

AS "PN Project"

incorporated and registered in the Republic of Latvia with registration number 40203063602

PROGRAMME FOR THE ISSUANCE OF BONDS IN THE AMOUNT OF EUR 75 000 000

This Base Prospectus (the "**Base Prospectus**") was prepared for the programme (the "**Programme**") for the offering of secured bonds (the "**Bonds**") of AS "PN Project", a joint stock company (in Latvian – *Akciju sabiedrība*), incorporated in, and operating under the laws of the Republic of Latvia, and registered in Commercial Register maintained by the Register of Enterprises of Latvia under the registration number: 40203063602, legal address: Republikas laukums 2A, Rīga, LV-1010, Latvia, (the "**Issuer**") in the amount of up to EUR 75 000 000 (the "**Offering**") and admission thereof (the "**Admission**") to trading on the Baltic Bond List of AS Nasdaq Riga ("**Nasdaq**" or "**Nasdaq Riga**").

This Base Prospectus should be read and constructed together with any supplements hereto (if any) and any other documents attached herein and, in relation to any tranche of Bonds issue (the "**Tranche**"), with the Final Terms of the relevant Tranche (the "**Final Terms**"), as applicable. The issue-specific summary shall be annexed to the Final Terms of each of the Tranche and shall be announced in the same order as the Base Prospectus and provided to the Latvian competent authority, the Bank of Latvia (in Latvian – *Latvijas Banka*, the "**Bank of Latvia**") together with the Final Terms.

Neither this Base Prospectus nor any Final Terms 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. Furthermore, the distribution of this Base Prospectus and/or any Final Terms in certain jurisdictions may be restricted by law. Thus, persons in possession of this Base Prospectus and/or any Final Terms are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Bonds shall be offered, as specified in the Base Prospectus and the Final Terms, subject to possible cancellation or modification of the Offering and subject to certain other conditions.

This Base Prospectus has been prepared and the Final Terms will be prepared by the Issuer in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, as may be amended from time to time (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980, as may be amended from time to time (the "**Delegated Regulation**"). The Bank of Latvia (in Latvian – *Latvijas Banka*) in its capacity as the competent authority in Latvia under the Prospectus Regulation has approved this document as a Base Prospectus and has notified the approval of the Base Prospectus to the Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksioon*; the "**EFSA**") and the Bank of Lithuania (in Lithuanian: *Lietuvos bankas*, the "**Bank of Lithuania**").

The approval by the Bank of Latvia of this Base Prospectus only means that it is meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Bonds that are the subject of this Base Prospectus. Application has also been made to Nasdaq Riga for Bonds issued under the Programme to be admitted to trading on the Baltic Bond List of Nasdaq Riga.

The Base Prospectus has been drawn up as a base prospectus in accordance with Article 8 of the Prospectus Regulation.

All the Bonds of the Issuer (when issued) will be non-material registered Bonds and will be registered with Nasdaq CSD SE ("**Nasdaq CSD**"). When registering the Bonds of different Tranches, Nasdaq CSD will provide different ISIN to Bonds of different Tranches, unless it will be decided by Nasdaq CSD to provide the same ISIN to Bonds of different Tranches for any reason. Bondholders will be able to hold the Bonds through Nasdaq CSD participants including the Arranger, such as investment firms and custodian banks operating in any of the Baltic states.

MiFID II product governance - solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients, and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and respective retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds should take into consideration the manufacturer's target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union, in a country member of the European Economic Area and Switzerland.

Before deciding to purchase the Bonds, prospective investors must make their own assessment as to the suitability of investing in the Bonds. Each prospective investor should:

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

Investment in the Bonds to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before deciding to invest in the Bonds. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Bonds are discussed in Section 2 "Risk Factors" of this Base Prospectus. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. If any of these risks materialize, the market value of the Bonds and the likelihood the Issuer will be able to fulfil its payment obligations under the Bonds may decrease, in which case the Bondholders could lose all or part of their investments.

Any previous discussions or presentations provided to prospective investors were solely for information purposes and the Bonds are issued in accordance with this Base Prospectus and Final Terms. A prospective investor should not make an investment decision relying solely upon the information provided to the prospective investor in any presentation or otherwise.

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

The date of this Base Prospectus is 24 April 2025

TABLE OF CONTENTS

1	OVERVIEW OF THE PROGRAMME.....	6
2	RISK FACTORS	8
2.1	Risk factors related to macroeconomic and geopolitical environment	8
2.2	Risk factors related to the industry of the Issuer	8
2.3	Risk factors related to the Issuer's business	9
2.4	Legal and regulatory risk factors	10
2.5	Financial risk factors.....	10
2.6	Risk factors related to the Bonds	11
2.7	Risk factors related to the Collateral.....	12
2.8	Risk of Inaccurate Property Valuations.....	14
3	INTRODUCTORY INFORMATION	16
3.1	Applicable Law.....	16
3.2	Responsible Persons and Limitation of Liability.....	16
3.3	Presentation of Information	16
3.4	Forward-Looking Statements.....	17
3.5	Approval of this Base Prospectus	17
3.6	Important Information for Investors	18
3.7	Distribution of the Base Prospectus and Selling Restrictions	18
3.8	References incorporated into this Base Prospectus	19
3.9	Documents on Display	19
4	INFORMATION ABOUT THE ISSUER.....	21
5	REASONS FOR OFFER AND USE OF PROCEEDS.....	22
6	BUSINESS OVERVIEW	23
6.1	History, development and key activities of the Issuer and the Subsidiary	23
6.2	Financing of activities	24
6.3	Material agreements.....	25
6.4	Related party transactions	26
7	PROJECT PRESES NAMA KVARTALS.....	28
8	PRINCIPAL MARKETS.....	31
8.1	Principal activities, Competitive position and strengths	31
8.2	Recent trends, developments and significant change	33
8.3	Profit Forecasts or Estimates	36
8.4	Statutory auditors.....	36
8.5	Legal proceedings	36
9	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.....	38
9.1	Governance Structure.....	38
9.2	Management Board of the Issuer	38
9.3	Supervisory Board of the Issuer.....	39
9.4	Management Company	40
9.5	Management of the Management Company	41
9.6	Conflicts of interests and other declarations	42
10	SHARE CAPITAL, SHARES, MAJOR SHAREHOLDERS, ARTICLES OF ASSOCIATION	44
10.1	Share capital and shares.....	44

10.2	Shareholders of the Issuer	44
10.3	Articles of Association	45
11	SELECTED FINANCIAL INFORMATION AND OPERATING DATA	47
11.1	Issuer's historical financial information	47
11.2	Insight in the Group's Financial Standing	50
11.3	Financial Indebtedness	50
11.4	Alternative Performance Measures (APM)	52
12	TERMS AND CONDITIONS OF THE BONDS	54
12.1	Type and class of the Bonds	54
12.2	Currency and Nominal Value	54
12.3	Form and Registration	54
12.4	Status of the Bonds.....	54
12.5	Ratings.....	54
12.6	Applicable Law and Dispute Resolution	54
12.7	Delivery and Transferability.....	55
12.8	Collateral of the Bonds	55
12.9	Refinancing / Sale.....	56
12.10	Separation of the Property	57
12.11	Bondholders and the Collateral Agent	57
12.12	Scope of Obligations of the Collateral Agent	58
12.13	Establishment, Release and Enforcement of the Collateral.....	60
12.14	Replacement of the Collateral Agent or the Trustee.....	62
12.15	Application of the Proceeds from Enforcement of the Collateral.....	62
12.16	Rights and restrictions connected with the Bonds issue	63
12.17	Interest	63
12.18	Early Redemption at the option of the Issuer (call option)	64
12.19	Maturity.....	64
12.20	Representations and Warranties of the Issuer.....	64
12.21	Financial Covenant.....	65
12.22	General Covenants.....	66
12.23	Covenant Cure.....	68
12.24	Events of Default	68
12.25	Force Majeure	69
12.26	Further Issues	70
12.27	Notices	70
12.28	Appointment and Replacement of the Trustee.....	70
12.29	Duties of the Trustee.....	71
12.30	Limited Liability of the Trustee.....	72
12.31	Bondholders' meetings and decisions.....	72
13	TERMS AND CONDITIONS OF THE OFFERING	75
13.1	General Structure of the Offering of Bonds.....	75
13.2	Subscription for the Bonds	75
13.3	Retail Offering	76
13.4	Private Placement	76
13.5	Exchange Offering.....	76

13.6	Conversion Offering	77
13.7	Withdrawal of the Subscription Orders	78
13.8	No Assignment or Transfer	78
13.9	Payment for the Bonds	78
13.10	Allotment	79
13.11	Cancellation, Suspension or Postponement of the Offering	79
13.12	Settlement and Delivery	80
13.13	Listing and Admission to Trading	80
14	INFORMATION ABOUT THE COLLATERAL	81
15	TAXATION	82
15.1	Taxation of the Bondholders individuals	82
15.2	Taxation of the Bondholders entities	82
15.3	Taxation of low-tax non-residents	83
16	FORM OF FINAL TERMS	84
17	GLOSSARY	86

1 OVERVIEW OF THE PROGRAMME

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

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

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

Issuer:	AS "PN Project"
Legal Entity Identifier (LEI):	6488MO7801E7SK91DC04
Programme Limit:	Up to EUR 75 000 000 aggregate nominal amount of Bonds outstanding at any one time
Risk Factors:	Investing in Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are discussed in Section 2 "Risk Factors"
Method of Issue:	The Bonds shall be issued in Tranches. The Bonds of each of the Tranches will generally be subject to similar main terms, except that the following may differ, as specified in the respective Final Terms of the respective Tranche: the Issue Date, the nominal value of the Bonds, the Issue Price of the Bonds, Maturity Date and the annual fixed interest rate
Form of the Bonds:	The Bonds will be issued in dematerialized form and book entered with Nasdaq CSD SE
Status and Security:	To be secured with the following collateral - mortgage in the total amount of up to EUR 82 500 000 on real estate of the Issuer created in favour of the Collateral Agent acting on behalf of the Bondholders according to the process described in Section 14 "Information about the Collateral" and Section 12.8 "Collateral of the Bonds", with the particular secured claim amount specified in the Final Terms of the respective Tranche according to the total aggregate amount of Bonds issued under the Programme at the time
Currency:	EUR
Denomination:	The nominal amount of each Bond shall be specified in the Final Terms
Issue Price:	The Bonds may be issued at their nominal amount or at a discount or a premium to their nominal amount
Minimum Investment Amount:	The Bonds will be offered for subscription for a minimum investment amount that will be specified in the Final Terms
Interest:	The Bonds will bear interest at a fixed annual interest rate as specified in the Final Terms
Maturity:	The Bonds shall be repaid in full at their nominal amount on the date which will be specified in Final Terms. Each Tranche of the Bonds shall have a maturity up to 2 (two) years starting from the Issue Date of the first Tranche
Listing:	Application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the Regulated Market according to the requirements of Nasdaq Riga not later than

within 6 (six) months after the Issue Date of the respective Tranche

Taxation:

All payments in respect of the Bonds by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by laws of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable law for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Bondholders in respect of such withholding or deduction

Rating:

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

Governing Law:

Latvian law

Dispute Resolution:

Any disputes relating to or arising in relation to the Bonds shall be settled solely by the courts of Latvia of competent jurisdiction

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of the Base Prospectus in the United States of America, the EEA, UK, the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia and other jurisdictions, see Section 3.7 "Distribution of the Base Prospectus and Selling Restrictions" of this Base Prospectus

2 RISK FACTORS

Investing into the Bonds entails various risks. Each prospective investor in the Bonds should thoroughly consider the risk factors and all the information in this Base Prospectus. Any of the risk factors described below, or additional risks not currently known to the Management Board or not considered significant by the Management Board, could have a material adverse effect on the business, financial condition, operations or prospects of the Issuer, and result in a corresponding decline in the value of the Bonds or the ability of the Issuer to redeem the Bonds. As a result, investors could lose a part or all the value of their investments. The Management Board believes that the factors described below present the principal risks inherent in investing into the Bonds. The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The risk factors in a category are presented considering the materiality and probability of occurrence of a particular risk.

The potential magnitude of each risk towards the business of the Issuer has been categorised as "low", "medium" or "high" in the opinion of the Management Board at the date of this Base Prospectus. Risk categories are provided for ease of reference and cannot be understood separately from the description of each risk.

This Base Prospectus is not, and does not purport to be, investment advice or an investment recommendation to acquire the Bonds. Each prospective investor must determine, based on its own independent review and analysis and such professional advice as it deems necessary and appropriate, whether an investment into the Bonds is consistent with its financial needs and investment objectives and whether such investment is consistent with any rules, requirements and restrictions as may be applicable to that investor, such as investment policies and guidelines, laws and regulations of the relevant authorities.

2.1 Risk factors related to macroeconomic and geopolitical environment

Geopolitical risk

In February 2022, Russia launched a military attack on Ukraine. This military assault has impacted the global economic activities, market stability and overall investor confidence. At the date of this Base Prospectus, the restrictive sanctions and measures imposed against Russia and Belarus have not directly affected the Issuer's activities. At the same time, the Project of the Issuer is developed and located in Latvia. Because the Baltic states are proximate to Russia, it can impact the overall investor activity in the region and deter the flow of foreign investment. Decline in investor and consumer confidence may also reduce the commercial activity and demand in the local real estate market.

The Issuer considers geopolitical risk as low.

Global pandemic risk

The Issuer may be impacted by the global pandemic situation, however there is uncertainty around the severity of any such pandemic. Many businesses may be negatively affected by unprecedented nature and extent of global pandemics. COVID-19 situation has additionally contributed to and increased market uncertainties. As the Project involves lease of commercial real estate, the Issuer is dependent on the ability of potential tenants to fulfil their obligations under lease contracts. While the definite outcome is uncertain, any global pandemic challenges may cause financial difficulties, especially for tenants from certain sectors, and their ability to meet lease obligations.

The Issuer considers global pandemic risk as low.

2.2 Risk factors related to the industry of the Issuer

Real estate and office market risk

Potential negative development of the Latvian real estate market could have a negative impact on both real estate market prices and market transaction volume. Even though around the date of the Base Prospectus the Latvian real estate market is considered as remaining stable, the real estate market's performance is intricately tied to economic conditions, including factors like inflation, interest rates, and geopolitical events, such as the war in Ukraine. In times of economic downturn, rental incomes decrease, and unemployment rises, posing challenges for securing solvent tenants and rent collection by the Issuer. This dynamic may result in declining asset prices, impacting the Issuer's financial standing and the value of real estate assets to be used as Collateral securing the Bonds.

Also, considering that the Phase A of the Project involves constructing a 28,300 m² A+ class commercial

building, the conditions of the Riga office market shall contribute to the Project's success. Until now, the Riga office market has shown relative stability and according to Q42024 Colliers Riga Office Market Overview office take-up reached near-record 59,100 m2 in 2023, while 2024 was only marginally lower at 53,300 m2. Nevertheless, the office market can be subject to rapid volatility. Factors such as economic conditions, changes in supply and demand, geopolitical events, and shifts in technology can all contribute to fluctuations in the office real estate market. These fluctuations can affect rental rates, occupancy levels, and property values, making the market susceptible to rapid changes. Therefore, there is no guarantee that the Issuer will succeed in finding tenants for office premises of the Project.

These factors collectively underscore the complexity of current market conditions and the challenges involved in securing full occupancy for the Project. Such conditions could significantly influence the Project's success, the financial standing of the Issuer, and thus, indirectly affect the Issuer's ability to repay the Bonds.

The Issuer considers real estate and office market risk as medium.

Risk related to competition and occupancy of the Project premises

The Issuer operates in Riga, Latvia, where the Project is located. Riga city has number of existing high-quality offices, and new office spaces continue to develop. Offices with existing presence have established relationships in the market, whereas the new entrants increase the competition, especially if they bring new and innovative concepts, technologies or competitive pricing. In addition, there is a growing tendency for co-working spaces that can affect the demand for traditional office spaces, particularly for smaller and medium sized enterprise segment. Saturated competition may increase pressure to attract tenants for the Project or reduce the rental rates in the market, which in turn, can reduce the Project profitability and return on the investment.

The A phase of the Project is scheduled to be completed in the middle of 2026 and only starting from this date, the first tenants will be able to move into the premises. The Issuer must ensure sufficient level of occupancy of the Project premises to generate the funds. The Management Company and the Issuer are currently making their best efforts in searching and attracting the tenants for the Project's premises, and number of lease agreements have been concluded with office and retail tenants at the date of this Base Prospectus. There are no indications of a slowdown in the real estate market in Latvia. The recent research suggests the occupancy rate of newly constructed offices exceeds 80%, underscoring a strong demand-supply dynamic, particularly in prime locations in Riga. Nevertheless, competition among developers of business centres remains intense, potentially making it challenging for the Issuer to attract tenants without offering discounts or making additional investments in furnishing the premises.

The Issuer considers risk related to competition and occupancy of the Project premises as medium.

2.3 Risk factors related to the Issuer's business

Construction cost and Project success risk

Considering that the Issuer is raising financing for further completion and development of the Project, the obligations of the Issuer under the Bonds are subject to the Issuer's ability to complete the Project on time and repay its obligations.

The completion of the A and largest Phase of the Project is planned in 2026 (originally it was planned to complete constructions in 2023). Despite a change in the general contractor, the Project continues to progress successfully. However, the frequent changes in the global markets and the building materials supply chain, primarily due to the war in Ukraine and the related economic and geopolitical situation in the region, including instability in the energy market, (despite of the fact that the Project is being built as energy efficient and therefore, the Project is more resistant to fluctuations in energy prices), there is a remote risk of unexpected increase in construction costs. As of the time of this Base Prospectus, the Project is progressing within its budgetary constraints. However, it should be noted that should there be unexpected increases in construction costs, it may become necessary for the Issuer to secure additional funding through debt. However, obtaining this extra financing could be challenging for the Issuer due to various factors or inability to secure construction material required to complete the Project that may reduce the overall profitability of the Project, delay the completion of the Project or affect its timeline and as a result adversely affect the Issuer's plans, activities, financial situation, and ability to repay the Bonds.

At the date of this Base Prospectus and as detailed in Section 8.5 "Legal Proceedings", the Issuer and the Subsidiary are involved in multiple litigations with previous contractors of the Project, with outcomes pending, although risk of substantial financial loss on the side of Issuer shall be deemed as being low in the scope of project investment programme. Moreover, since the construction of the Project is ongoing and even unpredictable may happen, the Issuer cannot assure that it will avoid any further disputes with suppliers or maintain existing relationships, especially should a ground and a need for litigation arise on the side of the Issuer. Any supply chain disruptions or damage to supplier integrity may result in significant

costs, loss and reputation damage, potentially impacting the Issuer's profitability and ability to repay the Bonds in time.

The Issuer considers construction cost and Project success risk as medium.

Management and human resources risk

The Issuer's ability to repay the Bonds depend on the employees and management teams of the Issuer and Management Company, their decisions, competences and experiences.

The Issuer's success in further development and completion of the Project depends on qualified executives and employees of the Issuer with special expertise in the development, financing, engineering, construction, operation and maintenance of real estate projects. The Management Company's personnel are also contributing to the success of the Project. Therefore, given the combined Issuer's and Management Company's teams' expertise in the industry, their knowledge of the business processes and their relationships with local partners, the loss of the services of one or more of key individuals could have a material adverse effect on the Issuer's and/or Management Company's business, financial condition, results of operations or prospects.

Additionally, from time to time, executives, and other employees with technical or industry expertise may leave the Issuer and/or Management Company. The Issuer's and/or Management Company's failure to promptly appoint qualified and effective successors for such individuals or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Issuer's and Management Company's business, financial condition, results of operations or prospects. Any long-term performance deficiencies that adversely affect the development of the Project may have an indirect negative impact on the Issuer's operations and financial standing.

The Issuer considers management and human resources risk as low.

2.4 Legal and regulatory risk factors

Risk of legal disputes

As disclosed in Section 8.5 "Legal Proceedings" of this Base Prospectus, the Issuer is currently involved in legal proceedings because of disputes with contractors due to termination of construction agreement and related issues. Any negative outcome of the ongoing legal disputes in which the Issuer is currently involved, may impact the Issuer's financial standing and reputation as the Issuer may be obligated to cover awarded damages, including the legal expenses of the opposing party, incurring additional legal costs itself.

Furthermore, there is no guarantee that there will be no future disputes with the Issuer's tenants, contractors or other parties, the outcome of which is currently unpredictable. In the unlikely event that a dispute is resolved unfavourably for the Issuer, this could affect the Issuer's capacity to fulfil its obligations and therefore, also the Issuer's ability to repay the Bonds. This may also impact the attractiveness and liquidity of the Bonds.

The Issuer considers risk of legal disputes as low.

2.5 Financial risk factors

Risk related to incurring additional debt

According to this Base Prospectus the Issuer shall not assume any Financial Indebtedness, however certain exceptions are included as part of negative borrowing covenants provided in Clause 12.22.1 "Negative borrowing". Amongst others, these include, for instance Financial Indebtedness not exceeding EUR 50 000 in aggregate during the year, or non-interest-bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer, or Financial Indebtedness related to Project development expenses. If the Issuer incurs significant additional debt, the Issuer's ability to service its Financial Indebtedness, including the Bonds, might deteriorate, the amount recoverable by Bondholders in case of Issuer's insolvency might decrease.

The Issuer considers risk related to incurring additional debt as medium.

Credit and default risk of the Issuer

Investment in the Bonds is subject to credit risk, which means that the Issuer may fail to meet its obligations arising from the Bonds duly and in a timely manner. The Issuer's ability to meet its obligations arising from the Bonds and the ability of the Bondholders to receive payments arising from the Bonds depends on the financial position and the results of operations of the Issuer, which are subject to other

risks described in this Base Prospectus. In case of insolvency of the Issuer, there is a risk that the Bondholders would not receive any payments related to the Bonds or part thereof.

The Issuer considers credit and default risk of the Issuer as medium.

Risks related to Issuer's financial standing

The Issuer's financial condition is and will remain of great importance to both the Issuer and the Bondholders, since it not only carries out the Project, but is also subject to underlying obligations of the Intercompany Loan Agreement, which are expected to be covered by part of the proceeds raised under the Bonds after covering Project related expenses.

Furthermore, the only key asset the Issuer controls is the land plot with unfinished construction. The Project in development is accounted for under the fair value principle. Specifically, the value of the Issuer's assets is adjusted periodically, based on the most recent independent real estate valuation (pursuant to the latest real estate valuation report of SIA "NEWSEC VALUATIONS LV" dated 15 November 2024, the estimated market value of the Property by 30 September 2024 was EUR 62 610 000).

The Issuer considers risks related to Issuer's financial standing as low.

2.6 Risk factors related to the Bonds

Early redemption risk

According to the Terms and Conditions of the Offering of this Base Prospectus, the Bonds may be redeemed prematurely at the initiative of the Issuer. If the early redemption right (call option) is exercised by the Issuer, the rate of return from an investment into the Bonds may be lower than initially anticipated by the Investor since the potential investor may not be able to re-invest the proceeds of redemption in a comparable security at an effective interest rate compared to redeemed Bonds.

The Issuer considers early redemption risk as medium.

Refinancing risk

With the proceeds from this Bond Programme, the Issuer plans to fully redeem the Existing Bonds; also delete prohibition mark established for the benefit of UAB "Audifina", and pledge marks established for the benefit of AS "UPB" and UAB "YIT Lietuva". A failure to secure full refinancing would mean that the Collateral would rank below other mortgage and pledge marks.

The Issuer considers refinancing risk as medium.

Liquidity risk

The Bonds are newly issued securities by the Issuer, currently lacking an active trading market, which may lead to potential illiquidity and price fluctuations. Their liquidity and value are closely linked to the Issuer's financial health and the success of the real estate project. If negative events occur, such as financial instability or Project setbacks, Bondholders may find it difficult to sell their Bonds on the secondary market.

Although application will be made for inclusion to listing and trading of Bonds on the Regulated Market, the establishment of an active trading market cannot be assured. The potential Investor should consider the fact that they may not be able to sell or may face difficulties in selling the Bonds on the secondary market at their fair market value or at all. Each prospective investor is encouraged to perform a comprehensive market analysis and assess the prevailing economic conditions that may impact the liquidity of Bonds. Furthermore, potential Investor should consider the potential influence of external market forces, legislative changes, or unforeseen economic events that could affect the secondary market for the Bonds.

The Issuer considers liquidity risk as medium.

Inflation risk

At the date of this Base Prospectus high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities. Inflation reduces the purchasing power of a Bond's future interest and Nominal Value. Inflation may lead to higher interest rates which could negatively affect the Bonds price in the secondary market.

The Issuer considers inflation risk as low.

Interest rate risk

The Bonds bear interest on their outstanding Nominal Value at a fixed interest rate. While the interest rate of the Bond is fixed until redemption, the prevailing capital market rates change daily. At the date of this Base Prospectus, the prevailing capital market rates are higher than the fixed interest rate for the Bonds. Therefore, considering the high competition in the capital markets, it might be difficult for the Issuer to attract the required external financing for the completion of the Project. If the market interest rates continue to increase, the market value of the Bonds may fall, the potential Investors may lose interest in the Bonds and it might be difficult to sell the Bonds on a secondary market.

The Issuer considers interest rate risk as low.

Risk related to transaction costs/charges

When the Bonds are purchased/subscribed or sold, several types of incidental costs 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, Investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties and/or there might be other charges that could not be foreseen by the Issuer and disclosed in this Base Prospectus.

Moreover, changes to the laws and legal acts applicable in Latvia and/or the Investor's domicile, or the implementation of any new laws or other legal acts may cause additional expenses or taxes for the Investors and/or reduce the return on investment for the Investor.

The Issuer considers risk related to transaction costs/charges as low.

Offering cancellation and delisting risk

After registration of Bonds, the Issuer anticipates applying for admission to trading of Bonds on the Baltic Bond List of Nasdaq Riga. There is a risk that Nasdaq Riga will not accept the Bonds to be admitted to trading on the Baltic Bond List or order that the Bonds are de-listed from the Baltic Bond List prior to maturity after admission to trading, due to changes in Applicable Law and/or Nasdaq Riga regulations.

In addition, the Issuer is entitled to change the dates of the opening and closing of a Subscription Period of Bonds in accordance with this Base Prospectus and Final Terms. The Issuer will apply its best effort to ensure that the Offer of Bonds under this Base Prospectus occurs as initially planned, however, the Issuer cannot guarantee that the potential Investor who has subscribed for the Bonds will obtain the Bonds to which the potential Investor has subscribed for. Such changes in the dates of the Subscription Period, postponement or cancellation of the Offering of Bonds under any Tranche may negatively affect the investment plan of potential Investor.

The Issuer considers offering cancellation and delisting risk as low.

Risk of bond suitability as a financial instrument

The suitability of the Bonds as an investment may vary among potential Investors. Prior to investing, each potential Investor should thoroughly evaluate their individual circumstances, ensuring they possess adequate financial resources and liquidity to withstand potential risks associated with the Bonds, including the possibility of losing a substantial portion of their invested capital.

It is imperative that Investors possess the requisite knowledge and experience to assess the merits and risks of the Bonds, as well as access to appropriate analytical tools to evaluate their impact on their overall investment portfolio. Additionally, Investors should understand the terms of the Bonds, familiarize themselves with relevant market behaviour, and consider various economic and interest rate scenarios. Notably, the Issuer does not undertake an assessment of the Bonds' suitability for prospective investors, thus subscribing directly through the Issuer without conducting thorough evaluation may result in an unsuitable investment decision.

The Issuer considers risk of bond suitability as a financial instrument as low.

2.7 Risk factors related to the Collateral

Risks related to existing mortgages and pledge marks

At the date of this Base Prospectus there are several pledge marks, prohibition marks and mortgage claims to the Property entered in the Land Register. There is a mortgage for Existing Bonds (to UAB "AUDIFINA"), mortgage claim from previous general contractor AS "UPB" and pledge marks from two general contractors – AS "UPB" and UAB "YIT Lietuva", and recovery notation from AS "UPB" with the total outstanding amount of EUR 2 786 060,47. Management Board of the Company expects to delete these pledge marks and mortgage claims after the Exchange Offering and first or second tranche of Bonds issuance, if sufficient

funds are attracted. Management Board of the Company expects to remove AS "UPB" and UAB "YIT Lietuva" claims either through Conversion Offering or negotiations for a final settlement.

For the benefit of AS "UPB" a recovery notation in the amount of EUR 2 786 060,47 is registered in the Land Book of the Property at the date of this Base Prospectus. Until this recovery notation is removed, the Issuer will not be able to register the Collateral in favour of the Collateral Agent to hold for the benefit of the Bondholders. The Issuer intends to resolve this matter and complete the registration of the Collateral within 60 Business Days following the issuance of the first or second tranche of the Bonds. If the Issuer fails to remove the recovery notation and register the Collateral, the Bonds will remain unsecured, which may affect the Bondholders' ability to recover their invested capital.

The Issuer considers risks related to existing mortgages and pledge marks as high.

Risks related to registration of the Collateral

The Base Prospectus currently provides that the Collateral will be registered 60 Business Days following the issuance of the first Tranche of the Bonds, which is in line with standard market practice in the bond market. Consequently, during this 60 Business Day period, the Bonds will be unsecured and not backed by any collateral.

As of the date of this Base Prospectus, a recovery notation in favour of AS "UPB" is registered in the Land Book of the Property. Until this recovery notation is removed, the Issuer will not be able to register the Collateral securing the Bonds.

The Issuer is in the process of negotiating the removal of the recovery notation. However, if the recovery notation is not removed and therefore the Collateral is not registered and an Event of Default occurs within this period, Bondholders will be treated as unsecured creditors of the Issuer.

The Issuer assesses the risk associated with the registration of the Collateral as high.

Risk of insufficient value of the Collateral

The Bonds issued under this Base Prospectus will be secured by the Collateral. The maximum amount of secured claim of the Collateral will be up to EUR 82 500 000 for the benefit of the Bondholders, with the claim amount specified in the Final Terms of the respective Tranche according to the total aggregate amount of Bonds issued under the Programme at the time. The real estate Property is being currently developed and constructed in Latvia. As a result, the value of the Collateral (once the Collateral is created) will directly depend on the construction progress and successful completion of the Project and in case of the 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.

In addition, in case of negative development of Latvian 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 that all claims of the Bondholders could be satisfied. Please note that pursuant to the real estate valuation report of SIA "NEWSEC VALUATIONS LV" dated 15 November 2024, the estimated market value of the Property by 30 September 2024 was EUR 62 610 000. Value of the Property that is subject to the Collateral is expected to increase following the construction progress and successful completion of the Project.

Notably, value of the Collateral may vary from time to time, however in case of enforcement, the claims of the Bondholders will be satisfied on behalf of the Collateral Agent from the value of the Collateral existing at the time of the Collateral realization that is determined and carried out in accordance with the relevant laws of Latvia. It shall be noted that in case of enforcement, the foreclosure of the relevant Collateral may be prolonged (for example, it may be hard to find buyers of the Collateral).

Moreover, the funds received upon realization of the Collateral as a first priority will be used for the satisfaction of and payment of all costs and expenses (including, without limitation, Collateral Agent's fees, state duties, notary fees) related to or arising from enforcement (realization) of the Collateral incurred by the Collateral Agent as provided by the Collateral Agent Agreement and Base Prospectus. Hence, the Bondholders will receive only the remaining amounts after satisfying the respective claims.

The Issuer considers risk of insufficient value of the Collateral as medium.

Risks related to amendments to laws and regulations

There is a general risk that amendments to laws and regulations governing Collaterals, which secure the Bonds, as well as laws and regulations governing rights and obligations of the Collateral Agent may introduce uncertainty to Bondholders. Namely, there is a general risk that regulatory changes may affect the enforceability of Collateral securing the Bonds, potentially affecting the Bondholders' position.

The Issuer considers risks related to amendments to laws and regulations as low.

Risks associated with the Collateral Agent Agreement

Collateral Agent represents the Bondholders in all matters concerning the Collateral, which secures the Bonds under this Base Prospectus. There is a risk the Collateral Agent, or any appointed party, may not fulfil its obligations adequately in terms of perfecting, maintaining, enforcing, or undertaking other necessary actions in relation to the Collateral. Pursuant to the terms outlined in the Collateral Agent Agreement, the Collateral Agent is authorized to engage in agreements with third parties or undertake any other actions deemed necessary to maintain, release, or enforce the Collateral, as well as resolve any disputes regarding the rights of Bondholders in respect to the Collateral.

The Issuer considers risks associated with the Collateral Agent Agreement as low.

Risks related to limitations and procedures concerning enforcement of the Collateral

The enforcement of the Collateral securing the Bonds, is subject to the procedures and limitations provided in the Collateral Agreement, Collateral Agent Agreement, this Base Prospectus and Applicable Law. There is no assurance to the ability of the Bondholders to instruct the Collateral Agent to initiate any enforcement procedures. Furthermore, any enforcement of security may be delayed due to the provisions of the Collateral Agreement, Collateral Agent Agreement and Base Prospectus. In addition, the Collateral enforcement costs may be disproportionate to the amount being recovered, and such costs may be beyond the control of the Collateral Agent.

Furthermore, according to Collateral Agent Agreement and this Base Prospectus, the Collateral Agent may resign from its role in certain conditions. The Majority Bondholders may also pass a decision to replace the Collateral Agent. The Collateral Agent's professional liability is insured with an insurance company If P&C Insurance AS Latvijas filiāle with the insured amount EUR 2 000 000.

The Issuer considers risks related to limitations in procedures concerning enforcement of the Collateral as low.

Risks related to the actions and financial standing of the Collateral Agent

By subscribing for, or accepting the assignment of, any Bond, each Bondholder accepts the appointment of the Collateral Agent as the agent and representative of the Bondholders, to represent and act for such secured creditors, i.e., the Bondholders in relation to the Collateral. Thus, only the Collateral Agent is entitled to exercise the rights under the Collateral and enforce it. Any failure to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Bondholders due to, for example, inability to enforce the Collateral and/or receive any or all amounts payable from the Collateral in a timely and effective manner due to decisions of state courts in the jurisdiction where the Collateral is located.

The actions and financial standing of the Collateral Agent present low risks.

2.8 Risk of Inaccurate Property Valuations

Risks related to inaccurate property valuations

Real estate valuations are subjective assessments by external property appraisers that are influenced by a number of variables, assumptions, and methodologies that may result in the valuation being inaccurate. In particular, uncertainties impacting valuation statements include, amongst other factors, the lack of liquidity of real estate assets, the availability of debt funding, the nature of each property, its location, the expected future rental income from that particular property and the valuation methodology used to assess that property's value. This is especially true when there are few or no comparison sales. In addition, property appraisals are based on assumptions that may prove erroneous. Property appraisers make certain assumptions on the future development of the real estate market, such as market yields and market rents.

The Group appraises the Property on a yearly basis. There is no single valuation standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. Fair values may be established using various approaches, such as discounted cash flow, a market comparable approach that is based on a specific financial measure (such as rental income, net operating income, value per square meter or other metrics) or, in some cases, a cost basis or liquidation analysis. Valuations are inherently uncertain and may therefore fluctuate over short periods of time and may be based on estimates and determinations of fair value which may differ materially from the values that would have resulted if a liquid market had existed. Even if market quotations are available for the Group's properties (including Property), such quotations may not reflect the value that the Group would actually be able to realize because of various factors, including the illiquidity of the underlying assets, the speculative nature of investment property, future market price volatility or the potential for a future loss in market value based on poor real estate market conditions. There can also be no assurance

that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

The Issuer considers risks related to inaccurate property valuations as low.

3 INTRODUCTORY INFORMATION

3.1 Applicable Law

This Base Prospectus has been drawn up in accordance with 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 (the “**Prospectus Regulation**”) and Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the “**Delegated Regulation**”), in particular with Schedule 6 and 14 thereof. Latvian law shall apply to this Base Prospectus and any disputes arising from this Base Prospectus shall be settled in Latvian courts, except for when, according to the applicable law, the jurisdiction cannot be agreed on.

Please review the following important introductory information before reading this Base Prospectus.

3.2 Responsible Persons and Limitation of Liability

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer and the Bonds which, according to the particular nature of the Issuer and the Bonds, is necessary to enable Investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

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

signed with a safe electronic signature

Chairman of the Management Board

Povilas Urbonavičius

signed with a safe electronic signature

Member of the Management Board

Igors Danilovs

3.3 Presentation of Information

3.3.1 Approximation of numbers

Numerical and quantitative values in this Base Prospectus (e.g., monetary values, percentage values, etc.) are presented with such precision that the Issuer deems necessary to provide adequate and sufficient information on the relevant matter while avoiding an excessive level of detail. In some cases, quantitative values have been rounded up to the nearest decimal place or whole number to avoid an excessive level of detail. As a result, certain values may not necessarily add up to the respective totals because of the approximation. Exact numbers can be examined and derived from the Financial Statements to the extent that the relevant information is reflected therein.

3.3.2 Currencies

In this Base Prospectus, financial information is presented in euro (EUR), the official currency of the EU Member States participating in the Economic and Monetary Union, including Latvia.

3.3.3 Date of information

This Base Prospectus is drawn up based on information which was valid as of the date of the Base Prospectus. Where not expressly indicated otherwise, all information presented in this Base Prospectus must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Base Prospectus, this is identified by specifying the relevant date.

3.3.4 Third-party information and market information

Certain information contained in this Base Prospectus have been obtained from third parties. Such information is accurately reproduced and, as far as the Issuer is aware and can ascertain from the information published by the third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain information regarding the markets in which the Issuer

operates is based on the best assessment made by the Management Board. Reliable information pertaining to the markets in which the Issuer operates is not always available or conclusive. While all reasonable measures have been taken to provide the best possible assessment of information about the relevant area of activity, such information may not be relied upon as final and conclusive. Prospective investors are encouraged to conduct their own analysis of the relevant areas of activity or employ a professional consultant.

3.3.5 Definitions of terms

In this Base Prospectus, terms with capitalised first letters have the meaning given to them in Section 17 "Glossary", unless the context evidently requires the contrary, whereas the singular shall include plural and vice versa. Other terms may be defined elsewhere in the Base Prospectus.

3.3.6 References to the Issuer's Website

This Base Prospectus contains references to the Issuer's website (www.lordslb.it/presenams_bonds/). The Issuer does not incorporate the information available on the website in the Base Prospectus, i.e., the information on the website is not part of this Base Prospectus and has not been verified or confirmed by the Bank of Latvia. This does not apply to the hyperlinks indicating information incorporated by way of reference.

3.4 Forward-Looking Statements

This Base Prospectus includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements are based on opinions and best judgments by the Issuer or its Management Board relative to the information currently available to the Management Board. All forward-looking statements in this Base Prospectus are subject to risks, uncertainties, and assumptions regarding the future operations of the Issuer, the local and international macroeconomic environment and other factors.

These forward-looking statements can be identified in the Base Prospectus by the use of words including, but not limited to, "strategy", "anticipate", "expect", "anticipate", "believe", "estimate", "will", "continue", "project", "intend", "targets", "goals", "plans", "should", "would" and other words and expressions of similar meaning, or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements can also be identified in the way they do not directly relate to historical and current facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the Issuer's intentions, beliefs or current expectations concerning, among other things, the Issuer's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Issuer operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Issuer, and the development of the markets may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Issuer's results of operations and financial position, and the development of the markets and the industries in which the Issuer operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements (please see Section 2 "Risk Factors" of this Base Prospectus).

The Issuer is under no obligation to, and expressly disclaims any obligation to, update or alter the forward-looking statements in this Base Prospectus based on changes, new information, subsequent events or for any other reason.

The validity and accuracy of forward-looking statements is influenced by the general operating environment and the fact that the Issuer is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political, and social conditions, as well as other factors. The actual Issuer's results may differ from the Management Board's expectations due to changes caused by various risks and uncertainties, which could adversely impact the Issuer's operations, business, or financial results. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

3.5 Approval of this Base Prospectus

This Base Prospectus has been approved by the decision of the Bank of Latvia. Approval by the Bank of Latvia merely confirms that this Base Prospectus is in accordance with the standards of completeness,

comprehensibility and consistency provided in the Prospectus Regulation. The approval of this Base Prospectus should not be regarded as an endorsement of the Bonds. The prospective investors should assess the suitability of investing in the Bonds by themselves.

3.6 Important Information for Investors

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

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

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

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) 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 advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

3.7 Distribution of the Base Prospectus and Selling Restrictions

The distribution of this Base Prospectus and any Final Terms may in certain jurisdictions be restricted by law, and this Base Prospectus and any Final Terms may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Bonds, or otherwise to permit a public offering of the Bonds, in any jurisdiction other than the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia. The Issuer expects persons into whose possession this Base Prospectus or any Final Terms comes to inform themselves of and observe all such restrictions. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Bonds is aware of such restrictions. In particular, this Base Prospectus and any Final Terms may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, Singapore, Russia, Belarus or any other jurisdiction in which it would not be

permissible to deliver the Bonds, and the Bonds may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries.

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

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

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

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

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

3.8 References incorporated into this Base Prospectus

The following documents have been incorporated into this Base Prospectus by references and are available at the Issuer's website as follows:

- 1) the Group's consolidated audited report for the financial year ended 31 December 2023 and 31 December 2022: www.lordslb.lt/presesnams_bonds/;
- 2) the Group's unaudited interim report for the 6-month period ended on 30 June 2024: www.lordslb.lt/presesnams_bonds/;
- 3) the Issuer's Articles of Association: www.lordslb.lt/presesnams_bonds/.

The Group's consolidated audited report for the financial year ended 31 December 2023 and 31 December 2022 also includes statement from independent auditor KPMG Baltics SIA that the audited has audited financial year ended 31 December 2023 and 31 December 2022.

The Financial Statements have been audited or reviewed by an independent auditor KPMG Baltics SIA (please see Section 8.4 "Statutory auditors" of this Base Prospectus). The Financial Statements incorporate by reference the information requested in accordance with the Delegated Regulation.

3.9 Documents on Display

This Base Prospectus and each of the Final Terms will be available in electronic form on the website of the Bank of Latvia (<https://bank.lv/>) and Nasdaq Riga website (www.nasdaqbaltic.com). In addition, the following document can be accessed through the Issuer's website (www.lordslb.lt/presesnams_bonds/)

during the validity period of Base Prospectus: this Base Prospectus and the Final Terms (available at: www.lordslb.it/presesnams_bonds/).

Any interested party may download the above documents from the Issuer's website free of charge or request the delivery of electronic copies of the documents from the Issuer or the Arranger.

4 INFORMATION ABOUT THE ISSUER

The legal and commercial name of the Issuer is AS "PN Project". The Issuer is operating as a joint stock company (*akciju sabiedrība*), incorporated and registered under laws of Latvia. The Issuer was registered on 18 April 2017 with the Commercial Register of Register of Enterprises of Latvia.

The registration number of the Issuer is 40203063602 and the legal entity identifier (LEI) is 6488MO7801E7SK91DC04. The registered address of the Issuer is Republikas laukums 2A, Rīga, LV-1010, Latvia. The Issuer has been established for an indefinite period.

Contact details of the Issuer:

E-mail: info@lordslb.lt

Telephone number: +370 52619470

Website: www.lordslb.lt/presesnams_bonds/

5 REASONS FOR OFFER AND USE OF PROCEEDS

The primary objective of the Issue is to secure debt financing of up to EUR 75 000 000 (seventy-five million euros) under this Base Prospectus. The net proceeds from the Bonds issue of each Tranche under this Base Prospectus will be used by the Issuer in the following manner and order:

- 1) Funding the construction and fit-out of the Project;
- 2) Refinancing Existing Bonds;
- 3) Improving Working Capital.

The total estimated expenses of the issue of the respective tranche of Bonds and the estimated net amount of the proceeds from the issue of the respective tranche of Bonds shall be provided in the Final Terms. The specific allocation streams of capital expenditure for Improving Working Capital of the Issuer will be indicated in the Final Terms.

Subject to global economic and financial conditions in the upcoming years, as well as the business development of the Issuer, the order and priority of the proceeds referred in this Section above may differ from the anticipated plan. Net proceeds of Bonds issue of each respective Tranche are subject to the amount of financing attracted due to such issue. The statements included herein shall be considered as forward-looking statements that are based on the best opinion of the Management Board. For further information please refer to Section 3.4 "Forward-Looking Statements" of this Base Prospectus.

6 BUSINESS OVERVIEW

The Issuer is operating in construction and real estate segment as described further below. This includes construction of residential and non-residential buildings, rental and operating of own or leased real estate, as well as related management services. The key information on business operations of the Issuer and the Subsidiary is provided in this Section, which shall be read alongside the information provided elsewhere in this Base Prospectus, including but not limited to, Section 2 "Risk Factors", Section 8 "Principal Markets", Section 11 "Selected Financial Information and Operating Data".

6.1 History, development and key activities of the Issuer and the Subsidiary

The Issuer

The Issuer has been established on 18 April 2017 as a limited liability company (in Latvian: SIA). In 2018, the Issuer was reorganized from limited liability company to a joint-stock company (in Latvian: AS). The Issuer has been established as a real estate development company, which is fully owned (100%) by its Sole Shareholder. As a real estate development company, the Issuer engages in various activities, which include the following and are mostly related to investment activities:

- Project initiation, including concept and initial set of goals;
- Closing sale, rent of the premises and buildings.

The Issuer has been established as a special purpose vehicle (SPV). The key purpose of the Issuer is the development and construction of the real estate Project located in 2 Balasta dambis, Riga, known as "Preses Nama Kvartāls". Further information on this commercial development Project is available in Section 7 "Project Preses Nams Kvartāls" of this Base Prospectus.

The Subsidiary

In turn, the Subsidiary of the Issuer has been established on 1 December 2017. The Subsidiary is wholly owned (100%) by the Issuer and its primary activities related to the Project development:

- Market research and business analysis;
- Requirements, estimates, planning, procurement;
- Architecture and design;
- Testing, market launch;
- Assembly of project development team;
- Project implementation and construction.

On 20 June 2018, the Issuer and the Subsidiary concluded a construction project management agreement related to the Project, which encompasses responsibilities and activities for the Project, including, but not limited to, construction planning, coordination, budgeting, and scheduling. Further information on key material agreements of the Issuer is available in Section 6.3 "Material Agreements" of this Base Prospectus.

Structure and key corporate information

ISSUER - AS "PN Project"	
Legal form	Joint stock company (AS)
Date and place of incorporation	18 April 2017, Latvia, Register of Enterprises
Registration number	40203063602
Legal address	Republikas laukums 2A, LV-1010, Latvia
Business activity	<p>The main types of activities pursuant to NACE classification are:</p> <ul style="list-style-type: none">- Construction of residential and non-residential buildings (41.20);- Buying and selling of own real estate (68.10);

	<ul style="list-style-type: none"> - Rental and operating of own or leased real estate (68.20); - Management of real estate on a fee or contract basis (68.32)
Share capital	EUR 51 507 800
Nominal value of one share	EUR 1
Number of shares	51 507 800
Shareholders	100% share ownership by the Sole Shareholder. Further please see Section 10 "Share Capital, Shares, Major Shareholders, Articles of Association"

SUBSIDIARY – SIA "PN Management"

Legal form	Limited liability company (SIA)
Date and place of incorporation	1 December 2017, Latvia, Register of Enterprises
Registration number	40203109325
Legal address	Republikas laukums 2A, LV-1010, Latvia
Business activity	<p>The main types of activities pursuant to NACE classification are:</p> <ul style="list-style-type: none"> - Rental and operating of own or leased real estate (68.20); - Management of real estate on a fee or contract basis (68.32)
Share capital	EUR 2800
Nominal value of one share	EUR 1
Number of shares	2800
Shareholders	100% share ownership by the Issuer

6.2 Financing of activities

The Issuer will use the proceeds received by the Bonds issuance and invest in real estate development activities. The operational activities are funded and will remain funded by the equity injections of the Sole Shareholder.

