the market situation or events related to the Issuer. Besides the activities of the Issuer, the value of the bonds may be affected by developments in the financial markets; e.g. when the interest rates are rising, the value of the existing bonds may fall.

The Issuer deems this risk factor to be of high relevance.

CREDIT AND DEFAULT RISK

Any person who purchases the bonds is relying on the financial status of the Issuer, but the respective persons shall have no rights against any other person. Bondholders are subject to the risk of a partial or total failure of the Issuer to make the 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 materialisation of the credit risk may result in a partial or total failure of the Issuer to make the payments.

In addition, even if the likelihood that the Issuer will be able to fully perform all of its obligations under the bonds when they fall due has not decreased, the market participants could nevertheless be of that opinion. In particular, the market participants may be of such an opinion if the market participants' assessment of the creditworthiness of the corporate debtors in general, or debtors operating in the industries sector, changes in an adverse manner. If any of these risks occur, the third parties would only be willing to purchase the bonds for a lower price than before the materialization of the aforesaid risk. The market value of the bonds may therefore decrease.

The Issuer deems this risk factor to be of medium relevance.

INFLATION RISK

Inflation reduces the purchasing power of a bonds' future coupons and principal. Inflation may lead to higher interest rates which could negatively affect the bond price in the secondary market. In addition to that, currently high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities.

The Issuer deems this risk factor to be of low relevance.

EARLY REDEMPTION RISK

According to the terms of the issuance, 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, or the bondholders may even suffer losses in case they acquired the bonds for the price that was higher than the nominal value of the bonds. Also, the bondholders might not have the option to invest in financial instruments offering similar risk/return characteristics at the time of the early redemption, or could face additional costs in selecting a new investment.

The Issuer deems this risk factor to be of high relevance.

LIQUIDITY, LISTING AND INACTIVE SECONDARY MARKET RISK

The bonds constitute a new issue of securities by the Issuer. Even though the bonds under earlier issued tranches are admitted to trading on Nasdaq Vilnius First North, the public market for the bonds is not active and liquidity of the bonds cannot be guaranteed. The bondholders might bear a loss due to not being able to sell the bonds or having to sell them at an unfavourable price.

The Issuer deems this risk factor to be of high relevance.

CONTINUOUS OFFERING

Offering under this prospectus is in the amount of up to EUR 26,536,000 (being a part of total EUR 67m issue). Although the Issuer plans to proceed with the public issue of up to the amount of EUR 26,536,000, it may happen that the Issuer will not issue all anticipated units of bonds and will not raise the estimated funds required for successful development of the Project. Such situation would have a significant influence on the amount of total proceeds from the bonds, development of the Project, financial stability of the Issuer and the amount of bonds available on the market. Should this happen, the Issue will look for alternative sources of funding, including drawing the additional amounts under the signed loan agreements.

The Issuer deems this risk factor to be of medium relevance.

RISK OF INSUFFICIENT VALUE OF THE COLLATERAL

The Issue is secured by a 1st ranking mortgage over the collateral. Apart from the collateral, there are no other securities securing the Issue. According to the appraisal report dated 31 December 2024 the value of the collateral was EUR 65m. Collateral consists of real estate property currently constructed as a part of the Project. As a result, the value of the collateral directly depends on the construction progress and successful completion of the Project and in case of Issuer's default before the end of construction stage the value of the collateral could be not high enough to cover Issuer's obligations to the bondholders, taking into account that in such case the expenses of the trustee will have to be settled in priority to the claims of the bondholders. In addition to that, in case of negative development of Lithuanian real estate market and resulting significant drop in the value of the collateral even after completion of the Project, the value of collateral could be not high enough to satisfy all claims of the bondholders. Furthermore, in case of enforcement on the collateral, the costs of enforcement will have to be covered from the proceeds of the sale of the collateral before distribution of remaining proceeds to cover the obligations for the bonds. The procedure of enforcement on collateral may also delay settlement with the bondholders.

The Issuer deems this risk factor to be of medium relevance.

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Investment Memorandum
September 2025



Contact information

Contact information

For additional information about the project, please contact us.



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Appendix 1. Sostinės bokštai financials

BALANCE SHEET, EUR K

	2021	2022	2023	2024	Q2 2025*
Investment property	27,000	28,900	39,000	65,000	82,568
Intangible assets	5	2	0	0	0
Non-current assets	**27,005**	**28,902**	**39,000**	**65,000**	**82,568**
Prepayments	2	163	134	15	91
Trade and other receivables	57	22	14	155	78
Cash and cash equivalents	3	16	5,108	3,643	9,713
Prepaid expenses	0	0	0	1	1
Current assets	**63**	**201**	**5,256**	**3,814**	**9,883**
TOTAL ASSETS	**27,068**	**29,103**	**44,256**	**68,814**	**92,451**
Share capital	3	3	3	3	3
Retained earnings	15,380	13,441	16,954	17,601	16,942
TOTAL EQUITY	**15,382**	**13,444**	**16,957**	**17,604**	**16,945**
Loans from related parties	7,736	9,372	12,009	16,153	18,794
Payables	0	0	26	70	187
Other non-current liabilities	0	0	13,500	32,838	-
Deferred tax liabilities	3,658	3,537	357	899	1,227
Non-current liabilities	**11,394**	**12,908**	**25,892**	**49,960**	**20,208**
Loans	96	1,970	0	0	0
Payables	195	12	100	270	268
Loans from related parties	0	767	1,143	615	4.370
Other current liabilities	0	1	164	365	50,660
Current liabilities	**292**	**2,750**	**1,407**	**1,250**	**55,298**
TOTAL LIABILITIES	**11,685**	**15,659**	**27,299**	**51,210**	**75,506**
TOTAL EQUITY AND LIABILITIES	**27,068**	**29,103**	**44,256**	**68,814**	**92,451**

INCOME STATEMENT, EUR K

	2021	2022	2023	2024	Q2 2025*
Incr./decr. in the value of assets and investments	24,385	-1,997	704	1,684	0
Impairment losses	-4,397	0	0	0	0
Other income	14	10	0	0	0
Administrative costs	-131	-72	-144	-489	-236
Depreciation and amortisation	-1	-2	-2	0	0
Operating profit	**19,871**	**-2,062**	**558**	**1,195**	**-236**
Results of other activities	0	2	0	0	0
Financial income	0	0	34	108	57
Financial expenses	-19	0	-261	-112	-153
Profit (loss) before tax	**19,852**	**-2,059**	**332**	**1,191**	**-332**
Income tax	-3,658	121	3,180	-543	-327
Net profit (loss)	**16,194**	**-1,938**	**3,512**	**648**	**-659**

*unaudited


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