All proceeds from the Issue are being used for the purposes disclosed in Section 5 "Reasons for Offer and use of Proceeds" of this Base Prospectus. The total amount to be raised will be up to EUR 75 000 000.

It is anticipated that the Bond issuance will be refinanced through external loans from banks or other financial institutions. It is notable that at the date of the Base Prospectus Issuer has Undisbursed Credits in total amount of up to EUR 50 000 000 (fifty million euros). Issuer will seek to agree with Nordic Investment bank and AS "Citadele banka" to transform existing loan contract into refinancing loan contract and increase the Undisbursed Credits up to total amount of issued Bonds or alternatively introduce another

financing party to increase the leverage of external loan. However, these negotiations are still in progress at the date of this Base Prospectus and there is no guarantee that the Issuer will succeed in using Undisbursed Credits for refinancing payments to Bondholders.

In addition to the planned Bond issuance under this Base Prospectus, the activities of the Issuer are funded from the following sources:

1. Investors' contributions. Investments valued at fair value and as accounted for by 30 June 2024 in the amount of EUR 43 519 994.13 raised through the Lords LB Special Fund V — the Sole Shareholder of the Issuer, were utilized for the acquisition of the Land Plot and to finance subsequent development costs and working capital needs. It is planned that additional funding will be raised by the Sole Shareholder and down streamed to the Issuer to finance construction costs and the working capital requirements of the Issuer. Furthermore, if the Issuer is unable to secure refinancing for the loans received from the Sole Shareholder (refer to Section 6.4 "Related Party Transactions" for detailed list of loan agreements and amounts), an alternative plan sale of the real estate forming the Project is being considered. This strategy aims to ensure that the Bonds can be redeemed by the final Maturity Date.
2. Existing Bonds (UAB Preses Nams bonds). UAB Preses Nams, another subsidiary of the Sole Shareholder (Lords LB Special Fund V), that was operating as a bond issuance vehicle, issued earlier Existing Bonds in the total nominal amount of EUR 27 415 000. The proceeds from Existing Bonds were down streamed to the Issuer under the Intercompany Loan Agreement 1 and were directed towards covering construction costs of the Project and meeting the working capital needs of the Issuer. The redemption date for the Existing Bonds is 13 November 2025. Bondholders under the Existing Bonds will have the opportunity to exchange the Existing Bonds to the Bonds issued by the Issuer under this Base Prospectus.

If there are fluctuations in the valuation which requires increase of the Issuer's equity, Sole Shareholder's loans are capitalised to ensure compliance with legal regulation. Although the Issuer's own capital is decreasing, but has not become negative yet, therefore in the upcoming period the Sole Shareholder does not have intention to inject additional equity into Issuer and will continue financing project via sub-ordinated debts.

6.3 Material agreements

The Issuer and the Subsidiary has concluded several agreements that may be considered as material for the Issuer. The information below provides key overview on such material agreements of the Issuer and/or the Subsidiary related to the Project.

Agreement	Date	Parties	Key overview
Financing agreements	10 December 2021; 10 December 2021	Issuer and AS "Citadele Banka; Issuer Nordic Investment Bank	Undisbursed Credits under financing agreements with Nordic Investment Bank and AS "Citadele banka" in the total joint amount of up to EUR 50 000 000. As noted in Section 6.2 "Financing of Activities" of this Base Prospectus, the Issuer intends to increase the Undisbursed Credits up to a total amount issued under this Bond issuance.
Construction agreement	28 Feb 2025	Issuer and SIA PN Construction Latvia	The Project's general work agreement concluded by the Issuer and SIA PN Construction Latvia. According to this agreement SIA PN Construction Latvia will finish Phase A of Project's construction and commission the property to proceed to lease activities.
Project's construction project management agreement	20 June 2018	Issuer and Subsidiary	Provides contractual responsibilities and activities, such as Project's constructions planning, coordination, budgeting, scheduling, quality control, risk

			management, and communication with various stakeholders.
Project's design work agreement	13 June 2018	Subsidiary and SIA "Arhis Arhitekti" (registration number: 40003026957)	SIA "Arhis Arhitekti" were architects of record for the design of the Project's 1 st and 2 nd stages.

Furthermore, SIA "PN Construction Latvia" (reg.nr. 40203607935) was established under Lords LB Special Fund V in November 2024 with the sole purpose of finishing the construction of A Phase of the Project, as a general contractor company. The entity's Chairman of Management Board is Povilas Urbonavičius, Lords LB Special Fund V fund manager and Chairman of the Management Board of the Issuer. The entity hired a full team of professional construction managers and successfully resumed construction works at the Property in February 2025.

As of the date of this Base Prospectus, aside from the agreements listed in this section and Section 6.4 "Related party transactions", neither the Issuer nor the Subsidiary has entered into a material contract that could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds being issued under this Base Prospectus.

6.4 Related party transactions

The Issuer has concluded several related party transactions, namely:

- (a) Intercompany Loan Agreement 1 dated 7 November 2023, concluded between the Issuer as the borrower and UAB Preses Nams as the lender. Subject to the terms and conditions set out in the Intercompany Loan Agreement 1, UAB Preses Nams as the lender shall make available to the Issuer as the borrower a loan up to a total amount of EUR 75 000 000.

Issuer anticipates that the Existing Bonds (issued by UAB Preses Nams) will be exchanged to the Bonds issued by the Issuer under this Base Prospectus and/or redeemed, and the Intercompany Loan Agreement 1 will cease to exist as part of the loan payback.

- (b) Subordination agreement dated 7 November 2023 (the "**Subordination Agreement**"), concluded between UAB Preses Nams as the junior creditor, Issuer as the subordinated debtor and the Sole Shareholder as the subordinated creditor.

Under the Subordination Agreement, the claims of the Sole Shareholder to the Issuer arising out of or in connection with the loan agreements that are detailed below are fully subordinated to the claims of the Issuer under the Intercompany Loan Agreement 1. For the avoidance of doubt, full subordination means that no payments to the Sole Shareholder shall be made by the Issuer until there are outstanding payments to UAB Preses Nams under the Intercompany Loan Agreement 1. Subordination Agreement will cease to exist after the Existing Bonds will be delisted from Nasdaq CSD.

Besides the above-mentioned, the related party transactions of the Issuer are the following:

Lender	Borrower	Agreement	Agreement date	Contract amount (EUR)	Outstanding loan amount (EUR)	Applicable interest rate
Sole Shareholder	Issuer	Loan agreement 15.11.2018.	15.11.2018.	36 174 884	7 174 884	4.87%
Sole Shareholder	Issuer	Loan agreement 31.01.2022.	31.01.2022.	27 000 000	9 440 500	3.66%
Issuer	Subsidiary	Loan agreement 21.06.2018.	21.06.2018.	100 000	55 153	5.00%
Issuer	Subsidiary	Loan agreement 29.06.2018.	29.06.2018.	80 000	80 000	5.00%

Issuer	Subsidiary	Loan agreement 09.03.2020.	09.03.2020.	64 847	64 847	5.00%
Issuer	Subsidiary	Loan agreement 17.03.2021.	17.03.2021.	2 500 000	400 000	5.00%
Issuer	Subsidiary	Loan agreement 10.12.2021.	10.12.2021.	2 500 000	500 000	5.00%
UAB Matuda	Issuer	Loan agreement 07.05.2024.	07.05.2024.	20 000 000	1 452 295	15%
UAB Preses Nams	Issuer	Loan agreement 07.11.2023.	07.11.2023.	75 000 000	25 755 575	10.65%

**As at 30 June 2024*

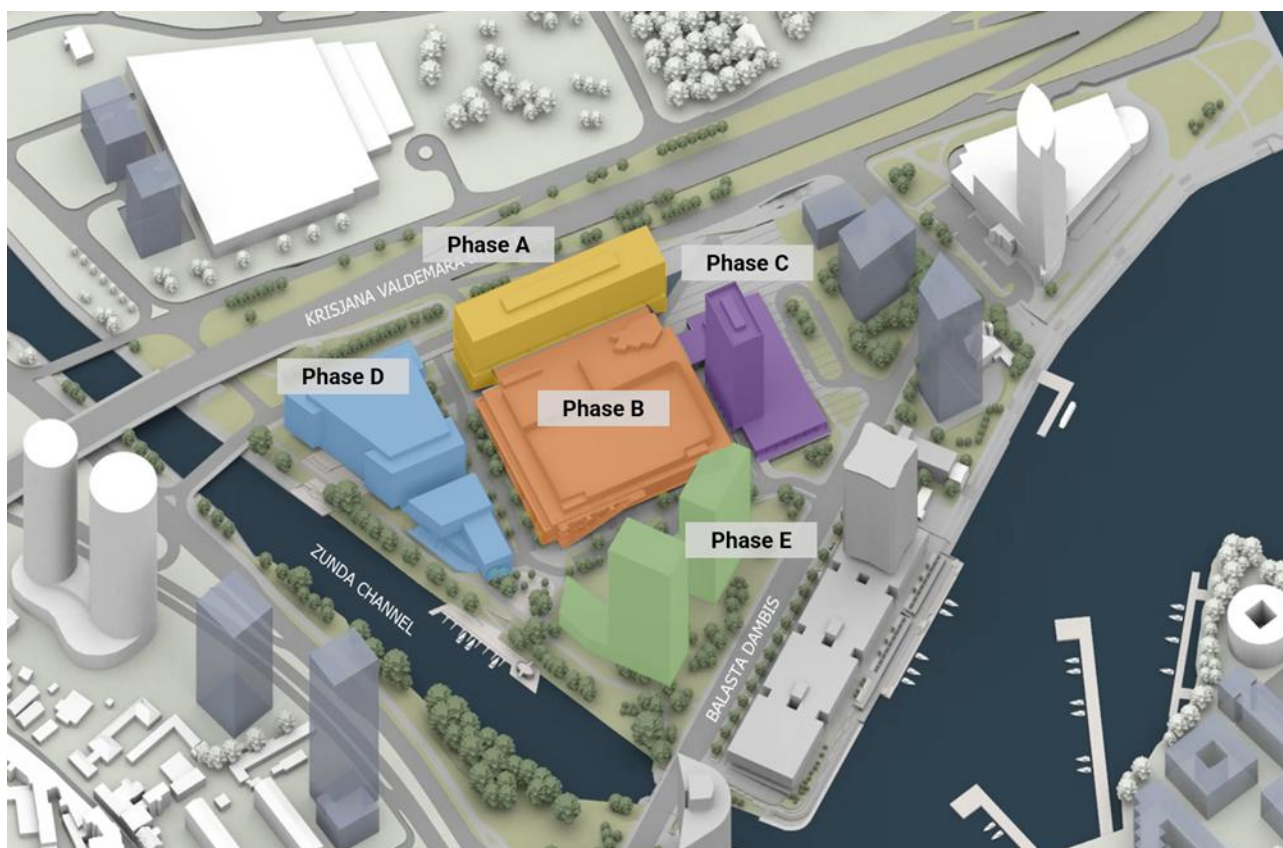
7 PROJECT PRESES NAMA KVARTALS

Introductory remarks and brief history

The Issuer is developing and constructing the Project - a commercial development project in 2 Balasta Dambis, Riga, known as “Preses Nama Kvartals”. The Project is situated on a 5.8 ha land plot in the city centre, in the heart of the future Riga CBD – Kipsala district. In total, around 180 thousand m² of gross buildable area (GBA) will be developed during 5 separate phases of the development.

The original building of Preses Nams was built in 1978. It was designed by renowned Latvian modernist architect Jānis Vilciņš. This building was used by reporters, journalists, and editors, as it hosted several publishing offices of newspapers and magazines at the time.

The location provides opportunities for new businesses and future development and growth of Riga city. The location and Phases of the Project are visually presented below:



Visualisation of Project development Phases

Source: Issuer

Currently the Issuer is developing Phases A & B of the Project. Below is a detailed overview of Phases A & B.

Overview of the Phase A & B of development

The development of the Phases A & B of the Project began shortly after acquiring the land plot in June 2017. Territorial planning procedures and design activities for the first stage ran concurrently to expedite the process. The construction permit for this phase was secured on 10 May 2020.

The Phase A of the Project involves constructing a 28 300 m² A+ class commercial building with 11 above-ground floors, while Phase B is a multifunctional structure that includes 1,000 aboveground parking spaces and approximately 7500 m² of retail space.

Additional details on the buildings developed in Phase A & B of the project are presented in the table below:

Buildings of the Phase A & B of the Project

CLASS A OFFICE	PHASE A
Architects	Arrow (Denmark)
Gross buildable area, sqm	28.300
Floors	11
Floorplate, sqm	2.272
BREEAM certification	Excellent
Near Zero Energy certification	Yes
Concept	Multi-tenant
Number of bicycle places	400

MULTIFUNCTIONAL BUILDING	PHASE B
Architects	Arhis (Latvia)
Sports field, sqm	10.000
Food court vendors	6-8
Retail area, sqm	7.466
Overground parking places	1.022
Reconstruction	Yes
Purpose	Service heart of future CBD

Source: Issuer

The Phase A of the Project was originally scheduled for completion in 2023. However, due to delays the completion date has been rescheduled to mid-2026 when the first tenants will be able to move into the premises.

At the date of this Base Prospectus, the Phase A is at an advanced stage. The underground components and primary load-bearing structures for nine floors are installed, the ground floor is complete with flooring, and partial facade systems on the first floor are in place. Main external networks are partially installed, and preparations are underway for upper floor and roof structures, as well as facade systems. Timeline of the construction schedule for Phase A of the project can be seen below.

Construction Schedule – Phase A

	2025												2026											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Core & structural engineering																								
Facades																								
Internal engineering networks																								
Lanscaping																								
Fit-out, common areas																								
Fit-out, tenants																								
Building commissioning																								

Source: Issuer

In turn, frame of the Phase B is 100% completed and initial engineering works were started. It is planned that in 2025 the Issuer will decide on whether to move forward with completion of Phase B or whether to postpone it. Depending on this decision the planned amount of bonds to be issued under the Base Prospectus will change (see Financing of the Project for more details).

Tenant lead & diversification

Based on the Issuers experience, the premises due to their location and layout characteristics could be potentially attractive to shared service centers, technology companies, financial institutions, and other corporate clients as well as for coworking centers.

Lease pricing advancing from the ground to top and corresponding to additional parameters such as floorplate area or fifth floor terrace availability.

The facades of the building are prominently visible from the bustling Krišjana Valdemara Street and the Vanšu Bridge, making it an ideal choice for Tenants seeking visibility and recognition.

At the date of this Base Prospectus, there are number of lease contracts concluded with office tenants and retail tenants for the Project premises, for instance, with a financial company, technology and engineering company, *iLunch*, *Rimi*, *Deloitte*, and others. In addition, number of letters of intent (LOI) have been signed on behalf of several retail and office tenants.

Financing of the Project

Up to the date of Base Prospectus, the financing of the Phase A & B of the Project was secured and continue to be secured from sources indicated in Section 6.2 "Financing of Activities".

To complete Phase A & B and to refinance existing loans indicated in Section 6.2 "*Financing of Activities*" it is planned to issue up to EUR 75 000 000 of Bonds under this Base Prospectus. However, at the moment, the Issuer has not decided whether to continue on the development of Phase B in parallel with Phase A or to postpone the construction of Phase B until development of remaining Phases C, D & E. If the Issuer decides to postpone the construction of Phase B it is planned to issue around EUR 60 000 000 of Bonds under this Base Prospectus.

It is notable that at the date of the Base Prospectus, the Issuer has Undisbursed Credits in the total joint amount of up to EUR 50 000 000 (fifty million euros). The Issuer will seek to agree with the Nordic Investment Bank and AS "Citadele banka" to transform existing loan contract into refinancing loan contract and increase the Undisbursed Credits up to a total amount owned by the Issuer to Bondholders. However, these negotiations are in progress and there is no guarantee that the Issuer will succeed in using the Undisbursed Credits for refinancing payments to the Issuer. In case the Undisbursed Credits are unavailable or conditions for their disbursement are too strict and cannot be fulfilled, alternative financing source could be a potential sale of the assets (land plots of later stages of development of the Project).

Overview of Phase C

Phase C of the project involves development of the Hotel with around 17,000 m² of GBA.

Due to COVID-19 lockdowns and uncertain short-term results of hospitality industry, it has been decided to separate Phase C development from the Phases A & B during general contractor tender in 2020. Russia's military attack on Ukraine in February 2022 had a significant effect on attractiveness of region for tourists, hence the decision was implemented to further delay the start of construction works.

After great summer season of 2023, hospitality industry showed signs of recovery with average daily rates exceeding historical pre COVID-19 highs, however reluctance of creditors to extend financing facilities to hospitality objects are key obstacle for proceeding to development as of this date.

Overview of Phase D & E

In July 2023 building permit for the 2nd stage was received, allowing construction of 30 000m² of commercial real estate development to begin immediately. Active work with potential anchor tenants has started and as soon as first contracts will be signed, the construction will commence.

The design work for future stages has not begun at the date of this Base Prospectus, however, it is anticipated that approximately 70 000m² of gross buildable area of commercial property will be developed during these stages. Preparatory works such as utility connection points will be completed with the construction of the Phases A & B. Hence, future land plot development will have:

- External networks of required capacity developed till the border of every land plot;
- Welcoming landscape and common accessible premises attracting future office tenants;
- The availability of numerous parking spaces in the 1st stage enables the development of approximately 50,000m² of office space without the need for additional investments in parking facilities.

8 PRINCIPAL MARKETS

This Section provides an overview of the operating segments and competitive position of the Issuer. The key operations relate to construction of residential and non-residential buildings, rental and operating of own or leased real estate, as well as related management services. The information included in this Section has been obtained through diverse public and private sources, and it is provided only for informative purposes. To the best of its abilities the Management Board has sought to ascertain and accurately reproduce the following information, omitting no facts which could render the reproduced information misleading or inaccurate. However, the Management Board accepts no further responsibility in respect to information contained herein. Prospective investors should read this Section 8 "Principal Markets" together with information provided elsewhere in this Base Prospectus, including Section 2 "Risk Factors", Section 11 "Selected Financial Information and Operating Data".

8.1 Principal activities, Competitive position and strengths

Taking into account the significant and relevant knowledge base of the Management Company, the Issuer feels confident about its capacity to successfully further develop the Project and become an active player in the commercial building segment in Latvia, particularly offering good quality, sustainable and energy efficient office buildings, served with additional modern amenities expected and valued by perspective tenants (e.g., parking, multifunctional spaces, such as retail space, food court, sports field area). It should also be noted that there is a strong market demand in Latvia, particularly in Riga, for good quality, sustainable and energy efficient office buildings that continue to increase due to various environmental, social, and governance (ESG) requirements and experienced energy crisis.

The Issuer and Subsidiary plans to continue to develop a substantial amount of lease area for potential Central Business District (**CBD**) of Riga. It is expected that total capacity of future central business centre of Riga in close vicinity of Kipsala, when considering already developed, under development and planned development, commercial area could amount to just over 350 thousand m². The Issuer and Subsidiary share of that would be 180 thousand m², or just over 50% according to Issuer's estimates. The Project benefits of several advantages related to its quality, sustainability and energy efficiency standards compared to current office stock in Riga around half of which consists of building that are older than 15 years with around 20% of the buildings being older than 5 years. Consequently, only around a third of existing office stock is certified versus 90%+ expected certification of buildings that are currently under construction according to Issuer's estimates.

The Project is also located in the city centre in the heart of the future Riga CBD – Kipsala district. Location offers a strategic advantage for office buildings with its proximity to the city centre and key business hubs. The district's accessibility together with a growing infrastructure, makes it an attractive location for businesses.

Finally, the Project is being developed with assistance and oversight of the Management Company, a leading provider of investment management services in real estate and energy & infrastructure. Major competitive advantages of the Management Company include:

- **Proven track record:** the Management Company highlights its extensive track record of successful investments and consistent returns over the years, showcasing its reliability and expertise in navigating various market conditions. Please see below the notable projects in Vilnius central business district, which are a part of the Management Company managed funds activities.



Project overview visualisation
Source: Management Company

- **Strategic partnerships:** The Management Company emphasizes its strategic partnerships with reputable auditing firms, banking institutions, and other industry stakeholders, enabling it to leverage specialized expertise, resources, and networks to enhance value for clients.
- **Client-centric approach:** The main differentiator is a client-centric approach, prioritizing personalized service, transparent communication, and tailored solutions to meet client unique needs.
- **Regulatory compliance and governance:** The Management Company being a licensed entity, supervised by the Bank of Lithuania, highlights its commitment to regulatory compliance, stringent governance standards, and ethical business practices.
- The Management Company has continuously used the instruments of bonds in both real estate and renewable energy projects and has a successful track record of refinancing bonds with senior loan from banks once the objects are commissioned. Please see below the most notable examples:

SUCCESSFUL TRACK RECORD OF PRIME OFFICE DEVELOPMENT AND FINANCING

			
LVIVO BC Vilnius, Lithuania		GLA: 15,000 m ²	
BONDS		19.1M EUR	
BANK LOAN		35.4M EUR	
NOI		3.2M EUR	
LOAN / NOI		11.1x	
BONDS		55M EUR	
BANK LOAN		55M EUR	
NOI		5.6M EUR	
LOAN / NOI		9.8x	

Visualisation of track record

Source: Management Company

8.2 Recent trends, developments and significant change

The information presented in this Section is a brief overview of the macroeconomic, real estate and office markets analysis conducted by different sources, including *Newsec* (a licensed provider of property and business valuation services), *Colliers* (a global leader in real estate services and investment management), as well as other publicly available data at the date of this Base Prospectus and Central Bank of Latvia.

Macroeconomic trends in Latvia

The Bank of Latvia December 2024 macroeconomic forecast indicates a stagnation in Latvian economy with GDP growing by only 0.1% and inflation at 1.3%, however stronger growth is expected in 2025, supported by private consumption, exports, and investments. The shorter-term outlook depends on the uncertainty in Germany and Donald Trump's intentions to impose high import tariffs after assuming the US presidency, as well as developments in Europe's neighbouring regions. A possible solution to Ukrainian conflict would significantly boost investment environment in Latvia.

Macroeconomic fundamentals: Latvijas Banka's forecasts

	2024	2025	2026	2027
Economic activity (annual changes; %; at constant prices; seasonally adjusted data)				
GDP	0.1	2.1	3.0	3.3
Private consumption	0.1	2.6	3.1	3.3
Government consumption	6.4	1.6	0.4	0.8
Investment	-4.4	3.1	4.9	3.9
Exports	-2.2	1.2	2.8	3.1
Imports	-2.9	2.4	3.1	3.6
HICP inflation (annual changes; %)				
Inflation	1.3	1.4	1.5	2.1
Core inflation (excluding food and energy prices)	3.6	2.3	2.2	2.2
Labour market				
Unemployment (% of the economically active population; seasonally adjusted data)	6.9	6.8	6.5	6.3
Nominal gross wage (annual changes; %)	9.6	6.2	6.5	6.5

Visualisation of economic projections of Bank of Latvia

Source: Bank of Latvia

Riga office market trends

Colliers in Q4 2024 Riga Office Market Overview reported that currently around GLA 73,000 sqm of office space is under construction, around 40% of which is planned to be commissioned in 2025. Several projects that could be started remain on hold waiting for anchor tenant. Two A-class office facilities were delivered in 2024 – the 20 500m² Novira Plaza in Active centre district and 13 700 m² Verde II in Skanste district. Novira Plaza is in the very heart of Riga, just next to the existing Origo One business centre and the Satekles Business Center. Verde II location is the developing CBD area of Skanste, and according to the developer, it is already 100% leased out.

Occupancy in new developments as well as complexes that constantly improve are increasing, however older developments are struggling and some of them might even leave the office market and adjust for new needs. For projects that started the development after the hike of the construction costs, asking rent rates start from 18 EUR/sqm/m with Finance, Banking, Insurance, IT and Professional services making the highest demand for office space.

With the hybrid work remaining allowed in most companies, on average smaller office premises are being demanded with the medium tenant being around 400 sqm large. Due to hybrid work, required office area has decreased by 20-30%, this allows tenants to choose higher quality offices and pay higher rental rates

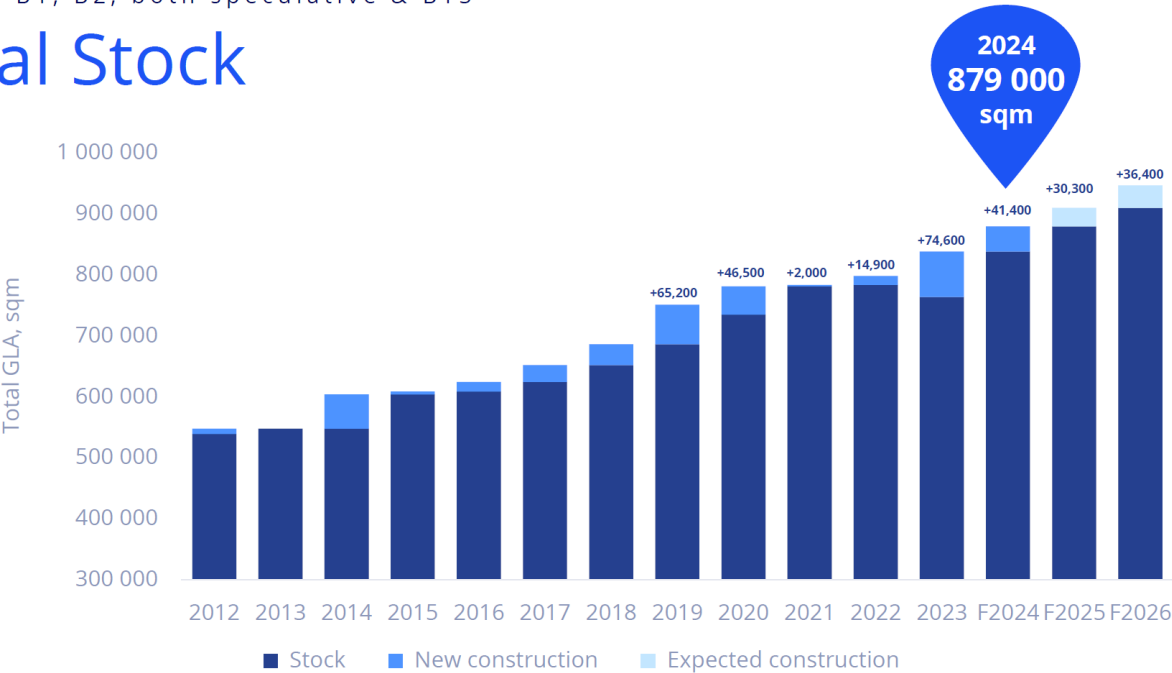
while keeping the total office costs intact. Hybrid work trend however could reverse soon, as more employers globally join the “back to office” trend, boosting occupancy.

Market demand for good quality, sustainable and energy efficient office buildings continue to increase due to ESG requirements and experienced energy crisis. Notable tenants rarely choose older buildings as they do not meet the criteria. Almost 55% of lease transactions are within new stock (primary occupation) and almost 70% are within certified office buildings.

Take-up activity remains stable, for the last 2 years annual take-up has exceeded 50,000 sqm. A growing interest towards Class B offices could be observed as tenants look to move from non-competitive stock to more energy-efficient locations. Class B projects are attracting tenants by enhancing spaces and social environments, as well as by offering additional amenities, which also encourage lease renewals.

Class A, B1, B2, both speculative & BTS

Total Stock

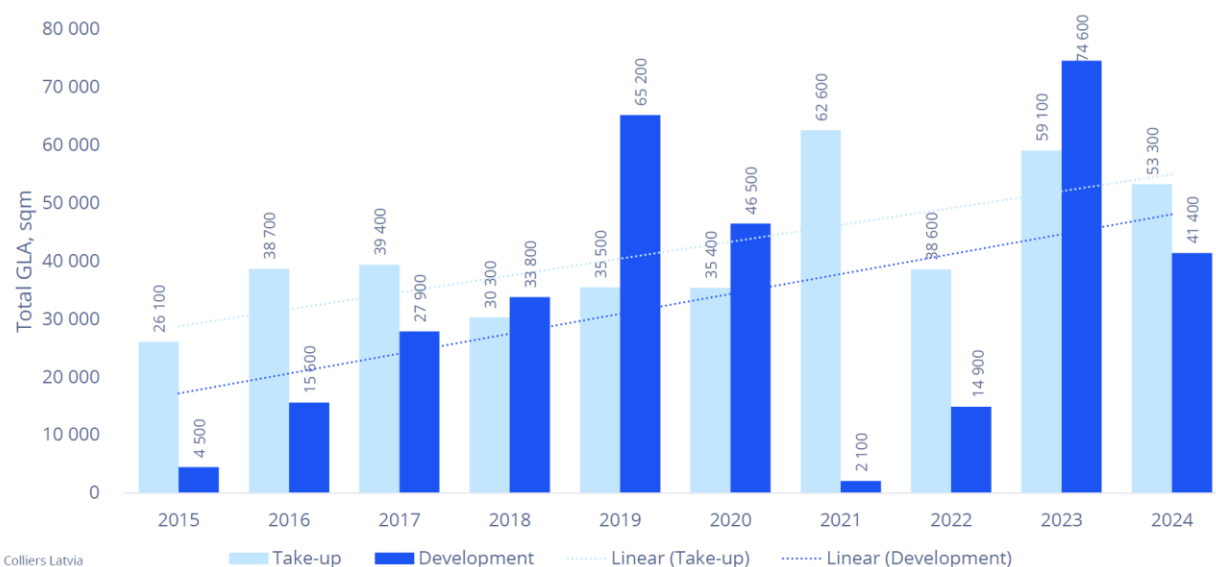


Note: In 2020 & 2023 part of stock was reclassified to class C and excluded from the stock

Source: Colliers Latvia

Tech Mahindra, an internationally recognized technology consulting firm, has chosen Riga for their regional expansion, with its office in the Jaunā Teika complex (Class B1). ESG standards are prompting developers to prioritize energy efficiency and reduce carbon footprint. In Q2 2024, Elemental Business Centre become the first project in Latvia to receive the highest BREEAM Outstanding certificate. The visualisation below provides take up and development volumes from 2015 to 2024.

Take-up vs development volumes



Take up and development volumes

Source: Colliers

Significant Change in financial position

Except for the matters disclosed in this Base Prospectus, there has been no significant, material adverse change in the Issuer's financial position since the Financial Statements for the 6 months ended June 2024 and disclosed events after reporting period. The Management Board is aware of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year outside the course of its regular business activities.

8.3 Profit Forecasts or Estimates

The Issuer does not provide profit forecasts or estimates.

8.4 Statutory auditors

The audit firm KPMG Baltics SIA, registration number: 40003235171, legal address: Roberta Hirša iela 1, Riga, LV-1045, Latvia, is the Issuer's Auditor for the accounting period covered by the historical financial information contained in this Base Prospectus. KPMG Baltics SIA is a certified auditor (license No. 55) and a member of the Latvian Association of Certified Auditors.

In turn, audit firm PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Marijas iela 2A, Riga, LV-1050, Latvia, has been confirmed as the Issuer's auditor starting from the financial year 2024.

The financial year for the Issuer is from 1 January to 31 December.

8.5 Legal proceedings

Arbitration and Judgement with Previous General Contractor – AS "UPB"

The Group was involved in arbitration with AS "UPB" at the SCC Arbitration Institute regarding a debt for executed construction works.

Key Events:

- **17 June 2024:** SCC issued a judgment ordering the Group to pay AS "UPB" EUR 12.5 million for executed construction works (the "**Judgment**").
- **16 October 2024:** Riga City Court recognized and enforced the Judgment in Latvia.

Financial Status:

- As of the Base Prospectus date: EUR 10 million paid; EUR 2.5 million remains outstanding.

- The Group agrees with the payable amount and intends to repay the remaining EUR 2.5 million. The Issuer intends to repay the remaining EUR 2.5 million within 60 Business Days after the issuance of first or second tranche of Bonds and remove the recovery notation in order to register the Collateral. The Issuer intends to repay the remaining EUR 2.5 million either from the capital contributions from the Sole Shareholders or proceeds raised from the Bonds (as part of capital expenditure use of proceeds).

Additional Arbitration with Previous General Contractor – AS “UPB”

AS “UPB” initiated new arbitration against the Group for materials intended for future construction works.

Key Events:

- **14 November 2024:** AS “UPB” commenced arbitration, claiming EUR 3.5 million for materials purchased during the contract term.
- According to the first SCC Judgment (17 June 2024), the Group had no obligation to purchase these materials.

Current Status:

- As of the Base Prospectus date, the Group and AS “UPB” are in the litigation process.

No final resolution yet.

Arbitration with New General Contractor – UAB “YIT Lietuva”

UAB “YIT Lietuva” initiated arbitration against the Group for debts related to construction works and later expanded the claim.

Key Events:

- **8 July 2024:** UAB “YIT Lietuva” commenced arbitration, claiming EUR 4.5 million for executed construction works.
- **31 October 2024:** Contract with UAB “YIT Lietuva” was terminated.
- **23 December 2024:** UAB “YIT Lietuva” increased the claim by EUR 3.5 million for materials for future construction works, bringing the total claim to EUR 8 million.

Financial Actions:

- The Group agrees with the initial EUR 4.5 million debt and intends to repay it.
- To reduce the claim, the Group paid EUR 1.9 million directly to a subcontractor, substantially lowering the amount owed.

Current Status:

- As of the Base Prospectus date, the Group and UAB “YIT Lietuva” have concluded a settlement agreement covering payment of the debt and termination of legal proceedings.

Settlement has been reached; legal proceedings are expected to be terminated once the payment is made.

Riga City Court Dispute with a Third Party

The Group is involved in a legal dispute in Riga City Court as a defendant.

Key Events:

- **As of 25 March 2025:** A third party disputes the Group’s rights under a contract. Attempting to invalidate of the pledge agreement, delete the Existing Bond mortgage and the prohibition mark from the Land Register registered on the property owned by the Group.

Group’s Position:

- The Group does not recognize the claim.
- The Group is actively contesting the claim.

Impact:

- No claims for fund recovery against the Group.
- Legal proceedings do not affect the construction process.

Ongoing dispute; no disruption to construction activities

Brief Conclusion

The Group has made significant efforts in resolving its disputes with both AS “UPB” and UAB “YIT Lietuva”, demonstrating a proactive and constructive approach to achieving peaceful settlements and maintaining progress on its construction projects. By settling with UAB “YIT Lietuva”, reducing claims through direct subcontractor payments, and negotiating with AS “UPB”, the Group is well-positioned to resume operations without disruptions. The ongoing Riga City Court dispute has no impact on construction, further underscoring the Group's resilience. However, to remove the recovery notation in the Land Book of the Property and register the Collateral for the benefit of the Bondholders, the remaining EUR 2.5 million owed to AS “UPB” must be paid, a step the Group is committed to fulfilling.

9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 Governance Structure

The corporate governance structure of the Issuer consists of Management Board, Supervisory Board and the General Meeting of Shareholders, which is the highest governing body of the Issuer. According to the Commercial Law of Latvia and Articles of Association, the Management Board is the executive institution that carries out general and strategic management, and representation of the Issuer.

Management Board is elected by the Supervisory Board. In turn, the Supervisory Board is the oversight body of the Issuer that represents the interests of the Shareholders between the Shareholders' Meetings and supervises the activities of the Management Board within the scope of Articles of Association and the Commercial Law. General Meeting of Shareholders elects the Supervisory Board.

General Meeting of Shareholders is the highest governing and decision-making body of the Issuer.

The business address of the members of the Supervisory Board, and the Management Board is the registered legal address of the Issuer, which is, Republikas laukums 2A, Riga, LV-1010, Latvia.

As of the date of this Base Prospectus, the Issuer has not established the audit committee. The audit committee of the Issuer will be elected in the next Shareholders' Meeting of the Issuer which will take place following the date of this Base Prospectus.

9.2 Management Board of the Issuer

Functions and responsibilities

The Management Board is the institution responsible for the management and supervision of the Issuer's affairs. Management Board is responsible for the operations, accounting, administration of Issuer's property, commercial activities and other duties set by Articles of Association and the law.

Management Board is elected by Supervisory Board and the chairperson of Management Board is appointed by Supervisory Board among the Management Board members. Articles of Association provide that Management Board shall consist of two to three members, who are elected for a five-year term. Any two members of the Management Board represent the Issuer jointly.

Management Board has the right to adopt decisions if more than half of its members are present in the meeting. Management Board adopts its decisions by a simple majority of votes cast at the meeting. For adopting decisions on significant matters, the Management Board requires the consent of Supervisory Board as stipulated by Articles of Association. Further information concerning corporate governance and decision making is provided in Section 10 "Share Capital, Shares, Major Shareholders, Articles of Association" of this Base Prospectus.

List of Management Board members as at the date of the Base Prospectus:

FIRST NAME, LAST NAME	POSITION	APPOINTMENT DATE	EXPIRY DATE
Povilas Urbonavičius	Chairman of Management Board	17 September 2024	16 September 2029
Igors Daņilovs	Management Board Member	17 September 2024	16 September 2029

Background and professional experience of Management Board Members

Mr Povilas Urbonavičius

Chairman of Management Board

Mr Povilas Urbonavičius is an experienced real estate professional with a demonstrated history of working in the development of real estate. Mr Urbonavičius is skilled in real estate, business development, management and business planning. His prior experience includes leadership positions in Darnu Group and Omberg Group, key players of Lithuanian real estate development field. Povilas Urbonavičius holds a bachelor's degree in civil engineering.

As at the date of this Base Prospectus positions and activities of Mr Urbonavičius outside the Issuer are not significant with respect to the Issuer.



Mr Igors Danilovs

Management Board Member

Mr Igors Danilovs is a financial management executive who has more than 17 years of experience in finance and asset management. His previous workplaces include Swedbank, Citadele Asset Management and Parex Asset Management.

Mr Danilovs holds an economics bachelor's degree from Stockholm School of Economics and a master's degree in mathematics and financial engineering from computer science faculty of Riga Technical University. Igors is a CFA charter holder.

As at the date of this Base Prospectus positions and activities of Mr Danilovs outside the Issuer are not significant with respect to the Issuer.



9.3 Supervisory Board of the Issuer

Functions and responsibilities

The Supervisory Board is the institution responsible for representing the interests of the shareholders between Shareholders' meetings and for supervising the Management Board within the scope provided by the Commercial Law and the Articles of Association of the Issuer. Main functions of the Supervisory Board, amongst other matters, include:

- election and removal of Management Board members;
- monitoring that the business is conducted according to law, Articles of Association, and decisions of Shareholders' meeting;
- examining annual accounts of the Issuer and proposal of Management Board for the use of profits;
- to examine the Issuer's registers and documents, as well as its cash and all the assets;
- to entrust one of its members to perform an examination or to invite experts to perform the examination or to clarify separate issues;
- to convene a General Meeting or to request that the Management Board would convene the meeting if the interests of the Issuer so require;
- to accept Management Board regulations.

At the date of this Base Prospectus, the Supervisory Board of the Issuer consists of 3 members, who are elected for a five-year term. Supervisory Board member may be recalled from office at any time by a decision of Shareholders' Meeting. Supervisory Board is entitled to take decisions if more than half of the members participate at the meeting. The decisions are adopted by simple majority of the Supervisory Board members present at the meeting.

List of Supervisory Board members as at the date of the Base Prospectus:

FIRST NAME, LAST NAME	POSITION	APPOINTMENT DATE	EXPIRY DATE
Marius Žemaitis	Chairman of Supervisory Board	15 August 2024	15 August 2029
Mindaugas Marcinkevičius	Deputy Chairman of Supervisory Board	15 August 2024	15 August 2029
Andrius Stonkus	Supervisory Board Member	15 August 2024	15 August 2029

Background and professional experience of Supervisory Board Members

Mr Marius Žemaitis ***Chairman of Supervisory Board***

Mr. Žemaitis has thirteen years of experience in real estate funds management, real estate development, property advisory and management consulting. His prior experience includes Newsec and McKinsey & Company. In the Lords LB Management Company, Mr. Žemaitis is responsible for managing Lords LB Special Fund I Subfund A and Central Development Fund.

Mr. Žemaitis holds a Bachelor's degree in Economics and Business Administration from the Stockholm School of Economics in Riga, as well as Executive MBA from BMI Executive Institute.

Mr Mindaugas Marcinkevičius ***Deputy Chairman of Supervisory Board***

Mr Mindaugas Marcinkevičius has over 21 years of experience in real estate development within Vilniaus Prekyba Group, the largest business consortium in the Baltics. For ten years Mr Marcinkevičius 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 m² of flagship retail and office space, which was recognized as the most valuable commercial real estate asset in Lithuania at the time. Furthermore, Mr Marcinkevičius is responsible for real estate development and project management at the Management Company of the Sole Shareholder.

Mr Marcinkevičius is also the sole shareholder of UAB "Glera", legal entity code in Lithuania: 302576414, registered address at Jogailos st. 4, Vilnius, Lithuania that directly owns 47% of the authorized capital of the Management Company. Mr Marcinkevičius holds a master's degree in real estate valuation and management from Vilnius Gediminas Technical University.

As at the date of this Base Prospectus positions and activities of Mr Marcinkevičius outside the Issuer are not significant with respect to the Issuer.

Mr Andrius Stonkus ***Supervisory Board Member***

Mr Stonkus is the founder of the leading RE 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 also founded Lords LB Asset Management in 2008 where he is responsible for fund raising and acquisitions. Prior to Re&Solution, during 2001 – 2004, Mr Stonkus was the Director of RE | 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 RE transactions totalling EUR 1 billion.

9.4 Management Company

The Sole Shareholder of the Issuer is Lords LB Special Fund V, a closed-ended real estate investment fund. In turn, the Management Company of the Sole Shareholder is UAB "Lords LB Asset Management", with legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, Lithuania, a licensed investment management company supervised by the Bank of Lithuania. Further information on the shareholding structure of the Issuer is provided in Section 10.2 "Shareholders of the Issuer" of this Base Prospectus.

The Management Company is authorized to manage real estate and private equity collective investment undertakings (licence), collective investment undertakings established in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania for Informed Investors (licence), collective investment undertakings for professional investors (licence).

The Management Company currently manages different collective investment undertakings - real estate funds, private capital fund, energy fund, energy and infrastructure fund and investment companies. The total value of assets managed by the collective investment undertakings reached EUR 1.33B at the end of December 2024.

The Management Company’s organization structure is presented in visualisation below:

Organizational structure of the Management Company











Source: Management Company



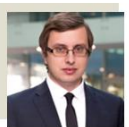
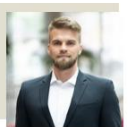



9.5 Management of the Management Company

Management of the Management Company

The management team of the Management Company is presented below to create a full picture of the professionals contributing to the success of the Project. The experience and competence of these persons both individually and jointly ensure the operations, results, and financial standing of the Issuer.

Management team of the Management Company

								
	VILMA TVARONAVIČIENĖ	KIRILAS KUNDUŠAS	RASA BARTUSEVIČIENĖ	DANA ČESŪNĖ	GIEDRIUS ŽILINKSAS	ANASTASIJA POČIENĖ	RYTIS ZALOGA	ROKAS ADLIS
Position	CEO	CFO	Investor relations manager	Investor relations manager	Chief Risk Officer	Fund manager Special Fund III, Special Fund IV, Uptown Development Fund	Fund manager Small Cap Fund, European Property Fund, Baltic Residential Fund	Fund manager Baltic Opportunity
Career highlights	Achema group	PwC, EY	Swedbank	SEB Bank	Danske Bank	Hanner, SBA Group	Hanner	EQT Exeter, Cerberus

							
	PAULIUS NEVINSKAS	IEVA ANTANAITYTĖ - GENEVIČIENĖ	MARIUS ŽEMAITIS	MANTAS AURUŠKEVIČIUS	ARTŪRAS ŠILINIS	POVILAS URBONAVIČIUS	DOMINYKAS SVETIKAS
Position	Fund manager TEWOX	Fund manager BGFV Inter Cap Fund, Right Bank Development Fund	Fund manager Central Development Fund, Special Fund I Subfund A	Fund manager Green Energy Growth Fund, Atsinaujinančios energetikos investicijos	Fund manager Private Equity Fund I	Fund manager Special Fund V	Fund manager Energy & Infrastructure SME Fund,
Career highlights	VP Group, SBA Group	Omberg group, Sirin Development, Rewe Group	Newsec, McKinsey & Company	EY	Kapitalo srautai, Ūkio bankas	Darnu Group, Omberg Group	Covallis Capital

Source: Management Company

9.6 Conflicts of interests and other declarations

Conflicts of interests

As at the date of this Base Prospectus, the Issuer is not aware of any conflicts of interest or potential conflicts of interest between the Issuer duties of the members of the Management Board or Supervisory Board and their private interests and/or their other duties.

The member of the Management Board of the Management Company, Mr Mindaugas Marcinkevičius is direct and/or indirect shareholder of the Management Company. Therefore, considering that the Management Company is involved in the development of the Project success of which is closely related to the Issuer's ability to redeem the Bonds, it is possible that these shareholders may favour any of their own interests rather than those of the Management Company or the collective investment undertakings managed by it, also it is possible that the Issuer's, Sole Shareholder's and the Management Company's interests in certain situation may differ.

Nevertheless, it shall be noted that the Management Company being a licensed entity supervised by the Bank of Lithuania implements conflicts of interest procedures in the Management Company to monitor and control conflicts of interest risk and ensure transparency of investment and investment supervision.

Interest of natural and legal persons involved in the Offering

The Issuer has appointed the following persons for the purposes of the Offering and Admission of Bonds to trading on Nasdaq Riga Regulated Market:

- AB Šiaulių bankas, registration number: 12025254, legal address: Tilžės g. 149, LT-76348, Šiauliai, Lithuania, has been appointed by the Issuer as the Arranger. The Issuer is paying fees (commissions) established in the mutual placement agreement for the services provided by the Arranger.
- ZAB Eversheds Sutherland Bitāns SIA, a law firm registered with Latvian Bar Association and registered with the Commercial Register with registration number: 40203329751, legal address: Marijas iela 2A, Riga, LV-1050, Latvia, has been appointed by the Issuer as the legal adviser. The Issuer is paying fees according to mutually concluded legal services agreement.
- Initially ZAB "VILGERTS" SIA, a law firm registered with Latvian Bar Association and registered with the Commercial Register with registration number: 40203309933, legal address: Audēju iela 15-8, Riga, LV-1050, Latvia, has been appointed by the Issuer as the Collateral Agent to act in the interests of Bondholders according to this Base Prospectus, Final Terms, Collateral Agent

Agreement and Applicable Law concerning the Collateral securing the Bonds. The Issuer is paying fees to the Collateral Agent in accordance with the concluded Collateral Agent Agreement.

There are no other persons appointed by the Issuer in connection with this Base Prospectus, Offering and Admission of the Bonds to trading on the Regulated Market as of the date of this Base Prospectus. To the best knowledge of the Management Board, neither the Arranger nor the legal adviser or the Collateral Agent has any conflict of interest pertaining to the responsibilities assigned to them by the Issuer. At the same time, the Issuer may appoint sales agent to act as a sales agent in relation to the Offering of specific Tranche in Lithuania, Latvia and/or Estonia. The respective sales agent (if any) will be indicated in the Final Terms. Further information on possible appointment and role of sales agent is available in Clause 13.1.3 of this Base Prospectus.

10 SHARE CAPITAL, SHARES, MAJOR SHAREHOLDERS, ARTICLES OF ASSOCIATION

10.1 Share capital and shares

Shares of the Issuer have been issued according to the Commercial Law. Any changes to the nature or scope of rights attached to the Issuer's shares, as defined in the Articles of Association, can only be made according to the Commercial Law. The Issuer is registered and operating as a joint stock company (in Latvian: *akciju sabiedrība*).

The share capital of the Issuer is EUR 51 507 800, which is composed of 51 507 800 registered shares, with the nominal value of one share EUR 1. All shares have been fully paid up. All shares are registered in form. Each Shareholder is granted voting rights only by way of a fully paid-up share. One paid-up share entitles to one vote in the Shareholders' Meeting.

Issuer's shares

Type of shares	Number of shares	Nominal value of one share (EUR)	Total nominal value (EUR)
Registered shares	51 507 800	EUR 1	EUR 51 507 800

10.2 Shareholders of the Issuer

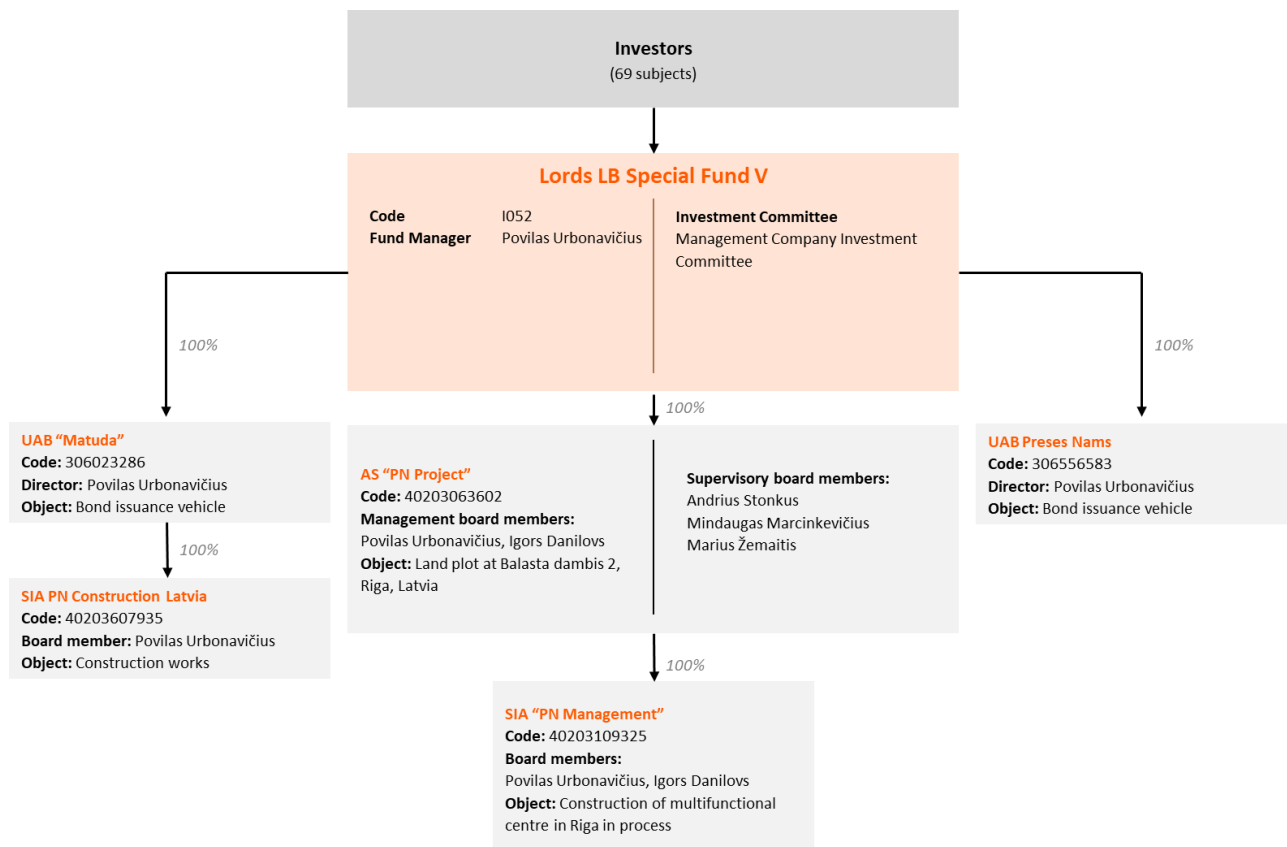
As at the date of this Base Prospectus, the Issuer is controlled by the Sole Shareholder and there are no other shareholders holding directly over 5% of Shares:

Shareholder	Number of shares	Proportion of total share capital (%)	Ultimate beneficial owner (UBO)
Lords LB Special Fund V closed-ended real estate investment fund intended for informed investors	51 507 800	100%	Mr Mindaugas Marcinkevičius - as the sole shareholder of Glera UAB, which is one of the shareholders of the Management Company, which in turn manages the Sole Shareholder that holds the shares of the Issuer. Mr Andrius Stonkus - as the sole shareholder of Aemulus UAB, which is one of the shareholders of the Management Company, which in turn manages the Sole Shareholder that holds the shares of the Issuer.

As described above, the Management Company is indirectly owned by Mr Mindaugas Marcinkevičius and Mr Andrius Stonkus, who are considered as ultimate beneficial owners (UBO) of the Issuer by exercising control through the Management Company, which is managing the Sole Shareholder of the Issuer. From financial point of view, the ultimate beneficiaries of the Issuer are the investors of the Sole Shareholder.

There are no agreements known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

The shareholding structure of the Issuer and Subsidiary is as follows:



Visualisation of shareholding structure
Source: Issuer, as of 2024.12.31

10.3 Articles of Association

Articles of Association provide key provisions on the commercial activity types of the Issuer, capital structure of the Issuer, decision-making matters and composition matters of Supervisory Board and Management Board, as well as provisions concerning Shareholders' Meeting, interim dividends and others. The current version of Articles of Association has been approved on 16 December 2024 by the Shareholders' Meeting.

Articles of Association are available on the following website of the Issuer: https://lordslb.lt/presesnams_bonds/.

Shareholders' Meeting

Shareholders' Meeting is the supreme governing body of the Issuer. According to Articles of Association Shareholders' Meeting can also be convened outside the administrative territory where the legal address of the Issuer has been registered. The Shareholders' Meeting shall have the quorum if more than 50% of the Issuer's voting capital is present. A decision of the Shareholders' Meeting is adopted if more than half of the votes present at the General Meeting have been cast in favour of such decision.

The following decisions may only be adopted if no less than three quarters of the present Shareholders' votes have been cast in favour:

- Amending the Articles of Association;
- Changes in the share capital;
- Issue of convertible bonds;
- Reorganization of the Issuer;
- Entering into a group of companies' agreement (for example, contract whereby a company subjects its management and/or undertakes to transfer all or part of its profit to another company or private individual), amending or termination thereof;
- Inclusion of the Issuer and consent for inclusion;

- Termination or continuation, suspension or renewal of Issuer's operations.

Supervisory Board

According to Articles of Association the Supervisory Board of the Issuer consists of 3 members, who are elected for a five-year term. Further information on Supervisory Board is available in Section 9.3 "Supervisory Board of the Issuer" of this Base Prospectus.

Management Board

According to Articles of Association the Management Board of the Issuer consists of two to three members, who are elected for a five-year term. Further information on Management Board is available in Section 9.2 "Management Board of the Issuer" of this Base Prospectus.

Audit committee

Upon election of the audit committee, it will operate in accordance with the law, including the Commercial Law and the Financial Instruments Market Law, and the audit committee regulations of the Issuer.

Main tasks of the audit committee of the Issuer will be supervising the efficiency of operation of the internal control, risk management and internal audit system as far as it concerns the credibility and objectivity of annual and consolidated annual reports, and to provide proposals for eliminating deficiencies of the relevant system.

Audit committee will consist of minimum three members elected by the Shareholders' Meeting. Audit committee will be chaired by its chairperson, which is elected by the audit committee members from amongst themselves. At least once per year, the assessments and findings of the audit committee shall be reported to the Shareholders' Meeting.

The business address of members of the audit committee of the Issuer will be the registered legal address of the Issuer - Republikas laukums 2A, Riga, LV-1010, Latvia.

11 SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The financial information contained in this Section is extracted from the consolidated audited financial statements of the Group pertaining to the financial years ending on 31 December 2023 prepared in accordance with Accounting Principles (the “**Audited Financial Reports**”), which are incorporated into this Base Prospectus by reference.

The financial information in this Base Prospectus for the 6-month periods ended 30 June 2024 and 30 June 2023 have been derived or taken from the unreviewed consolidated interim financial statements of the Group for the 6-month periods ended 30 June 2024 prepared in accordance with the Accounting Principles (IFRS) (the “**Interim Financial Report**”).

The Audited Financial Statements and Interim Financial Statements are further referred to as “**Financial Information**”.

11.1 Issuer’s historical financial information

Consolidated Statement of Financial Position

	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023 (audited)	31 December 2022 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment	6 180	2 568	6 251	-
Investment property	76 355 986	65 795 736	72 610 000	63 330 000
Prepayments related to investment property	2 733 577	721 883	5 296 755	2 169 906
Total non-current assets	79 095 743	66 520 187	77 913 006	65 499 906
Current assets				
Inventory	280 921	-	280 921	-
Trade receivables	66 806	66 388	66 696	45 508
Prepayments	28 917	50 224	41 118	21 401
Other current assets	58 655	179 830	52 199	63 412
Cash and cash equivalents	34 519	892 061	30 972	81 909
Total current assets	469 818	1 188 503	471 906	212 230
TOTAL ASSETS	79 565 561	67 708 690	78 384 912	65 712 136
EQUITY AND LIABILITIES				
Equity				
Share capital	33 222 800	16 222 800	33 222 800	16 222 800
Retained earnings (losses)	(19 254 929)	(5 347 372)	(13 755 313)	(3 437 018)
Total equity	13 967 871	10 875 428	19 467 487	12 785 782
Non-current liabilities				
Loans received	50 502 085	38 891 100	25 374 500	48 246 302
Other non-current liabilities	1 471 309	1 470 687	1 471 309	-
Total non-current liabilities	51 973 394	40 361 787	26 845 809	48 246 302
Current liabilities				
Trade payables	9 558 715	1 038 081	11 219 375	3 840 436
Income tax liabilities	-	38	2 022	364
Loans received	1 850 408	14 616 569	20 094 463	-
Advance payments	55 744	47 674	47 674	490

Employment related liabilities	-	24 683	28 693	33 494
Other current liabilities	2 159 429	744 430	679 389	805 268
Total current liabilities	13 624 296	16 471 475	32 071 616	4 680 052
TOTAL LIABILITIES	65 597 690	56 833 262	58 917 425	52 926 354
TOTAL EQUITY AND LIABILITIES	79 565 561	67 708 690	78 384 912	65 712 136

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	1 January 2024 - 30 June 2024 (unaudited)	1 January 2023 - 30 June 2023 (unaudited)	2023 (audited)	2022 (audited)
Rental income	42 748	41 153	62 431	71 256
Investment property management expenses	(71 427)	(28 414)	(87 331)	(9 016)
Investment property development expenses	(2 995 951)	-	-	-
Changes in fair value of investment property	-	(429 737)	(6 846 702)	(1 818 660)
Administrative expenses	(329 617)	(89 654)	(215 018)	(335 715)
Operating loss	(3 354 247)	(506 652)	(7 086 620)	(2 092 135)
Finance expenses	(2 145 294)	(1 403 495)	(3 228 300)	(2 884 969)
Loss before tax	(5 499 541)	(1 910 147)	(10 314 920)	(4 977 104)
Income tax	(75)	(207)	(3 375)	(2 822)
Net loss	(5 499 616)	(1 910 354)	(10 318 295)	(4 979 926)
Other comprehensive income	-	-	-	-
Total comprehensive income	(5 499 616)	(1 910 354)	(10 318 295)	(4 979 926)

Consolidated Statement of Changes in Equity

	Share capital	Retained earnings	Total
Balance as at 31 December 2021 (audited)	4 222 800	1 542 908	5 765 708
Net profit (loss)	-	(4 979 926)	(4 979 926)
Other comprehensive income	-	-	-
Transactions with owners			
Shares issued	12 000 000	-	12 000 000
Balance as at 31 December 2022 (audited)	16 222 800	(3 437 018)	12 785 782
Balance as at 1 January 2023	16 222 800	(3 437 018)	12 785 782
Net profit (loss)	-	(10 318 295)	(10 318 295)
Other comprehensive income	-	-	-
Transactions with owners			
Shares issued	17 000 000	-	17 000 000
Balance as at 31 December 2023 (audited)	33 222 800	(13 755 313)	19 467 487
Balance as at 1 January 2024	33 222 800	(13 755 313)	19 467 487
Net loss	-	(4 187 644)	(4 187 644)
Other comprehensive income	-	-	-
Transactions with owners			

Shares issued	-	-	-
Balance as at 30 June 2024 (unaudited)	33 222 800	-19 254 929	13 967 871

Consolidated Statement of Cash Flows

	1 January 2024 - 30 June 2024 (unaudited)	1 January 2023 - 30 June 2023 (unaudited)	31 Decembe r 2023 (audited)	31 Decembe r 2022 (audited)
Loss before tax	(5 499 616)	(1 910 354)	(10 318 295)	(4 979 926)
Adjustments for:				
Finance costs	2 145 294	1 403 495	3 228 300	2 884 969
Depreciation of property, plant and equipment	1 260	-	681	-
Increase in fair value of investment property	-	429 737	6 846 702	1 818 660
Operating cash flows before working capital adjustments	(3 353 062)	(77 122)	(242 612)	(276 297)
Increase in inventories	-	-	(280 921)	-
Decrease in trade and other receivables	2 568 813	1 281 903	(3 156 541)	2 033 048
Decrease in trade and other payables	(598 678)	(1 564 588)	17 120	1 164 822
Operating cash flows after working capital adjustments	(1 382 927)	(359 807)	(3 662 954)	2 921 573
Net cash flows from operating activities	(1 382 927)	(359 807)	(3 662 954)	2 921 573
Additions of investment property	(3 745 986)	(2 895 473)	(7 883 051)	(23 258 660)
Purchase of property, plant and equipment	(1 189)	(2 568)	(6 932)	-
Net cash flows used in investment activities	(3 747 175)	(2 898 041)	(7 889 983)	(23 258 660)
Interest paid	(57 359)	(439 115)	(1 036 893)	(325 123)
Loans received	5 710 375	4 523 000	12 627 000	20 772 500
Loans paid	(519 790)	(15 885)	(88 107)	(85 877)
Net cash flows from financing activities	5 133 226	4 068 000	11 502 000	20 361 500
Net change in cash and cash equivalents	3 124	810 152	(50 937)	24 413
Cash and cash equivalents at the beginning of the period	30 972	81 909	81 909	57 496
Impact of foreign exchange rate changes	423	-	-	-
Cash and cash equivalents at the end of the period	34 519	892 061	30 972	81 909

The Audited Financial Statements have been audited and reviewed by “KPMG Baltics SIA” and incorporated by a reference.

The following material uncertainty related to going concern is included in the Independent Auditor’s Report for the years ended 31 December 2023, and 31 December 2022:

We draw attention to Note 3.18. of the consolidated financial statements, which states that as at 31 December 2023 the Group had a working capital deficit equal to EUR 31 599 710, of which EUR 20 094 463 related to the loan received from Matuda UAB with the maturity of 26 April 2024 and EUR 11 219 375 related to amounts payable to suppliers and contractors.

Furthermore, in October 2024 the Group has terminated the contract with its general contractor and, as of the date of this report, the operations of the Group – the development of the multifunctional real estate centre on its controlled land plot – are suspended. During the building development and construction period the Group has been financed by the funds received from the shareholder and/or its controlled entities considering the course of the project and the need of working capital to finance the construction activities. The Group's ability to continue operations on a going concern basis is highly dependent on the Group's ability to attract additional financing, settle its outstanding liabilities and resume the real estate development project. At the date of these consolidated financial statements, the Group, its shareholder and its other controlled SPVs have not received a written confirmed financing commitment from the potential investors. These events and conditions, along with other matters as set forth in Note 3.18., indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

11.2 Insight in the Group's Financial Standing

The Group does not earn income independently as the Group's main activity is development of a multifunctional real estate centre on its controlled land plot in Balasta Dambis 2, Riga, Latvia. The Group continues to invest in its investment property. As of 30 September 2024, the Investment property value reached EUR 62 610 000 based on the independent real estate appraiser.

The development of the Group's investment property is financed by equity contributions and intercompany loans from shareholder and other Group companies operating in Lithuania. As of 31 December 2023, the loans received amounted to EUR 53,5M and increased by EUR 5M from EUR 45,6M as of 31 December 2022. Based on the unaudited financial data as of 30 June 2024, the loans received amounted EUR 52,3M.

Recent trends and developments and long-term objectives

The Group's plan is to resume the construction of the 1st stage of the real estate project in Q1 2025 and to finalize it by mid-2026. After which the Group is expected to start independently generating rental income and positive net cash flows from operations supporting the Group's going concern going forward.

Currently, it is planned that the 2nd stage construction of 31 000 sqm of buildable area for the office and school complex, for which the building permit was received in June 2023, will start when anchor tenants will be found. The work on the 3rd stage development of 65 000 sqm of buildable area is currently in the concept stage, looking for the most appropriate development scheme, which would complement other already designed stages. The construction of the hotel building, for which the building permit was received in year 2020, is still on hold due to decreased appetite of financial institutions for hospitality object financing.

The development of real estate project planned to be financed by issuing Bonds under this Base Prospectus.

Except for the progress and updates regarding legal proceedings involved by the Issuer (as further described in Section 8.5 "Legal Proceedings" of this Base Prospectus), please note that there have been no material changes in the Issuer's borrowing and funding structure since the last financial year. In addition, SIA "PN Construction Latvia" (reg.nr. 40203607935) was established under Lords LB Special Fund V in November 2024 with the sole purpose of finishing the construction of A Phase of the Project, as a general contractor company. The entity's Chairman of Management Board is Povilas Urbonavičius, Lords LB Special Fund V fund manager and Chairman of the Management Board of the Issuer. The entity hired a full team of professional construction managers and successfully resumed construction works at the Property in February 2025.

11.3 Financial Indebtedness

Since the Group does not earn income independently it requires sufficient funds in order to develop real estate located at Balasta Dambis 2, Riga, Latvia. The funding was provided by shareholder via equity and loans as well as by other Group companies. The capital and the borrowing structures of the Group are provided in the tables below.

The Capital structure of the Group

Item	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023 (audited)	31 December 2022 (audited)
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Loans received	52 352 493	53 507 669	45 468 963	48 246 302
Long-term amounts payable to suppliers and contractors	1 471 309	1 470 687	1 471 309	-
Trade payables to suppliers and contractors	9 558 715	1 038 081	11 219 375	3 840 436
Income tax liabilities	-	38	2 022	364
Advance payments	55 744	47 674	47 674	490
Employment related liabilities	-	24 683	28 693	33 494
Accrued expenses and other current liabilities	2 159 429	744 430	679 389	805 268
Gross debt	65 597 690	56 833 262	58 917 425	52 926 354
Cash and cash equivalents	34 519	892 061	30 972	81 909
Net debt	65 563 171	55 941 201	58 886 453	52 844 445
Equity	13 967 871	10 875 428	19 467 487	12 785 782
Liabilities / equity ratio (x)	4.70	5.23	3.03	4.14
Net liabilities / equity ratio (x)	4.69	5.14	3.02	4.13

The borrowing structure of the Group

Item	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023 (audited)	31 December 2022 (audited)
Preses Nams UAB	25 755 575	-	1 700 000	-
Lords LB Special Fund V	16 615 384	32 595 384	16 615 384	30 262 384
Matuda UAB	1 452 295	14 418 238	19 730 016	12 244 123
Attexo OU	377 000	-	-	-
Accrued interests	8 152 239	6 494 047	7 423 563	5 739 795
Total loans received	52 352 493	53 507 669	45 468 963	48 246 302

The total loans received as of 30 June 2024 amounted to EUR 52,4M and represented 69,4% of the total amount of the Group's gross debt. Most of the borrowings are comprised of loan from sister company Preses Nams UAB for the amount of EUR 25,8M and shareholder Lords LB Special Fund V for the amount of EUR 16,6M.

The total short-term borrowings as of 30 June 2024 were EUR 1,9M representing 2,5% of the total amount of the Group's gross debt. Most of the short-term borrowings are comprised of EUR 1,5M of loan and accrued interests from Matua UAB.

The long-term debt as of 30 June 2024 was EUR 50,5M, representing 67,0% of the total amount of the Group's gross debt. Most of the long-term borrowings are comprised of EUR 26,5M of loan and accrued interests from Preses Nams UAB.

Loans from Lords LB Special Fund V

The Group and the shareholder Lords LB Special Fund V have entered into two loan agreements on 15 November 2018 and 31 January 2022. The interest rates for both agreements are fixed and the maturity dates for both agreements are on 13 May 2026. The loans for the amount of EUR 16,6M together with share capital for the amount of EUR 32,2M (total EUR 48,8M) were used to finance the design and start of the construction of 1st stage of the real estate project.

Loans from Matuda UAB and Presses Nams UAB

As the development of the 1st stage project required additional financing, the group company Matuda UAB has issued non-public bonds in Lithuania and in turn entered into loan agreement with the Group on 21 April 2022, with the maturity date on 6 May 2024, in order to lend the funds received to the Group. The loan agreement contained the same terms and conditions as the main bond agreement by Matuda UAB, meaning that the Group had to comply with set covenants and reporting terms as well as interest and nominal repayments. The interest rate set in the agreement was fixed. Based on the loan agreement, the

loans from the shareholder were subordinated against the loan from Matuda as well as the real estate owned by the Group pledged against the bond holders.

As the term for bonds issued by Matuda UAB and respectfully loan agreement between Matuda UAB and the Group has neared to an end, another group company Preses Nams UAB has issued new non-public bonds in Lithuania in order to lend the funds to the Group and refinance the loan from Matuda UAB. The Group has entered into the loan agreement on 7 November 2023 with the maturity date on 13 November 2025. The loan agreement contains the same terms and conditions as the main bond agreement by Preses Nams UAB, meaning that the Group has to comply with set covenants and reporting terms as well as interest and nominal repayments. The interests calculated by Preses Nams UAB are directly reimbursed to the Group. Based on the loan agreement, the loans from the shareholder were subordinated against the loan from Preses Nams UAB as well as the real estate owned by the Group pledged against the bond holders.

On April 2024, the loan from UAB Matuda was successfully refinanced, with the remaining amount of EUR 1,5M transferred to new loan agreement on 7 May 2024, not related to the issued bonds by Matuda UAB. The loan agreement's maturity date was 31 December 2024, and the set interest rate was fixed.

11.4 Alternative Performance Measures (APM)

This Base Prospectus contains certain financial and operating performance measures that are not defined or recognised under the IFRS and which are considered to be "alternative performance measures" as defined in the "ESMA Guidelines on Alternative Performance Measures" issued by the European Securities and Markets Authority on 5 October 2015 (the "APMs" or "Alternative Performance Measures"). Since the Group does not earn income independently and it's activity is the development of real estate, the selected APMs for this Base Prospectus were: NAV, Investment Property/ Assets ratio, Equity/Assets ratio, Loan-to-Cost (LTC) ratio. The APMs are presented in the table below:

Selected Alternative performance measures

Item	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023 (audited)	31 December 2022 (audited)
Net Asset Value	13 967 871	10 875 428	19 467 487	12 785 782
Investment Property/Assets, %	96.0%	97.2%	92.6%	96.4%
Equity/Assets, %	17.6%	16.1%	24.8%	19.5%
Loan-to-Cost, %	32.3%	33.0%	28.1%	29.8%

Net Asset Value

Net Asset Value = Total assets – Total liabilities

Net Asset Value represents the value of the Group's total assets minus its liabilities. It is commonly used to express the per-share value of an investment fund but also applies broadly to measure the Group's underlying value after accounting for liabilities.

Investment property / Assets

Investment Property / Assets Ratio = Total Investment Property Value / Total Assets

The ratio measures and demonstrates how much the company is reliant on development property as its main asset and business. A high ratio signals reliance on investment property as the main asset and business of the Group.

Equity / Assets

Equity / Assets Ratio = Total Equity – Total Assets

The ratio measures how well the company is capitalized and how strong is its balance sheet. Higher ratio means more equity capital and more robust balance sheet of the Group.

Loan-to-Cost

Loan-to-Cost Ratio = Total loans received / Total investment property development costs

The Loan-to-Cost (LTC) ratio indicates the proportion of a loan relative to the already incurred costs to develop the asset securing the loan. It reflects the risk to lenders, with a lower LTC suggesting that the loan represents a smaller portion of the asset's value, thereby reducing lender risk. Cost includes all incurred and planned future costs, are calculated according to the latest budget of the project.

This Base Prospectus includes certain references to alternative performance measures (APMs) derived from the Group's Financial Information shown in the table above. This information should be viewed as supplemental to the Group's Financial Information. Investors are cautioned not to place undue reliance on this information and should note that the APMs, as calculated by the Group, may differ materially from similarly titled measures reported by other companies, including the Group's competitors. The APMs presented in this section are not defined in accordance with IFRS. An APM should not be considered in isolation from, or as substitute for any analysis of, financial measures defined according to IFRS.

12 TERMS AND CONDITIONS OF THE BONDS

This Section (the **Terms and Conditions**) provides an overview of general terms and conditions of the Bonds, which together with the applicable Final Terms, constitute the terms and conditions of each Tranche. The Terms and Conditions included in this Section shall apply to each Tranche. Specific terms and conditions specified in the applicable Final Terms may be different in respect of each individual Tranche. To identify each Tranche, the Final Terms shall stipulate a serial number of the respective Tranche.

The Shareholders' Meeting held on 22 April 2025 authorised the issuance, public offering and listing of the Bonds, and authorised the Management Board to approve the Terms and Conditions, the Base Prospectus, the Final Terms and any of the documents thereto, as well as any amendments and supplements thereof.

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

12.1 Type and class of the Bonds

The Bonds are freely transferable secured bonds denominated in euro with the nominal value of EUR 1000. The Bonds represent secured debt obligation of the Issuer towards the Bondholder subject to Collateral registration as described in this Base Prospectus.

12.2 Currency and Nominal Value

The Bonds will be issued in euro (EUR). The nominal value (face value) of each Bond shall be specific in the Final Terms, but it shall amount to EUR 1000.

12.3 Form and Registration

The Bonds are dematerialized debt securities in a bearer form and registered with Nasdaq CSD in a book-entry form with the securities settlement system governed by Latvian law. It is planned that all Tranches will bear the same ISIN (International Security Identification Number) code. However, if required by the Nasdaq CSD it is possible that each Tranche will be assigned a separate ISIN. In any case, the ISIN code of the respective Tranche will be specified in the Final Terms.

12.4 Status of the Bonds

The Bonds will rank *pari passu* with other senior secured obligations of the Issuer. In case of the insolvency of the Issuer, the Bondholders will be entitled to recover their investment on the same terms as other senior secured creditors in the respective claims' group according to the relevant Applicable Law.

At the date of this Base Prospectus there are several pledge marks, prohibition marks and mortgage claims to the Property entered in the Land Register. There is a mortgage for Existing Bonds (to UAB "AUDIFINA"), mortgage claim from previous general contractor AS "UPB" and pledge marks from two general contractors – AS "UPB" and UAB "YIT Lietuva", and recovery notation from AS "UPB". Management Board of the Company expects to delete these pledge marks and mortgage claims after the Exchange Offering and first or second tranche of Bonds issuance, if sufficient funds are attracted. Management Board of the Company expects to remove AS "UPB" and UAB "YIT Lietuva" claims either through Conversion Offering or negotiations for a final settlement.

For the benefit of AS "UPB" a recovery notation in the amount of EUR 2 786 060.47 is registered in the Land Book of the Property at the date of this Base Prospectus. Until this recovery notation is removed, the Issuer will not be able to register the Collateral in favour of the Collateral Agent to hold for the benefit of the Bondholders.

The Issuer is in the process of negotiating the removal of the recovery notation. However, if the recovery notation is not removed and therefore the Collateral is not registered and an Event of Default occurs within this period, Bondholders will be treated as unsecured creditors of the Issuer.

12.5 Ratings

The Bonds have not been rated by any credit rating agencies.

12.6 Applicable Law and Dispute Resolution

Each Issue of the Bonds shall be governed by the laws of Latvia.

Any disputes relating to or arising from the Issue will be settled solely by the courts of the Republic of Latvia of competent jurisdiction. Claims arising from the Bonds shall expire in accordance with the statutory terms of Latvian law.

12.7 Delivery and Transferability

The Issuer organises the registration of the Bonds in the Nasdaq CSD and their deletion from Nasdaq CSD upon their redemption. Only persons who have securities accounts (whether directly or via a nominee structure) with Nasdaq CSD can subscribe for or purchase the Bonds.

There are no restrictions on the transfer of the Bonds as they are described in the applicable Latvian law. However, any Bondholder wishing to transfer the Bonds must ensure that any offering related to such transfer would not be qualified as an offering requiring the publication of a prospectus in the meaning of the applicable law. Ensuring that any offering of the Bonds does not require publication of a prospectus under the applicable law is the obligation and liability of the Bondholder.

The Bonds can be transferred from one securities account to another by the registrar of Nasdaq CSD by way of debiting the first securities account and crediting the other securities account in the amount of the corresponding number of securities. Ownership of a Bond is deemed to have changed in respect of the Issuer as from the moment a relevant entry is made in Nasdaq CSD, i.e., when a Bond is transferred to the securities account of the respective Bondholder.

12.8 Collateral of the Bonds

- 12.8.1 Subject to removal of the recovery notation, each Tranche of the Bonds will be secured by mortgage over the Property, i.e., over real estate property with unique cadastre number 0100 062 0093, Riga city land register folio No. 13063 with address Balasta dambis 2, Riga, the Republic of Latvia, which includes land property (cadastre designation 0100 062 0137), publishing house building (cadastre designation 0100 062 0093 001), multifunctional centre building under construction (cadastre designation 0100 062 0093 002), business centre building under construction (cadastre designation 0100 062 0137 001), guard building (cadastre designation 0100 062 0093 004) and pump station (cadastre designation 0100 062 0093 006) and any other buildings, constructions and infrastructure constructed thereof (as a part of the real estate property) (the Collateral). The maximum amount of secured claim of Collateral will be up to EUR 82 500 000 for the benefit of the Bondholders, with the particular claim amount specified in the Final Terms of the respective Tranche according to the total aggregate amount of Bonds issued under the Programme at the time.
- 12.8.2 Pursuant to the real estate valuation report of SIA "NEWSEC VALUATIONS LV", registration number: 40103216919, legal address: Marijas iela 2A, Riga, LV-1050, Latvia, dated 15 November 2024, the estimated market value of the Property by 30 September 2024 was EUR 62 610 000. It shall be noted that neither SIA "NEWSEC VALUATIONS LV", nor property appraiser Ugnius Meidus (certificate No. 000224) have any material interest in the Issuer or the Property appraised.
- 12.8.3 Value of the Property that is subject to the Collateral (Mortgage) is expected to increase following the construction progress and successful completion of the Project. The Property's valuations shall be carried out by the Issuer every 12 months following the approval by the Bank of Latvia of this Base Prospectus. The Issuer will provide each valuation report to the Collateral Agent (that shall provide to the Bondholders upon their request) upon having the respective report prepared and the Issuer having received all necessary consents to disclose it, if any is required.
- 12.8.4 Notwithstanding the above, the Investors shall acknowledge that the value of the Collateral may vary and in case of the enforcement against the Collateral, subject to the extent and priority, the claims of the Collateral Agent and the Bondholders shall be fulfilled from all value of the Collateral existing at the moment of the Collateral realization that is carried out in accordance with the Base Prospectus, Collateral Agreement, Collateral Agent Agreement and the Applicable Law.
- 12.8.5 The Collaterals shall be established in accordance with the terms and conditions of the Collateral Agreement to be concluded between the Collateral Agent as the pledgee and the Issuer as the collateral provider with regards to the Mortgage, and registered in the Land Register within 60 Business Days after the Issue date of the first Tranche under the respective Final Terms subject to removal of the recovery notation.
- 12.8.6 Due to the Exchange Offering of the Existing Bonds proposed to the Existing Bondholders, the Issuer and the Collateral Agent shall replace the existing collateral agent (namely, UAB „AUDIFINA", a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, 09310 Vilnius) representing Existing Bondholders under the Existing Bonds, and the Issuer and the Collateral Agent shall replace the existing collateral agent agreement and the existing collateral agreement (both executed in connection with the

Existing Bonds) with the Collateral Agent Agreement and the Collateral Agreement, where the Collateral Agent acts in the interests of Bondholders who have accepted the exchange of the Existing Bonds for the Bonds via the Exchange Offering.

- 12.8.7 Collateral Agent will hold the Collateral for the benefit of the Bondholders and the Collateral Agent is authorised to act with the Collateral at its own discretion, but in favour of all the Bondholders in accordance with the Base Prospectus, Final Terms, Collateral Agreement, the Collateral Agent Agreement and the Applicable Law. Bondholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for Bondholders' right to use any right that the law or the Base Prospectus or Final Terms provide and create and/or authorise an organisation/person that represents and acts on behalf of all Bondholders or part thereof. In case of the insolvency of the Issuer, every Bondholder has the right to represent their own interests in creditors' meetings. The Bondholders will have equal rights for satisfaction of their claims with other creditors ranking in the same claims' group. The Issuer shall be responsible for all the costs related to the registration of the Collateral and changes to the Collateral as specified herein.

12.9 Refinancing / Sale

- 12.9.1 During the validity period of the Base Prospectus, the Issuer may obtain borrowings from the New Lender to refinance either all or part of the Bonds and/or sell any part of the Collateral, or both simultaneously, if applicable. With the express prior consent of the Collateral Agent, the Issuer is also permitted to transfer the Collateral or any part thereof into the ownership of NewCo, provided that NewCo's property is mortgaged to the Collateral Agent to secure the Bonds on the same terms and conditions as per the Mortgage Agreement.
- 12.9.2 To secure payment by the Issuer to the Bondholders in the event of a Refinancing Transaction or a Sale Transaction, the Collateral Agent shall select the Escrow Agent, to act in the interests of the Bondholders. The Issuer shall bear the escrow fees of the Escrow Agent.
- 12.9.3 If, under the terms of the Refinancing Transaction or the Sale Transaction, the Issuer is required to provide a subsequent rank mortgage to the New Lender or the New Mortgagee, the Issuer and the Collateral Agent are permitted to register such subsequent rank mortgage(s) with the Land Register of the Republic of Latvia, subject to the conditions set forth in the Base Prospectus. Registration of the subsequent mortgage may occur after the new borrowings are deposited with the Escrow Agent(s).
- 12.9.4 Funds obtained by the Issuer as a result of the Refinancing Transaction and/or the Sale Transaction shall be used exclusively for payment to the Bondholders, either for full or partial refinancing or repayment of the Bonds, no later than within thirty (30) days from the date when the Collateral Agent consented to the subsequent rank mortgage for the benefit of the refinancing of all or part of the Bonds, and no later than thirty (30) days after the funds have been deposited in the Escrow Account.
- 12.9.5 If, under the terms of the Refinancing Transaction and/or the Sale Transaction, the Collateral or any part of it is required to be released, such release, duly executed by the Collateral Agent, may occur under the following conditions:
- (a) Funds sufficient to cover all principal, interest, and penalty payments in relation to the Bonds, as confirmed by the Depository or a similar institution that handles payment settlements to the Bondholders under the Base Prospectus and/or the Final Terms, have been transferred into the Escrow Account under the joint control of the Issuer, the Escrow Agent, and the Collateral Agent;
 - (b) Funds in the Escrow Account shall be distributed only to:
 - (i) the Bondholders for the purposes of the full or partial redemption of the Bonds, or
 - (ii) the New Lender when the Collateral for the benefit of the Bondholders, in the name of the Collateral Agent, is fully reinstated on the same terms and the mortgage in favour of the New Mortgagee is deleted;
 - (c) All other conditions for the release of the funds to the Bondholders from the Escrow Account have been unconditionally and irrevocably fulfilled, as confirmed to the Issuer and the Collateral Agent by either the New Lender or the Escrow Agent.
- 12.9.6 No later than five (5) Business Days after the complete release of funds from the Escrow Account to the Bondholders, as confirmed by the Depository, the Collateral Agent shall submit a request to the Land Register to delete the Collateral or, in the event that NewCo is the mortgagor, the relevant part of the Collateral, as applicable. Under the terms of the escrow

agreement, the submission of such a request to the Land Register may be authorized to the Escrow Agent with the consent of the Collateral Agent.

- 12.9.7 Should the funds deposited in the Escrow Account not be disbursed to the Bondholders within thirty (30) days from the date of deposit, such funds shall be released to the New Lender upon satisfaction of the following conditions: (a) the Collateral has been reestablished in accordance with the provisions set forth in this Base Prospectus, and (b) the subsequent ranking mortgage benefiting the New Mortgagee has been deleted from the Land Register.
- 12.9.8 The Bondholders are hereby notified of this Refinancing Transaction and Sale Transaction procedure and provide their consent thereto. Bondholders explicitly agree not to assert any claims against the Collateral Agent in connection with the aforementioned actions and confirm that no further consents or instructions from the Bondholders are required for the Collateral Agent to proceed with the registration of the subsequent rank mortgage, the release of the Collateral, or its reinstatement in support of the Refinancing Transaction or the Sale Transaction.

12.10 Separation of the Property

- 12.10.1 During the validity period of the Base Prospectus, the Issuer may, in the ordinary course of business, separate land or buildings from the Property subject to the prior written consent of the Collateral Agent, under the terms further described in this section.
- 12.10.2 The separation of land or buildings from the Property ("Separation") is permitted, subject to the following conditions being met prior to such Separation:
- (a) after the Separation, the Collateral (Mortgage) on the separated land or buildings ("New Property") remains valid, registered, and fully enforceable;
 - (b) in the opinion of the Collateral Agent, the Property retains the same functionality, access to public utilities, and connection to public streets as it did prior to the Separation, in accordance with the RICS Red Book Global Standards;
 - (c) as a result of such Separation, no new charges or costs will adversely affect the Property, nor will current charges or costs affecting the Property increase;
 - (d) the New Property continues to be owned by the Issuer or NewCo.
- 12.10.3 The valuation of the Property by the Appraiser is not mandatory if the Property, including the New Property, is under Collateral (Mortgage). However, once all conditions of the Base Prospectus for the removal of the Collateral (Mortgage) are fulfilled and the removal of the Collateral (Mortgage) from the New Property is required, a valuation of the Property (including any separated buildings and/or land plots, i.e., the New Property) by the Appraiser becomes necessary to complete the Collateral (Mortgage) removal process.
- 12.10.4 Following the completion of the Separation, the valuation of the Property issued by the Appraiser shall be provided to the Collateral Agent, and the respective valuation shall comply with the Financial Covenants set out in Clause 12.21 "Financial Covenant" of the Base Prospectus.
- 12.10.5 Upon satisfaction of all the above conditions, the separated land or buildings (the New Property) may be released from the Collateral (Mortgage). The Collateral Agent shall assist the Issuer on such a release from the Collateral (Mortgage) of the separated land or buildings and provide the Issuer with necessary consents in the form and within time required by the Issuer.

12.11 Bondholders and the Collateral Agent

- 12.11.1 By submitting a subscription order or acquiring the Bonds on the secondary market, each Bondholder:
- (a) appoints the Collateral Agent to act as its agent and to perform the obligations and exercise the rights in connection with the Collateral as set forth in this Base Prospectus, the Collateral Agreement and the Collateral Agent Agreement and authorises the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under or in connection with this Base Prospectus, the Collateral Agreement, the Collateral Agent Agreement and the Applicable Law;
 - (b) acknowledges that the Issuer has concluded the Collateral Agent Agreement with the Collateral Agent and that the change of ownership of Bonds (e.g., in case Bonds are acquired on the secondary market) does not affect the rights and obligations of the Collateral Agent;

- (c) confirms the fact that the Collateral Agent acts: (1) under the Collateral Agent Agreement concluded with the Issuer; and (2) in accordance with the Applicable Law, including, but not limited to, the Financial Instruments Market Law of Latvia;
- (d) confirms the fact that the Collateral secures, inter alia, the Issuer's obligations towards the Collateral Agent does not constitute any conflict of interests with the Bondholder (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 12.15.2 and other clauses of this Base Prospectus and the Applicable Law). Each Bondholder acknowledges the fact that the Collateral secures, inter alia, the Issuer's obligations towards the Collateral Agent shall not prevent the Collateral Agent from fulfilling its obligations and acting in accordance with this Base Prospectus, the Collateral Agent Agreement and the Applicable Law;
- (e) agrees that upon the performance of its obligations and exercising of its rights in connection with the Collateral, the Collateral Agent shall be entitled to act at its own discretion, considering the interests of the Bondholders collectively and generally (and not of any particular Bondholder), unless specifically instructed otherwise by the Bondholders in accordance with Clause 12.13.8 of this Base Prospectus and without prejudice to Clause 12.13.11 of this Base Prospectus;
- (f) agrees that the Collateral Agent shall have the right to advise the Issuer and to provide any services to the Issuer in any matters and in any fields of activity which do not directly relate to the performance of obligations of the Collateral Agent set forth in this Base Prospectus, and the Bondholder does not consider this to cause any potential or actual conflict of interests;
- (g) agrees that each Bondholder (private individual or legal entity as well as their authorized representatives) and the Issuer upon the request of the Collateral Agent, are obliged to disclose to the Collateral Agent all information and documents on these private individuals or the legal entities and as well as their authorized representatives and the Collateral Agent is entitled to receive this information and documents for the purposes of performance of duties of the Collateral Agent. This information and documents also include those documents and information that are necessary to the Collateral Agent to fulfil the Collateral Agent's obligations regarding AML and Sanctions regulation requirements (e.g., information and documents on the ultimate beneficial owner etc.).

12.12 Scope of Obligations of the Collateral Agent

12.12.1 The functions and obligations of the Collateral Agent are limited to those expressly specified in the Applicable Law (including, but not limited to, the Financial Instruments Market Law of Latvia), the Collateral Agent Agreement, the Collateral Agreement and this Base Prospectus and, notwithstanding any other provisions of this Base Prospectus, such functions are limited to the exercise of those rights which belong to the Collateral Agent in its capacity as the holder of the Collateral (pledgee). The Collateral Agent is required to perform its obligations in relation to the Collateral only if the Issuer establishes the Collateral in the interests of the Bondholders and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) in accordance with this Base Prospectus, Collateral Agreement, Collateral Agent Agreement and Applicable Law to secure the Bonds.

12.12.2 The Collateral Agent does not have any obligation:

- (a) to take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under this Base Prospectus and Final Terms in connection with any assets of the Issuer, except for enforcing the Collateral in accordance with this Base Prospectus, Collateral Agent Agreement and the Collateral Agreement upon the Collateral becoming enforceable and receiving the relevant instructions from the Majority Bondholders;
- (b) to ensure the existence, enforceability or validity of the Collateral or to preserve the Collateral or its value or to assess any rights arising from or relating to the Collateral (except for the validity of the Collateral after its establishment to the extent within the control or sphere of influence of the Collateral Agent and to the extent within the scope of its obligations under this Base Prospectus, Final Terms);
- (c) to inform the Bondholders or the Issuer about any circumstances relating to the Collateral except to the extent such obligation to provide information is explicitly set forth in this Base Prospectus, Collateral Agent Agreement and/or Applicable Law; and

- (d) to provide any advice to the Bondholders in legal, accounting, tax or other matters for free.
 - (e) to become acquainted (aware of) on the changes of the ownership of the Bonds (for example, in case of alienation of the Bonds by the Bondholder) and it does not affect the rights and obligations of the Collateral Agent. Collateral Agent is not obliged to be informed on changes in identity of the Bondholder in order to enforce the Collateral, exercise any rights or powers, or perform other duties arising under this Base Prospectus, Final Terms, the Collateral Agreement, Collateral Agent Agreement and Applicable Law.
- 12.12.3 The Bondholders shall not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreement. Bondholders may exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to this Base Prospectus and the Applicable Law.
- 12.12.4 Upon the performance of its obligations and exercising its rights, the Collateral Agent shall act at its own discretion in the interests and on the account of the Bondholders collectively, and generally (and not any particular Bondholder) without having any independent interests of its own (for the avoidance of doubt, the Collateral Agent has the right to withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent in accordance with Clause 12.12.10 of these Terms and Conditions) and without any obligation to consider any interests of the Issuer and without any right of the Issuer to give any instructions to the Collateral Agent. In particular, in accordance with these Terms and Conditions, the Collateral Agent shall be entitled to decide at its sole discretion as to what would be in the best interests of the Bondholders upon failure to obtain instructions from the Majority Bondholders. However, the Collateral Agent shall not start the enforcement of the Collateral without instructions provided by the Majority Bondholders described in Clause 12.12.7 of this Base Prospectus.
- 12.12.5 The Collateral Agent is not a party to the legal relationship between the Issuer and the Bondholders and is under no circumstances liable for the performance of the obligations of the Issuer or impossibility to enforce the Collateral in accordance with this Base Prospectus, any Final Terms, the Collateral Agreement, the Collateral Agent Agreement, Applicable Law or any restrictions or delays thereof.
- 12.12.6 Upon the performance of its obligations and exercising of its rights hereunder the Collateral Agent shall have the right to use the services of third parties and to appoint third-party representatives (including, during the performance of its tasks and acts as stipulated in this Base Prospectus, the Final Terms, Collateral Agent Agreement and the Collateral Agreement). In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall evaluate and appoint only reputable third parties having professional expertise for the fulfilment of the tasks and acts as stipulated in this Base Prospectus and any Final Terms. In case of use of the services of third parties and/or appointment of third-party representatives, the Collateral Agent shall also ensure: (i) no conflict of interest exists in respect to the Issuer and the Majority Bondholders; (ii) the fees, costs and expenses of such third party services are at a reasonable market price; (iii) the fees, costs and expenses for using the services of third parties and/or appointment of third-party representatives would not exceed costs, fees and expenses of the Collateral Agent if the latter would perform its obligations under this Base Prospectus, the Final Terms, the Collateral Agreement, the Collateral Agent Agreement and Applicable Law on its own; and (iv) it remains duty and obligation of the Collateral Agent to perform its obligations under this Base Prospectus and the Final Terms and the Collateral Agent Agreement and not of the appointed third-party. In case the use of services of third parties or appointment of third-party representatives is required for the fulfilment of obligations arising from this Base Prospectus and the Final Terms, including the Collateral Agreement, Clause 12.12.10 of this Base Prospectus is applicable. The Collateral Agent shall not be responsible for the losses and damage caused by the acts and omissions by third parties.
- 12.12.7 At the request of the Collateral Agent, the Issuer and/or the Bondholder shall provide the Collateral Agent with any information required for the purposes of identification of the Bondholder and/or for the performance of other obligations arising from this Base Prospectus, Final Terms, Collateral Agent Agreement, Collateral Agreement, the Applicable Law and other applicable laws and regulations.
- 12.12.8 At the request of the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of Bondholders specifying the outstanding Nominal Value of the Bonds each of them is holding, the respective Tranche of Bonds and their latest known email addresses or

other Bondholders' contact information that is available for the Issuer. Furthermore, the Issuer agrees to and authorizes the Collateral Agent to directly request from Nasdaq Riga any information and documents concerning the Bondholders, private individuals, legal entities, and their authorized representatives for the purpose of fulfilling the duties of the Collateral Agent in accordance with this Base Prospectus, Final Terms, the Collateral Agent Agreement and Applicable Law.

- 12.12.9 The Collateral Agent is not liable for any circumstances relating to or affecting the validity of the Collateral that are outside the control of the Collateral Agent.
- 12.12.10 The Collateral Agent shall have the right to receive fees from the Issuer and to be compensated by the Issuer for the costs relating to the performance of its obligations under this Base Prospectus, Final Terms and the Collateral Agent Agreement in accordance with the Collateral Agent Agreement and shall have the right to withhold the performance of its duties and obligations in case of delay of payment of the relevant fees and costs. As regards the costs, the Issuer shall compensate to the Collateral Agent also all payments made by the Collateral Agent to third parties for the purposes of establishment, amendment, termination and enforcement of the Collateral in accordance with Applicable Law, this Base Prospectus, Final Terms and the Collateral Agent Agreement (including, without limitation, state fees and taxes, other fees and payments established by laws and regulations, costs and expenses incurred by the Collateral Agent etc.), as well as all damages incurred by the Collateral Agent in relation to the same.
- 12.12.11 Notices and documents to the Collateral Agent shall be valid only if made and forwarded in writing either by post or e-mail by using the contact details set forth in this Base Prospectus and Collateral Agent Agreement. All notices of the Bondholder to the Collateral Agent shall be sent in writing (letter and email) to the Collateral Agent and copied to the Issuer and the Arranger. If the Collateral Agent has doubts that a notice from a Bondholder has not been sent to the Issuer, then the Collateral Agent shall immediately forward such notice to the Issuer.
- 12.12.12 The Collateral Agent has the right to terminate the Collateral Agent Agreement in case: (a) the Collateral described in Clause 12.8 of this Base Prospectus has not been established within the relevant term stipulated in Clause 12.13.1 of this Base Prospectus; and/or (b) the Collateral Agent withdraws from performance of the tasks set out in this Base Prospectus on the grounds set out in Clause 12.14.1 of this Base Prospectus. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of this Collateral Agent Agreement.
- 12.12.13 The Issuer has the right to terminate the Collateral Agent Agreement in case the Issuer decides not to proceed with the Bonds issue and/or if the Collateral Agent allows gross negligence/malicious intent in exercising their rights. A new collateral agent must be designated by the Issuer who must take over the obligations of the Collateral Agent.

12.13 Establishment, Release and Enforcement of the Collateral

- 12.13.1 For constituting security for the due and timely payment, discharge and performance of the Bonds, the Collateral shall be established in the interests of Bondholders and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) under the Collateral Agreement which, in legal terms, serves as security for the Bonds. The Issuer shall ensure that the Issuer will conclude the Collateral Agreement and will register the Collateral in the Land Register within 60 (sixty) Business Days after the Issue Date of the first Tranche under the respective Final Terms. If a Promissory Note (or similar document of a technical nature) is required to register or record the respective Collateral, the Issuer and the Collateral Agent shall conclude such Promissory Note in the form suitable to the Land Register. For the avoidance of doubt, a Promissory Note (or similar document of a technical nature) does not constitute an independent or separate claim and the Collateral Agent may demand payment of any sum under a Promissory Note (or similar document of a technical nature) only in the amount and to the extent such equivalent sum has become due and payable to Bondholders under this Base Prospectus and any Final Terms. For the avoidance of doubt, a Promissory Note (or similar document of a technical nature) is required only if the Collateral has not been registered in the Land Register within 60 (sixty) Business Days from the Issue Date of the first Tranche under the respective Final Terms due to refusal of the Land Register.
- 12.13.2 The Issuer shall provide written confirmation on the registration of the Collateral in the Land Register to the Collateral Agent within 3 (three) Business Days after the respective registration has taken place.
- 12.13.3 By subscribing to the Bonds, each Bondholder acknowledges and confirms that the Issuer may, within their ordinary course of business, sell their assets (except the Collateral over the Property securing the Bonds).

- 12.13.4 Upon receipt of a notification by the Issuer that an Event of Default has occurred pursuant to Clause 12.24.1, the Issuer shall have the right to submit the proposed action plan within 20 (twenty) Business Days in respect to the claim settlement to the Bondholders (the **Action Plan**). The Issuer shall act in accordance with Clause 12.31 of this Base Prospectus and the Majority Bondholders may vote for the approval of the Action Plan.
- 12.13.5 If the Majority Bondholders have not approved the Action Plan, the Issuer shall act in accordance with Clause 12.31 "Bondholders' meetings and decisions" of this Base Prospectus and Majority Bondholders shall vote on whether to instruct the Collateral Agent to enforce the Collateral (the **Instruction**). The Bondholders agree that the Collateral Agent will enforce the Collateral upon receipt of the Instruction.
- 12.13.6 If the Majority Bondholders in accordance with Clause 12.13.5 of this Base Prospectus have provided to the Collateral Agent the Instruction, the Collateral Agent shall immediately notify by (by letter or e-mail) the Issuer and all Bondholders of receipt of the Instruction, and the Issuer shall publish the received information on its website (www.lordslb.lt/presesnams_bonds/) and on Nasdaq Riga information system.
- 12.13.7 Upon receipt of the Instruction to enforce the Collateral, the Collateral Agent shall commence enforcement of the Collateral.
- 12.13.8 The Collateral Agent may assume that no violation of the Bonds has occurred unless the Collateral Agent has received a written notice (letter or e-mail) to the contrary from the Issuer or the Majority Bondholders. For the avoidance of doubt, the Majority Bondholders shall have such right only if the Bonds are not performed in accordance with this Base Prospectus and any Final Terms.
- 12.13.9 The Collateral Agent shall be entitled (but is not under any circumstances obliged) to request instructions, or clarification of any direction, from the Bondholders as to whether, and in what manner, the Collateral Agent should exercise or refrain from exercising any rights, powers and discretions regarding the enforcement of the Collateral. Upon such request, the Bondholders' Meeting shall be convened in accordance with the terms of this Base Prospectus, Final Terms and Applicable Law, and accordingly give their instructions or clarifications to the Collateral Agent within the time period specified in the Collateral Agent's request for instructions or clarifications, such a time period is to be at least 10 Business Days. If the Bondholders' Meeting is not convened in 10 Business Days, the Collateral Agent can convene the Bondholders' Meeting. The Collateral Agent may refrain from acting unless and until Majority Bondholders have provided the Collateral Agent with requested instructions or clarifications.
- 12.13.10 Without prejudice to Clause 12.13.7, if, under Clause 12.13.8 of this Base Prospectus or following the request of the Collateral Agent submitted under Clause 12.13.9 of this Base Prospectus, the Majority Bondholders have duly instructed the Collateral Agent, the Collateral Agent is obligated to comply with these instructions. Any such instructions from the Majority Bondholders will be binding on all Bondholders of the Issue. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions.
- 12.13.11 Notwithstanding Clause 12.13.10 of this Base Prospectus, the Collateral Agent may refrain from doing anything which in its opinion will or may be contrary to this Base Prospectus, any Final Terms, the Collateral Agreement, the Collateral Agent Agreement or the Applicable Law and/or other applicable regulations or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with such legislation. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Bondholders until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including but not limited to legal fees) and liabilities which it will or may expend or incur in complying with such instructions.
- 12.13.12 Without prejudice to Clauses 12.13.9, 12.13.10, 12.13.11 of this Base Prospectus, the Collateral Agent may (but is not obligated to) act (or refrain from acting) as it in its own discretion reasonably believes is in the best interests of the Bondholders. The Collateral Agent shall not be liable to Bondholders for acting (or refraining from acting) as described in this Base Prospectus or any Final Terms or in accordance with the instructions of the Bondholders and/or Applicable Law.
- 12.13.13 The Collateral Agent shall not be liable to Bondholders for the outcome of the enforcement of the Collateral, provided the Collateral Agent has acted in accordance with this Base Prospectus, the Final Terms, the Collateral Agreement and the Collateral Agent Agreement.

12.14 Replacement of the Collateral Agent or the Trustee

- 12.14.1 The Collateral Agent shall have the right to unilaterally terminate the performance of its duties described in this Base Prospectus in accordance with the Collateral Agreement and the Collateral Agent Agreement (including, without limitation, terminate the enforcement of the Collateral) in case:
- (a) in the reasonable opinion of the Collateral Agent: (a) (further) enforcement of the Collateral on reasonable terms is not possible or feasible due to the commencement of insolvency or reorganisation proceedings of the Issuer, or enforcement of the Collateral on reasonable terms may not be possible for any other reason; or (b) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the claims under Clause 12.15.1(a) and/or
 - (b) in the opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason.
- 12.14.2 In order to exercise its right of termination under Clause 12.14.1 of this Base Prospectus, the Collateral Agent shall submit a respective written notice stating the basis of exercising the right of termination to the Issuer and all of the Bondholders. The duties and obligations of the retiring Collateral Agent shall be deemed to have terminated from the moment when the respective written notice is submitted to the Issuer and all Bondholders. For the avoidance of doubt, under the Applicable Law, the relevant Collateral Agreement and/or the establishment and discharge of the Collateral, the Collateral Agent may perform certain actions to release (discharge) the Collateral as a result of the termination under Clause 12.14.1.
- 12.14.3 No later than 3 (three months) after the receipt of the relevant notice under Clause 12.14.1 of this Base Prospectus by the Issuer a successor Collateral Agent must be designated by the Issuer and the Majority Bondholders under the Programme, who must take over the obligations of the retiring Collateral Agent.
- 12.14.4 If a successor Collateral Agent has not been appointed within the term set out in Clause 12.14.3 of this Base Prospectus, the duties and obligations of the retiring Collateral Agent shall be deemed to have terminated. For sake of clarity, the retiring Collateral Agent shall be stated as pledgee in the Collateral Agreement, as well as the Land Register until the successor Collateral Agent has been appointed and registered as pledgee of the Collateral accordingly.
- 12.14.5 The Collateral Agent shall evaluate that no conflict of interest exists with regard to the Issuer, Issuer's Management Board, ultimate beneficial owner of the Issuer and/or the Majority Bondholders and, the existence of conflict of interest shall not prevent the Collateral Agent from fulfilling its obligations to the extent and scope as described in this Base Prospectus and Final Terms as provided in the Collateral Agreement and in the Collateral Agent Agreement.

12.15 Application of the Proceeds from Enforcement of the Collateral

- 12.15.1 The proceeds from the enforcement of the Collateral shall be applied in the following order of priority:
- (a) as the first priority: to the satisfaction and payment of all fees, costs and expenses and damages (including, without limitation, state duties, notary fees, valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent pursuant to conditions set out, inter alia, in Clauses 12.12.6 and 12.12.10 of this Base Prospectus) related to performance of its duties by, or otherwise payable to, the Collateral Agent under the Applicable Law, this Base Prospectus, the Final Terms, the Collateral Agent Agreement, the Collateral Agreement securing the Issuer's obligations relating to the Issue, including but not limited to the establishment, amendment, termination and enforcement of the Collateral incurred by the Collateral Agent or any of the third parties engaged by the Collateral Agent, provided that the fees, costs and expenses have occurred on a reasonable market price and pursuant to conditions specified in Clause 12.12.6 and/or Clause 12.12.10 of this Base Prospectus;
 - (b) as the second priority (after full satisfaction, payment and deduction of all claims and amounts set forth in Clause 12.15.1(a) of this Base Prospectus): in payment of the claims of the Bondholders arising under the Base Prospectus and the respective Final Terms.
- 12.15.2 The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Clause 12.15.1(a) of this Base Prospectus and transfer the remaining proceeds to the Bondholders for satisfying the claims under Clause 12.15.1(b) of this Base Prospectus. The Collateral Agent shall return the

proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Clause 12.15.1 of this Base Prospectus to the Issuer.

- 12.15.3 In case the proceeds remaining after covering the fees, costs, expenses, damages and claims under Clause 12.15.1(a) of this Base Prospectus do not cover the claims of the Bondholders under Clause 12.15.1(b) of this Base Prospectus in full, these claims of the Bondholders shall be satisfied pro rata.
- 12.15.4 The Collateral Agent is not obliged to pay to the Bondholders or any other persons any interest on the proceeds from the enforcement of the Collateral (whether deposited or not).
- 12.15.5 In case the Collateral Agent is required, under Applicable Law or any other laws and regulations of the respective jurisdiction, to withhold or pay any taxes in connection with payments to be made by the Collateral Agent hereunder, the amount to be paid by the Collateral Agent shall be reduced by the amount of respective taxes and only the net amount shall be paid by the Collateral Agent.
- 12.15.6 Proceeds from the enforcement of the Collateral that agree to the Collateral Agent in connection with the enforcement of the Collateral or other rights and obligations specified in this Base Prospectus, Final Terms, Collateral Agreement or Collateral Agent Agreement, except amounts set forth in Clause 12.15.1(a) of this Base Prospectus, do not belong to the property (assets) of the Collateral Agent.

12.16 Rights and restrictions connected with the Bonds issue

- 12.16.1 Any Bondholder has the right to receive Interest and Nominal Value payments in accordance with the Clause 12.17 "Interest", Clause 12.19 "Maturity" of this Base Prospectus and Final Terms of the respective Tranche, as well as exercise other rights fixed in these Terms and Conditions and Applicable Law.
- 12.16.2 The Issuer has the right to purchase the Bonds on the secondary market directly from the Bondholders. The Bonds that are purchased by the Issuer are held in Issuer's financial instruments' custody account and the Issuer has the right to sell the purchased Bonds to potential Investors and other Bondholders. The Issuer can cancel the purchased Bonds held in the Issuer's financial instruments' custody account, therefore decreasing the size of the Bonds issue.
- 12.16.3 The Bonds owned by the Issuer and/or its Related Parties are not eligible to participate in the voting in accordance with this Base Prospectus.

12.17 Interest

- 12.17.1 The Bonds shall bear interest at fixed interest rate (the **Interest**) which shall be determined by the Issuer and specified in the Final Terms.
- 12.17.2 The Interest shall be paid on the dates specified in the Final Terms (the **Interest Payment Date**) until the Maturity Date.
- 12.17.3 Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Bonds outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date.
- 12.17.4 Interest shall be calculated on Actual/365 (Fixed) basis. The interest payment shall be determined according to the following formula, per one bond:
$$CPN = F * C * n / 365$$
 where:
CPN – amount of an interest in EUR;
F – principal amount of Bonds outstanding;
C – annual interest rate payable on the Bonds;
n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated using Actual/365 (Fixed) count convention.
- 12.17.5 Interest on the Bonds shall be paid through the Nasdaq CSD in accordance with the applicable rules of the Nasdaq CSD. The Bondholders list eligible to receive the interest on the Bonds will be fixed at the end of the 5th (fifth) Business Day immediately preceding the Interest Payment Date.

- 12.17.6 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.

12.18 Early Redemption at the option of the Issuer (call option)

- 12.18.1 The Issuer shall be entitled to early redemption (call option) starting:
- (a) one year (i.e., 12 months) after the Issue Date by paying 100.5% (one hundred point five per cent) of the Nominal amount plus accrued and unpaid interest;
 - (b) after one and a half year (i.e., 18 months) the Issue Date by paying 100% (one hundred per cent) of the Nominal amount plus accrued and unpaid interest.
- 12.18.2 Each Final Terms shall specify exact dates when the Issuer can exercise the early redemption (call option) as stipulated in Clause 12.18.1 (a) to (b) above.
- 12.18.3 The Issuer reserves the right to cancel the early redemption of the Bonds or increase the redeemable amount at any time prior to the anticipated Early Redemption Date (including) by notifying the Collateral Agent and the Bondholders until the Early Redemption Date (including) in a manner prescribed in Clause 12.18.6.
- 12.18.4 In case of a partial redemption of the Bonds, the Bonds shall be redeemed from the Bondholders proportionally, if necessary, by rounding up the redeemable number of Bonds from an individual Bondholder to the nearest whole number.
- 12.18.5 Subject to Clause 12.18.1, the Issuer can exercise the early redemption (call option) of the Bonds at any given time until its Maturity Date, ensuring proportional Interest Payment for Bondholders according to the Bonds held at the time.
- 12.18.6 If the Issuer takes a decision on early redemption of the Bonds, the Issuer shall notify the Bondholders at least 10 (ten) Business Days prior to the redemption dates of the Bonds of the respective Tranche by publishing information on the website www.lordslb.lt/presesnams_bonds/ and Nasdaq Riga information system.
- 12.18.7 If the Issuer redeems the Bonds, the Issuer will pay the redemption payment in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of this Base Prospectus are the Nasdaq CSD Rulebook and Corporate Action Service Description. The list of the Bondholders eligible to receive the redemption payment will be fixed at the end of the previous Business Day before the redemption payment date.

12.19 Maturity

- 12.19.1 Each Tranche of the Bonds shall have a maturity up to 2 (two) years starting from the Issue Date of the first Tranche. The Bonds shall be repaid in full at their nominal value on the maturity date, which will be specified in the Final Terms (the **Maturity Date**), or on the early redemption date.
- 12.19.2 The Issuer will pay the Nominal Value in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the day of preparation of the Base Prospectus are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal Value will be paid on the Maturity Date. The list of the Bondholders eligible to receive the Nominal Value will be fixed at the end of the previous Business Day before Maturity Date.
- 12.19.3 If the Maturity Date of the Bonds is not a Business Day, the Issuer will pay the Nominal Value of the Bonds on the next Business Day after the Maturity Date. In this case, the interest accrues for the days prior to the next Business Day (actual redemption of the Bonds).
- 12.19.4 If the Issuer has failed to make Nominal Value payment in accordance with the deadlines specified in the Base Prospectus and Final Terms, the Bondholders shall have the right to submit claims regarding the repayment of the Nominal Value not earlier than after 10 (ten) Business Days following the Maturity Date.

12.20 Representations and Warranties of the Issuer

The Issuer represents and warrants to the Bondholders that at the Issue Date and for as long as any Bonds are outstanding:

- (a) the Issuer is a duly registered joint stock company (in Latvian: *akciju sabiedrība*) operating in compliance with the laws of Latvia;

- (b) all the Issuer's obligations assumed under this Base Prospectus, including these Terms and Conditions are valid and legally binding to the Issuer and performance of these obligations is not contrary to the Issuer's Articles of Association, laws or any agreement concluded by the Issuer;
- (c) the Issuer has all the rights and sufficient authorisations to issue the Bonds, and fulfil obligations arising from issuing the Bonds, and the Issuer has performed all the formalities required for issuing the Bonds;
- (d) the Issuer has all the rights and sufficient authorisations to provide the respective Collateral securing the obligations of the Issuer under the Bonds, and to register the Collateral (Mortgage) in the Land Register;
- (e) all information that is provided by the Issuer to the Bondholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any material respect;
- (f) the Issuer is solvent, able to pay its debts as they fall due, there are no liquidation, compulsory execution, reorganization (except for any sale, disposal, merger, demerger, amalgamation, reorganization or restructuring between the subsidiaries, or within the group), or bankruptcy proceedings pending or initiated against the Issuer;
- (g) there are no court or arbitration proceedings pending or initiated against the Issuer where an unfavourable decision would, according to reasonable assessment of the Issuer, have a material adverse impact on the economic condition of the Issuer, except for legal proceedings as described at the date of this Base Prospectus in Section 8.5.
- (h) The Issuer will keep the Property owned by the Issuer insured to the extent customary for similar properties and businesses on the relevant geographical market with one or more reputable insurers.

12.21 Financial Covenant

- 12.21.1 From the Issue Date of the Bonds and as long as any Bond is outstanding, the Issuer shall comply with the following financial covenant: to maintain the LTC ratio at or below 75%. The LTC shall be calculated based on the following formula:

$$LTC = \frac{\text{Total Loan Size}}{\text{Costs of the Project}} \times 100\%$$

where:

LTC shall mean loan to cost ratio. A lower LTC ratio indicates less risk for the Issuer, as the Issuer has a larger equity stake in the Project. The higher LTC ratio implies a greater Issuer's reliance on borrowed funds.

Total Loan Size shall mean a total amount of outstanding loans actually disbursed to the Issuer, including these Bonds, on the date when the LTC ratio is being calculated.

Costs of the Project shall mean (without double-counting) expenditure by the Issuer in carrying out the Project, including each of the following:

- (a) all sums paid or to be paid under the design, construction and other contracts with respect to the development of the Project after date of this Base Prospectus;
- (b) the aggregate of the invoices issued or to be issued to the Issuer for other costs such as legal, accounting, notarial, project management, and other professional fees, costs and expenses (including the costs of registries and any related taxes) incurred by the Issuer in connection with the Project, operating costs;
- (c) the premium paid or to be paid or to be paid in respect of insurances (other than insurances to be effected and paid for by any construction contractor);
- (d) debt financing costs which become due and payable with respect to the Project.

Costs of the first stage of the Project are estimated to be EUR 162 000 000 (one hundred fifty-four million euros) (net of VAT).

- 12.21.2 Financial covenant set forth in Clause 12.21.1 shall be tested at the end of each quarter and proof of compliance with this financial covenant shall be reported to the Collateral Agent within 30 (thirty) days after the end of each quarter by the Issuer.
- 12.21.3 The Issuer may in its sole discretion choose to calculate the financial covenant under Clause 12.21.1 in accordance with the Accounting Principles.

12.22 General Covenants

From the Issue Date of the Bonds and as long as any Bond is outstanding, the Issuer shall undertake the following:

- 12.22.1 **Negative borrowing.** The Issuer shall not assume any new Financial Indebtedness. The respective restriction does not apply to the Issuer in the following cases:
- (a) Financial Indebtedness incurred under the Bonds, including issuance of any new Tranche under the Programme;
 - (b) Financial Indebtedness not exceeding EUR 50 000 (fifty thousand euros) in aggregate during the year; or
 - (c) non-interest bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer;
 - (d) Financial Indebtedness relating to Project development expenses.
- 12.22.2 **Pledge over the Collateral.** The Issuer undertakes to ensure that: as long as any Bond is outstanding, the Collateral (Mortgage) continues to be effective and registered with the Land Register according to the process as described in Section 14 "Information about the Collateral" and Section 12.8 "Collateral of the Bonds" of this Base Prospectus.
- 12.22.3 **Negative pledge.** The Issuer shall ensure that it will not create or permit to subsist any security over any of its assets, except for the Collateral (Mortgage), security securing Financial Indebtedness that is allowed under Clause 12.22.1 and other encumbrances that might be needed and that are required by third parties (except for financiers) for the purpose to dispose the infrastructure and/or suprastructure related to or needed for the Project according to the process as described in Section 14 "Information about the Collateral" and Section 12.8 "Collateral of the Bonds" of this Base Prospectus.
- 12.22.4 **Change of Control.** The Issuer undertakes to ensure that no change of control shall occur as defined further. A Change of Control shall be deemed occurred if the Sole Shareholder of the Issuer after the first Issue Date cease to own more than 50% of the ordinary issued shares and voting rights of the Issuer or may not exercise the control of the Issuer due to other legal restrictions. The Issuer's Change of Control does not occur in case of restructuring within the structure of the companies under the Sole Shareholder (i.e., if the new shareholder(s) of the Issuer are Related Parties).
- 12.22.5 **Disposal of the Property.** The Issuer shall not, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose and or/transfer the ownership of the Property to any third person nor conclude any agreements for such transfer of ownership, except that:
- (a) the Issuer has the right to conclude constructions' or other relevant services' agreements under the applicable laws with third persons, provided that such agreements are concluded on terms and conditions that enable the Issuer to complete the Project and fulfil its obligations under these Terms and Conditions, the Base Prospectus and the Final Terms;
 - (b) in respect of the Property (or part of it), subject to LTC ratio provided in Clause 12.21.1, the Issuer upon completing particular stages of the Project has a right to divide the Property (or part of it) into separate premises and sell those premises to third parties; or
 - (c) upon Completion of the Project, the Issuer shall have a right to sell the Project to a third party subject to full early redemption of Bonds in accordance with Section 12.18 of this Base Prospectus, (for avoidance of doubt, "**Completion of Project**" shall mean final commissioning of the Property under the procedures set forth in the Applicable Law and registration of 100% completion of the Property with the Land Register).

For avoidance of doubt, this clause does not restrict the Issuer from starting or participating in negotiations on the transfer of ownership of the Property (or part of it) before the Maturity Date of the Bonds, but the transfer of ownership of the Property (or part of it) in any case shall not occur before the expiry of the Early Redemption Date.

- 12.22.6 **Full subordination of shareholders' claims.** The claims of the Sole Shareholder to the Issuer are fully subordinated to the Bonds. For the avoidance of doubt, full subordination means that no payments to the Sole Shareholder shall be made by the Issuer until there are outstanding payments to the Bondholders under this Base Prospectus, Terms and Conditions and Final Terms.
- 12.22.7 **Admission to trading.** The Bonds of each Tranche are admitted to trading on Nasdaq Riga within 3 (three) months from the placement of the respective Tranche.
- 12.22.8 **Escrow Account.** The Issuer undertakes and pursuant to the Escrow Account Agreement to use (in any case with the advance authorisation of the Collateral Agent) any amount standing to the credit on the Escrow Account only for the following payments:
- a) any payment for the services of the Arranger of the Escrow Account, also payments for the Escrow Account service to the respective bank;
 - b) payments to the Issuer's bank account after the Issue of the respective tranche of Bonds for the purposes stated in Section 5 "Reasons for Offer and Use of Proceeds" of this Base Prospectus.

Payments from the Escrow Account to the Issuer's bank account, as indicated in item b) above may be done only, if the respective order of the Issuer to execute the transfer of funds is also confirmed by the Collateral Agent. The Collateral Agent must confirm such order to the Arranger and may not refuse to confirm, if (i) the Bonds under the respective Final Terms are issued, (ii) LTC ratio meets the requirements set forth in Section 12.21 "Financial Covenant" of this Base Prospectus. Funds, payable to the Arranger of the Escrow Account under Item a) shall be written off from the Escrow Account unilaterally by the Arranger of the Escrow Account without any instructions of the Issuer and / or Collateral Agent.

- 12.22.9 **Reporting obligations.** For as long as the Bonds remain not redeemed and valid until Maturity Date, the Issuer shall make the following information available to the Bondholders:
- a) annual audited financial statements, prepared in accordance with IFRS, 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 as required by applicable accounting requirements;
 - b) unaudited semi-annual interim financial statements, prepared in accordance with IFRS;
 - c) semi-annual reports on performance of the financial ratio LTC set forth in Section 12.21 "Financial Covenant" of this Base Prospectus signed by all Management Board members of the Issuer together with the report on the total amount of construction costs of the Project incurred till date of the respective report;
 - d) information on other General Covenants assumed by the Issuer: (a) Negative borrowing; (b) Negative pledge; (c) Change of Control; (d) Disposal of Property;
 - e) information on adverse events materially affecting the Issuer's ability to comply with this Base Prospectus, which shall be provided to the Bondholders and to the Collateral Agent without undue delay of becoming aware of such events;
 - f) prepare and make available a Compliance Certificate to the Trustee and on Issuer's website (i) each quarter for the compliance of the financial ratio LTC set forth in Section 12.21 "Financial Covenant" of this Base Prospectus; (ii) when a semi-annual financial report is made available; and (iii) at the Trustee's reasonable request, within 20 (twenty) calendar days from such request.

The Issuer shall supply all the information set out in this Section above as soon as it becomes available and:

- a) in the case of the audited financial statements within 4 (four) months after the end of the reporting year;
- b) in the case of the semi-annual interim reports within 2 (two) months after the end of reporting period;
- c) in the case of the semi-annual report on the performance of the financial ratio, LTC set forth in Section 12.21 "Financial Covenant" of this Base Prospectus, within 2 (two) months after the end of the reporting period, together with the interim report.

In case the Bondholders holding more than 50% (fifty per cent) of total outstanding Bonds request additional documents evidencing Costs of the Project detailed in Section 12.21

"Financial Covenant" of this Base Prospectus, the Issuer within 30 (thirty) calendar days as of receipt of such request of the Collateral Agent, shall provide the following:

- a) invoices received and accounted for within the last reporting period set forth in item (c) of the first paragraph of this Section; and
- b) accounting documents with respect to other Costs of the Project that are the costs other than those stipulated in item (i) above incurred by the Issuer.

12.23 Covenant Cure

- 12.23.1 The Issuer and the Sole Shareholder of the Issuer may cure or prevent a breach of the financial covenants in Clause 12.21.1 (and any Event of Default arising a result therefrom) if, prior to or within 90 (ninety) calendar days of the earlier of (i) the date on which the Issuer has to provide semi-annual and/or proof of compliance to the Collateral Agent pursuant to these Terms and Conditions and (ii) the date that such semi-annual report and/or proof of compliance was in fact provided to the Collateral Agent pursuant to these Terms and Conditions for any Relevant Period in which such failure to comply was (or would have been) first evidenced (the **Breach Period**), the Issuer receives cash proceeds of new shareholder injections from the Sole Shareholder of the Issuer (the **Equity Cure**), in an amount at least sufficient to ensure the financial covenants set forth under Clause 12.21.1 would be complied with if tested again as at the last date of the Breach Period.
- 12.23.2 Any new equity provided in respect of such Breach Period shall be deemed to have been provided during the Breach Period (without double counting) in all covenant calculations until the date it was deemed provided falls outside any subsequent Relevant Period.
- 12.23.3 If after the adjustment the requirement of the relevant financial covenant is met, then the requirement thereof shall be deemed to have been satisfied as at the relevant original date of determination of any default, Event of Default, occasioned thereby shall be deemed to have been remedied for the purposes of these Terms and Conditions.
- 12.23.4 In case the Collateral securing the Bonds is not registered in the Land Register within 60 Business Days after the Issue date of the first Tranche under the respective Final Terms subject to removal of the recovery notation (as described in this Base Prospectus) due to prohibitions imposed by other third parties, the Issuer undertakes to cure or prevent a breach of Covenant 12.22.2 "Pledge over the Collateral" and use all reasonable efforts to complete the Collateral registration within 1 (one) month time, after such 60 Business Days have elapsed (the **Collateral Cure**). If the Issuer has acted pursuant to this Clause and the Collateral Cure is ensured, then the requirement shall be deemed to have been satisfied as at the relevant original date of determination of any default, and Event of Default thereby shall be deemed to have been remedied for the purposes of these Terms and Conditions.

12.24 Events of Default

- 12.24.1 The Bondholders representing at least 10 (ten) per-cent of the principal amount of all outstanding Bonds may in accordance with Clause 12.27 "Notices" notify the Issuer about the occurrence of an Event of Default. If an Event of Default has objectively occurred, subject to Clause 12.24.2, within 20 (twenty) Business Days after receipt of notification regarding the occurrence of an Event of Default, the Issuer shall prepay all Bondholders the outstanding principal amount of the Bonds and the Interest accrued on the Bonds, but without any premium or penalty. Interest on the Bonds accrues until the prepayment date (excluding the prepayment date).
- 12.24.2 If the Issuer is unable to make payments in accordance with Clause 12.24.1 of the Terms and Conditions or Event of Default has not objectively occurred, the Issuer shall immediately, but in any case not later than within 10 (ten) Business Days following receipt of notification regarding occurrence of an Event of Default, notify the Bondholders in accordance with Clause 12.27 "Notices" thereof.
- 12.24.3 If the Issuer has failed to prepay all Bondholders the outstanding principal amount of the Bonds and the Interest accrued on the Bonds within a term specified in Clause 12.24.1 of the Terms and Conditions or within a term specified in Clause 12.24.2 of the Terms and Conditions and has notified the Bondholders that it is unable to make payments in accordance with Clause 12.24.1 of the Terms and Conditions, the Bondholders may act in accordance with Clause 12.13 "Establishment, Release and Enforcement of the Collateral".
- 12.24.4 Notwithstanding Clause 12.24.1, 12.24.2 and 12.24.3 above, if the Issuer has notified Bondholders in accordance with Clause 12.27 "Notices" about the occurrence of an Event of Default and the inability to make payments within 20 (twenty) Business Days after such

notification, the Bondholders may act in accordance with Clause 12.13 "Establishment, Release, and Enforcement of the Collateral."

12.24.5 Each of the following events shall constitute an event of default (an **Event of Default**):

- (a) **Non-Payment:** Any amount of Interest on principal of the Bonds has not been paid within 10 (ten) Business Days from the relevant due date;
- (b) **Breach of Covenants:** The Issuer has violated the conditions of the Clause (a) "Financial Covenant" and has failed to remedy such violation according to Clause 12.23 "Covenant Cure", or the Issuer does not perform or comply with any one or more of its other obligations set out in Clause 12.22 "General Covenants", and the Issuer fails to remedy such a breach within 20 (twenty) Business Days from the date of the breach, unless such a default is incapable of being remedied;
- (c) **Breach of Other Obligations:** The Issuer does not comply with the Terms and Conditions in any other way than as set out under item (a) Non-Payment; and (b) Breach of Covenants above, unless the non-compliance (i) is capable of being remedied; (ii) is remedied within 20 (twenty) Business Days after the Issuer becoming aware of the non-compliance;
- (d) **Financial Indebtedness:** If for the Issuer:
 - i. any Financial Indebtedness is neither paid when due nor within any applicable grace period;
 - ii. any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);
 - iii. any commitment for any Financial Indebtedness is cancelled or suspended by a creditor, as a result of an event of default (however described);
 - iv. any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity, as a result of an event of default (however described); or
 - v. any security securing Financial Indebtedness over any asset is enforced by secured creditor,

provided it does not apply to any Financial Indebtedness owed to a Subsidiary of the Issuer or Related Parties, and other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement or, if earlier,

- (e) **Insolvency:** If the Issuer:
 - i. is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts in case of lawful claims save for claims by Related Parties;
 - ii. an application to initiate insolvency or legal protection proceedings or similar proceedings of the Issuer or any other proceedings for the settlement of the debt of the Issuer is submitted to any court in any jurisdiction by the Issuer;

other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within ninety (90) calendar days of commencement or, if earlier, the date on which it is advertised.

12.25 Force Majeure

The Issuer shall be entitled to postpone the fulfilment of its obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

- (a) action of any authorities, war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect operations of the Issuer;
- (c) any interruption of or delay in any functions or measures of the Issuer as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer; or

- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer.

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 shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of its obligations as soon as possible.

12.26 Further Issues

The Issuer may, from time to time and without the consent of the Bondholders, create and issue further Bonds under the Programme, provided that the aggregate total amount of outstanding Bonds under the Programme at any time does not exceed EUR 75 000 000 and Issuer has complied with Financial Covenants under this Base Prospectus and Final Terms as stipulated in Clause (a).

12.27 Notices

For so long as the Bonds are not admitted to trading on Nasdaq Riga, all notices and reports to the Bondholders shall be published on the website of the Issuer (www.lordslb.lt/presesnams_bonds/). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

As of the day when the Bonds are admitted to trading on Nasdaq Riga, all notices and reports to the Bondholders shall be published on Nasdaq Riga information system, as well as on the website of the Issuer (www.lordslb.lt/presesnams_bonds/). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

12.28 Appointment and Replacement of the Trustee

- 12.28.1 By subscribing for the Bonds, each initial Bondholder appoints the Trustee to act as its agent in all matters relating to the Bonds and this Base Prospectus, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by this Base Prospectus) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation or insolvency (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Trustee to act on its behalf. Any initial Bondholder is entitled to withdraw such appointment and authorisation of the Trustee by giving a withdrawal notice to the Trustee by sending it to the Trustee's registered address.
- 12.28.2 Each Bondholder shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), as the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Base Prospectus. The Trustee is under no obligation to represent a Bondholder which does not comply with such request.
- 12.28.3 The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in this Base Prospectus and the Collateral Agent Agreement, and the Trustee's obligations under this Base Prospectus are conditioned upon the due payment of such fees and indemnifications. The Trustee is not obliged to expend or risk its own funds or otherwise incur any financial liability (including, but without limitation, legal fees) in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds is not reasonably assured to it. For this purpose, the Trustee may demand, prior to taking any such action, payment in advance as it considers (without prejudice to any further demand) shall be sufficient to prefund it.
- 12.28.4 The Issuer shall on demand by the Trustee pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Notes which the Trustee reasonably believes may be detrimental to the interests of the Noteholders under this Base Prospectus, and (iii) in connection with any Bondholders' Meeting or Procedure in Writing, or (iv) in connection with any amendment (whether contemplated by the Terms and Conditions or not) or waiver under the this Base Prospectus.
- 12.28.5 When acting pursuant to this Base Prospectus, the Trustee is always acting with binding effect on behalf of the Bondholders. The Trustee is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Trustee does not bind the Bondholders or the Issuer.

- 12.28.6 The Trustee is entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as trustee, without having to first obtain any consent from the Bondholders or the Issuer, but the Trustee shall remain liable for the actions of such parties under this Base Prospectus.
- 12.28.7 The Trustee may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

12.29 Duties of the Trustee

- 12.29.1 The Trustee shall represent the Bondholders in accordance with this Base Prospectus and shall carry out its duties under this Base Prospectus in a reasonable, proficient and professional manner, with reasonable care and skill. However, the Trustee is not responsible for the execution or enforceability of this Base Prospectus. The Trustee shall keep the latest version of this Base Prospectus (including any document amending this Base Prospectus) and they will be available on Nasdaq Riga website www.nasdaqbaltic.com upon listing of the Notes on Nasdaq Riga Regulated Market.
- 12.29.2 Upon request by a Bondholder, the Trustee shall promptly distribute to the Bondholder any information from such Bondholder which relates to the Bonds (at the discretion of the Trustee). The Trustee may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Trustee in doing so (including a reasonable fee for the work of the Trustee) before any such information is distributed. The Trustee shall upon request by a Bondholder disclose the identity of any other Noteholder who has consented to the Trustee in doing so.
- 12.29.3 The Trustee shall treat all Bondholders equally and, when acting pursuant to this Base Prospectus, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in this Base Prospectus and the Collateral Agent Agreement.
- 12.29.4 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require. The Trustee shall give a notice to the Bondholders (i) before it ceases to perform its obligations under this Base Prospectus by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under this Base Prospectus or the Collateral Agent Agreement, or (ii) if it refrains from acting for any reason described in this Clause.
- 12.29.5 Other than as specifically set out in this Base Prospectus, the Trustee shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under this Base Prospectus, or (iii) whether any other event specified in any finance document of the Issuer has occurred. Should the Trustee not receive such information, the Trustee is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.
- 12.29.6 The Trustee shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in this Base Prospectus and as otherwise agreed between the Issuer and the Trustee, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 12.22.9 or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. For the avoidance of doubt, the Trustee shall only perform the review of Compliance Certificate described hereunder only to the extent the information provided in each Compliance Certificate corresponds to this Base Prospectus, financial statements delivered pursuant to Clause 12.22.9 or other relevant documents supplied together with the Compliance Certificate. The Issuer shall promptly upon request provide the Trustee with such information as the Trustee reasonably considers necessary for the purpose of being able to comply with this clause.
- 12.29.7 The Trustee shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Trustee, including the Compliance Certificate not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

- 12.29.8 The Trustee shall give a notice to the Bondholders (i) before it ceases to perform its obligations under this Base Prospectus by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under this Base Prospectus or the Collateral Agent Agreement or (ii) if it refrains from acting for any reason described above.

12.30 Limited Liability of the Trustee

- 12.30.1 The Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with this Base Prospectus, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.
- 12.30.2 The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Noteholders.
- 12.30.3 The Trustee shall have no liability to the Issuer or the Bondholders for damage caused by the Trustee acting in accordance with instructions of the Bondholders given in accordance with this Base Prospectus.

12.31 Bondholders' meetings and decisions

General provisions

- 12.31.1 The decisions of the Bondholders (including decisions on amendments of this Base Prospectus, these Terms and Conditions, the Collateral Agreement, on termination of the Collateral Agent Agreement (and change of the Collateral Agent (if applicable)) granting of consent or waiver or instructions to the Collateral Agent) shall be passed at the Bondholders' Meeting or in Procedure in Writing at the choice of the Issuer. However, the Issuer shall have a right to amend the technical procedures relating to the Bonds (including any manifest errors or other inconsistencies) without the decision of the Bondholders, if such amendments are not prejudicial to the interests of the Bondholders.
- 12.31.2 The Issuer shall have a right to convene the Bondholders' Meeting or instigate a Procedure in Writing at any time and shall do so following a written request from the Collateral Agent (Trustee) or Bondholders who, on the day of the request, represent not less than one-tenth of the principal amount of the Bonds outstanding or the principal amount of the Bonds of the respective Tranche outstanding as applicable (excluding the Issuer and the Related Parties).
- 12.31.3 The Issuer may refrain from convening the Bondholders' Meeting or instigating the Procedure in Writing if (i) the suggested decision does not fall under the competence of the Bondholders, or (ii) the suggested decision is not in accordance with the Applicable Law.
- 12.31.4 In case convening of the Bondholders' Meeting or instigation of the Procedure in Writing is requested to the Issuer by the Collateral Agent (Trustee) or Bondholders, the Issuer shall be obliged to convene the Bondholders' Meeting or instigate the Procedure in Writing within 1 (one) month after receipt of the respective Collateral Agent's or Bondholders' written request.
- 12.31.5 All expenses in relation to the convening and holding the Bondholders' Meeting or a Procedure in Writing shall be covered by the Issuer.
- 12.31.6 Only those investors who were appearing in Nasdaq CSD as the Bondholders by the end of the 5th (fifth) Business Day prior to convening the Bondholders' Meeting and only those were appearing in Nasdaq CSD as the Bondholders by the end of the 5th (fifth) Business Day after publishing an announcement on instigation of the Procedure in Writing or proxies authorised by such Bondholders, may exercise their voting rights at the Bondholders' Meeting or in the Procedure in Writing. The voting rights of the Bondholders will be determined on the basis of the principal amount of the Bonds held.
- 12.31.7 Without amending or varying these Terms and Conditions, the Issuer may prescribe such further regulations regarding the convening and holding of the Bondholders' Meeting or the Procedure in Writing as the Issuer may deem appropriate. Such regulations may include, for example, a possibility for Bondholders to vote without attending the meeting in person, holding the Bondholders' Meeting in the form of a video conference etc.
- 12.31.8 If the adopted decision of the Bondholders refers to specifications of the Bonds and/or Interest calculation method, as well as the procedure of Interest payments and/or repayment of the Nominal Value, the Issuer shall inform Nasdaq CSD on these changes according to the regulation determined in the Nasdaq CSD rules.

Bondholders' Decisions

- 12.31.9 A Bondholders' Meeting or a Procedure in Writing may make decisions that are binding on the Bondholders on a matter relating to these Terms and Conditions. Consent of the Majority Bondholders is required to adopt any decision.
- 12.31.10 Bonds held by the Issuer, its direct shareholders and the Related Parties will not carry the right to vote at the Bondholders' Meetings and will not be considered in determining how many Bonds are outstanding for the purposes of the present Section of this Base Prospectus.
- 12.31.11 The Bondholders' Meeting and the Procedure in Writing can authorise a named person to take any necessary actions to enforce the decisions of the Bondholders' Meeting or the Procedure in Writing.
- 12.31.12 A matter decided at the Bondholders' Meeting or the Procedure in Writing is binding on all Bondholders of the outstanding Bonds or regarding the respective Tranche (as explained below), irrespective of whether they were present at the Bondholders' Meeting or participated in the Procedure in Writing. Decisions made at the Bondholders' Meeting or in the Procedure in Writing are deemed to have been received by the Bondholders at the time (i) they have been entered in the issue account maintained by Nasdaq CSD, or (ii) notified to the Bondholders by a notice published in English and Latvian on the Issuer's website (www.lordslb.lt/presesnams_bonds/) and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause), provided that a failure to do so shall not invalidate any decision made or voting result achieved. In addition, the Bondholders are obliged to notify subsequent transferees of the Bonds of the decisions taken at the Bondholders' Meeting or the Procedure in Writing.
- 12.31.13 Information about decisions taken at the Bondholders' Meeting or the Procedure in Writing shall be provided to the Bondholders in English and Latvian on the Issuer's website (www.lordslb.lt/presesnams_bonds/) and the Nasdaq Riga information system (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause).
- 12.31.14 Consent of the Majority Bondholders of the aggregate principal amount of the Bonds outstanding **under the Programme** is required to:
- (a) amend the Terms and Conditions of the Bonds or the Base Prospectus,
 - (b) approve the Action Plan;
 - (c) approve and issue of the Instruction to the Collateral Agent to start the enforcement of the Collateral;
 - (d) decide on any other matters, except the matters provided for in the Clause 12.31.15.
- 12.31.15 Consent of the Majority Bondholders of the aggregate principal amount of the outstanding Bonds **of the respective Tranche** is required for the following decisions:
- (a) agreement with the Issuer to change the date, or the method of determining the date, for the payment of principal, interest or any other amount in respect of the relevant Tranche, to reduce or cancel the interest payable on any date in respect of the respective Tranche or to change the method of calculating the amount of interest or any other amount payable on any date in respect of the relevant Tranche;
 - (b) approval of any other matters of technical nature relevant solely to the respective Tranche.
- 12.31.16 If there is any disagreement between the decisions made by the Majority Bondholders of the aggregate principal amount of the Bonds outstanding under the Programme (Clause 12.31.14) and Majority Bondholders of the aggregate principal amount of the outstanding Bonds of the respective Tranche (Clause 12.31.15), the decision made the Majority Bondholders of the aggregate principal amount of the Bonds outstanding under the Programme (Clause 12.31.14) shall be the final and have higher priority.
- 12.31.17 The Issuer shall, without any delay, inform the Collateral Agent on the results of the and the status of the relevant decision adopted by Bondholders.

Procedure in Writing

- 12.31.18 The Issuer may apply for a consent itself or through the intermediary of an authorised person (the "**Agent**").
- 12.31.19 If a decision of the Bondholders is intended to be passed by the Procedure in Writing, then a respective communication of the Procedure in Writing shall be provided to the Collateral Agent and the Bondholders in English and Latvian on the Issuer's website (www.lordslb.lt/presesnams_bonds/) and the Nasdaq Riga information system (any such notice shall be deemed to have been received by Bondholders when sent or published in the

manner specified in this Clause). For avoidance of doubt, Collateral Agent shall be additionally provided with the communication of the Procedure in Writing of this Base Prospectus. Communication to the Collateral Agent and Bondholders shall include:

- (a) each request for a decision by the Bondholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (d) information on where to receive a form for replying to the request (such form to include an option to vote "yes" or "no" for each request), as well as a form of a power of attorney;
- (e) instructions how to execute and submit a form for replying to the request;
- (f) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 10 (ten) Business Days from the communication pursuant this Clause) and the method for replying.

- 12.31.20 When the requisite consents have been received in a Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired.
- 12.31.21 If the Bondholder does not notify the Issuer or the Agent about its decision on the respective matter submitted for approval within the term specified in the application, a Bondholder shall be deemed as not having voted the respective decision.
- 12.31.22 The Issuer or the Agent shall count the received votes in Procedure in Writing and notify the Bondholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the voting forms by publishing a relevant announcement on the Issuer's webpage and on the Nasdaq Riga information system.
- 12.31.23 The Bondholders shall submit signed voting forms to the Issuer, the Agent or their respective custodian bank by a deadline set in the application of the consent (waiver). The consent (waiver) is deemed to be granted, if the Majority Bondholders (excluding the Bonds owned by the Issuer, the Sole Shareholder of the Issuer and Related Parties) have voted for granting the consent (waiver).

13 TERMS AND CONDITIONS OF THE OFFERING

13.1 General Structure of the Offering of Bonds

- 13.1.1 The Programme consists of (i) a public offering (the **Retail Offering**) of the Bonds to retail investors and institutional investors (each a **Retail Investor**) in the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia; (ii) private placement (the **Private Placement**) of the Bonds to institutional investors (the **Institutional Investor**) in certain Member States of the European Economic Area (the **EEA**) and to other selected Investors in each case pursuant to an exemption under Article 1 of the Prospectus Regulation; and (iii) a public exchange offer (the **Exchange Offering**) addressed to the holders of the Existing Bonds (the **Existing Bondholder**) in relation to their exchange with the Bonds as further described in the respective Final Terms and below; and (iii) private debt conversion offering to selected creditors of the Issuer allowing them to convert their debt into Bonds in accordance with the procedure described below (the **Conversion Offering**). The Retail Offering, the Private Placement and the Exchange Offering together are referred to as the Offering. The Retail Investor, the Institutional Investor and the Existing Bondholder together are referred to as Investors.
- 13.1.2 For the purposes of the Retail Offering, only such prospective investors will be eligible to participate in the offering who at or by the time of placing their orders have opened securities accounts with entities of their choice, which are licensed to provide such services within the territory of the Republic of Latvia, of the Republic of Lithuania or of the Republic of Estonia and are members of Nasdaq Riga or have relevant arrangements with a member of Nasdaq Riga ("**Custodian**").
- 13.1.3 For the purposes of the Offering the Issuer may appoint sales agent ("**Sales Agent**"), to act as a Sales Agent in relation to the Offering of specific Tranche in Lithuania, Latvia and/or Estonia. The Sales Agent may act as a distributor and offer Bonds of specific Tranche, including assist the Issuer with the relevant investor and marketing materials and approach the investor base concerning the Bonds offered under this Base Prospectus and Final Terms of specific Tranche in Lithuania, Latvia and/or Estonia. In any case, the respective Sales Agent information shall be indicated in the Final Terms of respective Tranche, if appointed.

13.2 Subscription for the Bonds

- 13.2.1 The subscription period (the **Subscription Period**) for each Tranche shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Subscription Period.
- 13.2.2 The Investors wishing to subscribe for and purchase the Bonds shall submit their orders to acquire the Bonds (the **Subscription Orders**) at any time during the Subscription Period.
- 13.2.3 At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Bonds in a securities account maintained in its name and opened with a Custodian of their choice.
- 13.2.4 Upon submission of the Subscription Order the Investor shall authorise the Nasdaq CSD, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor's Subscription Order before, during and after the Subscription Period.
- 13.2.5 An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible.
- 13.2.6 The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible or that has not been completed and submitted and/or has not been supported by the necessary additional documents, requested by the Issuer, during the Subscription Period and in accordance with all requirements set out in the Terms and Conditions of the Bonds.
- 13.2.7 All expenses associated with the acquisition and custody of the Bonds shall be the responsibility of the Bondholder, in accordance with the price list of the credit institution or investment service provider through which the Bondholder purchases and holds the Bonds. The Issuer is not obligated to compensate for any such expenses incurred by the Bondholder.
- 13.2.8 Any consequences of form of a Subscription Order for the Bonds being incorrectly filled out will be borne by the Investor.

- 13.2.9 All Subscription Orders shall be binding and irrevocable commitments 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. The Issuer has no obligation to inform the Investors about the fact that their Subscription Orders are invalid.

13.3 Retail Offering

- 13.3.1 To subscribe to the Bonds, Retail Investor in the Republic of Latvia, the Republic of Estonia and the Republic of Lithuania must have a securities account with a Custodian. A Retail Investor wishing to subscribe for Bonds should contact its Custodian and submit the Subscription Order using the Subscription Order forms and methods (e.g., physically, over the internet or by other means) made available by the financial institution. Subscription Orders by the Custodians shall be filed through the Nasdaq Riga Auction System.
- 13.3.2 The total amount of the Bonds to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount. The procedure of submission of the Subscription Orders shall be specified in the Final Terms if any additional information shall be provided.

13.4 Private Placement

- 13.4.1 In respect of the Private Placement of the Bonds, Institutional Investors wishing to purchase the Bonds may submit their Subscription Orders to the Arranger or the Sales Agent if appointed according to Final Terms, or their Custodian, which in turn shall submit the orders to the Arranger.
- 13.4.2 Institutional Investors shall submit their own Subscription Orders or Subscription Orders received from other Investors, if any, to the Arranger or the Sales Agent if appointed according to Final Terms. Institutional Investors shall be entitled to place multiple Subscription Orders.
- 13.4.3 Institutional Investors shall contact the Arranger or the Sales Agent if appointed according to Final Terms, for information on detailed rules governing the placement of Subscription Orders, in particular the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an Investor.

13.5 Exchange Offering

- 13.5.1 The exchange period (the "**Exchange Period**") for each Tranche, if any, shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Exchange Period. However, in any case, the Exchange Period cannot be shorter than 10 Business Days and longer than the Subscription Period of the respective Tranche of Bonds.
- 13.5.2 By filling a respective corporate event notification to the Nasdaq CSD, within the Exchange Period of each Tranche, the Issuer may offer to all Existing Bondholders to exchange the Existing Bonds with the Bonds, as specified in the respective Final Terms.
- 13.5.3 The exchange ratio shall be one-to-one and any number of the Existing Bonds may be used for the exchange. The Issuer may offer at its own discretion an incentive fee to all Existing Bondholders for participation in the Exchange Offering. In such case, the incentive fee for Exchange Offering will be indicated in the respective Final Terms.
- 13.5.4 Existing Bondholders wishing to exchange the Existing Bonds can submit their instructions with their Custodian in writing using the offer form provided by the Custodian stating the number of the Existing Bonds to be exchanged (the "**Exchange Instruction**").
- 13.5.5 The Custodian shall in turn inform the Nasdaq CSD on the total number of the Existing Bonds to be exchanged with the Bonds of the respective Tranche and the Existing Bondholders who requested the exchange by the end of the Exchange Period.
- 13.5.6 The deadlines set by the Custodian or the Nasdaq CSD might also be earlier than the end of the Exchange Period.
- 13.5.7 Every Existing Bondholder participating in the Exchange Offer is entitled to a fee as compensation for the accrued interest on the Existing Bonds for the period from last interest payment date of the Existing Bonds until the Issue Date of the respective Tranche of these Bonds. The specific amount of fee shall be specified in the Final Terms of each respective Tranche. The fee is payable within 10 (ten) Business Days after the Issue Date and the record

date for the fee of the respective Tranche. For tax purposes the fee is treated as interest payment.

- 13.5.8 The Arranger assumes no warranty or liability regarding the receipt of Exchange Instructions placed before the end of the Exchange Period.
- 13.5.9 By submitting an Exchange Instruction for the exchange of the respective Existing Bonds with the Bonds, each Existing Bondholder shall authorise and instruct the Custodian to immediately block the total number of the respective Existing Bonds to be exchanged with the Bonds on the Investor's securities account until the settlement for the transaction is completed or until the respective Existing Bonds are released.
- 13.5.10 The number of the Existing Bonds on the Existing Bondholder's securities account to be blocked shall be the same, meaning that for one Existing Bond the Existing Bondholder will receive one Bond. If the Existing Bondholder holds more than one Existing Bond, it may exchange only a certain amount of Existing Bonds and not exchange others.
- 13.5.11 Existing Bondholders who hold their Existing Bonds with Swedbank AB, registration number: 112029651, legal address: Konstitucijos pr. 20 A, LT-03502, Vilnius, Lithuania (hereinafter referred to as "**Swedbank LT**") are eligible to participate in the Exchange Offering. However, since Swedbank LT is not a direct participant in the Latvian securities settlement system, different procedures must be followed for Existing Bondholders holding their bonds with Swedbank LT compared to those holding their bonds with other Custodians.
- 13.5.12 Existing Bondholders who hold their Existing Bonds with Swedbank LT and choose to participate in the Exchange Offering must submit a duly signed Exchange Instruction to the Arranger within the Exchange Period. The relevant Exchange Instruction form will be provided by the Arranger and attached to the Final Terms of the respective Tranche.
- 13.5.13 Upon the settlement of the Bonds for the respective Tranche, the Arranger, based on the submitted Exchange Instructions from Existing Bondholders holding their Existing Bonds with Swedbank LT, will submit such information to the Issuer, which then will submit instruction to Nasdaq CSD which based on that will execute two simultaneous corporate actions: 1) delete the Existing Bonds from the securities account of the respective Bondholder as a free-of-payment transaction, and 2) allocate the new Bonds to the distribution account of the Arranger, which then will transfer the Bonds to the securities account of the respective Bondholder which participated in the Exchange Offering and held the Existing Bonds with Swedbank LT as a free-of-payment transaction. The Arranger and the Issuer when submitting the instructions will observe the conditions set forth in this Section as long as they are not contradictory to conditions set forth in Clauses 13.5.11, 13.5.12 and 13.5.13 of this Base Prospectus. Consequently, the end result for these Bondholders will be the same as for others participating in the Exchange Offering; however, it will occur through the Arranger, the Issuer and the Nasdaq CSD, and involve two simultaneous corporate actions instead of one.

13.6 Conversion Offering

- 13.6.1 The conversion period (the "**Conversion Period**") for each Tranche, if any, shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Conversion Period. However, in any case, the Exchange Period cannot be longer than the Subscription Period of the respective Tranche of Bonds.
- 13.6.2 To participate in the Conversion Offering, an existing creditor of the Issuer must apply to the Issuer within the Subscription Period of the respective tranche of Bonds and conclude an agreement to convert the debt into Bonds (the "**Conversion Agreement**").
- 13.6.3 The Conversion Agreement shall clearly state the amount of debt to be converted into Bonds, include references to the loan agreement under which the liability was incurred, specify the securities account of the creditor to which the Bonds are to be transferred, and indicate the exact number of Bonds to be transferred to the respective account.
- 13.6.4 Once the Conversion Agreement has been duly executed by the Issuer and the respective creditor, the Issuer will submit the Conversion Agreement to the Arranger. Upon settlement of the respective tranche of Bonds, the Arranger, based on the Conversion Agreement, will transfer the amount of Bonds stipulated in the Conversion Agreement to the securities account of the respective creditor as a free-of-payment (FOP) transaction.
- 13.6.5 If required for verification purposes, the Issuer and the Arranger are permitted to submit the Conversion Agreement to Nasdaq CSD.

13.7 Withdrawal of the Subscription Orders

- 13.7.1 An Investor may withdraw a Subscription Order for the Bonds of the respective Tranche by submitting a written statement to the credit institution or investment brokerage firm where the subscription was made at any time until the end of the Subscription Period of the respective Tranche.
- 13.7.2 An Investor may adjust the Bond amount in a Subscription Order for the Bonds of the respective Tranche by submitting a written statement to the credit institution or investment brokerage firm where the subscription was made at any time until the end of the Subscription Period of the respective Tranche. The possibility and process for such adjustments may vary depending on the specific credit institution or investment brokerage firm and are subject to the requirements of the credit institution or investment brokerage firm. Additionally, as set forth in Article 23 of the Prospectus Regulation, an Investor may withdraw a Subscription Order for the Bonds of the respective Tranche by submitting a written statement to the Custodian where the subscription was made at any time until the end of the Subscription Period of the respective Tranche if any supplement or amendment to the Base Prospectus is made public concerning an event or circumstances occurring before the allocation of the Bonds, of which the Issuer became aware prior to allocation of the Bonds, within 2 (two) Business Days as from the date of the publication of the supplement or amendment to the Base Prospectus.
- 13.7.3 An Investor shall be liable for payment of all fees and costs charged by a credit institution or an investment brokerage firm used by the Investor for the Subscription of the Bonds in connection with the withdrawal or amendment of the Subscription Order.
- 13.7.4 Following withdrawal of a Subscription Order or adjustments to the Bond amount in the Subscription Order, the repayments shall be made (or blocked funds shall be released) in accordance with the Subscription Order within 3 (three) Business Days following submission of a statement regarding withdrawal of the Subscription Order.

13.8 No Assignment or Transfer

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

13.9 Payment for the Bonds

- 13.9.1 By submitting a Subscription Order, each Retail Investor shall authorise and instruct the Custodian operating the Retail Investor's cash account connected to the Retail Investor's securities account to immediately block the whole subscription amount on the Retail Investor's cash account until the payment for the allotted Bonds is completed or until the funds are released in accordance with this Base Prospectus. The subscription amount to be blocked will be equal to the Offer Price multiplied by the amount of the Bonds, the respective Retail Investor wishes to subscribe for. A Retail Investor may submit a Subscription Order only when there are sufficient funds on the cash account connected to the securities account. If the blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.
- 13.9.2 The Retail 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 (or the blocked funds will be released) in accordance with instructions provided by each such Retail Investor, as required under the procedures applicable in the investment firm or credit institution with which the Subscription Order was placed. The reimbursement will take place (or the blocked funds will be released) within 10 (ten) Business Days as from the end of the Subscription Period or from the date of the publication of the supplement to this Base Prospectus on the cancellation of the Offering. The payments shall be returned (or the blocked funds will be released) without any reimbursement for costs incurred by the Retail Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses, without interest.
- 13.9.3 In respect of Private Placement of the Bonds the Institutional Investor shall consent to the obligation to ensure the subscription amount on the settlement date on the Delivery Versus Payment (DVP) terms in accordance with Nasdaq CSD rules.
- 13.9.4 Payments for the Bonds are interest free.

13.10 Allotment

- 13.10.1 On the next Business Day following the end of the Exchange Offer Period, Conversion Period and Subscription Period the Issuer will decide whether to proceed with the Offering of the Bonds of a Tranche or cancel the Offering of the respective Tranche.
- 13.10.2 In case the Offering of the Bonds of a Tranche is cancelled, the Issuer will publish an announcement on its website as well as submit this information to the Bank of Latvia.
- 13.10.3 In case the Issuer decides to proceed with the Offering of the Bonds of a Tranche the following actions shall be taken on the next 3 Business Days following the Subscription Period or about that date.

Allotment of the Bonds to the Investors

- 13.10.4 The Issuer will establish the exact number of the Bonds to be allotted to the Existing Bondholders who have participated in the Exchange Offer, by submitting their Exchange Instructions. All Existing Bondholders who have elected to participate in the Exchange Offer (observing the exchange ratio) and creditors participating in the Conversion Offering shall be allotted the Bonds fully.
- 13.10.5 The Issuer will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.
- 13.10.6 As a general principle, if the total number of the Bonds subscribed for (including the Bonds exchanged during the Exchange Offer) is equal to or less than the number of the Bonds and the Issuer decides to proceed with the Offering of the respective Tranche of Bonds, the Bonds will be allotted based on the Subscription Orders placed.
- 13.10.7 In case the total number of the Bonds subscribed for is higher than the number of the Bonds and the Issuer decides to proceed with the Offering, the Bonds may be allocated to them in an entirely discretionary manner of the Issuer.
- 13.10.8 If any additional provisions would be applied to the allocation of the separate Tranche of the Bonds, these will be specified in the Final Terms for the Offering of the relevant Tranche.
- 13.10.9 The division of Bonds between the retail and institutional investors has not been predetermined. The Issuer will determine the exact allocation at its sole discretion.
- 13.10.10 Under the same circumstances, all Investors shall be treated equally, whereas depending on the number of Investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Bonds allocated to one investor, which will apply equally to both – the Retail Investors and the Institutional Investors. If such approach is chosen, it will be further specified in the respective Final Terms.
- 13.10.11 The allocation shall be aimed to create a solid and reliable Investor base for the Issuer.
- 13.10.12 The Issuer shall be entitled to prefer its Existing Bondholders to other Investors.
- 13.10.13 Possible multiple Subscription Undertakings submitted by an Investor shall be merged for the purpose of allocation.

Confirmations

- 13.10.14 After completion of the allotment, on the settlement date of respective Tranche the Investor shall receive a notification about partial or full satisfaction or rejection of the Subscription Order submitted by the Investor and the number of Bonds allotted to the investor if any. In a manner usually suitable to such Custodian, a confirmation and notification shall be provided by the Custodian to the Investor upon submission of his/her/its Subscription Order.

Information about the Results of the Offering

- 13.10.15 Information about the results of the Offering of each Tranche (amount of the Bonds issued and an aggregate principal amount of the respective Tranche) shall be published on the Issuer's website www.lordslb.lt/presenams_bonds/ as well as at www.nasdaqbaltic.com.

13.11 Cancellation, Suspension or Postponement of the Offering

- 13.11.1 The Issuer may cancel the Offering of the Bonds of any Tranche 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 of any of the Tranches will be postponed and that new dates of the Offering will be provided by the Issuer later.

- 13.11.2 In such an event, Subscriptions for the Bonds that have been made will be disregarded, and any Subscription payments made will be returned (or the blocked funds will be released) without interest or any other compensation.
- 13.11.3 The Issuer will make any decision on cancellation, suspension, postponement or changes of the dates of the Offering and will publish such decision in a manner compliant with applicable regulations, as well as market practices in Latvia.

13.12 Settlement and Delivery

- 13.12.1 The settlement of the Offering will be carried out by Nasdaq CSD. The Bonds allocated to Retail Investors and Institutional Investors will be transferred to their securities accounts through the “delivery versus payment” method pursuant to the applicable rules of Nasdaq CSD simultaneously with the transfer of payment for such Bonds. The title to the Bonds will pass to the relevant Retail Investors and Institutional Investors when the Bonds are transferred to their securities accounts. If Retail Investor or Institutional Investor has submitted several Subscription Orders through several securities accounts, the Bonds allocated to such Retail Investor or Institutional Investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Orders submitted for each account, rounded up or down as necessary. The settlement will take place on the Issue Date. All paid up Bonds shall be treated as issued.
- 13.12.2 For all the Existing Bonds to be exchanged with the Bonds, the Nasdaq CSD will instruct the relevant Nasdaq CSD member to transfer the total number of the Bonds to its clients, which in turn will transfer specific number of the Bonds to each of the Investors.
- 13.12.3 For the Conversion Offering, Nasdaq CSD will instruct the Arranger to transfer the number of Bonds specified in the Conversion Agreement as a free-of-payment (FOP) transaction to the securities account of the respective creditor listed in the Conversion Agreement.
- 13.12.4 On the Issue Date the Nasdaq CSD will delete a number of the Existing Bonds that were exchanged for the Bonds from each of its members accounts.

13.13 Listing and Admission to Trading

- 13.13.1 The Issuer shall submit an application to list and admit to trading each Tranche of the Bonds on Nasdaq Riga Baltic Bond List.
- 13.13.2 The decision as to the listing and admission of Bonds to trading on Nasdaq Riga shall be adopted by the Board of Nasdaq Riga. The Issuer shall take all the measures, established in Nasdaq rules, needed that the Bonds would be admitted to trading on Nasdaq Riga as soon as practicably possible.
- 13.13.3 The Issuer expects that the Bonds of the respective Tranche shall be admitted to trading on Nasdaq Riga within 3 (three) months as from placement thereof to the investors at the latest. Disregarding this, the Issuer will put its best endeavours so that these terms would be as short as practicable possible.
- 13.13.4 The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the Nasdaq Riga. 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.
- 13.13.5 The Issuer will cover all costs, which are related to the Listing of the Bonds on Nasdaq Riga.

14 INFORMATION ABOUT THE COLLATERAL

If not provided otherwise in this Section of the Base Prospectus, words and expressions defined in the Terms and Conditions above or elsewhere in the Base Prospectus have the same meaning in this Section of the Base Prospectus.

Nature and scope of the Collateral

The due and timely payment, discharge and performance of the Bonds by the Issuer shall be secured by the Collateral.

Each Tranche of the Bonds will be secured by mortgage over the Property, i.e., over real estate property with unique cadastre number 0100 062 0093, Riga city land register folio No. 13063 with address Balasta dambis 2, Riga, the Republic of Latvia, which on the date of this Base Prospectus includes land property (cadastre designation 0100 062 0137), existing publishing house building (cadastre designation 0100 062 0093 001), multifunctional centre building under construction (cadastre designation 0100 062 0093 002), business centre building under construction (cadastre designation 0100 062 0137 001), guard building (cadastre designation 0100 062 0093 004) and pump station (cadastre designation 0100 062 0093 006) (the **Mortgage** or the **Collateral**).

The maximum amount of secured claim will be up to EUR 82 500 000 for the benefit of the Bondholders, with the particular claim amount specified in the Final Terms of the respective Tranche according to the total aggregate amount of Bonds issued under the Programme at the time.

The Collateral shall be established in accordance with the terms and conditions of the Collateral Agreement to be concluded between the Collateral Agent as the mortgagee and the Issuer as the collateral provider (mortgagor) with regards to establishment of the mortgage over the Property and the respective Collateral shall be registered in the Land Register within 60 (sixty) Business Days after the Issue Date of the first Tranche under the respective Final Terms.

At the date of this Base Prospectus there are several pledge marks, prohibition marks and mortgage claims to the Property entered in the Land Register. There is a mortgage for Existing Bonds (to UAB "AUDIFINA"), mortgage claim from previous general contractor AS "UPB" and pledge marks from two general contractors – AS "UPB" and UAB "YIT Lietuva", and recovery notation from AS "UPB". Management Board of the Company expects to delete these pledge marks and mortgage claims after the Exchange Offering and first or second tranche of Bonds issuance, if sufficient funds are attracted. Management Board of the Company expects to remove AS "UPB" and UAB "YIT Lietuva" claims either through Conversion Offering or negotiations for a final settlement.

For the benefit of AS "UPB" a recovery notation in the amount of EUR 2 786 060.47 is registered in the Land Book of the Property at the date of this Base Prospectus. Until this recovery notation is removed, the Issuer will not be able to register the Collateral in favour of the Collateral Agent to hold for the benefit of the Bondholders. The Issuer intends to resolve this matter and complete the registration of the Collateral within 60 Business Days following the issuance of the first or second tranche of the Bonds. If the Issuer fails to remove the recovery notation and register the Collateral, the Bonds will remain unsecured, which may affect the Bondholders' ability to recover their invested capital.

15 TAXATION

Tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. The following is a general summary of certain tax consideration in the Republic of Latvia in relation to the Bonds. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Bonds, as well as does not consider or discuss the tax implications of any country other than the Republic of Latvia. The information provided in this section shall not be treated as legal or tax advice. Tax rates and conditions for paying taxes may change during the life of the Bonds. Prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Bonds applicable to their circumstances.

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

Latvia has entered a number of tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001.

15.1 Taxation of the Bondholders individuals

Resident individuals

An individual will be considered as a resident of Latvia for taxation purposes:

- if the individual's declared place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income and interest equivalent income from the Bonds for resident individuals will be subject to 20 per-cent withholding tax, deductible by the Issuer before the payment.

Special rules apply if the transactions with the Bonds are made through an investment account within the meaning of the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*). In such case taxation of income is deferred until the moment when the amount withdrawn from the investment account exceeds the contributed amount.

The capital gains from the sale of the Bonds will be subject to 20 per-cent tax, but the tax would be payable by the individual him/herself.

Non-resident individuals

An individual will be considered as a non-resident of Latvia if the individual does not qualify as a resident individual under Latvian laws.

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Bonds being circulated publicly as well as income from the alienation of the publicly circulated Bonds will not be subject to tax in Latvia.

Each non-resident individual, however, should always seek professional advice and determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of his/her country of residence.

15.2 Taxation of the Bondholders entities

Resident entities

An entity will be considered as a resident of Latvia for tax purposes if it is or should have been established and registered in the Republic of Latvia in accordance with the legislative acts of the Republic of Latvia. This also include permanent establishments of foreign entities in Latvia.

Interest (coupon) income and a capital gain from the Bonds constitute a part of the beneficiary's – Latvian company's overall income. The Corporate Income Tax obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (e.g., deemed dividends, non-

business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the beneficiary – Latvian company. The tax is assessed and paid based on the Corporate Income Tax Return filed for a taxation period (a month or year).

Profit distributions are taxed at the rate of 20% of the gross amount of the distributions (tax base is divided by 0.8 and then tax applied at the rate of 20% resulting in the effective rate of 25%).

Non-resident entities

An entity will be considered as a non-resident of Latvia if the entity does not qualify as a resident entity under Latvian laws.

In accordance with the Corporate Income Tax Law of Latvia (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) the interest (coupon) income and income from the alienation of the Bonds for non-resident entities will not be taxable in Latvia.

Each non-resident entity should determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of its country of residence.

15.3 Taxation of low-tax non-residents

In general, payments (including interest payments) to non-residents located, registered or incorporated in a no-tax or low-tax country or territory as prescribed by Regulations of the Cabinet of Ministers No. 333 "List of Low-Tax or No-Tax Countries and Territories", adopted on 27 June 2023; effective as of 1 July 2023 ("**Low-Tax Non-Latvian Residents**") are subject to withholding tax of 20 per-cent if the payer is a Latvian legal entity or 23 per-cent if the payer is a Latvian individual resident having obligation to withhold tax.

However, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) payments by Latvian legal entities to Low-Tax Non-Latvian Residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price. The State Revenue Service of the Republic of Latvia in a legally non-binding explanation in the context of an issue of debt bonds by another issuer has confirmed that, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*), there is no withholding tax also on the interest payments made by an issuer to the holders of the bonds publicly circulated in the EU or EEA who are Low-Tax Non-Latvian Residents, provided that the payments are made at the market price.

16 FORM OF FINAL TERMS

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

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

Final Terms dated [•] AS PN Project

Issue of EUR [•] Tranche No. [•] of Bonds due [•] Under the Programme of the Issuance of Bonds in total amount of up to EUR 75 000 000

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds set forth in the Base Prospectus dated 24 April 2025 (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

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

The Base Prospectus has been published on the Issuer’s website: https://lordslb.it/Presesnams_bonds/.

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

- | | |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Issuer: | AS PN Project |
| 2. Currency: | EUR |
| 3. Tranche number: | [•] |
| 4. ISIN: | [[•]] / [Temporary ISIN: [•].] |
| 5. Aggregate principal amount: | EUR [•] |
| 6. Number of Bonds: | [•] |
| 7. Nominal amount of one Bond | EUR 1000 |
| 8. Issue Date: | [•] |
| 9. Annual Interest Rate: | [•] |
| 10. Interest Payment Dates: | [•] |
| 12. Call Option Dates: | The Issuer shall be entitled to early redemption (call option) starting:
a) from [date], which is one year (i.e., 12 months) after the Issue Date by paying 100.25% (one hundred point zero twenty five per cent) of the Nominal amount plus accrued and unpaid interest;
b) from [date], which is one and a half years (i.e., 18 months) after the Issue Date by paying 100% (one hundred per cent) of the Nominal amount plus accrued and unpaid interest. |
| 13. Minimum Investment Amount: | [•] |
| 14. Issue Price of the Bond: | [•] |
| 15. Subscription Period: | [•] |

- | | |
|------------------------------------------------------------------------------------------|--------------------------------------------|
| 16. Procedure for submission of Subscription Orders: | [•] |
| 17. Exchange Period: | [[•] / [Not applicable.]] |
| 18. Exchange Ratio and incentive fee for participation in Exchange Offering (if any): | [[•] / [Not applicable.]] |
| 19. Accrued interest payable to Existing Bondholders per one Bond: | [[•] / [Not applicable.]] |
| 20. Procedure for submission of Exchange Instructions: | [[•] / [Not applicable.]] |
| 21. Procedure for allotment of the Bonds and settlement: | [•] |
| 22. Existing Bonds subject to exchange: | [[•] / [Not applicable.]] |
| 23. Conversion Offering Period: | [[•] / [Not applicable.]] |
| 24. Conversion Ratio: | [[•] / [Not applicable.]] |
| 25. Procedure for submission of Conversion Offering Instructions: | [[•] / [Not applicable.]] |
| 26. Estimated total expenses of the issue of the Bonds: | [•] |
| 27. Estimated net amount of the proceeds from the Issue of the Bonds: | [•] |
| 28. Name of the Arranger: | [•] |
| 29. Name of the Sales Agent(s): | [[•] / [Not applicable.]] |
| 30. Rating: | The Bonds to be issue have not been rated. |
| 31. Information about the securities of the Issuer that are already admitted to trading: | [[•] / [Not applicable.]] |

These Final Terms have been approved by the Management Board of the Issuer at its meeting on [date] [month] [year].

Riga, [date] [month] [year]

[Signatories]

17 GLOSSARY

In this Base Prospectus, the definitions will have the meaning indicated below, unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of most importance.

Accounting Principles	International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
Applicable Law	Laws of the Republic of Latvia.
AML	Anti-money laundering.
Appraiser	Refers to an independent real estate appraiser who is duly certified or licensed in accordance with Applicable Law and adheres to internationally recognized valuation standards. The Appraiser must conduct the valuation of the Property in compliance with Applicable Law, the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards, 2022, incorporating the International Valuation Standards and the Latvian Valuation Standards 401:2013, and the Appraiser shall also perform a physical inspection of the property and a detailed market survey.
Arranger	AB Šiaulių bankas, registration number: 12025254, legal address: Tilžės g. 149, LT-76348 Šiauliai, Lithuania
Articles of Association	Articles of Association of the Issuer effective as at the date of this Base Prospectus.
Auditor	KPMG Baltics SIA, registration number: 40003235171, legal address: Roberta Hirša iela 1, Rīga, LV-1045, Latvia. In turn, audit firm PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Marijas iela 2A, Rīga, LV-1050, Latvia, has been confirmed as the Issuer's auditor starting from the financial year 2024.
Bank of Latvia	The Bank of Latvia (in Latvian: <i>Latvijas Banka</i>) with its registered office in Riga, Latvia. The Latvian financial supervision authority.
Bank of Lithuania	The Bank of Lithuania (in Lithuanian: <i>Lietuvos bankas</i>) with its registered office in Vilnius, Lithuania. The Lithuanian financial supervision authority.
Base Prospectus	shall mean this document, including the registration document of the Issuer and the securities (the Bonds).
Bonds	The Issuer's bonds with ISIN code in to be indicated in particular Final Terms, including those to be offered and issued under this Base Prospectus and respective Final Terms.
Bondholder	A private person or legal entity that is an owner of one or more Bonds and has a claim against the Issuer as stipulated by the applicable laws.
Business Day(s)	Business Day is a day when the Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
CIT	Latvian Corporate Income Tax.
Collateral	Mortgage, which serves as a security for the fulfilment of the Issuer's obligations towards the Bondholders under the Bonds in accordance with

	the Base Prospectus. Collateral (Mortgage) is further described in Section 12.8 of this Base Prospectus.
Collateral Agent or Trustee	A person holding the Collateral on behalf of the Bondholders and authorized to act with the Collateral in favour of all the Bondholders in accordance with the Base Prospectus and the Collateral Agent Agreement, initially ZAB "VILGERTS" SIA, a law firm registered with Latvian Bar Association and registered with the Commercial Register with registration no. 40203309933, legal address: Audēju iela 15-8, Riga, LV-1050, Latvia.
Collateral Agent Agreement	Agreement concluded between the Issuer and the Collateral Agent which stipulates the rights and obligations of the Collateral Agent relating to the establishment, maintenance, and enforcement of the Collateral, as defined in the Terms and Conditions of the Bonds, in the interests of the Bondholders, as well as the Collateral Agent's compensation. A copy of the Collateral Agent Agreement is available for review upon request to the Issuer.
Collateral Agreement	The Collateral Agreement governed by the Applicable Law and to be concluded between the Collateral Agent (as the pledgee) and the Issuer (as the collateral provider) regarding creation of the mortgage over Property. Collateral Agreement shall be registered in the Land Register within 60 (sixty) Business Days after the Issue Date of the first Tranche under the respective Final Terms. Copies of the Collateral Agreement are available for review upon request from the Issuer.
Commercial Law	Commercial Law of Latvia, adopted on 13 April 2000.
Commercial Register	Commercial Register maintained by Register of Enterprises of Latvia.
Compliance Certificate	means a certificate, in form and substance reasonably satisfactory to the Trustee, signed by an authorised signatory of the Issuer certifying that (A) the financial covenants set forth in Clause 12.21 were met at as per the last day of each relevant quarter to which the Compliance Certificate refers to; (B) there was no breach of any other undertakings set forth in Clauses 12.22; (C) so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy.
COVID-19	The respiratory disease caused by the SARS-CoV-2 virus.
CPF	Counter Proliferation Financing.
Custodian	A Nasdaq CSD participant directly or licensed credit institution or investment brokerage company that has a financial securities' custody account with Nasdaq CSD participant.
Delegated Regulation	Regulation (EU) 2019/980 of 14 March 2019 supplementing Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.
Depository	Nasdaq CSD SE, a company registered in the Company Register of the Republic of Latvia under registration number: 40003242879.
Double Taxation Treaty	General reference to any applicable tax treaty for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income that is concluded by Latvia, Estonia or Lithuania.

Early Redemption Date	The date on which a bond may be repaid before its Maturity Date, as specified in the Final Terms and Section 12.18 of the Base Prospectus.
EEA	The European Economic Area.
Escrow Account	<p>The escrow account opened on behalf of the Issuer with the Arranger 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 this Base Prospectus.</p> <p>For the purposes of Refinancing / Sales the Escrow Account means separate account established by the Escrow Agent to hold funds deposited for the purpose of securing payment to the Bondholders in connection with a Refinancing Transaction or a Sale Transaction. The funds in the Escrow Account shall be disbursed only in accordance with the terms outlined in the escrow agreement and this Base Prospectus and upon fulfilment of the specified conditions for release, ensuring the protection of the Bondholders' interests.</p>
Escrow Account Agreement	Agreement concluded on or about the date of this Base Prospectus between the Issuer and the Arranger on the opening and administration of the Escrow Account to secure the funds paid by the Investor.
Escrow Agent	The bank (a credit institution (bank) lawfully operating in the Republic of Latvia, the Republic of Estonia, or the Republic of Lithuania) selected by the Collateral Agent and designated to serve as escrow agent to secure payment by the Issuer to the Bondholders in the event of a Refinancing Transaction or a Sale Transaction. The Escrow Agent shall be a neutral entity that is neither a New Lender nor a New Mortgagee and acts in the interests of the Bondholders.
Estonia	Republic of Estonia.
Estonian Financial Supervision Authority	The Estonian Financial Supervision Authority, a financial supervision institution with autonomous competence and a separate budget which conducts supervision over credit institutions, insurance companies, insurance intermediaries, investment firms, management companies, investment and pension funds as well as the payment service providers, e-money institutions and the securities markets that have been authorised by the Financial Supervision Authority in the name of the state and which is independent in its activities and decisions.
EU	The European Union.
EUR, €, euro	The official currency of Eurozone countries, including Lithuania, Latvia, Estonia, the euro.
Existing Bondholders	Bondholders of the Existing Bonds.
Existing Bonds	Secured debt securities with ISIN LT0000408403 due on 13 November 2025 in the amount of EUR 27 415 000.
Financial Indebtedness	If for the Issuer: a) any Financial Indebtedness is neither paid when due nor within any applicable grace period; b) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described); c) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor, as a result of an event of default (however described); d) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity, as a result of an event of default (however described); or e) any security securing Financial Indebtedness over any asset is enforced by secured creditor, provided it does not apply to any Financial Indebtedness owed

	to a Subsidiary of the Issuer or Related Parties, and other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 90 calendar days of commencement.
Financial Report	Financial report of the Group published semi-annually (every 6 months) in accordance with Applicable Law.
Financial Statements	Consolidated audited financial statements of the Group pertaining to the financial year ending on 31 December 2023 prepared in accordance with Accounting Principles.
Final Terms	The final terms of the relevant Tranche of the Bonds, where the form of the Final Terms is provided in Section 16 "Form of Final Terms".
General Meeting	Meeting of the Issuer's shareholders, the highest governing body of the Issuer.
Group	The Issuer and the Subsidiary together.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
Investor	Retail investor, Institutional Investor and Existing Bondholder
Intercompany Loan Agreement 1	Intercompany Loan Agreement concluded between the Issuer (as the borrower) and UAB Preses Nams (as the lender).
Intercompany Loan Agreement 2	Intercompany Loan Agreement concluded between the Issuer (as the borrower) and UAB Matuda (as the lender).
Interest	The 10% annual payment made on a Bond, disbursed every 6 months
Interest Payment Date	The date on which the interest payment is made, as specified in the Final Terms of the respective Tranche
ISIN	International Securities Identification Number.
Issuer	AS "PN Project", registration number: 40203063602, legal address: Republikas laukums 2A, Riga, LV-1010, Latvia.
Issue Date	The issue date of each Tranche.
Land Register	Land Register of the Republic of Latvia.
Latvia	Republic of Latvia.
Latvian SSS	Latvian Securities Settlement System
Latvian Association of Certified Auditors	Association of Certified Auditors of the Republic of Latvia.
Listing	Listing of Bonds on Nasdaq Riga Baltic Bond List.
Lithuania	Republic of Lithuania.
Majority Bondholders	Bondholders who collectively (excluding the Issuer, its direct shareholders holding any Bonds) hold in aggregate the Bonds with the Nominal representing at least 1/2 (one half) of the aggregate nominal of all outstanding Bonds plus at least one additional Bond (excluding the Issuer, its direct shareholders holding any Bonds)

	<p>(if such Bonds exist)) in respect to the first convened Bondholders' Meeting in each case</p> <p>If the first convened Bondholders' Meeting does not reach quorum or is unable to pass the decision, the Majority Bondholders for the second convened Bondholders' Meeting will be defined as Bondholders who collectively (excluding the Issuer, its direct shareholders holding any Bonds) hold in aggregate the Bonds with the Nominal representing at least 1/2 (one half) of the aggregate nominal of Bonds present at that second Bondholders' Meeting, in addition to at least one more Bond (excluding the Issuer, its direct shareholders holding any Bonds, if such Bonds exist).</p> <p>For the avoidance of doubt, Bonds held by the Issuer, its direct and/or indirect shareholders shall not give them rights provided to the Majority Bondholders in accordance with this Base Prospectus.</p>
Management Board	Management Board of the Issuer.
Management Company	Management company of the Sole Shareholder of the Issuer, namely, UAB "Lords LB Asset Management", legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania, a licensed investment management company supervised by the Bank of Lithuania.
MIFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
Maturity Date	The date on which the principal amount of the Bond of the respective Tranche is to be repaid in full. The exact maturity date will be specified in the Final Terms of the respective Tranche
Mortgage	Mortgage over the Property - real estate property with unique cadastre number 0100 062 0093, Riga city land register folio No. 13063 with address Balasta dambis 2, Riga, the Republic of Latvia, which on the date of this Base Prospectus includes land property (cadastre designation 0100 062 0137), publishing house building (cadastre designation 0100 062 0093 001), multifunctional centre building under construction (cadastre designation 0100 062 0093 002), business centre building under construction (cadastre designation 0100 062 0137 001), guard building (cadastre designation 0100 062 0093 004) and pump station (cadastre designation 0100 062 0093 006) and any other buildings, constructions and infrastructure constructed thereof (as a part of the real estate property).
Nasdaq CSD	Nasdaq CSD SE (Societas Europaea), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņu iela 1, Riga LV-1050, Latvia.
Nasdaq Riga	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņu iela 1, Riga, LV-1050.
NewCo	A company incorporated in the Republic of Latvia, wholly owned by the Issuer, which acquires ownership of all or part of the Collateral for the purposes of the Sale Transaction or the Refinancing Transaction.
New Lender	Any entity authorized to operate within the European Union.
New Mortgagee	Any New Lender who, with the consent of the Collateral Agent, is registered as a subsequent rank mortgagee over the Collateral or any

	portion thereof in connection with the Refinancing Transaction, the Sale Transaction, or a new bond issuance by the Issuer.
NOI	Net operating income.
Nominal Value	The face value of a bond, which for one Bond is EUR 1000.
Offer Price	The price at which each Bond is to be issued or sold under the Offering.
Offering	The Retail Offering and the Institutional Offering jointly.
Programme	shall mean the issuance of up to EUR 75 000 000 as an aggregate amount of the Bonds to be issued under this Base Prospectus
Project	A commercial development project in 2 Balasta dambis, Riga, Latvia (known as "Preses Nama Kvartals" which is being developed and constructed by the Issuer. Further information on the Project is provided in Section 7 "PROJECT PRESES NAMS KVARTALS" of this Base Prospectus.
Promissory Note	An agreement between the Issuer and the Collateral Agent where the Issuer reassures it owes any sums due under the Base Prospectus to the Collateral Agent and which may be used, if necessary, for the purposes of registration and enforcement of the Collateral.
Property	The real estate property with unique cadastre number 0100 062 0093, Riga city land register folio No. 13063 with address Balasta dambis 2, Riga, Latvia, which on the date of this Base Prospectus includes land property (cadastre designation 0100 062 0137), existing publishing house building (cadastre designation 0100 062 0093 001), multifunctional centre building under construction (cadastre designation 0100 062 0093 002), business centre building under construction (cadastre designation 0100 062 0137 001), guard building (cadastre designation 0100 062 0093 004) and pump station (cadastre designation 0100 062 0093 006).
Prospectus Regulation	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 of admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Refinancing Transaction	Transaction whereby the Issuer fully or partially repays all of the Bonds through borrowings from New Lender(s) for the purpose of either exercising the Early Redemption at the option of the Issuer (call option) for partial repayment of the Bonds, full repayment of all Bonds before the Maturity Date, or full repayment of the Bonds on the Maturity Date.
Regulated Market	The Baltic Bond List of Nasdaq Riga, which is a regulated market for the purposes of the MIFID II.
Related Parties	Any person (natural person or legal entity) in relation to the Issuer or the Subsidiary defined as a "reporting entity" by the International Accounting Standards (IAS 24 - Related Party Disclosures). Investors in the Sole Shareholder shall be excluded from the Related Parties.
Relevant Period	Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar half-year.
Sale Transaction	The sale of the Collateral or any part thereof to third parties, in any form of transaction, whether it is a direct sale of the Property or any part thereof, or the sale of any shares in NewCo, for the purpose of either exercising the Early Redemption at the option of the Issuer (call option)

	for partial repayment of the Bonds, full repayment of all Bonds before the Maturity Date, or full repayment of the Bonds on the Maturity Date.
Sanctions	Restrictive measures, namely, restrictions or prohibitions imposed pursuant to international public law, including restrictive measures adopted by the United Nations Security Council (UN), the European Union (EU), Office for Foreign Assets Control (OFAC) and by the Republic of Latvia.
Shares	All issued and paid-up shares of the Issuer, the amount of which may change from time to time
Section	A Section of this Base Prospectus.
Sole Shareholder	Shareholder of the Issuer. At the date of this Base Prospectus the existing Sole Shareholder (100%) of the Issuer is a closed-ended real estate investment fund intended for informed investors Lords LB Special Fund V, fund code in Lithuania I052.
Subscription Order	Order to acquire the Bonds submitted by the Investor to its Custodian or the Arranger.
Subscription Period	The subscription period for each Tranche as specified in the Final Terms.
Subsidiary	SIA "PN Management", registration number: 40203109325, legal address: Republikas laukums 2A, Riga, LV-1010, Latvia, a wholly owned subsidiary (100%) of the Issuer at the date of this Base Prospectus.
Summary	The summary of this Base Prospectus.
Supervisory Board	The Supervisory Board of the Issuer.
The Baltic States, The Baltics	The Republic of Latvia, the Republic of Estonia, and the Republic of Lithuania as a whole.
Terms and Conditions	shall mean the terms and conditions of the Bonds which are provided in Section 12 " <i>Terms and Conditions of the Bonds</i> " of this Base Prospectus, applicable to all the Bonds to be issued in each of the respective Tranches, as completed by the relevant Final Terms.
Tranche	Bonds may be issued in tranches.
UAB Matuda	UAB Matuda, legal entity code in Lithuania: 306023286, legal address: Jogailos st. 4, Vilnius, Lithuania. UAB Matuda is a subsidiary of Sole Shareholder (Lords LB Special Fund V) and sister company of the Issuer.
UAB Preses Nams	UAB Preses Nams, legal entity code in Lithuania: 306556583, legal address: Jogailos st. 4, Vilnius, Lithuania.
Undisbursed Loan Credits	The loan agreements in the amount of EUR 25 000 000 between the Issuer and Nordic Investment Bank and the loan agreement in the amount of EUR 25 000 000 between the Issuer and AS "Citadele banka" both dated 10 December 2021. For the avoidance of doubt, at the date of the Base Prospectus no amounts are disbursed and received by the Issuer under the referenced loan agreements.

THE ISSUER

AS "PN Project"

(registration No. 40203063602, legal address: Republikas laukums 2A, Rīga, LV-1010, Latvia)



ARRANGER

Šiaulių bankas AB

(registration No. 12025254, legal address: Tilžės g. 149, LT-76348 Šiauliai, Lithuania)



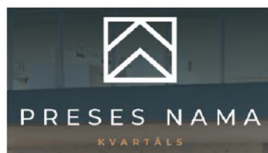
LEGAL COUNSEL TO THE ISSUER

ZAB Eversheds Sutherland Bitāns SIA

(registration No. 40203329751, legal address: Marijas iela 2A, Rīga, LV-1050, Latvia)

EVERSHEDS
SUTHERLAND
BITĀNS

THIS DOCUMENT IS SIGNED WITH SAFE ELECTRONIC SIGNATURES CONTAINING TIME STAMPS



AS "PN Project"

incorporated and registered in the Republic of Latvia with registration number 40203063602

AS "PN PROJECT" SUPPLEMENT NO. 1 TO THE BASE PROSPECTUS DATED 24 APRIL 2025 FOR THE PROGRAMME FOR THE ISSUANCE OF BONDS IN THE AMOUNT OF EUR 75 000 000

This supplement No. 1 (the "**Supplement**") to the Base Prospectus (as defined below) is prepared in relation to AS "PN Project" public bond offering up to EUR 75 000 000, to be listed and admitted to trading on Baltic Bond List of AS Nasdaq Riga and is supplemental to, and should be read in conjunction with the Base Prospectus for the programme for the issuance of bonds in the amount of EUR 75 000 000 and admission thereof to trading on Baltic Bond List of AS Nasdaq Riga, dated 24 April 2025 (the "**Original Base Prospectus**").

This Supplement is a supplement within the meaning of Article 23(1) of 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 (the "**Prospectus Regulation**"). Request to the Bank of Latvia has been made with respect to notifying the Estonian Financial Supervision Authority and the Bank of Lithuania of a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation.

Unless otherwise stated or the context otherwise requires, terms defined in the Original Base Prospectus have the same meaning when used in this Supplement. As used herein, "Base Prospectus" means the Original Base Prospectus as supplemented by this Supplement.

Investment in bonds entails risks. While every care has been taken to ensure that the Base Prospectus presents a fair and complete overview of the risks related to the Issuer, the operations of the Issuer, and the Bonds, the value of investment in the Bonds may be significantly affected by circumstances that are either not evident at the date of approval of the Base Prospectus or not reflected in the Base Prospectus. Investment in the Bonds must be based on the Base Prospectus and related Final Terms as a whole. Hence, we ask you to study the Base Prospectus and Final Terms with care.

MiFID II product governance - solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients, and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and respective retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds should take into consideration the manufacturer's target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union, in a country member of the European Economic Area and Switzerland.

Neither this Base Prospectus nor any Final Terms 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. Furthermore, the distribution of this Base Prospectus and/or any Final Terms in certain jurisdictions may be restricted by law. Thus, persons in possession of this

Base Prospectus and/or any Final Terms are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

TABLE OF CONTENTS

1	INTRODUCTORY INFORMATION	4
2	SUPPLEMENTARY INFORMATION TO THE BASE PROSPECTUS.....	4

1 INTRODUCTORY INFORMATION

The purpose of preparing this Supplement is to incorporate information concerning key characteristics of the Bonds offered under the Base Prospectus. In particular, the purpose of this Supplement is to amend and restate the information concerning Interest related to the Bonds as well as listing requirement of Bonds after each respective tranche.

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into the Base Prospectus shall be amended and / or supplemented in the manner described below. References to page numbers are to the pages of the Base Prospectus.

The Issuer and the Management Board accepts responsibility for the information contained in this Supplement. The Issuer and the Management Board accepts responsibility for the correctness and accuracy of the information contained in this Supplement. Having taken all reasonable care, the Issuer and the Management Board believes that the information in this Supplement is, to the best of the Issuer's and the Management Board's knowledge, in conformity with the facts and excludes no information likely to affect the meaning of this Supplement. Since the publication of the Base Prospectus there have been no significant new factors, material mistakes or inaccuracies relating to the information contained in the Base Prospectus, save as disclosed in this Supplement.

signed with a safe electronic signature

Member of the Management Board

Igors Dajilovs

signed with a safe electronic signature

Member of the Management Board

Povilas Urbonavičius

Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in the Base Prospectus solely on the basis of the summary of any series issued under this Base Prospectus, including any translation thereof, unless such summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus, or where it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in Bonds.

2 SUPPLEMENTARY INFORMATION TO THE BASE PROSPECTUS

New information (as provided by the Article 23(1) of the Prospectus Regulation) concerning the characteristics of the Bonds has become available. Therefore, the following amendments and restatements are made to the Base Prospectus.

2.1. Section 12.17.1. of the Base Prospectus provides that the Bonds shall bear interest at fixed interest rate (the Interest) which shall be determined by the Issuer and specified in the Final Terms. Therefore, the definition of "Interest" under Section 17 "GLOSSARY" shall be amended restated as follows:

Interest

The annual payment made on a Bond, which is determined by the Issuer and specified in the Final Terms of respective tranche.

2.2. Section 12.22.7. of the Base Prospectus provides that Bonds of each Tranche are admitted to trading on Nasdaq Riga within 3 (three) months from the placement of the respective Tranche. Therefore, description "Listing" under Section 1 "OVERVIEW OF THE PROGRAMME" shall be amended and restated as follows:

Listing

Application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the Regulated Market according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the respective Tranche.

THIS DOCUMENT IS ELECTRONICALLY SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND
CONTAINS A TIME STAMP

FORM OF FINAL TERMS

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

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

Final Terms dated 9 May 2025 as amended and restated on 28 May 2025 AS PN Project

These Final Terms (as amended and restated on 28 May 2025) replace in full the original final terms dated 9 May 2025 (the “Original Final Terms”) relating to the issue of EUR 30,000,000 Tranche No. 1 of Bonds due 4 June 2027 by AS PN Project under the Programme of the Issuance of Bonds in a total amount of up to EUR 75,000,000. The sole amendment reflected in this restated version is the increase of the fixed annual interest rate from 9% to 10%. All other terms and conditions of the Original Final Terms remain unchanged and continue in full force and effect.

Issue of EUR 30 000 000 Tranche No. 1 of Bonds due 4 June 2027 Under the Programme of the Issuance of Bonds in total amount of up to EUR 75 000 000

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds set forth in the Base Prospectus dated 24 April 2025, and related Supplement Number 1 to the Base Prospectus dated 24 April 2025 (hereinafter together the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

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

The Base Prospectus has been published on the Issuer’s website: https://lordslb.it/Presesnams_bonds/.

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

- | | |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Issuer: | AS PN Project |
| 2. Currency: | EUR |
| 3. Tranche number: | 1 |
| 4. ISIN: | LV0000104271 |
| 5. Aggregate principal amount: | EUR 30 000 000 |
| 6. Number of Bonds: | 30 000 |
| 7. Nominal amount of one Bond | EUR 1000 |
| 8. Issue Date: | 4 June 2025 |
| 9. Annual Interest Rate: | 10% (as increased from 9%) |
| 10. Interest Payment Dates: | First Interest Payment Date shall be 4 December 2025. On the First Interest Payment Date accrued interest from the period from the Issue Date until the First Interest Payment Date will be paid.
Coupon payments shall be made 2 (two) times per year – on every 4 June and 4 December.
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.
11. Maturity Date:	4 June 2027
12. Call Option Dates:	<p>The Issuer shall be entitled to early redemption (call option) starting:</p> <p>a) from 4 June 2026, which is one year (i.e., 12 months) after the Issue Date by paying 100.5% (one hundred point five per cent) of the Nominal amount plus accrued and unpaid interest;</p> <p>b) from 4 December 2026, which is one and a half year (i.e., 18 months) after the Issue Date by paying 100% (one hundred per cent) of the Nominal amount plus accrued and unpaid interest.</p>
13. Minimum Investment Amount:	1 000
14. Issue Price of the Bond:	1 000
15. Subscription Period:	From 9:00 on 12 May 2025 until 15:30 on 30 May 2025 (Riga time).
16. Procedure for submission of Subscription Orders:	<p>The Investors (Retail Investor, Institutional Investor) wishing to subscribe for and purchase the Bonds shall submit their Subscription Orders at any time during the Subscription Period. At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Bonds in a securities account maintained in its name and opened with a Custodian of their choice.</p> <p>An Investor shall bear all costs and fees charged in connection with the submission, cancellation or amendments of a Subscription Order pursuant to the price list of the respective Custodian. Upon submission of the Subscription Order the Investor shall authorise the Nasdaq CSD, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor's Subscription Order before, during and after the Subscription Period.</p> <p>An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible. The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible, or which have not been completed and submitted during the Subscription Order in accordance with all requirements set out in the Base Prospectus. Any consequences of form of a Subscription Order for the Bonds being incorrectly filled out will be borne by the Investor.</p> <p>Retail Investors wishing to subscribe for the Bonds shall contact their Custodian and submit Subscription Order in the form accepted by the Custodian and in accordance with all requirements set out in the Base Prospectus. The Retail Investor may use any method that such Retail Investor's Custodian offers to submit the Subscription Order</p>

(e.g. physically at the client service centre of the Custodian, over the internet or by other means). Subscription Orders by the Custodians shall be filed through the Nasdaq Riga Auction System.

Institutional Investors participating in Private Placement and wishing to purchase the Bonds may submit their own Subscription orders to the Arranger or the Sales Agent, or their Custodian, which in turn shall submit the orders to the Arranger in accordance with requirements set out in the Base Prospectus.

17. Exchange Period:
From 9:00 on 12 May 2025 until 15:30 on 30 May 2025 (Riga time).
18. Exchange Ratio and incentive fee for participation in Exchange Offering (if any):
The exchange ratio shall be one existing bond to one Bond.
For example, if Existing Bondholder submits for Exchange 1 Existing Bond, he/she will receive 1 Bond. From Nominal Value perspective ratio is 1:1.
19. Accrued interest payable to Existing Bondholders per one Bond:
Every Existing Bondholder participating in the Exchange Offering is entitled to a fee as compensation for the accrued interest on the Existing Bonds Subject to Exchange for the period from last coupon payment date of the respective bonds until the Issue Date.
In addition, every Existing Bondholder participating in the Exchange Offering is entitled to an incentive fee for the participation in the Exchange Offering which amounts to 0.5% of the total nominal value of bonds held by the respective Existing Bondholder participating in the Exchange Offering.
For avoidance of doubt, Existing Bonds subject to Exchange are secured debt securities with ISIN LT0000408403.
20. Procedure for submission of Exchange Instructions:
Existing Bondholders wishing to exchange the Existing Bonds can submit their instructions with their Custodian in writing using the offer form provided by the Custodian stating the number of the Existing Bonds to be exchanged during the Exchange Period in accordance with requirements set out in the Base Prospectus.
The exchange of the Existing Bonds with the Bonds will be carried out as a corporate event in accordance with the applicable rules of the Nasdaq CSD within the Exchange Period.
Existing Bondholders who hold their Existing Bonds with Swedbank AB, registration number: 112029651, legal address: Konstitucijos pr. 20 A, LT-03502, Vilnius, Lithuania (hereinafter referred to as "**Swedbank LT**") are eligible to participate in the Exchange Offering. However, since Swedbank LT is not a direct participant in the Latvian securities settlement system, different procedures must be followed for Existing Bondholders holding their bonds with Swedbank LT compared to those holding their bonds with other Custodians.
Existing Bondholders who hold their Existing Bonds with Swedbank LT and choose to participate in the Exchange Offering must submit a duly signed Exchange Instruction to the Arranger within the

Exchange Period. The relevant Exchange Instruction form will be provided by the Arranger.

Upon the settlement of the Bonds for the respective Tranche, the Arranger, based on the submitted Exchange Instructions from Existing Bondholders holding their Existing Bonds with Swedbank LT, will submit such information to the Issuer, which then will submit instruction to Nasdaq CSD which based on that will execute two simultaneous corporate actions: 1) delete the Existing Bonds from the securities account of the respective Bondholder as a free-of-payment transaction, and 2) allocate the new Bonds to the distribution account of the Arranger, which then will transfer the Bonds to the securities account of the respective Bondholder which participated in the Exchange Offering and held the Existing Bonds with Swedbank LT as a free-of-payment transaction. The Arranger and the Issuer when submitting the instructions will observe the conditions set forth in this Section as long as they are not contradictory to conditions set forth in Clauses 13.5.11, 13.5.12 and 13.5.13 of the Base Prospectus. Consequently, the end result for these Bondholders will be the same as for others participating in the Exchange Offering; however, it will occur through the Arranger, the Issuer and the Nasdaq CSD, and involve two simultaneous corporate actions instead of one.

21. Procedure for allotment of the Bonds and settlement:

The Bonds will be allocated in the following priority:

- 1) Existing Bondholders who have elected to participate in the Exchange Offer shall be allotted the Bonds fully, observing the exchange ratio;
- 2) Retail Investors and Institutional Investors who have submitted Subscription Orders based on the principles described below.

Without prejudice to the priority described above, the following principles will be observed during the allocation process:

- (i) the allocation shall be aimed to create a solid, reliable and diversified Investor base for the Issuer;
- (ii) the Issuer may apply different allocation principles to a different group of Investors;
- (iii) the Issuer may set a minimum and a maximum number of Bonds allocated to one Investor. The information about the results of the offering and allocation will be announced through the information system of the Nasdaq Riga and the Issuer's website (https://lordslb.lt/Presesnams_bonds/) on or about 4 June 2025.

The settlement of the Offering will be carried out by Nasdaq CSD on or about 4 June 2025. The Bonds allocated to Retail Investors and Institutional Investors will be transferred to their securities accounts through the "delivery versus payment" method pursuant to the applicable rules of Nasdaq CSD simultaneously with the transfer of payment for such Bonds. The title to the Bonds will pass to the relevant Retail Investors and Institutional

Investors when the Bonds are transferred to their securities accounts.

If Retail Investor or Institutional Investor has submitted several Subscription Orders through several securities accounts, the Bonds allocated to such Retail Investor or Institutional Investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Orders submitted for each account, rounded up or down as necessary. The settlement will take place on the Issue Date. All paid up Bonds shall be treated as issued.

For all the Existing Bonds to be exchanged with the Bonds, the Nasdaq CSD will instruct the relevant Nasdaq CSD member to transfer the total number of the Bonds to its clients, which in turn will transfer specific number of the Bonds to each of the Investors. On the Issue Date the Nasdaq CSD will delete a number of the Existing Bonds that were exchanged for the Bonds from each of its members accounts.

- | | |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22. Existing Bonds subject to exchange: | Existing Bonds |
| 23. Conversion Offering Period: | Not applicable. |
| 24. Conversion Ratio: | Not applicable. |
| 25. Procedure for submission of Conversion Offering Instructions: | Not applicable. |
| 26. Estimated total expenses of the issue of the Bonds: | EUR 350 000 |
| 27. Estimated net amount of the proceeds from the Issue of the Bonds: | EUR 29 650 000 |
| 28. Name of the Arranger: | AB Artea bankas, registration number: 12025254, legal address: Tilžės g. 149, LT-76348 Šiauliai, Lithuania (previously Šiaulių bankas) |
| 29. Name of the Sales Agent(s): | Redgate Capital AS, registration code: 11532616, registered address: Pärnu mnt 10, 10148 Tallinn, Estonia;
Orion Securities, UAB, registration code: 122033915, registered address: Antano Tumėno g. 4, LT-01109, Vilnius, Lithuania. |
| 30. Rating: | The Bonds to be issue have not been rated. |
| 31. Information about the securities of the Issuer that are already admitted to trading: | Not applicable. |

These Final Terms have been approved by the Management Board of the Issuer at its meeting on 28.05.2025.

Riga, 28.05.2025.

Igors Daņilovs
Management Board Member

Povilas Urbonavičius
Management Board Member

This document is signed electronically with secure electronic signature containing a time stamp

ANNEX - ISSUE SPECIFIC SUMMARIES

1. Summary in English

This summary (the "**Summary**") has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 and should be read as an introduction to the Base Prospectus. Any decision to invest in the Bonds should be based on a consideration of the Base Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information in the Base Prospectus is brought before court, the plaintiff investor might, under national law, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches (relates) only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus, or where it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in securities.

1.1. Introduction

Name and international securities identification number (ISIN) of the securities

AS "PN Project" EUR 75 000 000 10% (as increased from 9%) per-cent secured bonds due 04.06.2027., ISIN: LV0000104271 (the "**Bonds**").

Identity and contact details of the issuer, including its legal entity identifier (LEI)

AS "PN Project" is a joint stock company (*akciju sabiedrība*), incorporated in Latvia, registered in the Register of Enterprises of Latvia with registration number: 40203063602, legal address: Republikas laukums 2A, Rīga, LV-1010, Latvia. The Issuer's e-mail is info@lordslb.lt, telephone number is +370 52619470. Its legal entity identifier (LEI) is 6488MO7801E7SK91DC04.

Identity and contact details of the competent authority approving the Base Prospectus

The Base Prospectus has been approved by the Bank of Latvia, as the competent authority, with its address at Krišjāņa Valdemāra iela 2A, Rīga, LV-1050, Latvia, e-mail: info@bank.lv, telephone number: +371 67022300, in accordance with Regulation (EU) 2017/1129.

Date of approval of the Base Prospectus

The Base Prospectus was approved on 24.04.2025.

1.2. Key information on the Issuer

Who is the issuer of securities?

Domicile, legal form, LEI, jurisdiction of incorporation and country of operation

The Issuer is incorporated in Latvia, with its registered address at Republikas laukums 2A, Rīga, LV-1010, Latvia, and its LEI number is 6488MO7801E7SK91DC04. The Issuer is incorporated and registered as a joint stock company (*akciju sabiedrība*) in the Register of Enterprises of Latvia with registration number: 40203063602.

Principal activities

The Issuer has been established as a real estate development company. The Issuer engages in various activities, which are mostly related to investment activities, including project initiation, closing sale, rent of the premises and buildings. The Issuer has been established as a special purpose vehicle (SPV) with a key purpose to develop and construct real estate Project located in 2 Balasta Dambis, Rīga, known as "*Preses Nama Kvartāls*". The Issuer has a 100% ownership in its Subsidiary SIA "PN Management", whose primary activities are related to the Project development, including market research and business analysis, planning, procurement, architecture and design, market launch, project implementation and construction. The Issuer and the Subsidiary has concluded a construction project management agreement related to *Preses Nama Kvartāls* Project, which encompasses responsibilities and activities for the Project, including but not limited to constructions planning, coordination, budgeting, scheduling.

Major shareholders

As of the date of the Base Prospectus, the following shareholders hold over 5% of all Shares of the Issuer and the Issuer considers them as its main shareholders:

Name of shareholder	Number of Shares held	Percentage of total share capital held	Ultimate beneficial owner(s) of the shareholder*
Lords LB Special Fund V closed-ended real estate investment fund intended for informed investors	51 507 800	100%	Mr Mindaugas Marcinkevičius - as the sole shareholder of Glera UAB, which is one of the shareholders of the Management Company, which in turn manages the Sole Shareholder that holds the shares of the Issuer. Mr Andrius Stonkus - as the sole shareholder of Aemulus UAB, which is one of the shareholders of the Management Company, which in turn manages the Sole Shareholder that holds the shares of the Issuer.

*As described above, the Management Company is indirectly owned by Mr Mindaugas Marcinkevičius and Mr Andrius Stonkus, who are considered as ultimate beneficial owners (UBO) of the Issuer by exercising control through the Management Company, which is managing the Sole Shareholder of the Issuer. From financial point of view, the ultimate beneficiaries of the Issuer are the investors of the Sole Shareholder.

Management Board and Supervisory Board

The details on the members of Management Board and Supervisory Board as of the date of the Base Prospectus are provided below.

Name	Position	Appointment Date	Expiration of the Term in Office
MANAGEMENT BOARD			
Povilas Urbonavičius	Chairman of Management Board	17 September 2024	16 September 2029
Igors Daļilovs	Management Board Member	17 September 2024	16 September 2029
SUPERVISORY BOARD			
Marius Žemaitis	Chairman of Supervisory Board	15 August 2024	15 August 2029
Mindaugas Marcinkevičius	Deputy Chairman of Supervisory Board	15 August 2024	15 August 2029
Andrius Stonkus	Supervisory Board Member	15 August 2024	15 August 2029

Statutory auditors

The audit firm KPMG Baltics SIA, registration number: 40003235171, legal address: Roberta Hirša iela 1, Riga, LV-1045, Latvia, is the Issuer's Auditor for the accounting period covered by the historical financial information contained in the Base Prospectus. KPMG Baltics SIA is a certified auditor (license No. 55) and a member of the Latvian Association of Certified Auditors.

In turn, audit firm PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Marijas iela 2A, Riga, LV-1050, Latvia, has been confirmed as the Issuer's auditor starting from the financial year 2024. The financial year for the Issuer is from 1 January to 31 December.

What is the key financial information regarding the issuer?

Selected Financial Information of the Group, EUR, or percentage %, or ratio (x) as applicable

Item	Year ended 31 December		Six-month period ended 30 June	
	Audited consolidated		Unreviewed consolidated	
	2022	2023	2023	2024
Rental income (Revenue)	71 256	62 431	41 153	42 748
Operating loss	(2 092 135)	(7 086 620)	(506 652)	(3 354 247)
Loss before tax	(4 977 104)	(10 314 920)	(1 910 147)	(5 499 541)
Net Asset Value	12 785 782	19 467 487	10 875 428	13 967 871

Investment Property	63 330 000	72 610 000	65 795 736	76 355 986
Investment Property/Assets	96.4%	92.6%	97.2%	96.0%
Equity/Assets	19.5%	24.8%	16.1%	17.6%
Loan-to-Cost	29.8%	28.1%	33.0%	32.3%
Cash and cash equivalents	81 909	30 972	892 061	34 519
Total assets	65 712 136	78 384 912	67 708 690	79 565 561
Total equity	12 785 782	19 467 487	10 875 428	13 967 871
Long-term liabilities	48 246 302	26 845 809	40 361 787	51 973 394
Short-term liabilities	4 680 052	32 071 616	16 471 475	13 624 296
Net Cash flows from operating activities	2 921 573	(3 662 954)	(359 807)	(1 382 927)
Net Cash flows from investing activities	(23 258 660)	(7 889 983)	(2 898 041)	(3 747 175)
Net Cash flow from financing activities	20 361 500	11 502 000	4 068 000	5 133 226
Net debt	52 844 445	58 886 453	55 941 201	65 563 171
Liabilities / Equity (x)	4.14	3.03	5.23	4.70
Net liabilities / equity ratio (x)	4.13	3.02	5.14	4.69

The following material uncertainty related to going concern is included in the Independent Auditor's Report for the years ended 31 December 2023, and 31 December 2022:

We draw attention to Note 3.18. of the consolidated financial statements, which states that as at 31 December 2023 the Group had a working capital deficit equal to EUR 31 599 710, of which EUR 20 094 463 related to the loan received from Matuda UAB with the maturity of 26 April 2024 and EUR 11 219 375 related to amounts payable to suppliers and contractors.

Furthermore, in October 2024 the Group has terminated the contract with its general contractor and, as of the date of this report, the operations of the Group – the development of the multifunctional real estate centre on its controlled land plot – are suspended. During the building development and construction period the Group has been financed by the funds received from the shareholder and/or its controlled entities considering the course of the project and the need of working capital to finance the construction activities. The Group's ability to continue operations on a going concern basis is highly dependent on the Group's ability to attract additional financing, settle its outstanding liabilities and resume the real estate development project. At the date of these consolidated financial statements, the Group, its shareholder and its other controlled SPVs have not received a written confirmed financing commitment from the potential investors. These events and conditions, along with other matters as set forth in Note 3.18., indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

What are the key risks that are specific to the issuer?

Construction cost and Project success risk. Considering that the Issuer is raising financing for further completion and development of the Project, the obligations of the Issuer under the Bonds are subject to the Issuer's ability to complete the Project on time and repay its obligations.

The completion of the A and largest Phase of the Project is planned in 2026 (originally it was planned to complete constructions in 2023). Despite a change in the general contractor, the Project continues to progress successfully. However, the frequent changes in the global markets and the building materials supply chain, primarily due to the war in Ukraine and the related economic and geopolitical situation in the region, including instability in the energy market, (despite of the fact that the Project is being built as energy efficient and therefore, the Project is more resistant to fluctuations in energy prices), there is a remote risk of unexpected increase in construction costs. As of the time of the Base Prospectus, the Project is progressing within its budgetary constraints. However, it should be noted that should there be unexpected increases in construction costs, it may become necessary for the Issuer to secure additional funding through debt. However, obtaining this extra financing could be challenging for the Issuer due to

various factors or inability to secure construction material required to complete the Project that may reduce the overall profitability of the Project, delay the completion of the Project or affect its timeline and as a result adversely affect the Issuer's plans, activities, financial situation, and ability to repay the Bonds.

At the date of the Base Prospectus and as detailed in Section 8.5. "Legal Proceedings" of the Base Prospectus, the Issuer and the Subsidiary are involved in multiple litigations with previous contractors of the Project, with outcomes pending, although risk of substantial financial loss on the side of Issuer shall be deemed as being low in the scope of project investment programme. Moreover, since the construction of the Project is ongoing and even unpredictable may happen, the Issuer cannot assure that it will avoid any further disputes with suppliers or maintain existing relationships, especially should a ground and a need for litigation arise on the side of the Issuer. Any supply chain disruptions or damage to supplier integrity may result in significant costs, loss and reputation damage, potentially impacting the Issuer's profitability and ability to repay the Bonds in time.

Risk related to incurring additional debt. According to the Base Prospectus the Issuee shall not assume any Financial Indebtedness, however certain exceptions are included as part of negative borrowing covenants provided in Clause 12.22.1 "Negative borrowing". Amongst others, these include, for instance Financial Indebtedness not exceeding EUR 50 000 in aggregate during the year, or non-interest-bearing Financial Indebtedness incurred in the ordinary course of business of the Issuer, or Financial Indebtedness related to Project development expenses. If the Issuer incurs significant additional debt, the Issuer's ability to service its Financial Indebtedness, including the Bonds, might deteriorate, the amount recoverable by Bondholders in case of Issuer's insolvency might decrease.

Credit and default risk of the Issuer. Investment in the Bonds is subject to credit risk, which means that the Issuer may fail to meet its obligations arising from the Bonds duly and in a timely manner. The Issuer's ability to meet its obligations arising from the Bonds and the ability of the Bondholders to receive payments arising from the Bonds depends on the financial position and the results of operations of the Issuer, which are subject to other risks described in the Base Prospectus. In case of insolvency of the Issuer, there is a risk that the Bondholders would not receive any payments related to the Bonds or part thereof.

Risks related to Issuer's financial standing. The Issuer's financial condition is and will remain of great importance to both the Issuer and the Bondholders, since it not only carries out the Project, but is also subject to underlying obligations of the Intercompany Loan Agreement, which are expected to be covered by part of the proceeds raised under the Bonds after covering Project related expenses. Furthermore, the only key asset the Issuer controls is the land plot with unfinished construction. The Project in development is accounted for under the fair value principle. Specifically, the value of the Issuer's assets is adjusted periodically, based on the most recent independent real estate valuation (pursuant to the latest real estate valuation report of SIA "NEWSEC VALUATIONS LV" dated 15 November 2024, the estimated market value of the Property by 30 September 2024 was EUR 62 610 000).

1.3. Information on the securities

What are the main features of the securities?

Form of the Bonds:	The Bonds are dematerialized debt securities in bearer form which are disposable without any restrictions and can be pledged. The Bonds are book-entered with Nasdaq CSD SE.
ISIN:	LV0000104271
Transferability:	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 Latvian laws, including the United States, Australia, Japan, Canada, Hong Kong, South Africa, Singapore, Russia, Belarus and certain other jurisdictions. In addition, the Bondholders are prohibited to resell, transfer or deliver the Bonds to any person in a manner that would constitute a public offer of securities.
Status and Security:	<p>The Bonds will rank <i>pari passu</i> with other senior secured obligations of the Issuer. In case of the insolvency of the Issuer, the Bondholders will be entitled to recover their investment on the same terms as other senior secured creditors in the respective claims' group according to the relevant Applicable Law.</p> <p>Each Tranche of the Bonds will be secured by mortgage over the Property, i.e., over real estate property with unique cadastre number 0100 062 0093, Riga city land register folio No. 13063 with address Balasta dambis 2, Riga, the</p>

Republic of Latvia, which includes land property (cadastre designation 0100 062 0137), publishing house building (cadastre designation 0100 062 0093 001), multifunctional centre building under construction (cadastre designation 0100 062 0093 002), business centre building under construction (cadastre designation 0100 062 0137 001), guard building (cadastre designation 0100 062 0093 004) and pump station (cadastre designation 0100 062 0093 006) and any other buildings, constructions and infrastructure constructed thereof (as a part of the real estate property) (the Collateral). The maximum amount of secured claim of Collateral will be up **to EUR 82 500 000** for the benefit of the Bondholders.

Due to the Exchange Offering of the Existing Bonds proposed to the Existing Bondholders, the Issuer and the Collateral Agent shall replace the existing collateral agent (namely, UAB „AUDIFINA“, a private limited liability company established and existing under the laws of the Republic of Lithuania, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, 09310 Vilnius) representing Existing Bondholders under the Existing Bonds, and the Issuer and the Collateral Agent shall replace the existing collateral agent agreement and the existing collateral agreement (both executed in connection with the Existing Bonds) with the Collateral Agent Agreement and the Collateral Agreement, where the Collateral Agent acts in the interests of Bondholders who have accepted the exchange of the Existing Bonds for the Bonds via the Exchange Offering.

At the date of the Base Prospectus there are several pledge marks, prohibition marks and mortgage claims to the Property entered in the Land Register. There is a mortgage for Existing Bonds (to UAB „AUDIFINA“), mortgage claim from previous general contractor AS „UPB“ and pledge marks from two general contractors – AS „UPB“ and UAB „YIT Lietuva“, and recovery notation from AS „UPB“. Management Board of the Company expects to delete these pledge marks and mortgage claims after the Exchange Offering and first or second tranche of Bonds issuance, if sufficient funds are attracted. Management Board of the Company expects to remove AS „UPB“ and UAB „YIT Lietuva“ claims either through Conversion Offering or negotiations for a final settlement.

Currency:	EUR
Denomination:	The nominal amount of each Bond is EUR 1000 (one thousand euros).
Issue Price:	The issue price of the Bonds is EUR 1000 (one thousand euros).
Minimum Investment Amount:	The Bonds are offered for subscription for a minimum investment amount EUR 1000 (one thousand euros).
Interest:	<p>The Bonds bear interest at a fixed annual interest rate at 10% (as increased from 9%), payable on every Interest Payment Date.</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>
Maturity:	The Bonds shall be repaid in full at their nominal value on 04.06.2027.
Taxation:	All payments in respect of the Bonds by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, unless the withholding or deduction of the Taxes is required by laws of the Republic of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Bondholders in respect of such withholding or deduction.
Governing Law:	Latvian law.
Dispute Resolution:	Any disputes relating to or arising in relation to the Bonds shall be settled solely by the courts of Latvia.

Where will the securities be traded?

Application will be made to Akciju sabiedrība "Nasdaq Riga", registration number: 40003167049, legal address: Valņu iela 1, Riga, LV-1050, Latvia ("Nasdaq Riga") for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) according to the requirements of Nasdaq Riga, not later than within 3 (three) months after the Issue Date of the respective Tranche.

What are the key risks that are specific to the securities?

Early Redemption Risk. According to the Base Prospectus, the Bonds may be redeemed prematurely at the initiative of the Issuer. If the early redemption right (call option) is exercised by the Issuer, the rate of return from an investment into the Bonds may be lower than initially anticipated by the Investor since the potential investor may not be able to re-invest the proceeds of redemption in a comparable security at an effective interest rate compared to redeemed Bonds.

Liquidity Risk. The Bonds are newly issued securities by the Issuer, currently lacking an active trading market, which may lead to potential illiquidity and price fluctuations. Their liquidity and value are closely linked to the Issuer's financial health and the success of the real estate project. If negative events occur, such as financial instability or Project setbacks, Bondholders may find it difficult to sell their Bonds on the secondary market. Although application will be made for inclusion to listing and trading of Bonds on the Regulated Market, the establishment of an active trading market cannot be assured. The potential Investor should consider the fact that they may not be able to sell or may face difficulties in selling the Bonds on the secondary market at their fair market value or at all.

Risk related to registration of the Collateral. The Base Prospectus currently provides that the Collateral will be registered 60 Business Days following the issuance of the first Tranche of the Bonds, which is in line with standard market practice in the bond market. Consequently, during this 60 Business Day period, the Bonds will be unsecured and not backed by any collateral. If the Collateral is not registered and an Event of Default occurs within this period, Bondholders will be treated as unsecured creditors of the Issuer. As of the date of the Base Prospectus, a recovery notation in the amount of EUR 2 786 060.47 in favour of AS "UPB" is registered in the Land Book of the Property. Until this recovery notation is removed, the Issuer will not be able to register the Collateral in favour of the Collateral Agent to hold for the benefit of the Bondholders and securing the Bonds. The Issuer is in the process of negotiating the removal of the recovery notation. However, if the recovery notation is not removed and therefore the Collateral is not registered and an Event of Default occurs within this period, Bondholders will be treated as unsecured creditors of the Issuer.

Inflation risk. At the date of the Base Prospectus high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities. Inflation reduces the purchasing power of a Bond's future interest and Nominal Value. Inflation may lead to higher interest rates which could negatively affect the Bonds price in the secondary market.

1.4. Key information on the offer of securities to the public and the admission to trading on a regulated market

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

Subscription Period:

From 9:00 on 12.05.2025. until 15:30 on 30.05.2025. (Riga time).

Procedure for submission of Subscription Orders:

The Investors (Retail Investor, Institutional Investor) wishing to subscribe for and purchase the Bonds shall submit their Subscription Orders at any time during the Subscription Period. At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Bonds in a securities account maintained in its name and opened with a Custodian of their choice.

An Investor shall bear all costs and fees charged in connection with the submission, cancellation or amendments of a Subscription Order pursuant to the price list of the respective Custodian. Upon submission of the Subscription Order the Investor shall authorise the Nasdaq CSD, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor's Subscription Order before, during and after the Subscription Period.

An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall

ensure that all information contained in the Subscription Order is correct, complete and legible. The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible, or which have not been completed and submitted during the Subscription Order in accordance with all requirements set out in the Base Prospectus. Any consequences of form of a Subscription Order for the Bonds being incorrectly filled out will be borne by the Investor.

Retail Investors wishing to subscribe for the Bonds shall contact their Custodian and submit Subscription Order in the form accepted by the Custodian and in accordance with all requirements set out in the Base Prospectus. The Retail Investor may use any method that such Retail Investor's Custodian offers to submit the Subscription Order (e.g. physically at the client service centre of the Custodian, over the internet or by other means). Subscription Orders by the Custodians shall be filed through the Nasdaq Riga Auction System.

Institutional Investors participating in Private Placement and wishing to purchase the Bonds may submit their own Subscription orders to the Arranger or the Sales Agent or their Custodian, which in turn shall submit the orders to the Arranger in accordance with requirements set out in the Base Prospectus.

**Exchange
Period:**

From 9:00 on 12.05.2025. until 15:30 on 30.05.2025. (Riga time).

**Procedure for
submission of
Exchange
Instructions:**

Existing Bondholders wishing to exchange the Existing Bonds (secured debt securities with ISIN LT0000408403 due on 13 November 2025) with the Bonds can submit their instructions with their Custodian in writing using the offer form provided by the Custodian stating the number of the Existing Bonds to be exchanged during the Exchange Period in accordance with requirements set out in the Base Prospectus.

Existing Bondholders who hold their Existing Bonds with Swedbank AB, registration number: 112029651, legal address: Konstitucijos pr. 20 A, LT-03502, Vilnius, Lithuania (hereinafter referred to as "**Swedbank LT**") are eligible to participate in the Exchange Offering. However, since Swedbank LT is not a direct participant in the Latvian securities settlement system, different procedures must be followed for Existing Bondholders holding their bonds with Swedbank LT compared to those holding their bonds with other Custodians.

Existing Bondholders who hold their Existing Bonds with Swedbank LT and choose to participate in the Exchange Offering must submit a duly signed Exchange Instruction to the Arranger within the Exchange Period. The relevant Exchange Instruction form will be provided by the Arranger and attached to the Final Terms of this Tranche.

Upon the settlement of the Bonds for the respective Tranche, the Arranger, based on the submitted Exchange Instructions from Existing Bondholders holding their Existing Bonds with Swedbank LT, will submit such information to the Issuer, which then will submit instruction to Nasdaq CSD which based on that will execute two simultaneous corporate actions: 1) delete the Existing Bonds from the securities account of the respective Bondholder as a free-of-payment transaction, and 2) allocate the new Bonds to the distribution account of the Arranger, which then will transfer the Bonds to the securities account of the respective Bondholder which participated in the Exchange Offering and held the Existing Bonds with Swedbank LT as a free-of-payment transaction. The Arranger and the Issuer when submitting the instructions will observe the conditions set forth in this Section as long as they are not contradictory to conditions set forth in Clauses 13.5.11, 13.5.12 and 13.5.13 of the Base Prospectus. Consequently, the end result for these Bondholders will be the same as for others participating in the Exchange Offering; however, it will occur through the Arranger, the Issuer and the Nasdaq CSD, and involve two simultaneous corporate actions instead of one.

Cancellation

On the next Business Day following the Subscription Period the Issuer shall decide whether to proceed with the issuance of the Tranche or cancel the relevant issuance. In case the issuance of the Tranche is cancelled, the Issuer shall publish an announcement on its website https://lordslb.lt/Presesnams_bonds/.

Allocation of the Bonds

The Bonds will be allocated in the following priority:

- 1) Existing Bondholders who have elected to participate in the Exchange Offer shall be allotted the Bonds fully, observing the exchange ratio;
- 2) Retail Investors and Institutional Investors who have submitted Subscription Orders based on the principles described below.

Without prejudice to the priority described above, the following principles will be observed during the allocation process:

- (i) the allocation shall be aimed to create a solid, reliable and diversified Investor base for the Issuer;
- (ii) the Issuer may apply different allocation principles to a different group of Investors;
- (iii) the Issuer may set a minimum and a maximum number of Bonds allocated to one Investor. The information about the results of the offering and allocation will be announced through the information system of the Nasdaq Riga and the Issuer's website (https://lordslb.lt/Presesnams_bonds/) on or about 04.06.2025.

Settlement

The settlement of the Offering will be carried out by Nasdaq CSD. The Bonds allocated to Retail Investors and Institutional Investors will be transferred to their securities accounts through the "delivery versus payment" method pursuant to the applicable rules of Nasdaq CSD simultaneously with the transfer of payment for such Bonds. The title to the Bonds will pass to the relevant Retail Investors and Institutional Investors when the Bonds are transferred to their securities accounts. If Retail Investor or Institutional Investor has submitted several Subscription Orders through several securities accounts, the Bonds allocated to such Retail Investor or Institutional Investor will be transferred to all such securities accounts proportionally to the number of the Bonds indicated in the Subscription Orders submitted for each account, rounded up or down as necessary. The settlement will take place on the Issue Date. All paid up Bonds shall be treated as issued.

For all Existing Bonds to be exchanged with the Bonds, the Nasdaq CSD will instruct the relevant Nasdaq CSD member to transfer the total number of the Bonds to its clients, which in turn will transfer specific number of the Bonds to each of the Investors. On the Issue Date the Nasdaq CSD will delete a number of the Existing Bonds that were exchanged for the Bonds from each of its members accounts.

Information about the results of the offering of the Bonds

The information about the results of the offering and allocation will be announced through the information system of the Nasdaq Riga and the Issuer's website (https://lordslb.lt/Presesnams_bonds/) on or about 04.06.2025.

Expenses charged to the Investors

No expenses or taxes will be charged to the investors by the Issuer in respect to the issue of the Bonds. However, the investors may be obliged to cover expenses which are related to the opening of securities accounts with the Custodians, as well as commissions which are charged by the Custodians 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 shall not compensate the Bondholders for any such expenses.

Why is this prospectus being produced?**Use of proceeds**

The Issuer expects to receive net proceeds of approximately up to EUR 29 650 000 from the issue of the Bonds. Expenses directly related to the issue of the Bonds are estimated approximately EUR 350 000, including fees and commissions to be paid to the consultants of the offering of the Bonds.

The net proceeds of the issue of the Bonds, less total expenses, will be used by the Issuer in the following order:

- 1) Funding the construction and fit-out of the Project;

- 2) Refinancing Existing Bonds in the outstanding amount of EUR 27 415 000;
- 3) Improving Working Capital.

Underwriting

The Bonds will not be underwritten.

Conflicts of Interest

The Issuer is not aware of any conflicts of interest or potential conflicts of interest between the company duties of the members of the Management Board and the Supervisory Board of the Issuer and their private interests and/or their other duties.

2. Summary in Estonian (*Kokkuvõte*)

See kokkuvõte (edaspidi: **kokkuvõte**) on koostatud määruse (EL) 2017/1129 artikli 7 kohaselt ja seda tuleb lugeda põhiprospekti sissejuhatusena. Võlakirjadesse investeerimise otsuse tegemisel peaks investor arvesse võtma kogu põhiprospekti. Investor võib investeeritud kapitali osaliselt või täielikult kaotada. Kui kohtule esitatakse põhiprospektis sisalduva teabega seotud nõue, võib hagejast investor riikliku õiguse kohaselt olla kohustatud kandma põhiprospekti tõlkimise kulud enne kohtumenetluse algatamist. Tsiviilvastutust kohaldatakse üksnes nende isikute suhtes, kes on esitanud kokkuvõtte, sealhulgas selle tõlke, kuid üksnes juhul, kui kokkuvõte on eksitav, ebatäpne või põhiprospekti muude osadega vastuolus või kui see ei anna koos põhiprospekti muude osadega lugedes põhiteavet, mis aitaks investoritel otsustada sellistesse väärtpaberitesse investeerimise üle.

1.1. Sissejuhatus

Väärtpaberite nimetus ja rahvusvaheline väärtpaberite identifitseerimisnumber (ISIN-kood)

AS PN Project, 75 000 000 eurot, 10% protsendilise tootlusega tagatud võlakirjad tähtajaga 04.06.2027., ISIN-kood: LV0000104271 (edaspidi: **võlakirjad**).

Emitendi nimi ja kontaktandmed, sh tema juriidilise isiku tunnus (LEI)

AS PN Project on Lätis asutatud piiratud vastutusega äriühing (*akciju sabiedrība*), mis on registreeritud Läti äriregistris registrikoodiga 40203063602, juriidiline aadress Republikas laukums 2A, Riia, LV-1010, Läti Vabariik. Emitendi e-posti aadress on info@lordslb.lv ja telefoninumber on +370 5261 9470. Selle juriidilise isiku tunnuscode (LEI) on 6488MO7801E7SK91DC04.

Põhiprospekti kinnitanud pädeva asutuse nimi ja kontaktandmed

Põhiprospekti on kinnitanud Läti Pank kui pädev asutus, mille aadress on Krišjāņa Valdemāra iela 2A, Riia, LV-1050, Läti Vabariik, e-post info@bank.lv, telefon +371 6702 2300, kooskõlas määrusega (EL) 2017/1129.

Põhiprospekti kinnitamise kuupäev

Põhiprospekt kinnitati 24.04.2025.

1.2. Põhiteave emitendi kohta

Kes on väärtpaberite emitent?

Asukoht ja õiguslik vorm, LEI, õigus, mille alusel ta tegutseb, ja tegevusriik

Emitent on asutatud Lätis, tema registrijärgne aadress on Republikas laukums 2A, Riia, LV-1010, Läti Vabariik, ja tema LEI on 6488MO7801E7SK91DC04. Emitent on asutatud piiratud vastutusega äriühinguna (*akciju sabiedrība*) ja kantud Läti äriregistrisse registrikoodiga 40203063602.

Põhitegevusalad

Emitent on kinnisvaraarendusega tegelev ettevõtte. Emitent tegutseb mitmes valdkonnas, mis on peamiselt seotud investeerimistegevusega, sealhulgas projektide algatamise, müügitehingute lõpuleviimise ning ruumide ja hoonete üürimisega. Emitent on loodud eriotstarbeline üksusena, mille põhieesmärk on arendada ja ehitada kinnisvaraprojekti asukohaga Balasta dambis 2, Riia, mida tuntakse nimega Preses Nama Kvartāls. Emitendil on 100% osalus tütarettevõttes SIA PN Management, mille põhitegevus on seotud projekti arendamisega. See hõlmab muu hulgas selliseid tegevusi nagu turu-uuringud ja ärianalüüs, planeerimine, hanked, arhitektuur ja projekteerimine, turuletoomine, projekti elluviimine ja ehitamine. Emitent ja tema tütarettevõtte on sõlminud projektiga Preses Nama Kvartāls seotud ehitusprojekti halduslepingu, mis hõlmab projektiga seotud kohustusi ja tegevusi, sealhulgas ehituse planeerimist, koordineerimist, eelarvestamist ja ajakava koostamist.

Peamised aktsionärid

Põhiprospekti kuupäeva seisuga kuulub järgmistele aktsionäridele üle 5% kõigist emitendi aktsiatest ja emitent peab neid oma peamisteks aktsionärideks:

Aktsionāri nimi	Omandatud aktsiate arv	Osakaal kogu aktsiakapitalist	Aktsionāri tegelik(ud) kasusaaaja(d)*
Lords LB Special Fund V , kinnine kinnisvarainvesteeringufond teadlikele investoritele	51 507 800	100%	Mindaugas Marcinkevičius – Glera UAB ainuosanik. Glera UAB on haldusettevõtte üks osanikest, mis omakorda haldab ainuosanikku, kellele kuuluvad emitendi aktsiad. Andrius Stonkus – Aemulus UAB ainuosanik. Aemulus UAB on haldusettevõtte üks osanikest, mis omakorda haldab ainuosanikku, kellele kuuluvad emitendi aktsiad.

* Nagu eespool kirjeldatud, on haldusettevõtte kaudsed omanikud Mindaugas Marcinkevičius ja Andrius Stonkus, keda peetakse emitendi tegelikeks kasusaaajateks, kuna nad kontrollivad seda haldusettevõtte kaudu, mis haldab emitendi ainuosanikku. Finantsilisest vaatenurgast on emitendi tegelikud kasusaaajad ainuosaniku investorid.

Juhatus ja nõukogu

Juhatus ja nõukogu liikmete andmed põhiprospekti kuupäeva seisuga on esitatud allpool.

Nimi	Amet	Ametisse nimetamise kuupäev	Ametiaja lõpp
JUHATUS			
Povilas Urbonavičius	Juhatuses esimees	17. september 2024	16. september 2029
Igors Daļilovs	Juhatuses liige	17. september 2024	16. september 2029
NŌUKOGU			
Marius Žemaitis	Nõukogu esimees	15. august 2024	15. august 2029
Mindaugas Marcinkevičius	Nõukogu aseesimees	15. august 2024	15. august 2029
Andrius Stonkus	Nõukogu liige	15. august 2024	15. august 2029

Vannutatud audiitorid

Audiitorfirma KPMG Baltics SIA, registrikood 40003235171, juriidiline aadress Roberta Hirša iela 1, Riia, LV-1045, Läti Vabariik, on emitendi audiitor põhiprospektis sisalduvate varasemate finantsandmetega hõlmatud aruandeperioodil. KPMG Baltics SIA on sertifitseeritud audiitor (litsents nr 55) ja Läti sertifitseeritud audiitorite liidu liige.

Audiitorfirma PricewaterhouseCoopers SIA, registrikood 40003142793, juriidiline aadress Marijas iela 2A, Riia, LV-1050, Läti Vabariik, on kinnitatud emitendi audiitoriks alates majandusaastast 2024. Emitendi majandusaasta algab 1. jaanuaril ja lõpeb 31. detsembril.

Milline on emitenti puudutav põhiline finantsteave?

Kontserni valitud finantsteave eurodes, protsentides (%) või suhtarvuna, nagu on kohaldatav

	31. detsembril lõppenud aasta		30. juunil lõppenud 6-kuuline periood	
	Auditeeritud, konsolideeritud		Auditeerimata, konsolideeritud	
Kirje	2022	2023	2023	2024
Üüritulu (käive)	71 256	62 431	41 153	42 748
Ärikahjum	(2 092 135)	(7 086 620)	(506 652)	(3 354 247)
Maksueelne kahjum	(4 977 104)	(10 314 920)	(1 910 147)	(5 499 541)
Vara puhasväärtus	12 785 782	19 467 487	10 875 428	13 967 871
Kinnisvarainvesteeringud	63 330 000	72 610 000	65 795 736	76 355 986
Kinnisvarainvesteeringud/vara	96,4%	92,6%	97,2%	96,0%
Omakapital/vara	19,5%	24,8%	16,1%	17,6%
Laenu ja kulude suhe	29,8%	28,1%	33,0%	32,3%

Raha ja raha ekvivalendid	81 909	30 972	892 061	34 519
Varad kokku	65 712 136	78 384 912	67 708 690	79 565 561
Omakapital kokku	12 785 782	19 467 487	10 875 428	13 967 871
Pikaajalised kohustised	48 246 302	26 845 809	40 361 787	51 973 394
Lühiajalised kohustised	4 680 052	32 071 616	16 471 475	13 624 296
Netorahavoog äritegevusest	2 921 573	(3 662 954)	(359 807)	(1 382 927)
Netorahavoog investeerimistegevusest	(23 258 660)	(7 889 983)	(2 898 041)	(3 747 175)
Netorahavoog finantseerimistegevusest	20 361 500	11 502 000	4 068 000	5 133 226
Netovõlg	52 844 445	58 886 453	55 941 201	65 563 171
Kohustised/omakapital (x)	4,14	3,03	5,23	4,70
Netokohustised/omakapital (x)	4,13	3,02	5,14	4,69

Sõltumatu audiitori järeldusotsus 31. detsembril 2023 ja 31. detsembril 2022 lõppenud aastate kohta sisaldab järgmist olulist ebakindlust, mis on seotud tegevuse jätkuvusega.

Juhime tähelepanu konsolideeritud finantsaruande lisale 3.18, millest nähtub, et kontsernil oli seisuga 31. detsember 2023 käibekapitali puudujääk summas 31 599 710 eurot, millest 20 094 463 eurot on seotud ettevõttelt Matuda UAB saadud laenuga, mille tähtaeg on 26. aprill 2024, ning 11 219 375 eurot on seotud tarnijatele ja töövõtjatele makstavate summadega.

Lisaks lõpetas kontsern 2024. aasta oktoobris lepingu oma peatöövõtjaga ja järeldusotsuse kuupäeva seisuga on kontserni tegevus – multifunktsionaalse kinnisvarakeskuse arendamine enda kontrolli all oleva maatükil – peatatud. Arendus- ja ehitusperioodi jooksul on kontserni rahastanud aktsionärid ja/või selle kontrolli all olevad üksused, võttes arvesse projekti kulgu ja ehitustegevuse rahastamiseks vajalikku käibekapitali. Kontserni suutlikkus tegevust jätkata oleneb suuresti kontserni suutlikkusest leida lisarahastust, täita oma võlakohustusi ja jätkata kinnisvaraarenduse projektiga. Konsolideeritud finantsaruande kuupäeva seisuga ei ole kontsern, selle aktsionärid ega muud kontrollitavad eriotstarbelised üksused saanud potentsiaalsetelt investoritelt ühtegi kirjalikku kinnitust rahastamisallikate kohta. Need sündmused ja tingimused koos muude lisas 3.18 kirjeldatud asjaoludega viitavad sellele, et esineb suur ebakindlus, mis võib seada kontserni suutlikkuse tegevust jätkata tõsise kahtluse alla. Meie arvamust selle asjaolu kohta ei ole muudetud.

Millised on emitendiga seotud konkreetset põhiriskid?

Ehituskulude ja projekti edukuse risk. Arvestades, et emitent kogub raha projekti tulevaseks lõpuleviimiseks ja arendamiseks, olenevad emitendi võlakirjadega seotud kohustused emitendi suutlikkusest projekt õigel ajal lõpetada ja kohustused tagasi maksta.

Projekti suurima etapi lõpetamine on kavandatud 2026. aastaks (algul oli kavas lõpetada ehitus 2023. aastal). Hoolimata peatöövõtja muutumisest edeneb projekt edukalt. Kuna aga rahvusvahelistel turgudel ja ehitusmaterjalide tarneahelates toimuvad pidevalt muutused, peamiselt Ukraina sõja ning sellega seotud majandusliku ja geopoliitilise olukorra, sealhulgas energiaturu ebastabiilsuse tõttu (kuigi projekt on kavandatud energiatõhusaks ja vastupidavamaks energiahindade kõikumise suhtes), esineb kaudne risk, et ehituskulud võivad ootamatult suureneda. Põhiprospekti kuupäeva seisuga edeneb projekt oma eelarvepiirangute raames. Siiski tuleb märkida, et kui ehitushinnad peaksid ootamatult suurenema, võib juhtuda, et emitent peab lisarahastuseks laenu võtma. Lisarahastuse saamine võib aga olla emitendi jaoks erinevate tegurite tõttu keeruline. Suutmatus tagada projekti lõpetamiseks vajalikke ehitusmaterjale võib vähendada projekti üldist kasumlikkust, lükata selle lõpetamist edasi või mõjutada ajakava ning seeläbi mõjutada ebasoodsalt emitendi plaane, tegevust, finantsolukorda ja suutlikkust võlakirju lunastada.

Põhiprospekti kuupäeva seisuga ja nagu on täpsustatud selle punktis 8.5. „Kohtumenetlused“, on emitent ja selle tütarettevõtted seotud mitme projekti endiste töövõtjatega peetava kohtuvaidlusega, mis on veel pooleli, kuigi ohtu, et emitent kannatab suurt rahalist kahju, peetakse projekti investeerimiskava ulatust arvestades väikeseks. Peale selle, kuna projekti ehitus on käimas ja võib esineda ootamatuid sündmusi, ei saa emitent tagada, et väldib tulevikus vaidlusi tarnijatega või säilitab olemasolevad suhted, eriti kui kohtuvaidluse alus ja vajadus peaks tekkima emitendi poolel. Igasugune tarneahela häire või tarnija usaldusväärsuse kahjustamine võib kaasa tuua suuri kulusid, kadu ja mainekahju, mis võib mõjutada emitendi kasumlikkust ja suutlikkust võlakirju tähtajaks lunastada.

Lisavõlgade tekkimise risk. Põhiprospekti kohaselt ei võta emitent ühtegi finantskohustust, kuigi esinevad mõned erandid seoses negatiivse laenamise kokkulepetega, mis on sätestatud punktis 12.13.1 „Negatiivne laenamine“. Nende hulka kuuluvad näiteks finantskohustused, mis ei ületa kokku

50 000 eurot aastas, või emitendi tavalise majandustegevuse käigus tekkinud intressita finantskohustus või projekti arenduskuludega seotud finantskohustus. Kui emitendil tekib märkimisväärne lisavõlg, võib tema suutlikkus täita oma finantskohustusi (sh võlakirjadega seotud kohustusi) halveneda ja võlakirjaomanike sissenõutav summa emitendi maksejõuetuse korral võib väheneda.

Krediidi- ja maksejõuetuse risk. Võlakirjadesse investeerimine on seotud krediidiriskiga, mis tähendab, et emitent võib jätta oma võlakirjadest tulenevaid kohustusi nõuetekohaselt ja õigel ajal täitmata. Emitendi võime täita võlakirjadest tulenevaid kohustusi ja võlakirjaomanike suutlikkus saada võlakirjadest tulenevaid makseid oleneb emitendi finantsseisundist ja tulemuslikkusest, mille suhtes kehtivad muud põhiprospektis kirjeldatud riskid. Emitendi maksejõuetuse korral esineb risk, et võlakirjaomanikud ei saa võlakirjadega seotud makseid või osa nendest.

Emitendi finantsseisundiga seotud riskid. Emitendi finantsseisund on ja jääb nii emitendi kui ka võlakirjaomanike jaoks väga tähtsaks, sest lisaks projekti elluviimisele kehtivad talle ka ettevõtetevahelisest laenulepingust tulenevad kohustused, mis tuleks eelduste kohaselt osaliselt katta võlakirjadest saadud tulust pärast projektiga seotud kulude katmist. Lisaks on emitendi ainus põhivara, mis on tema kontrolli all, lõpetamata ehitusega krunt. Arendatav projekt on kajastatud õiglase väärtuse põhimõtte alusel. Täpsemalt korrigeeritakse emitendi vara väärtust perioodiliselt, võttes aluseks kõige viimase sõltumatu kinnisvara hindamise (kinnisvara viimase hindamisaruande kohaselt, mille koostas SIA NEWSEC VALUATIONS LV 15. novembril 2024, on vara hinnanguline turuväärtus 30. septembri 2024. aasta seisuga 62 610 000 eurot).

1.3. Põhiteave väärtpaberite kohta

Mis on väärtpaberite põhitunnused?

Võlakirjade vorm: Võlakirjad on esitaja vormis dematerialiseeritud võlaväärtpaberid, mis on piiranguteta vabalt kasutatavad jamida võib pantida. Võlakirjad on registreeritud Nasdaq CSD SE-s.

ISIN-kood: LV0000104271

Võõrandatavus: Võlakirju ei tohi pakkuda, müüa, edasi müüa, võõrandada ega tarnida sellistes riikides või jurisdiktsioonides või muudel asjaoludel, kus see oleks ebaseaduslik või nõuaks muid meetmeid kui need, mis on ette nähtud Läti õigusaktidega, sealhulgas Ameerika Ühendriigid, Austraalia, Jaapan, Kanada, Hongkong, Lõuna-Aafrika Vabariik, Singapur, Venemaa, Valgevene ja teatud muud jurisdiktsioonid. Peale selle on võlakirjaomanikel keelatud võlakirju edasi müüa, võõrandada või tarnida mis tahes isikule viisil, mis kujutaks endast väärtpaberite avalikku pakkumist.

Staatuse ja turvalisus: Võlakirjad on samaväärsed (*pari passu*) emitendi muude kõrgema nõudeõiguse järguga tagatud kohustustega. Emitendi maksejõuetuse korral on võlakirjaomanikel õigus saada oma investering tagasi samadel tingimustel nagu teistel kõrgema nõudeõiguse järguga tagatud võlausaldajatel vastavate nõuete rühmas kooskõlas asjakohaste kohaldatavate õigusaktidega.

Võlakirjade iga seeria on tagatud hüpoteegiga, mis on seatud varale, st kinnisvarale kordumatu katastritunnusega 0100 062 0093, Riia linna maaregistri kaust nr 13063, aadress Balasta dambis 2, Riia, Läti Vabariik, mis hõlmab maad (katastritunnus 0100 062 0137), kirjastuse hoonet (katastritunnus 0100 062 0093 001), ehitatavat multifunktsionaalse keskuse hoonet (katastritunnus 0100 062 0093 002), ärikeskuse hoonet (ehitamisel) (katastritunnus 0100 062 0137 001), valvehoonet (katastritunnus 0100 062 0093 004) ja pumbamaja (katastritunnus 0100 062 0093 006) ning muid hooneid, rajatisi ja taristut mis on sinna ehitatud (osana kinnisvarast) (edaspidi: tagatis). Tagatise tagatud nõude maksimaalne summa on kuni **82 500 000 eurot** võlakirjaomanike kasuks.

Seoses olemasolevatele võlakirjaomanikele tehtud olemasolevate võlakirjade vahetuspakkumisega vahetavad emitent ja tagatisagent välja olemasoleva tagatisagendi (UAB AUDIFINA, piiratud vastutusega äriühing, mis on asutatud ja tegutseb Leedu Vabariigi õigusaktide alusel, registrikood 125921757, registreeritud aadress A. Juozapavičiaus 6, 09310 Vilnius), kes esindab olemasolevate võlakirjade alusel olemasolevaid võlakirjaomanikke, ning emitent ja tagatisagent

asendavad olemasoleva tagatisagendi lepingu ja olemasoleva tagatislepingu (mõlemad on sõlmitud seoses olemasolevate võlakirjadega) tagatisagendi lepingu ja tagatislepinguga, kus tagatisagent tegutseb nende võlakirjaomanike huvides, kes on vahetuspakkumise kaudu vastu võtnud olemasolevate võlakirjade vahetuse võlakirjade vastu.

Põhiprospekti kuupäeva seisuga on kinnistusraamatusse kantud kinnisasjale mitu pandimärki, keelumärki ja hüpoteeginõuet. Olemasolevatele võlakirjadele on seatud hüpoteek (UAB „AUDIFINA“), hüpoteeknõue eelmiselt peatöövõtjalt AS „UPB“ ja pandimärgid kahelt peatöövõtjalt - AS „UPB“ ja UAB „YIT Lietuva“ - ning sissenõudmise märke AS „UPB“ poolt.

Ühingu juhatus eeldab, et need pandimärgid ja hüpoteeknõuded kustutatakse pärast vahetuspakkumist ja võlakirjade esimese või teise osa emiteerimist, kui selleks on piisavalt vahendeid. Ühingu juhatus loodab, et AS „UPB“ ja UAB „YIT Lietuva“ nõuded eemaldatakse kas konverteerimispakkumise või lõpliku kokkuleppe üle peetavate läbirääkimiste kaudu.

Valuuta:	euro
Nimiväärtus:	Iga võlakirja nimiväärtus on 1000 (üks tuhat) eurot.
Emissioonihind:	Võlakirjade emissioonihind on 1000 (üks tuhat) eurot.
Minimaalne investeringusumma:	Võlakirju pakutakse märkimiseks minimaalse investeringusummaga 1000 (üks tuhat) eurot.
Intress:	<p>Võlakirjade fikseeritud aastane intressimäär on 10%, mis kuulub tasumisele igal intressimakse kuupäeval.</p> <p>Kui mõni intressimakse kuupäev langeb päevale, mis ei ole pangapäev, makstakse tasumisele kuuluv intress järgmisel pangapäeval. Maksepäeva edasilükkamine ei mõjuta makstavat summat.</p>
Tähtaeg:	Võlakirjad lunastatakse täies mahus nende nimiväärtuses 04.06.2027.
Maksustamine:	Emitent teeb kõik võlakirjadega seotud maksed ilma praeguste või tulevaste maksude, tollimaksude, hinnangute või mis tahes liiki riigimaksude kinnipidamise või mahaarvamiseta, välja arvatud juhul, kui maksude kinnipidamine või mahaarvamine on nõutav Läti Vabariigi seadustega. Sellisel juhul teeb emitent sellise makse pärast kinnipidamise või mahaarvamise tegemist ja teatab asjaomastele asutustele kohaldatavate seaduste kohaselt kinnipeetava või mahaarvamisele kuuluva summa. Emitent ei ole kohustatud maksuma võlakirjaomanikele täiendavat hüvitist sellise kinnipidamise või mahaarvamise eest.
Kohaldatav õigus:	Läti õigus.
Vaidluste lahendamine:	Kõik võlakirjadega seotud või neist tulenevad vaidlused lahendatakse üksnes Läti kohtutes.

Kus väärtpaberitega kaubeldakse?

Avaldus iga seeria noteerimiseks ja kauplemisele võtmiseks ametlikus võlakirjade nimekirjas (Balti võlakirjade nimekiri) Nasdaq Riga nõuete kohaselt esitatakse äriühingule Akciju sabiedrība „Nasdaq Riga“, registrikood 40003167049, juriidiline aadress Valņa iela 1, Riia, LV-1050, Läti (edaspidi: **Nasdaq Riga**), hiljemalt 3 (kolme) kuu jooksul pärast asjaomase seeria emiteerimiskuupäeva.

Millised on väärtpaberitega seotud peamised riskid?

Ennetähtaegse lunastamise risk. Põhiprospekti kohaselt võib võlakirju emitendi algatusel enne tähtaega lunastada. Kui emitent kasutab ennetähtaegse lunastamise (tagasiostu) õigust, võib võlakirjadesse tehtud investeringu tulumäär olla madalam kui investor algul lootis, sest potentsiaalne investor ei pruugi olla võimeline investeerima lunastamisest saadud tulu edasi võrreldavasse väärtpaberisse, mille tegelik intressimäär on võrreldav lunastatud võlakirjadega.

Likviidsusrisk. Võlakirjad on emitendi värskest emiteeritud väärtpaberid, millel puudub praegu aktiivne kauplemisturg, mis võib põhjustada võimalikku mittelikviidsust või hinnakõikumisi. Nende likviidsus ja

väärtus on tihedalt seotud emitendi finantsseisundi ja kinnisvaraprojekti edukusega. Ebasoodsate sündmuste korral, nagu finantsiline ebastabiilsus või projektiga seotud tagasilöögid, võib võlakirjaomanikel olla raske oma võlakirju järelturul müüa. Kuigi esitatakse avaldus võlakirjade noteerimiseks ja kauplemisele võtmiseks reguleeritud turul, ei ole aktiivse kauplemisturu kujunemist võimalik tagada. Potentsiaalne investor peaks arvestama asjaoluga, et ta ei pruugi olla võimeline võlakirju järelturul õiglase turuväärtusega müüma või et tal võib olla raskusi nende müümiseega.

Tagatise registreerimisega seotud risk. Põhiprospektis on sätestatud, et tagatis registreeritakse 60 tööpäeva jooksul pärast võlakirjade esimese seeria emiteerimist, mis on kooskõlas võlakirjaturu tavapraktikaga. Seega on võlakirjad selle 60 tööpäeva jooksul tagamata ja neil ei ole mingit tagatist. Kui tagatist ei registreerita ja selle perioodi jooksul toimub probleemsündmus, käsitletakse võlakirjaomanikke emitendi tagatiseta võlausaldajatena. Põhiprospekti kuupäeva seisuga on kinnistusraamatus registreeritud sissenõudmismärke summas 2 786 060,47 eurot AS „UPB” kasuks. Kuni selle sissenõudmismärke eemaldamiseni ei ole Emitendil võimalik Tagatist Tagatisagendi kasuks registreerida, et seda Võlakirjaomanike huvides hoida ja Võlakirjade tagamiseks tagada. Emitent peab läbirääkimisi sissenõudmismärke eemaldamise üle. Kui aga sissenõudmismärget ei eemaldata ja seetõttu tagatist ei registreerita ning selle aja jooksul toimub täitmata jätmine, käsitletakse Võlakirjaomanikke kui Emitendi tagatiseta võlausaldajaid.

Inflatsioonirisk. Põhiprospekti koostamise kuupäeva seisuga peetakse kõrget inflatsiooni kogu maailmas üheks peamiseks makroökonoomika teguriks, mis ohustab märkimisväärselt üleilmset majanduskasvu ning seeläbi nii kapitali- kui ka võlaväärtpaberite väärtust. Inflatsioon vähendab võlakirja tulevase intressi ja nimiväärtuse ostujõudu. Inflatsioon võib kaasa tuua kõrgemad intressimäärad, mis võivad avaldada ebasoodsat mõju võlakirjade hinnale järelturul.

1.4. Põhiteave väärtpaberite avaliku pakkumise ja reguleeritud turul kauplemisele võtmise kohta

Millistel tingimustel ja millise ajakava alusel saan sellesse väärtpaberisse investeerida?

Märkimisperiood: From 9:00 on 12.05.2025. until 15:30 on 30.05.2025. (Riia aja järgi)

Märkimiskorralduste esitamise kord:

Investorid (jaeinvestorid, institutsionaalsed investorid), kes soovivad märkida ja osta võlakirju, peavad esitama oma märkimiskorraldused märkimisperioodi jooksul. Märkimiskorralduse esitamisega teeb investor siduva korralduse võlakirjade deponeerimiseks väärtpaberikontole, mis on tema nimel ja mis on avatud sobiva kontohalduri juures.

Investor kannab kõik märkimiskorralduse esitamise, tühistamise või muutmisega seotud kulud ja tasud asjaomase kontohalduri hinnakirja alusel. Märkimiskorralduse esitamisel annab investor Nasdaq CSD-le, Nasdaq Rigale ja emitendile õiguse töödelda, edastada ja vahetada teavet investorid identiteedi ja märkimiskorralduse sisu kohta enne märkimisperioodi, selle ajal ja pärast seda.

Investoril on õigus esitada märkimiskorraldus isiklikult või esindaja kaudu, keda investor on volitanud (kohaldatava seadusega nõutavas vormis) märkimiskorraldust esitama. Investor peab tagama kogu märkimiskorralduses sisalduva teabe õigsuse, täpsuse ja loetavuse. Emitendil on õigus lükata tagasi kõik märkimiskorraldused, mis on puudulikud, ebaõiged, ebaselged või loetamatud või mida ei ole märkimisperioodi jooksul täidetud ja esitatud kooskõlas kõigi põhiprospektis sätestatud nõuetega. Investor vastutab kõikide tagajärgede eest, mis tulenevad võlakirjade märkimiskorralduse ebaõigest täitmisest.

Jaeinvestorid, kes soovivad võlakirju märkida, peavad võtma ühendust oma kontohalduriga ning esitama märkimiskorralduse kontohaldurile vastuvõetavas vormis ja kooskõlas kõikide põhiprospektis sätestatud nõuetega. Jaeinvestor võib kasutada ükskõik millist märkimiskorralduse esitamise viisi, mida tema kontohaldur pakub (nt isiklikult kontohalduri klienditeeninduses, interneti teel või muul viisil). Kontohaldurite märkimiskorraldused täidetakse Nasdaq Riga oksjonisüsteemi kaudu.

Institutsionaalsed investorid, kes osalevad suunatud pakkumises ja soovivad võlakirju osta, võivad esitada oma märkimiskorraldused korraldajale või müügiagendile või oma kontohaldurile, kes omakorda esitab korraldused korraldajale põhiprospektis sätestatud nõuete kohaselt.

Vahetusperiood:

From 9:00 on 12.05.2025. until 15:30 on 30.05.2025. (Riia aja järgi)

Vahetuskorralduste esitamise kord:

Olemasolevad võlakirjaomanikud, kes soovivad vahetada olemasolevaid võlakirju (tagatud võlaväärtpaberid, ISIN-kood LT0000408403, tähtaeg 13. november 2025) võlakirjade vastu, saavad esitada oma korraldused oma kontohalduri juures kirjalikult, kasutades kontohalduri korraldusvormi ja märkides vahetusperioodi jooksul vahetatavate olemasolevate võlakirjade arvu põhiprospektis sätestatud nõuete kohaselt.

Olemasolevad Võlakirjaomanikud, kes hoiavad oma Olemasolevaid Võlakirju Swedbank AB-s, registreerimisnumber: 112029651, juriidiline aadress: Konstitucijos pr. 20 A, LT-03502, Vilnius, Leedu (edaspidi „Swedbank LT“) on õigus osaleda Vahetuspakkumises. Kuna Swedbank LT ei osale otseselt Läti väärtpaberiarveldussüsteemis, tuleb Olemasolevatele Võlakirjaomanikele, kes hoiavad oma võlakirju Swedbank LT-s, kohaldada teistsuguseid protseduure kui neile, kes hoiavad oma Võlakirju teistes depositeoriumides.

Olemasolevad Võlakirjaomanikud, kes omavad oma Olemasolevaid Võlakirju Swedbank LT-s ja soovivad osaleda Vahetuspakkumises, peavad esitama Vahetusperioodi jooksul Korraldajale nõuetekohaselt allkirjastatud Vahetuskorralduse juhise. Vahetuskorralduse juhise vorm antakse Korraldaja poolt ja see lisatakse selle Seeria Lõplikele Tingimustele.

Vastava Seeria Võlakirjade arveldamisel esitab Korraldaja, lähtudes Swedbank LT-s oma Olemasolevaid Võlakirju omavate Olemasolevate Võlakirjaomanike esitatud Vahetuskorralduse juhistest, sellise teabe Emitendile, kes seejärel esitab Nasdaq CSD-le korralduse, mis selle alusel teostab kaks samaaegset korporatiivset toimingut: 1) kustutada vastava Võlakirjaomaniku väärtpaberikontolt Olemasolevad Võlakirjad makseta väärtpaberitehinguga ning 2) suunama uued Võlakirjad Korraldaja jaotuskontole, mis seejärel kannab Võlakirjad Vahetuspakkumises osalenud ja Olemasolevaid Võlakirju Swedbank LT-s hoidnud vastava Võlakirjaomaniku väärtpaberikontole makseta väärtpaberitehinguna.

Korraldaja ja Emitent järgivad juhiste esitamisel käesolevas punktis sätestatud tingimusi seni, kuni need ei ole vastuolus Põhiprospekti punktides 13.5.11, 13.5.12 ja 13.5.13 sätestatud tingimustega. Järelikult on lõpptulemus nende Võlakirjaomanike jaoks sama, mis teiste Vahetuspakkumises osalejate jaoks; see toimub aga Korraldaja, Emitendi ja Nasdaq CSD kaudu ning hõlmab ühe asemel kahte samaaegset korporatiivset toimingut.

Tühistamine:

Märkimisperioodile järgneval pangapäeval otsustab emitent, kas jätkata seeria emiteerimist või tühistada asjaomane emissioon. Seeria emiteerimise tühistamise korral avaldab emitent teadaande veebilehel https://lordslb.lt/Presesnams_bonds/.

Võlakirjade jaotamine:

Võlakirjad jaotatakse järgmise prioriteetsusega:

1) olemasolevatele võlakirjaomanikele, kes on otsustanud osaleda vahetuspakkumises, jaotatakse võlakirjad täies mahus, võttes arvesse vahetussuhet;

2) jae- ja institutsionaalsetele investoritele, kes on esitanud märkimiskorralduse, jaotatakse võlakirjad allpool kirjeldatud põhimõtetel.

Ilma et see piiraks eespool kirjeldatud prioriteetsust, järgitakse jaotamisel järgmisi põhimõtteid:

- (i) jaotamise eesmärk on luua emitendile kindel, usaldusväärne ja mitmekülgne investoribaas;
- (ii) emitendil on õigus rakendada erinevate investorirühmade suhtes erinevaid jaotamispõhimõtteid;
- (iii) emitent võib kehtestada võlakirjade vähima ja suurima arvu, mida saab ühele investorile jaotada. Pakkumise ja jaotamise tulemused avalikustatakse Nasdaq Riga teabesüsteemi kaudu ja emitendi veebilehel (https://lordslb.lt/Presesnams_bonds/) kuupaeval või kuupaeva paiku 04.06.2025.

Arveldamine:

Pakkumiste üle arveldamine toimub Nasdaq CSD kaudu. Jae- ja institutsionaalsetele investoritele jaotatud võlakirjad kantakse nende väärtpaberikontodele meetodil „ülekanne makse vastu“, lähtudes Nasdaq CSD kohaldatavatest eeskirjadest, nende võlakirjade eest makse ülekandmisega samal ajal. Võlakirjade omandiõigus läheb asjaomastele jae- ja institutsionaalsetele investoritele üle, kui võlakirjad kantakse nende väärtpaberikontodele. Kui jae- või institutsionaalne investor on esitanud mitu märkimiskorraldust mitme väärtpaberikonto kaudu, kantakse sellisele jae- või institutsionaalsele investorile jaotatud võlakirjad üle kõikidele vastavatele väärtpaberikontodele proportsionaalselt iga konto kohta esitatud märkimiskorralduses näidatud võlakirjade arvuga, ümardatuna vajaduse korral üles- või allapoole. Arveldamine toimub emiteerimiskuupäeval. Kõiki võlakirju, mille eest on makstud, loetakse emiteerituks.

Mis puudutab olemasolevaid võlakirju, mis tuleb vahetada võlakirjade vastu, siis annab Nasdaq CSD asjaomasele Nasdaq CSD liikmele juhised kanda võlakirjade koguarv klientidele üle, kes omakorda kannavad igale investorile üle konkreetse arvu võlakirju. Emiteerimiskuupäeval kustutab Nasdaq CSD võlakirjade vastu vahetatud olemasolevate võlakirjade arvu iga oma liikme kontolt.

Teave võlakirjade tulemuste kohta:

Pakkumise ja jaotamise tulemused avalikustatakse Nasdaq Riga teabesüsteemi kaudu ja emitendi veebilehel (https://lordslb.lt/Presenams_bonds/) [kuupaeval või kuupäeva paiku 04.06.2025].

Investoritelt nõutavad tasud:

Emitent ei võta investoritelt seoses võlakirjade emiteerimisega mingeid tasusid ega makse. Investoritel võib siiski olla kohustus katta kulud, mis on seotud väärtpaberikontode avamisega kontohalduri juures, samuti vahendustasud, mida kontohaldurid võtavad seoses võlakirjade märkimis- või müügikorralduste täitmise, võlakirjade hoidmise või võlakirjadega seotud muude toimingutega. Emitent ei hüvita võlakirjaomanikele selliseid kulusid.

Miks on see prospekt koostatud?**Tulu kasutamine**

Emitent loodab saada võlakirjade emiteerimisest puhastulu kuni 29 650 000 eurot. Võlakirjade emiteerimisega otseselt seotud kulud on hinnanguliselt ligikaudu 350 000 eurot, sealhulgas võlakirjade pakkumise konsultantidele makstavad tasud ja komisjonitasud.

Emitent kasutab võlakirjade emiteerimisest saadud puhastulu, millest on maha arvatud kogukulud, järgmises järjekorras:

- 1) ehituse rahastamine ja projekti viimistlemine;
- 2) olemasolevate võlakirjade refinantseerimine tasumata summas 27 415 000 EUR;
- 3) käibekapitali parandamine.

Emissiooni tagamine

Võlakirjad ei ole tagatud.

Huvide konfliktid

Emitent ei ole teadlik olemasolevatest ega võimalikest huvide konfliktidest emitendi juhatuse ja nõukogu liikmete kohustuste ning nende erahuvide ja/või muude kohustuste vahel.

3. Summary in Latvian (*Kopsavilkums*)

Šis kopsavilkums ("**Kopsavilkums**") ir sagatavots saskaņā ar Regulas (ES) 2017/1129 7. pantu, un tas būtu lasāms kā Pamatprospekta ievads. Jebkuri investora lēmumi attiecībā uz ieguldījumiem Obligācijās jābalsta uz Pamatprospektu kā vienotu kopumu. Investors var zaudēt visu ieguldīto kapitālu vai daļu no tā. Ja tiesā ir celta prasība par Pamatprospektā ietverto informāciju, investoram – prasītājam – saskaņā ar valsts tiesībām var būt nepieciešams segt Pamatprospekta tulkošanas izmaksas pirms tiesvedības sākšanas. Civiltiesiskā atbildība saistībā ar šo Kopsavilkumu gulstas tikai uz tām personām, kas iesniegušas Kopsavilkumu, tostarp veikušas jebkādu tā tulkošanu, bet tikai tādā gadījumā, ja Kopsavilkums ir maldinošs, neprecīzs, pretrunīgs vai, lasot kopā ar pārējām Pamatprospekta daļām, nav sniegta pamatinformācija, lai palīdzētu investoriem apsvērt, vai ieguldīt minētajos vērtspapīros.

3.1. Ievads

Vērtspapīru nosaukums un starptautiskais vērtspapīru identifikācijas numurs (ISIN)

AS "PN Project" EUR 75 000 000 10% procentu nodrošinātās obligācijas ar termiņu līdz 04.06.2027., ISIN LV0000104271 ("**Obligācijas**").

Emitenta identitāte un kontaktinformācija, tajā skaitā, tā juridiskās personas kods (LEI)

AS "PN Project" ir akciju sabiedrība, kas dibināta Latvijā un reģistrēta Latvijas Republikas Uzņēmumu reģistrā ar reģistrācijas numuru 40203063602, juridiskā adrese: Republikas laukums 2A, Rīga, LV-1010, Latvija. Emitenta e-pasts ir info@lordslb.lt, telefona numurs ir +370 52619470. Tā juridiskās personas identifikators (LEI) ir 6488MO7801E7SK91DC04.

Pamatprospektu apstiprinošās kompetentās iestādes identitāte un kontaktinformācija

Pamatprospektu apstiprinājusi Latvijas Banka kā kompetentā iestāde, ar adresi Krišjāņa Valdemāra iela 2A, Rīga, LV-1050, Latvija, e-pasts: info@bank.lv, tālruna numurs: +371 67022300, atbilstoši Regulai (ES) 2017/1129

Pamatprospekta apstiprināšanas datums

Pamatprospekts apstiprināts 24.04.2025.

3.2. Pamatinformācija par Emitentu

Kas ir vērtspapīru emitents?

Mītnesvieta, juridiskā forma, LEI, reģistrācijas jurisdikcija un darbības valsts

Emitents ir dibināts Latvijā, un tā juridiskā adrese ir Republikas laukums 2A, Rīga, LV-101, Latvija, un tā LEI kods ir 6488MO7801E7SK91DC04. Emitents ir dibināts un reģistrēts kā akciju sabiedrība Latvijas Republikas Uzņēmumu reģistrā ar reģistrācijas numuru 40203063602.

Galvenie darbības veidi

Emitents ir izveidots kā nekustamā īpašuma attīstīšanas uzņēmums. Emitents nodarbojas ar dažādām darbībām, kas pārsvarā ir saistītas ar investīciju aktivitātēm, tai skaitā projektu uzsākšanu, pārdošanas noslēgšanu, nomu telpām un ēkām. Emitents ir izveidots kā īpašam nolūkam dibināts uzņēmums (SPV), kura galvenais mērķis ir attīstīt un būvēt nekustamā īpašuma Projektu, kas atrodas Balasta dambī 2, Rīgā, kas pazīstams kā "Preses Nama Kvartāls". Emitents ir 100% dalībnieks savā Meitas sabiedrībā SIA "PN Management", kuras pamatdarbība ir saistīta ar Projekta attīstību, tai skaitā tirgus izpēti un biznesa analīzi, plānošanu, iepirkumu, arhitektūru un projektēšanu, laišanu tirgū, projekta ieviešanu un būvniecību. Emitents un Meitas sabiedrība ir noslēguši būvprojekta vadības līgumu, kas ietver atbildības un darbības saistībā ar Preses Nama Kvartāls Projektu, tai skaitā, bet ne tikai, būvju plānošanu, saskaņošanu, budžeta plānošanu, laika plānošanu.

Galvenie akcionāri

Pamatprospekta datumā šādiem akcionāriem pieder virs 5% no visām Emitenta akcijām, un Emitents uzskata tos par galvenajiem akcionāriem:

Akcionāra nosaukums	Akciju skaits	Akcijas kā % no kopējā pamatkapitāla	Akcionāra patiesais labuma guvējs
Lords LB Special Fund V slēgts nekustamā īpašuma ieguldījumu fonds,	51 507 800	100%	Mindaugas Marcinkevičius - kā vienīgais Glera UAB akcionārs, kas ir viens no Pārvaldes sabiedrības akcionāriem, kas

kas paredzēts informētiem investoriem		savukārt pārvalda Vienīgo akcionāru, kuram pieder Emitenta akcijas.
		Andrius Stonkus - kā vienīgais Aemulus UAB akcionārs, kas ir viens no Pārvaldes sabiedrības akcionāriem, kas savukārt pārvalda Vienīgo akcionāru, kuram pieder Emitenta akcijas.

*Kā aprakstīts iepriekš, Pārvaldes sabiedrība netieši pieder Mindaugas Marcinkevičius un Andrius Stonkus, kuri tiek uzskatīti par Emitenta patiesā labuma guvējiem (PLG), īstenojot kontroli ar Pārvaldes sabiedrības starpniecību, kas pārvalda Emitenta Vienīgo akcionāru. No finansiālā viedokļa Emitenta patiesā labuma guvēji ir Vienīgā akcionāra ieguldītāji.

Valde un padome

Turpmāk norādītas ziņas par Sabiedrības valdi un padomi uz Pamatprospekta datumu.

Vārds	Amats	Iecelšanas datums	Amata termiņa beigas
VALDE			
Povilas Urbonavičius	Valdes priekšsēdētājs	2024.gada 17.septembris	2029.gada 16.septembris
Igors Daņilovs	Valdes loceklis	2024.gada 17.septembris	2029.gada 16.septembris
PADOME			
Marius Žemaitis	Padomes priekšsēdētājs	2024.gada 15.augusts	2029.gada 15.augusts
Mindaugas Marcinkevičius	Padomes priekšsēdētāja vietnieks	2024.gada 15.augusts	2024.gada 15.augusts
Andrius Stonkus	Padomes loceklis	2024.gada 15.augusts	2024.gada 15.augusts

Zvērināti revidenti

KPMG Baltics SIA, reģistrācijas numurs: 40003235171, juridiskā adrese: Roberta Hirša iela 1, Rīga, LV-1045, Latvija, ir Emitenta zvērināti revidenti par pārskata periodu, uz kuru attiecas Pamatprospektā iekļautā vēsturiskā (konsolidētā) finanšu informācija. KPMG Baltics SIA ir zvērināts revidents (licences nr. 55) un ir Latvijas Zvērinātu revidentu asociācijas biedrs.

Savukārt PricewaterhouseCoopers SIA, reģistrācijas numurs: 40003142793, juridiskā adrese: Marijas iela 2A, Rīga, LV-1050, Latvija, ir apstiprināti kā Emitenta zvērināti revidenti, sākot ar 2024.finanšu gadu. Emitenta finanšu gads ir no 1.janvāra līdz 31.janvārim.

Kāda ir emitenta finanšu pamatinformācija?

Atlasītā Grupas Finanšu Informācija, EUR, vai procenti %, vai koeficients (x), kā piemērojams

	Par gadu, kas beidzās 31.decembrī		Par sešu mēnešu periodu, kas beidzās 30.jūnijā	
	Revidēts konsolidēts		Nerevidēts konsolidēts	
Vienība	2022	2023	2023	2024
Nomas ienākumi (ieņēmumi)	71 256	62 431	41 153	42 748
Operacionālie zaudējumi	(2 092 135)	(7 086 620)	(506 652)	(3 354 247)
Zaudējumi pirms nodokļu nomaksas	(4 977 104)	(10 314 920)	(1 910 147)	(5 499 541)
Neto aktīvu vērtība	12 785 782	19 467 487	10 875 428	13 967 871
Ieguldījumu īpašums	63 330 000	72 610 000	65 795 736	76 355 986
Ieguldījumu īpašums/Aktīvi	96.4%	92.6%	97.2%	96.0%
Pašu kapitāls/Aktīvi	19.5%	24.8%	16.1%	17.6%
Kopējais pašu kapitāls	29.8%	28.1%	33.0%	32.3%

Nauda un naudas ekvivalenti	81 909	30 972	892 061	34 519
Kopējie aktīvi	65 712 136	78 384 912	67 708 690	79 565 561
Kopējais pašu kapitāls	12 785 782	19 467 487	10 875 428	13 967 871
Ilgtermiņa kreditori	48 246 302	26 845 809	40 361 787	51 973 394
Īstermiņa kreditori	4 680 052	32 071 616	16 471 475	13 624 296
Neto naudas plūsma no pamatdarbības	2 921 573	(3 662 954)	(359 807)	(1 382 927)
Neto naudas plūsma no ieguldījumu darbībām	(23 258 660)	(7 889 983)	(2 898 041)	(3 747 175)
Neto naudas plūsma no finansēšanas darbībām	20 361 500	11 502 000	4 068 000	5 133 226
Neto parāds	52 844 445	58 886 453	55 941 201	65 563 171
Saistības / pašu kapitāls (x)	4.14	3.03	5.23	4.70
Neto saistības / pašu kapitāla attiecība (x)	4.13	3.02	5.14	4.69

Neatkarīgā Zvērināta revidenta ziņojumā par gadiem, kas beidzās 2023. gada 31. decembrī un 2022. gada 31. decembrī, ir ietvertas šādas būtiskas neskaidrības saistībā ar darbības turpināšanu (*going concern*):

Vēršam uzmanību uz 3.18. piezīmi konsolidētajos finanšu pārskatos, kurā norādīts, ka uz 2023. gada 31. decembri Grupai bija apgrozāmo līdzekļu deficīts 31 599 710 eiro apmērā, no kuriem 20 094 463 eiro bija saistīti ar Matuda UAB saņemto aizdevumu ar atmaksas termiņu 2024. gada 26. aprīlī, un 11 219 eiro, kas saistīti ar maksājumiem piegādātājiem un līgumslēdzējiem.

Turklāt 2024. gada oktobrī Grupa ir lauzusi līgumu ar ģenerāluzņēmēju un uz šī ziņojuma datumu ir apturēta Grupas darbība – daudzfunkcionālā nekustamā īpašuma centra attīstība uz tā kontrolētā zemes gabala. Ēkas attīstības un būvniecības periodā Grupa ir finansēta no līdzekļiem, kas saņemti no akcionāra un/vai tā kontrolētajām personām, ņemot vērā projekta gaitu un apgrozāmo līdzekļu nepieciešamību būvniecības darbību finansēšanai. Grupas spēja turpināt darbību (*going concern*), ir ļoti atkarīga no Grupas spējas piesaistīt papildu finansējumu, nokārtot savas esošās saistības un atsākt nekustamā īpašuma attīstības projektu. Grupa, tā akcionārs un citi tā kontrolētie īpaša mērķa uzņēmumi (SPV) uz šo konsolidēto finanšu pārskatu datumu nav saņēmuši rakstiskus apstiprinātus finansējuma avotus no potenciālajiem investoriem. Šie notikumi un apstākļi, kā arī citi 3.18. piezīmē izklāstītie faktori norāda, ka pastāv būtiska nenoteiktība, kas var radīt būtiskas šaubas par Grupas spēju turpināt darbību. Mūsu viedoklis šajā jautājumā netiek mainīts.

Kas ir emitentam raksturīgie būtiskākie riski

Būvniecības izmaksas un Projekta veiksmes risks. Ņemot vērā, ka Emitents piesaista finansējumu Projekta tālākai pabeigšanai un attīstībai, Emitenta saistības saskaņā ar Obligācijām ir atkarīgas no Emitenta spējas savlaicīgi pabeigt Projektu un atmaksāt savas saistības.

Projekta A un lielākās Kārtas pabeigšana plānota 2026. gadā (sākotnēji būvdarbus bija plānots pabeigt 2023. gadā). Neskatoties uz ģenerāl-būvnieka maiņu, Projekts turpina veiksmīgi virzīties uz priekšu. Taču biežās izmaiņas pasaules tirgos un būvmateriālu piegādes ķēdē, galvenokārt saistībā ar karadarbību Ukrainā un ar to saistīto ekonomisko un ģeopolitisko situāciju reģionā, tai skaitā nestabilitāti enerģijas tirgū, (neskatoties uz to, ka Projekts tiek būvēts kā energoefektīvs un līdz ar to Projekts ir izturīgāks pret enerģijas cenu svārstībām), pastāv neliels risks, ka negaidīti pieaugs būvniecības izmaksas. Pamatprospekta datumā Projekts virzās uz priekšu tā budžeta ierobežojumu ietvaros. Tomēr jāņem vērā, ka negaidīti pieaugot būvniecības izmaksām, Emitentam var rasties nepieciešamība nodrošināt papildu finansējumu ar aizņēmuma palīdzību. Tomēr šī papildu finansējuma iegūšana Emitentam varētu būt izaicinājums dažādu faktoru vai nespējas nodrošināt Projekta pabeigšanai nepieciešamo būvmateriālu dēļ, kas var samazināt Projekta kopējo rentabilitāti, aizkavēt Projekta pabeigšanu vai ietekmēt tā laika grafiku un rezultātā negatīvi ietekmēt Emitenta plānus, darbības, finansiālo stāvokli un spēju atmaksāt

Obligācijas.

Pamatprospekta datumā un, kā norādīts Pamatprospekta 8.5. sadaļā "Legal Proceedings", Emitents un Meitas sabiedrība ir iesaistīti vairākās tiesvedībās ar iepriekšējiem Projekta līgumslēdzējiem, kuru iznākumi ir vēl gaidāmi, lai gan ievērojamu finansiālu zaudējumu risks no Emitenta puses tiek uzskatīts par zemu projekta investīciju programmas ietvaros. Turklāt, tā kā Projekta būvniecība turpinās un var notikt pat neparedzami, Emitents nevar apliecināt, ka izvairīsies no turpmākiem strīdiem ar piegādātājiem vai saglabās esošās attiecības, īpaši, ja Emitenta pusē radīsies pamats un nepieciešamība tiesāties. Jebkuri piegādes ķēdes traucējumi vai kaitējums piegādātāja integritātei var radīt ievērojamas izmaksas, zaudējumus un kaitējumu reputācijai, kas var ietekmēt Emitenta rentabilitāti un spēju savlaicīgi atmaksāt Obligācijas.

Risks, kas saistīts ar papildu parāda rašanos. Saskaņā ar Pamatprospektu Emitents neuzņemas nekādas Finansiālas Parādsaistības, tomēr atsevišķi izņēmumi ir iekļauti 12.13.1. punkta "Negative borrowing" noteiktajos ietvaros. Cita starpā tie ietver, piemēram, Finanšu Parādsaistības, kas gada laikā kopā nepārsniedz 50 000 eiro, vai bezprocentu Finanšu Parādsaistības, kas radušās Emitenta parastās uzņēmējdarbības gaitā, vai ar Projekta izstrādes izdevumiem saistītas Finanšu Parādsaistības. Ja Emitentam rodas nozīmīgs papildu parāds, Emitenta spēja apkalpot savas Finanšu Parādsaistības, tostarp Obligācijas, var pasliktināties, var samazināties Obligacionāru atgūstamā summa Emitenta maksātnespējas gadījumā.

Emitenta kredītrisks un saistību nepildīšanas risks. Ieguldījums Obligācijās ir pakļauts kredītriskam, kas nozīmē, ka Emitents var pienācīgi un laikus nepildīt no Obligācijām izrietošās saistības. Emitenta spēja pildīt savas saistības, kas izriet no Obligācijām, un Obligacionāru spēja saņemt no Obligācijām izrietošos maksājumus ir atkarīga no Emitenta finansiālā stāvokļa un darbības rezultātiem, kas ir pakļauti citiem Pamatprospektā aprakstītajiem riskiem. Emitenta maksātnespējas gadījumā pastāv risks, ka Obligacionāri nesaņems nekādus maksājumus saistībā ar Obligācijām vai to daļu.

Riski, kas saistīti ar Emitenta finansiālo stāvokli. Emitenta finansiālais stāvoklis ir un paliks ļoti svarīgs gan Emitentam, gan Obligacionāriem, jo tas ne tikai veic Projektu, bet uz to attiecas arī Starpuuzņēmumu aizdevuma līguma pamatā esošās saistības, kuras paredzēts segt ar daļu no ieņēmumiem, kas iegūti no Obligācijām pēc izdevumu segšanas, kas saistīti ar Projektu. Turklāt vienīgais Emitenta kontrolē esošais galvenais aktīvs ir zemes gabals ar nepabeigtu apbūvi. Izstrādē esošais Projekts tiek uzskaitīts pēc patiesās vērtības principa. Proti, Emitenta aktīvu vērtība tiek periodiski koriģēta, pamatojoties uz jaunāko neatkarīgo nekustamā īpašuma novērtējumu (saskaņā ar pēdējo SIA "NEWSEC VALUATIONS LV" nekustamā īpašuma novērtējuma ziņojumu, kas datēts ar 2024. gada 15. novembri, Īpašuma aplēstā tirgus vērtība līdz 2024. gada 30. septembrim bija 62 610 000 eiro).

3.3. Informācija par vērtspapīriem

Kādas ir vērtspapīru galvenās iezīmes?

Obligāciju veids	Obligācijas ir dematerializēti uzrādītāja parāda vērtspapīri, kas var tikt atsavināti bez jebkādiem ierobežojumiem un var tikt ieķīlāti. Obligācijas ir iegrāmatotas Nasdaq CSD SE.
ISIN	LV0000104271
Pārvedamība	Obligācijas nevar tikt piedāvātas, pārdotas, tālāk-pārdotas, pārvestas vai nodotas tādās valstīs vai jurisdikcijās vai citādi tādos apstākļos, kur šādu pasākumu īstenošana ir pretiesiska vai paredz papildu pasākumu īstenošanu, kādi nav paredzēti Latvijas Republikas tiesību aktos, ieskaitot Amerikas Savienotās Valstis, Austrāliju, Japānu, Kanādu, Honkongu, Dienvidāfriku, Singapūru, Krieviju, Baltkrieviju un atsevišķas citas jurisdikcijas. Tāpat Obligacionāriem ir aizliegts tālāk-pārdot, pārvest vai nodot Obligācijas kādai personai veidā, kas varētu tikt uzskatīts par vērtspapīru publisko piedāvājumu.

**Statuss un
Nodrošinājums**

Obligācijas ir līdzvērtīgas kārtā (*pari passu*) ar citām Emitenta nodrošinātajām Saistībām. Emitenta maksātnespējas gadījumā Obligacionāriem būs tiesības atgūt savus ieguldījumus ar tādiem pašiem nosacījumiem kā citiem augstāk (senior) nodrošinātajiem kreditoriem attiecīgajā prasījumu tiesību grupā saskaņā ar attiecīgajiem Piemērojamiem tiesību aktiem.

Katrs Obligāciju Laidiens tiks nodrošināts ar hipotēku uz Īpašumu, t.i., uz nekustamo īpašumu ar unikālo kadastra numuru 0100 062 0093, Rīgas pilsētas zemesgrāmatā ar nodaļuma nr.13063 ar adresi Balasta dambis 2, Rīga, Latvijas Republika, kurā ietilpst zemes īpašums (kadastra apzīmējums 0100 062 0137), izdevniecības ēka (kadastra apzīmējums 0100 062 0093 001), daudzfunkcionālā centra ēka būvniecības stadijā (kadastra apzīmējums 0100 062 0093 002), biznesa centra ēka būvniecības stadijā (kadastra apzīmējums 0100 062 0137 001), apsardzes māja (kadastra apzīmējums 0100 062 0093 004) un sūkņu stacija (kadastra apzīmējums 0100 062 0093 006) un citas tajās uzbūvētās ēkas, būves un infrastruktūra (nekustamā īpašuma sastāvā) (Nodrošinājums). Nodrošinājuma maksimālā nodrošinātā prasījuma summa būs līdz 82 500 000 eiro par labu Obligacionāriem.

Sakarā ar Esošajiem Obligacionāriem piedāvāto Esošo Obligāciju Apmaiņas Piedāvājumu Emitents un Nodrošinājuma aģents nomainīs esošo nodrošinājuma aģentu (proti, UAB „AUDIFINA”, privātu sabiedrību ar ierobežotu atbildību, kas izveidota un pastāv saskaņā ar Lietuvas Republikas likumiem, reģistrācijas numurs 125921757, ar juridisko adresi A. Juozapavičiaus st. 6, 09310, Viļņa) pārstāvēt Esošos Obligacionārus saskaņā ar Esošajām Obligācijām, un Emitents un Nodrošinājuma aģents esošo ķīlas aģenta līgumu un esošo nodrošinājuma līgumu (abi noslēgti saistībā ar Esošajām Obligācijām) aizstāj ar Nodrošinājuma Aģenta Līgumu un Nodrošinājuma Līgumu, kur Nodrošinājuma Aģents darbojas Obligacionāru interesēs, kuri ir pieņēmuši Esošo Obligāciju apmaiņu pret Obligācijām, izmantojot Apmaiņas Piedāvājumu.

Valūta

EUR

Nominālvērtība

Katras Obligācijas nominālvērtība ir 1000 eiro (viens tūkstotis eiro).

Emisijas cena

Obligācijas emisijas cena ir 1000 eiro (viens tūkstotis eiro).

**Minimālā
Ieguldījuma
Summa**

Minimālā ieguldījuma summa, parakstoties uz Obligācijām, ir 1000 eiro (viens tūkstotis euro).

Procentu likme

Par Obligācijām tiek aprēķināti procenti pēc fiksētas gada procentu likmes 10% procentu apmērā, kas ir maksājami katrā Procentu Maksājuma Datumā.

Ja kāds Procentu Maksājuma Datums iekrīt datumā, kas nav Darba Diena, procentu maksājums tiek pārcelts uz nākamo Darba Dienu. Maksājuma datuma atlikšana neietekmē maksājamo summu.

**Dzēšanas
datums**

Obligācijas tiek atmaksātas to nominālvērtībā pilnā apmērā 04.06.2027.

Nodokļi

Visi Emitenta maksājumi attiecībā uz Obligācijām tiek veikti, neieturot un neatskaitot jebkādos esošus vai potenciālos nodokļus, nodevas, aprēķinātās nodokļu summas vai valsts noteiktos maksājumus, neatkarīgi no to veida, izņemot gadījumus, kad šādu Nodokļu ieturēšanu vai atskaitīšanu paredz Latvijas Republikas tiesību akti. Šādā gadījumā Emitents veic maksājumu pēc ieturējuma vai atskaitījuma veikšanas un saskaņā ar piemērojamiem tiesību aktiem ziņo atbildīgajām iestādēm par summu, kas ir jāietur vai jāatskaita. Emitentam nav pienākuma veikt papildu kompensāciju Obligacionāriem par šādu ieturējumu vai atskaitījumu.

**Piemērojamie
tiesību akti**

Latvijas Republikas tiesību akti.

**Strīdu
risināšana**

Ikviens strīds, kas rodas saistībā ar vai izriet no Obligācijām, tiek risināts Latvijas Republikas tiesās.

Kur tiks tirgoti vērtspapīri?

Ne vēlāk kā 3 (trīs) mēnešu laikā pēc konkrētā Laidiena Emisijas Datuma Akciju sabiedrībai “Nasdaq Riga”, reģistrācijas numurs: 40003167049, juridiskā adrese: Vaļņu iela 1, Rīga, LV-1050, Latvija

("Nasdaq Riga") saskaņā ar Nasdaq Riga prasībām tiks iesniegts pieteikums par katra Laidiena iekļaušanu parāda vērtspapīru sarakstā (Baltijas Parāda Vērtspapīru Saraksts) un tirdzniecības uzsākšanu.

Kādi ir vērtspapīriem raksturīgie būtiskie riski?

Pirmstermiņa Dzēšanas risks. Saskaņā ar Pamatprospektu Obligācijas var tikt dzēstas pirms termiņa pēc Emitenta iniciatīvas. Ja Emitents izmanto Pirmstermiņa Dzēšanas tiesības (pirkšanas iespēju), atdeves likme no ieguldījuma Obligācijās var būt zemāka, nekā sākotnēji bija paredzējis Investors, jo potenciālais investors, iespējams, nevarēs atkārtoti ieguldīt no izpiršanas gūtos ieņēmumus līdzīgā vērtspapīrā ar efektīvu procentu likmi salīdzinājumā ar dzēstajām Obligācijām.

Likviditātes risks. Obligācijas ir Emitenta no jauna emitēti vērtspapīri, kuriem šobrīd trūkst aktīva tirdzniecības tirgus, kas var radīt potenciālu ne-likviditāti un cenu svārstības. To likviditāte un vērtība ir cieši saistīta ar Emitenta finansiālo stāvokli un nekustamā īpašuma projekta panākumiem. Ja notiek negatīvi notikumi, piemēram, finanšu nestabilitāte vai Projekta neveiksmes, Obligacionāriem var rasties grūtības pārdot savas Obligācijas otrreizējā tirgū. Lai gan tiks iesniegts pieteikums par iekļaušanu Obligāciju sarakstā un tirdzniecībā Regulētajā tirgū, aktīva tirdzniecības tirgus nodrošināšana nevar tikt garantēta. Potenciālajam Investoram ir jāņem vērā fakts, ka viņš var nespēt pārdot vai var saskarties ar grūtībām pārdot Obligācijas otrreizējā tirgū par to patieso tirgus vērtību vai vispār.

Risks, kas saistīts ar Nodrošinājuma reģistrāciju. Šobrīd Pamatprospekts paredz, ka Nodrošinājums tiks reģistrēts 60 dienas pēc pirmā Obligāciju Laidiena emisijas, kas atbilst standarta tirgus praksei obligāciju tirgū. Līdz ar to šajā 60 dienu periodā Obligācijas būs nenodrošinātas un bez ķīlas. Ja Nodrošinājums netiek reģistrēts un šajā periodā iestājas saistību neizpildes gadījums, Obligacionāri tiks uzskatīti par Emitenta nenodrošinātiem kreditoriem.

Inflācijas risks. Pamatprospekta datumā augstā inflācija pasaulē tiek uzskatīta par vienu no galvenajiem makroekonomiskajiem faktoriem, kas rada būtisku risku pasaules ekonomikas izaugsmei un līdz ar to gan pašu kapitāla, gan parāda vērtspapīru vērtībai. Inflācija samazina Obligāciju nākotnes procentu un Nominālvērtības pirkspēju. Inflācija var izraisīt augstākas procentu likmes, kas var negatīvi ietekmēt Obligāciju cenu otrreizējā tirgū.

3.4. Pamatinformācija par vērtspapīru piedāvājumu un iekļaušanu tirdzniecībai regulētajā tirgū

Ar kādiem nosacījumiem un kādos termiņos es varu ieguldīt šajos vērtspapīros?

Parakstīšanās Periods

No plkst. 9:00 12.05.2025. līdz plkst. 15:30 30.05.2025. (Rīgas laiks)

Parakstīšanās Rīkojumu iesniegšana

Investoriem (Privātie Investori, Institucionālie Investori), kas vēlas parakstīties un iegādāties Obligācijas, ir jāiesniedz Parakstīšanās Rīkojumi jebkurā Parakstīšanās Perioda ietvaros. Parakstīšanās Rīkojuma iesniegšanas brīdī katrs Investors sniedz saistošu rīkojumu par Obligāciju noguldīšanu vērtspapīru kontā, kas tiek uzturēts uz tā vārda un atvērts pie viņa izvēlētas Turētājbankas.

Investors sedz visas izmaksas un komisijas maksas, kas piemērotas saistībā ar Parakstīšanās Rīkojuma iesniegšanu, atcelšanu vai grozīšanu saskaņā ar attiecīgās Turētājbankas cenrādi. Iesniedzot Parakstīšanās Rīkojumu, Investors pilnvaro Nasdaq CSD, Nasdaq Riga un Emitentu apstrādāt, pārsūtīt un apmainīties ar informāciju par Investora identitāti un attiecīgā Investora Parakstīšanās Rīkojuma saturu pirms Parakstīšanās Perioda, tā laikā un pēc tā.

Investoram ir atļauts iesniegt Parakstīšanās Rīkojumu vai nu personīgi, vai ar pārstāvja starpniecību, kuru Investors ir pilnvarojis (piemērojamajā likumā noteiktajā formā) iesniegt Parakstīšanās Rīkojumu. Investoram ir jānodrošina, lai visa Parakstīšanās Rīkojumā ietvertā informācija būtu pareiza, pilnīga un salasāma. Emitents patur tiesības noraidīt jebkuru Parakstīšanās Rīkojumu, kas ir nepilnīgs, nepareizs, neskaidrs vai neatbilstošs, vai kas nav aizpildīts un iesniegts Parakstīšanās Rīkojuma laikā saskaņā ar visām Pamatprospektā noteiktajām prasībām. Jebkādas sekas, kas rodas, ja Obligācijas ir nepareizi aizpildītas Parakstīšanās Rīkojuma formā, sedz Investors.

Privātajiem Investoriem, kas vēlas parakstīties uz Obligācijām, ir jāsaņem informācija ar savu Turētājbanku un jāiesniedz Parakstīšanās Rīkojums Turētājbankas pieņemtajā formā un saskaņā ar visām Pamatprospektā noteiktajām prasībām. Privātais Investors var izmantot jebkuru metodi, ko piedāvā šāda Privāta Investora Turētājbanka, lai iesniegtu Parakstīšanās Rīkojumu (piemēram,

fiziski Turētājbankas klientu apkalpošanas centrā, internetā vai citādā veidā). Turētājbanku parakstīšanās rīkojumi tiek iesniegti Nasdaq Riga Izsoļu Sistēmā. Institucionālie Investori, kas piedalās Privātajā Izvietošanā un vēlas iegādāties Obligācijas, var iesniegt savus Parakstīšanās Rīkojumus Organizētājam vai Pārdošanas aģentam, vai savai Turētājbankai, kas savukārt iesniedz rīkojumus Organizētājam saskaņā ar Pamatprospektā noteiktajām prasībām.

Apmaiņas periods

No plkst. 9:00 12.05.2025. līdz plkst. 15:30 30.05.2025. (Rīgas laiks)

Process Apmaiņas Instrukciju nosūtīšanai

Esošie Obligacionāri, kas vēlas apmainīt Esošās Obligācijas (nodrošināti parāda vērtspapīri ar ISIN LT0000408403, dzēšanas termiņu 2025.gada 13.novembrī) pret Obligācijām, var iesniegt savas instrukcijas savai Turētājbankai rakstiski, izmantojot Turētājbankas sniegto piedāvājuma veidlapu, Apmaiņas perioda ietvaros saskaņā ar Pamatprospektā noteiktajām prasībām.

Atcelšana

Nākamajā Darba Dienā pēc Parakstīšanās Perioda beigām Emitents pieņem lēmumu par to, vai turpināt attiecīgā Laidiena emisiju vai atcelt attiecīgo emisiju. Gadījumā, ja attiecīgā Laidiena emisija tiek atcelta, Emitents publicē paziņojumu savā tīmekļa vietnē https://lordslb.lt/Presesnams_bonds/.

Obligāciju piešķiršana

Obligācijas tiks piešķirtas šādā prioritātē:

- 1) Esošiem Obligacionāriem, kuri ir izvēlējušies piedalīties Apmaiņas Piedāvājumā, Obligācijas tiek piešķirtas pilnībā, ievērojot apmaiņas attiecību;
- 2) Privātajiem Investoriem un Institucionālajiem Investoriem, kuri ir iesnieguši Parakstīšanās Rīkojumus, pamatojoties uz turpmāk aprakstītajiem principiem.

Neskarot iepriekš aprakstīto prioritāti, piešķiršanas procesā tiks ievēroti šādi principi:

- (iv) piešķiršanas mērķis ir izveidot Emitentam stabilu, uzticamu un diversificētu Investoru bāzi;
- (v) Emitents var piemērot atšķirīgus piešķiršanas principus atšķirīgām Investoru grupām;
- (vi) Emitents var noteikt vienam Investoram piešķirto Obligāciju minimālo un maksimālo skaitu. Informācija par piedāvājuma un piešķiršanas rezultātiem tiks paziņota, izmantojot Nasdaq Riga informācijas sistēmu un Emitenta mājaslapu (https://lordslb.lt/Presesnams_bonds/) 04.06.2025. vai ap šo datumu.

Norēķini

Norēķinu par Piedāvājumu veiks Nasdaq CSD. Privātajiem Investoriem un Institucionālajiem Investoriem piešķirtās Obligācijas tiks pārskaitītas uz viņu vērtspapīru kontiem, izmantojot DVP (*Delivery vs Payment*) metodi saskaņā ar piemērojamajiem Nasdaq CSD noteikumiem, vienlaikus ar maksājuma pārskaitījumu par šādām Obligācijām. Īpašuma tiesības uz Obligācijām pāries attiecīgajiem Privātajiem Investoriem un Institucionālajiem Investoriem, kad Obligācijas tiks pārskaitītas uz viņu vērtspapīru kontiem.

Ja Privātais Investors vai Institucionālais Investors ir iesniedzis vairākus Parakstīšanās Rīkojumus, izmantojot vairākus vērtspapīru kontus, šim Privātajam Investoram vai Institucionālajam investoram piešķirtās Obligācijas tiks pārskaitītas uz visiem šādiem vērtspapīru kontiem proporcionāli Obligāciju skaitam, kas norādīts katram kontam iesniegtajos Parakstīšanās Rīkojumos, pēc vajadzības noapaļojot uz augšu vai uz leju. Norēķins notiks Emisijas Datumā. Visas apmaksātās Obligācijas tiek uzskatītas par emitētām.

Attiecībā uz visām Esošajām Nodrošinātajām Obligācijām, kas tiks apmainītas pret Obligācijām, Nasdaq CSD uzdos attiecīgajam Nasdaq CSD biedram pārskaitīt kopējo Obligāciju skaitu saviem klientiem, kas savukārt pārskaitīs noteiktu Obligāciju skaitu katram no Investoriem. Emisijas Datumā Nasdaq CSD dzēsīs vairākas Esošās Nodrošinātās Obligācijas, kas tika apmainītas pret Obligācijām no katra tā dalībnieka konta.

Informācija par Obligāciju piedāvājuma rezultātiem

Informācija par piedāvājuma rezultātiem un piešķiršanu tiks publicēta caur Nasdaq Riga informācijas sistēmu un Emitenta tīmekļa vietnē (https://lordslb.lt/Presesnams_bonds/) 04.06.2025. vai ap šo datumu.

**Investoriem
piemērojamās
izmaksas**

Emitents neiekasēs no investoriem nekādus izdevumus vai nodokļus saistībā ar Obligāciju emisiju. Tomēr investoriem var būt pienākums segt izdevumus, kas saistīti ar vērtspapīru kontu atvēršanu kredītiestādēs vai brokeru sabiedrībās, kā arī komisijas maksas, ko kredītiestādes vai brokeru sabiedrības iekasē saistībā ar investoru pirkuma veikšanu vai Obligāciju pārdošanas rīkojumiem, Obligāciju turēšanu vai citām ar Obligācijām saistītām darbībām. Emitents nekompensē Obligacionāriem nekādus šādus izdevumus

Kādēļ tiek sagatavots šis prospekts?**Ieņēmumu izmantošana**

Emitents no Obligāciju emisijas paredz saņemt neto ieņēmumus aptuveni līdz 29 650 000 EUR apmēram. Izdevumi, kas tieši saistīti ar Obligāciju emisiju, tiek aplēsti aptuveni 350 000 EUR apmērā, ieskaitot honorārus un komisijas maksas, kas maksājamas Obligāciju piedāvājuma konsultantiem.

Neto ieņēmumus no Obligāciju emisijas, atskaitot kopējos izdevumus, Emitents izmantos šādā secībā:

- 1) Projekta būvniecības un iekārtošanas finansēšanai;
- 2) Esošo Obligāciju refinansēšana 27 415 000 EUR neatmaksātajā summā;
- 3) Apgrozāmā Kapitāla uzlabošanai.

Vienošānās par parakstīšanos uz vērtspapīriem

Uz Obligācijām neattieksies vienošanās par parakstīšanos uz vērtspapīriem.

Interesu konflikti

Atbilstoši Emitenta rīcībā esošajai informācijai, nepastāv nekādi interešu konflikti vai potenciāli interešu konflikti starp Emitenta Valdes locekļu un Padomes locekļu pienākumiem uzņēmumā un viņu privātajām interesēm un/vai citiem pienākumiem.

4. Summary in Lithuanian (Santrauka)

Ši santrauka (toliau – **Santrauka**) parengta pagal Reglamento (ES) 2017/1129 7 straipsnį ir turėtų būti skaitoma kaip Bazinio prospekto įvadas. Bet kokį sprendimą investuoti į Obligacijas investuotojas turėtų priimti įvertinęs visą Bazinį prospektą. Investuotojas gali prarasti visą investuotą kapitalą arba jo dalį. Jei teisme pateikiamas ieškinys dėl Baziniame prospekte pateiktos informacijos, pagal nacionalinę teisę ieškovui investuotojui gali tekti padengti išlaidas, susijusias su Bazinio prospekto vertimu, prieš pradedant teisminį procesą. Civilinė atsakomybė taikoma (yra susijusi) tik tiems asmenims, kurie pateikė Santrauką, įskaitant bet kokį jos vertimą, tačiau tik tais atvejais, kai Santrauka yra klaidinanti, netiksli ar nenuosekli, skaitant ją kartu su kitomis Bazinio prospekto dalimis, arba kai joje, skaitant ją kartu su kitomis Bazinio prospekto dalimis, nepateikiama pagrindinė informacija, padedanti investuotojams apsvarstyti, ar investuoti į vertybinius popierius.

4.1. Įvadas

Vertybinių popierių pavadinimas ir tarptautinis vertybinių popierių identifikavimo numeris (ISIN)

AS „PN Project“ 75 000 000 EUR 10% proc. užtikrintų obligacijų, kurių terminas yra 04.06.2027., ISIN: LV0000104271 (toliau – **Obligacijos**).

Emitento tapatybė ir kontaktiniai duomenys, įskaitant jo juridinio asmens identifikatorių (LEI)

AS „PN Project“ yra Latvijoje įsteigta akcinė bendrovė (*akciju sabiedrība*), įregistruota Latvijos įmonių registre, registracijos Nr.: 40203063602, juridinis adresas: Republikas laukums 2A, Ryga, LV-1010, Latvija. Emitento el. pašto adresas yra info@lordslb.lt, telefono numeris +370 52619470. Jos juridinio asmens identifikatorius (LEI) yra 6488MO7801E7SK91DC04.

Bazinį prospektą tvirtinančios kompetentingos institucijos tapatybė ir kontaktiniai duomenys

Bazinį prospektą patvirtino Latvijos bankas, kaip kompetentinga institucija, kurios adresas yra Krišjāņa Valdemāra iela 2A, Ryga, LV-1050, Latvija, el. paštas: info@bank.lv, telefono Nr.: +371 67022300, pagal Reglamentą (ES) 2017/1129.

Bazinio prospekto patvirtinimo data

Bazinis prospektas buvo patvirtintas 24.04.2025.

4.2. Pagrindinė informacija apie Emitentą

Kas yra vertybinių popierių emitentas?

Nuolatinė buveinė, teisinė forma, LEI, registracijos jurisdikcija ir veiklos šalis

Emitentas yra įsteigtas Latvijoje, jo registruotos buveinės adresas yra Republikas laukums 2A, Ryga, LV-1010, Latvija, o LEI numeris – 6488MO7801E7SK91DC04. Emitentas yra įsteigtas ir įregistruotas kaip akcinė bendrovė (*akciju sabiedrība*) Latvijos įmonių registre, registracijos Nr.: 40203063602.

Pagrindinė veikla

Emitentas įsteigtas kaip nekilnojamojo turto plėtros bendrovė. Emitentas vykdo įvairią veiklą, kuri daugiausia susijusi su investicine veikla, įskaitant projektų inicijavimą, baigiamąjį pardavimą, patalpų ir pastatų nuomą. Emitentas įsteigtas kaip specialiosios paskirties įmonė (SPV), kurios pagrindinis tikslas – vystyti ir statyti nekilnojamojo turto projektą, esantį 2 Balasta Dambis, Rygoje, žinomą kaip „*Preses Nama Kwartāls*“. Emitentas turi 100 proc. akcijų savo dukterinėje įmonėje SIA „PN Management“, kurios pagrindinė veikla yra susijusi su Projekto vystymu, įskaitant rinkos tyrimus ir verslo analizę, planavimą, viešuosius pirkimus, architektūrą ir dizainą, įvedimą į rinką, projekto įgyvendinimą ir statybą. Emitentas ir Dukterinė įmonė yra sudarę statybos projekto valdymo sutartį, susijusią su projektu „*Preses Nama Kwartāls*“, kuri apima atsakomybę ir veiklą, susijusią su Projektu, įskaitant, be kita ko, statybų planavimą, koordinavimą, biudžeto ir grafikų sudarymą.

Pagrindiniai akcininkai

Bazinio prospekto dieną toliau išvardytiems akcininkams priklauso daugiau kaip 5 proc. visų Emitento akcijų, ir Emitentas juos laiko savo pagrindiniais akcininkais:

Akcininko pavadinimas	Turimų akcijų skaičius	Turimo viso akcinio kapitalo procentinė dalis	Akcininko galutinis (-iai) naudos gavėjas (-ai)*
„Lords LB Special Fund V“ – uždarasis nekilnojamojo turto investicinis fondas, skirtas informuotiesiems investuotojams	51 507 800	100 %	Mindaugas Marcinkevičius – kaip vienintelis UAB „Glera“ akcininkas, kuris yra vienas iš Valdymo įmonės, savo ruožtu valdančios Vienintelį akcininką, kuriam priklauso Emitento akcijos, akcininkų. Andrius Stonkus – kaip vienintelis UAB „Aemulus“ akcininkas, kuris yra vienas iš Valdymo įmonės, savo ruožtu valdančios Vienintelį akcininką, kuriam priklauso Emitento akcijos, akcininkų.

*Kaip aprašyta pirmiau, Valdymo įmonė netiesiogiai priklauso Mindaugui Marcinkevičiui ir Andriui Stonkui, kurie laikomi Emitento galutiniais naudos gavėjais (UBO), nes kontroliuoja Emitentą per Valdymo įmonę, kuri yra vienintelė Emitento akcininkė. Finansiniu požiūriu galutiniai Emitento naudos gavėjai yra Vienintelio akcininko investuotojai.

Valdyba ir stebėtojų taryba

Toliau pateikiama išsami informacija apie valdybos ir stebėtojų tarybos narius Bazinio prospekto rengimo dieną.

Vardas, pavardė	Pareigos	Paskyrimo data	Kadencijos pabaiga
VALDYBA			
Povilas Urbonavičius	Valdybos pirmininkas	2024 m. rugsėjo 17 d.	2029 m. rugsėjo 16 d.
Igors Daņilovs	Valdybos narys	2024 m. rugsėjo 17 d.	2029 m. rugsėjo 16 d.
STEBĖTOJŲ TARYBA			
Marius Žemaitis	Stebėtojų tarybos pirmininkas	2024 m. rugpjūčio 15 d.	2029 m. rugpjūčio 15 d.
Mindaugas Marcinkevičius	Stebėtojų tarybos pirmininko pavaduotojas	2024 m. rugpjūčio 15 d.	2029 m. rugpjūčio 15 d.
Andrius Stonkus	Stebėtojų tarybos narys	2024 m. rugpjūčio 15 d.	2029 m. rugpjūčio 15 d.

Teisės aktais nustatytą auditą atliekantys auditoriai

Audito įmonė „KPMG Baltics“ SIA, registracijos Nr.: 40003235171, juridinis adresas: Roberta Hirša iela 1, Ryga, LV-1045, Latvija, yra Emitento auditorius už ataskaitinį laikotarpį, susijusį su Baziniame prospekte pateikta istorine finansine informacija. SIA „KPMG Baltics“ yra atestuotas auditorius (licencija Nr. 55) ir Latvijos atestuotų auditorių asociacijos narys.

Savo ruožtu audito įmonė „PricewaterhouseCoopers“ SIA, registracijos Nr.: 40003142793, juridinis adresas: Marijas iela 2A, Ryga, LV-1050, Latvija, buvo patvirtinta Emitento auditoriumi nuo 2024 finansinių metų. Emitento finansiniai metai yra nuo sausio 1 d. iki gruodžio 31 d.

Kokia yra pagrindinė emitento finansinė informacija?

Pasirinkta Grupės finansinė informacija, atitinkamai eurai arba procentine dalimi %, arba santykiu (x)

	Metai, pasibaigę gruodžio 31 d.		Šešių mėnesių laikotarpis, pasibaigęs birželio 30 d.	
	Audituota konsoliduota		Neaudituota konsoliduota	
Elementas	2022 m.	2023 m.	2023 m.	2024 m.
Nuomos pajamos (Pajamos)	71 256	62 431	41 153	42 748
Veiklos nuostoliai	(2 092 135)	(7 086 620)	(506 652)	(3 354 247)
Nuostoliai prieš apmokestinimą	(4 977 104)	(10 314 920)	(1 910 147)	(5 499 541)
Grynoji turto vertė	12 785 782	19 467 487	10 875 428	13 967 871
Investicinis turtas	63 330 000	72 610 000	65 795 736	76 355 986

Investicinė nuosavybė / turtas	96,4 %	92,6 %	97,2 %	96,0 %
Nuosavas kapitalas / turtas	19,5 %	24,8 %	16,1 %	17,6 %
Paskolos ir sąnaudų santykis	29,8 %	28,1 %	33,0 %	32,3 %
Pinigai ir pinigų ekvivalentai	81 909	30 972	892 061	34 519
Visas turtas	65 712 136	78 384 912	67 708 690	79 565 561
Iš viso nuosavo kapitalo	12 785 782	19 467 487	10 875 428	13 967 871
Ilgalaikiai įsipareigojimai	48 246 302	26 845 809	40 361 787	51 973 394
Trumpalaikiai įsipareigojimai	4 680 052	32 071 616	16 471 475	13 624 296
Grynieji pagrindinės veiklos pinigų srautai	2 921 573	(3 662 954)	(359 807)	(1 382 927)
Grynieji investicinės veiklos pinigų srautai	(23 258 660)	(7 889 983)	(2 898 041)	(3 747 175)
Grynieji finansinės veiklos pinigų srautai	20 361 500	11 502 000	4 068 000	5 133 226
Grynoji skola	52 844 445	58 886 453	55 941 201	65 563 171
Įsipareigojimai / nuosavas kapitalas (x)	4,14	3,03	5,23	4,70
Grynųjų įsipareigojimų ir nuosavo kapitalo santykis (x)	4,13	3,02	5,14	4,69

2023 m. gruodžio 31 d. ir 2022 m. gruodžio 31 d. pasibaigusį metų nepriklausomo auditoriaus ataskaitoje pateikiamas toliau nurodytas reikšmingas neapibrėžtumas, susijęs su veiklos tęstinumu:

Atkreipiamė dėmesį į konsoliduotųjų finansinių ataskaitų 3.18 pastabą, kurioje nurodyta, kad 2023 m. gruodžio 31 d. Grupės apyvartinio kapitalo deficitas sudarė 31 599 710 EUR, iš kurių 20 094 463 EUR suma yra susijusi su paskola, gauta iš UAB „Matuda“, kurios grąžinimo terminas yra 2024 m. balandžio 26 d., ir 11 219 375 EUR suma yra susijusi su tiekėjams ir rangovams mokėtinomis sumomis.

Be to, 2024 m. spalio mėn. Grupė nutraukė sutartį su generaliniu rangovu ir nuo šios ataskaitos parengimo dienos Grupės veikla – daugiavilkinio nekilnojamojo turto centro vystymas jos valdomame žemės sklype – yra sustabdyta. Pastato vystymo ir statybos laikotarpiu Grupė buvo finansuojama iš akcininko ir (arba) jo kontroliuojamų subjektų gautomis lėšomis, atsižvelgiant į projekto eigą ir apyvartinių lėšų poreikį statybos veiklai finansuoti. Grupės gebėjimas tęsti veiklą remiantis veiklos tęstinumo principu labai priklauso nuo to, ar Grupė sugebės pritraukti papildomą finansavimą, įvykdyti neįvykdytus įsipareigojimus ir atnaujinti nekilnojamojo turto plėtros projektą. Šių konsoliduotųjų finansinių ataskaitų rengimo dieną Grupė, jos akcininkas ir kitos kontroliuojamos specialiosios paskirties įmonės nebuvo gavusios raštu patvirtinto finansavimo įsipareigojimo iš potencialių investuotojų. Šie įvykiai ir sąlygos kartu su kitais 3.18 pastaboje nurodytais klausimais rodo, kad egzistuoja reikšmingas neapibrėžtumas, galintis kelti reikšmingų abejonių dėl Grupės gebėjimo tęsti veiklą. Mūsų nuomonė dėl šio dalyko nėra modifikuojama.

Kokia yra pagrindinė emitentui būdinga rizika?

Statybos sąnaudų ir projekto sėkmės rizika. Atsižvelgiant į tai, kad Emitentas renka lėšas tolesniam Projekto užbaigimui ir vystymui užtikrinti, Emitento įsipareigojimai pagal Obligacijas priklauso nuo Emitento gebėjimo laiku užbaigti Projektą ir apmokėti savo įsipareigojimus.

Projekto didžiausią etapą, A fazę, planuojama užbaigti 2026 m. (iš pradžių buvo planuota statybas užbaigti 2023 m.). Nepaisant to, kad pasikeitė generalinis rangovas, Projektas yra toliau sėkmingai vykdomas. Tačiau dėl dažnų pokyčių pasaulio rinkose ir statybinių medžiagų tiekimo grandinėje, visų

pirma dėl karo Ukrainoje ir su tuo susijusios ekonominės ir geopolitinės padėties regione, įskaitant nestabilumą energijos rinkoje (nepaisant to, kad Projektas statomas kaip energiją tausojantis ir todėl yra atsparesnis energijos kainų svyravimams), yra nedidelė netikėto statybos sąnaudų padidėjimo rizika. Bazinio prospekto rengimo metu Projektas vykdomas laikantis biudžeto apribojimų. Tačiau reikėtų pažymėti, kad netikėtai padidėjus statybos išlaidoms, Emitentui gali tekti užsitikrinti papildomą finansavimą skolintomis lėšomis. Tačiau Emitentui gali būti sudėtinga gauti šį papildomą finansavimą dėl įvairių veiksnių arba nesugebėjimo užtikrinti statybinių medžiagų, reikalingų Projektui užbaigti, o dėl to gali sumažėti bendras Projekto pelningumas, vėluoti Projekto užbaigimas arba gali būti daromas poveikis užbaigimo terminams ir neigiamas poveikis Emitento planams, veiklai, finansinei padėčiai bei gebėjimui išpirkti Obligacijas.

Bazinio prospekto rengimo dieną, kaip išsamiai aprašyta Bazinio prospekto skirsnyje 8.5. „Legal Proceedings“, Emitentas ir Dukterinė įmonė dalyvauja keliuose teisiniuose ginčuose su ankstesniais Projekto rangovais, kurių baigtys dar nepaskelbtos, nors didelių finansinių nuostolių rizika Emitentui, atsižvelgiant į projekto investicijų programos apimtį, laikoma nedidele. Be to, kadangi Projekto statyba tęsiasi ir gali nutikti net nenusipėjamų įvykių, Emitentas negali užtikrinti, kad išvengs tolesnių ginčų su tiekėjais ar išlaikys esamus santykius, ypač jei iš Emitento pusės atsirastų pagrindas ir poreikis bylinėtis. Bet kokie tiekimo grandinės sutrikimai ar žala jos vientisumui gali lemti dideles išlaidas, nuostolius ir žalą reputacijai, o tai gali turėti įtakos Emitento pelningumui ir gebėjimui laiku išpirkti Obligacijas.

Rizika, susijusi su papildomos skolos prisiėmimu. Pagal Bazinį prospektą Emitentas neprisiima jokių finansinių įsiskolinimų, tačiau tam tikros išimties yra įtrauktos į 12.13.1 punkte „Negative borrowing“ numatytas neigiamo skolinimosi sąlygas. Tai, be kita ko, apima tokius atvejus kaip Finansinis įsiskolinimas, kurio bendra suma per metus neviršija 50 000 EUR, arba neprocentinis Finansinis įsiskolinimas, atsiradęs vykdant įprastą Emitento veiklą, arba Finansinis įsiskolinimas, susijęs su Projekto plėtros išlaidomis. Jei Emitentas prisiimtų didelę papildomą skolą, gali pablogėti Emitento gebėjimas apmokėti savo finansinį įsiskolinimą, įskaitant Obligacijas, gali sumažėti Obligacijų turėtojų atgautina suma Emitento nemokumo atveju.

Emitento kredito ir įsipareigojimų nevykdymo rizika. Investicijos į Obligacijas yra susijusios su kredito rizika, kuri reiškia, kad Emitentas gali tinkamai ir laiku neįvykdyti savo įsipareigojimų, kylančių iš Obligacijų. Emitento gebėjimas vykdyti savo įsipareigojimus, kylančius iš Obligacijų, ir Obligacijų turėtojų gebėjimas gauti mokėjimus, kylančius iš Obligacijų, priklauso nuo Emitento finansinės būklės ir veiklos rezultatų, kuriems būdinga kita Baziniame prospekte aprašyta rizika. Emitento nemokumo atveju kyla rizika, kad Obligacijų turėtojai negaus jokių su Obligacijomis ar jų dalimi susijusių mokėjimų.

Rizika, susijusi su Emitento finansine padėtimi. Emitento finansinė būklė yra ir išliks labai svarbi tiek Emitentui, tiek Obligacijų turėtojams, nes Emitentas ne tik vykdo Projektą, bet ir vykdo pagrindinius įsipareigojimus pagal Tarpusavio paskolos sutartį, kurie, tikimasi, bus padengti iš dalies pagal Obligacijas gautomis lėšomis, padengus su Projektu susijusias išlaidas. Be to, pagrindinis Emitento valdomas turtas yra žemės sklypas su nebaigta statyba. Plėtojamas projektas apskaitomas pagal tikrosios vertės principą. Konkrečiai, Emitento turto vertė periodiškai tikslinama remiantis naujausiu nepriklausomu nekilnojamojo turto vertinimu (pagal naujausią SIA NEWSEC VALUATIONS LV 2024 m. lapkričio 15 d. nekilnojamojo turto vertinimo ataskaitą apskaičiuota Turto rinkos vertė 2024 m. rugsėjo 30 d. buvo 62 610 000 EUR).

4.3. Informacija apie vertybinius popierius

Kokios yra pagrindinės vertybinių popierių savybės?

Obligacijų forma: Obligacijos yra nematerializuoti pareikštinės formos skolos vertybiniai popieriai, kuriais galima disponuoti be jokių apribojimų ir kurie gali būti įkeisti. Obligacijos yra įtrauktos į Nasdaq CSD SE apskaitą.

ISIN: LV0000104271

Perleidžiamumas: Obligacijos negali būti siūlomos, parduodamos, perparduodamos, perleidžiamos ar pristatomos tokiose šalyse ar jurisdikcijose arba kitomis aplinkybėmis, kai tai būtų neteisėta arba reikėtų imtis kitokių priemonių nei tos, kurių reikalaujama pagal Latvijos įstatymus, įskaitant Jungtines Amerikos Valstijas, Australiją, Japoniją, Kanadą, Honkongą, Pietų Afriką, Singapūrą, Rusiją, Baltarusiją ir kai kurias kitas jurisdikcijas. Be to, Obligacijų turėtojams draudžiama perparduoti, perleisti ar perduoti Obligacijas bet kuriam asmeniui tokiu būdu, kuris reikštų viešą siūlymą pirkti vertybinius popierius.

Būklė ir saugumas: Obligacijos yra *pari passu* kitiems pirmaeiliams užtikrintiems Emitento įsipareigojimams. Emitento nemokumo atveju Obligacijų turėtojai turės teisę atgauti savo investicijas tokiomis pačiomis sąlygomis, kaip ir kiti pirmaeiliai

užtikrinti kreditoriai atitinkamoje reikalavimų grupėje pagal atitinkamą taikytiną teisę.

Kiekviena Obligacijų dalis bus užtikrinta Turto hipoteka, t. y., nekilnojamuoju turtu, kurio unikalus kadastrinis numeris 0100 062 0093, Rygos miesto žemės registro bylos Nr. 13063, kurio adresas Balasta dambis 2, Ryga, Latvijos Respublika, kuris apima žemės sklypą (kadastro žymuo 0100 062 0137), leidyklos pastatą (kadastro žymuo 0100 062 0093 001), statomą daugiafunkcinio centro pastatą (kadastro žymuo 0100 062 0093 002), statomą verslo centro pastatą (kadastro žymuo 0100 062 0137 001), apsaugininkų pastatą (kadastro žymuo 0100 062 0093 004) ir siurblinę (kadastro žymuo 0100 062 0093 006), taip pat bet kokius kitus pastatus, statinius ir juose sukurtą infrastruktūrą (kaip nekilnojamojo turto dalį) (toliau – Užstatas). Didžiausia Užstatu užtikrinto reikalavimo suma bus iki **82 500 000 EUR** Obligacijų turėtojų naudai.

Dėl Esamų obligacijų turėtojams siūlomo Esamų obligacijų mainų pasiūlymo Emitentas ir Užstato tarpininkas pakeičia esamą užstato tarpininką (t. y. UAB AUDIFINA, uždarąją akcinę bendrovę, įsteigtą ir veikiančią pagal Lietuvos Respublikos įstatymus, juridinio asmens kodas 125921757, kurios buveinės adresas A. Juozapavičiaus g. 6, 09310 Vilnius), atstovaujantį Esamų obligacijų savininkams pagal Esamas obligacijas, ir Emitentas ir Užstato tarpininkas pakeičia esamą Užstato tarpininko sutartį ir esamą Užstato sutartį (abi sutartys sudarytos dėl Esamų obligacijų) Užstato tarpininko sutartimi ir Užstato sutartimi, kai Užstato tarpininkas veikia Obligacijų turėtojų, sutikusių keisti Esamas obligacijas į Obligacijas per Mainų pasiūlymą, interesais.

Bazinio prospekto rengimo dieną Nekilnojamojo turto registre yra įrašyti keli įkeitimo, draudimo ir hipotekos žymėjimai, susiję su Turtu. Įregistruota hipoteka dėl esamų obligacijų (UAB „AUDIFINA“ naudai), buvusio generalinio rangovo AS „UPB“ hipoteka, taip pat dviejų generalinių rangovų – AS „UPB“ ir UAB „YIT Lietuva“ – įkeitimo žymėjimai bei AS „UPB“ išieškojimo įrašas. Bendrovės valdyba tikisi šiuos įkeitimo ir hipotekos žymėjimus panaikinti po Mainų siūlymo ir pirmosios arba antrosios obligacijų emisijos Dalies, jei bus pritraukta pakankamai lėšų. Bendrovės valdyba tikisi AS „UPB“ ir UAB „YIT Lietuva“ reikalavimus panaikinti per Konversijos siūlymą arba derybomis pasiekiant galutinį susitarimą.

Valiuta:	EUR
Nominalas:	Kiekvienos obligacijos nominalioji vertė yra 1 000 EUR (vienas tūkstantis eurų).
Išleidimo kaina:	Obligacijų emisijos kaina yra 1 000 EUR (vienas tūkstantis eurų).
Minimali investicijų suma:	Obligacijas siūloma pasirašyti už minimalią 1 000 EUR (vieno tūkstančio eurų) investicijų sumą.
Palūkanos:	<p>Už Obligacijas mokamos fiksuotos 10% metinės palūkanos, mokamos kiekvieną palūkanų mokėjimo dieną.</p> <p>Jei kuri nors palūkanų mokėjimo diena yra ne Darbo diena, mokėtinų palūkanų mokėjimas bus atidėtas kitai Darbo dienai. Mokėjimo dienos atidėjimas neturi įtakos mokėtinai sumai.</p>
Trukmė:	Obligacijos bus išpirtos visa jų nominaliąja verte 04.06.2027.
Apmokestinimas:	Visi Emitento mokėjimai, susiję su Obligacijomis, atliekami neišskaičiuojant ir neskaičiuojant jokių esamų ar būsimų bet kokio pobūdžio mokesčių, muitų, rinkliavų ar valstybinių rinkliavų, išskyrus atvejus, kai mokesčių išskaičiavimas ar atskaitymas reikalaujamas pagal Latvijos Respublikos įstatymus. Tokiu atveju Emitentas atlieka tokį mokėjimą po to, kai atskaitoma ar išskaičiuojama suma, ir atsiskaito su atitinkamomis institucijomis pagal galiojančius įstatymus už sumą, kurią reikalaujama atskaityti ar išskaičiuoti. Emitentas neprivalo Obligacijų turėtojams išmokėti jokios papildomos kompensacijos dėl tokio išskaičiavimo ar atskaitymo.
Taikoma teisė:	Latvijos teisė.

**Ginču
sprendimas:**

Bet kokie ginči, susiję su Obligacijomis arba kylantys dėl jų, sprendžiami tik Latvijos teismuose.

Kur bus prekiaujama vertybiniais popieriais?

Paraiška bus teikiama Akciju sabiedrība „Nasdaq Riga“, registrācijas Nr.: 40003167049, juridinis adrese: Valņu iela 1, Ryga, LV-1050, Latvija (toliau – „**Nasdaq Riga**“), kad kiekviena Dalis būtų įtraukta į oficialųjį obligacijų sąrašą (Baltijos šalių obligacijų sąrašą) pagal „Nasdaq Riga“ reikalavimus ne vėliau kaip per 3 (tris) mėnesius nuo atitinkamos Dalies išleidimo datos.

Kokia yra pagrindinė rizika, būdinga vertybiniais popieriams?

Ankstyvo išpirkimo rizika. Pagal Bazinį prospektą Obligacijos gali būti išpirtos anksčiau laiko Emitento iniciatyva. Jei Emitentas pasinaudoja pirmalaikio išpirkimo teise (pirkimo pasirinkimo sandoriu), investicijų į Obligacijas grąžos norma gali būti mažesnė, nei iš pradžių tikėjosi investuotojas, nes potencialus investuotojas gali neturėti galimybės pakartotinai investuoti išpirkimo pajamų į panašius vertybinius popierius, kurių faktinė palūkanų norma yra mažesnė palyginti su išpirtomis Obligacijomis.

Likvidumo rizika. Obligacijos yra naujai išleisti Emitento vertybiniai popieriai, šiuo metu neturintys aktyvios prekybos rinkos, todėl gali atsirasti nelikvidumo ir kainų svyravimų. Jų likvidumas ir vertė yra glaudžiai susiję su Emitento finansine būkle ir nekilnojamojo turto projekto sėkme. Įvykus neigiamiems įvykiams, tokiems kaip finansinis nestabilumas ar Projekto vykdymo kliūtys, Obligacijų turėtojams gali būti sunku parduoti savo Obligacijas antrinėje rinkoje. Nors bus pateiktas prašymas įtraukti Obligacijas į reguliuojamos rinkos prekybos sąrašus ir jomis prekiauti, aktyvios prekybos rinkos sukūrimas negali būti užtikrintas. Potencialus investuotojas turėtų atsižvelgti į tai, kad jam gali nepavykti arba gali kilti sunkumų parduodant Obligacijas antrinėje rinkoje jų tikrąją rinkos vertę arba apskritai gali būti sunku jas parduoti.

Rizika, susijusi su Užstatu registracija. Šiuo metu Baziniame prospekte numatyta, kad Užstatas bus registruojamas praėjus 60 Darbo dienų nuo pirmosios Obligacijų Dalies išleidimo, o tai atitinka įprastą rinkos praktiką obligacijų rinkoje. Todėl per šį 60 Darbo dienų laikotarpį Obligacijos bus neužtikrintos ir neturinčios jokio užstatu. Jei Užstatas per šį laikotarpį neregistruojamas ir įvyksta Įsipareigojimų Nevykdymo Atvejis, Obligacijų turėtojai bus laikomi neužtikrintais Emitento kreditoriais. Bazinio prospekto sudarymo dieną Nekilnojamojo turto registre yra įregistruotas išieškojimo įrašas 2 786 060,47 EUR sumai AS „UPB“ naudai. Kol šis išieškojimo įrašas nėra pašalintas, Emitentas negalės įregistruoti Užstatu Užstatu agento naudai, kuris turėtų jį valdyti Obligacijų turėtojų interesais kaip Užstatu užtikrinimą. Emitentas šiuo metu derasi dėl išieškojimo įrašo pašalinimo. Tačiau, jeigu šis įrašas nebus pašalintas ir dėl to Užstatas nebus įregistruotas, o per šį laikotarpį įvyktų Įsipareigojimų Nevykdymo Atvejis, Obligacijų turėtojai bus laikomi neužtikrintais Emitento kreditoriais.

Infliacijos rizika. Bazinio prospekto parengimo dieną didelė infliacija visame pasaulyje laikoma vienu iš pagrindinių makroekonominių veiksnių, keliančių didelę riziką pasaulio ekonomikos augimui ir atitinkamai nuosavybės ir skolos vertybinių popierių vertei. Infliacija mažina obligacijos būsimų palūkanų ir nominaliosios vertės perkamąją galią. Dėl infliacijos gali padidėti palūkanų normos, o tai gali daryti neigiamą poveikį obligacijų kainai antrinėje rinkoje.

**4.4. Pagrindinė informacija apie viešą siūlymą pirkti vertybinius popierius ir jų įtraukimą į prekybos reguliuojamoje rinkoje sąrašą
Kokiomis sąlygomis ir terminais galiu investuoti į šį vertybinį popierių?**

**Pasirašymo
laikotarpis:**

Nuo 9:00 12.05.2025. iki 15:30 30.05.2025. (Rygos laiku)

**Pasirašymo
pavedimų
pateikimo
tvarka:**

Investuotojai (neprofesionalieji investuotojai, instituciniai investuotojai), pageidaujantys pasirašyti ir įsigyti Obligacijų, turi pateikti savo Pasirašymo pavedimus bet kuriuo Pasirašymo laikotarpio metu. Pateikdamas Pasirašymo pavedimą, kiekvienas investuotojas pateikia privalomą nurodymą dėl Obligacijų deponavimo jo vardu atidarytoje vertybinių popierių sąskaitoje, atidarytoje jo pasirinktoje Saugotojo organizacijoje.

Investuotojas padengia visas išlaidas ir mokesčius, susijusius su Pasirašymo pavedimo pateikimu, atšaukimu ar pakeitimu pagal atitinkamo Saugotojo kainoraštį. Pateikdamas Pasirašymo pavedimą Investuotojas įgalioja Nasdaq CSD, Nasdaq Riga ir Emitentą tvarkyti, perduoti ir keisti informaciją apie Investuotojo tapatybę ir atitinkamo Investuotojo Pasirašymo pavedimo turinį prieš Pasirašymo laikotarpį, jo metu ir jam pasibaigus.

Investuotojui leidžiama pateikti Pasirašymo pavidimą asmeniškai arba per atstovą, kurį Investuotojas įgaliojo (pagal galiojančius teisės aktus reikalaujama forma) pateikti Pasirašymo pavidimą. Investuotojas užtikrina, kad visa informacija, pateikta Pasirašymo pavidime, būtų teisinga, išsami ir įskaitoma. Emitentas pasilieka teisę atmesti bet kokių neišsamų, neteisingų, neaiškių ar netinkamų Pasirašymo pavidimą, arba tokį Pasirašymo pavidimą, kuris nebuvo užpildytas ir pateiktas Pasirašymo pavidimo metu nesilaikant visų Baziniame prospekte nustatytų reikalavimų. Bet kokias pasekmes dėl neteisingai užpildytos Obligacijų Pavidimo pasirašymo formos prisiima Investuotojas.

Neprofesionalieji investuotojai, norintys pasirašyti Obligacijas, turi kreiptis į savo Saugotoją ir pateikti Pasirašymo pavidimą Saugotojo priimtina forma ir laikantis visų Baziniame prospekte nustatytų reikalavimų. Neprofesionalusis investuotojas gali naudoti bet koki būdą, kurį siūlo tokio Neprofesionaliojo investuotojo saugotojas, norėdamas pateikti Pasirašymo pavidimą (pvz., fiziškai Saugotojo klientų aptarnavimo centre, internetu ar kitais būdais). Pasirašymo pavidimus Saugotojai pateikia per Nasdaq Riga aukcionų sistemą.

Neviešame platinime dalyvaujantys instituciniai investuotojai, pageidaujantys įsigyti Obligacijų, gali pateikti savo Pasirašymo pavidimus Organizatoriui, Pardavimų tarpininkui arba savo Saugotojui, kuris savo ruožtu pateiks pavidimus Organizatoriui pagal Baziniame prospekte nustatytus reikalavimus.

Nuo 9:00 12.05.2025. iki 15:30 30.05.2025. (Rygos laiku)

Mainų laikotarpis:

Mainų nurodymų pateikimo tvarka:

Esami Obligacijų turėtojai, norintys iškeisti Esamas obligacijas (užtikrinti skolos vertybiniai popieriai, kurių ISIN yra LT0000408403, išpirkimo data 2025 m. lapkričio 13 d.) į Obligacijas, gali pateikti savo nurodymus savo Saugotojui raštu, naudodamiesi Saugotojo pateikta pasiūlymo forma, nurodydami Mainų laikotarpiu keičiamų Esamų obligacijų skaičių pagal Baziniame prospekte nustatytus reikalavimus.

Esami Obligacijų turėtojai, kurie savo Esamas obligacijas laiko Swedbank AB, juridinio asmens kodas 112029651, registruota buveinė: Konstitucijos pr. 20A, LT-03502, Vilnius, Lietuva (toliau – „Swedbank LT“), turi teisę dalyvauti Keitimo siūlyme. Tačiau, kadangi Swedbank LT nėra tiesioginis Latvijos vertybinių popierių atsiskaitymų sistemos dalyvis, tokių obligacijų turėtojų atžvilgiu taikoma skirtinga procedūra nei tų, kurie savo obligacijas laiko pas kitus Saugotojus.

Esami Obligacijų turėtojai, kurie savo Esamas obligacijas laiko Swedbank LT ir nusprendžia dalyvauti Keitimo siūlyme, turi per Mainų laikotarpį pateikti tinkamai pasirašytą Keitimo nurodymą Organizatoriui. Atitinkama Keitimo nurodymo forma bus pateikta Organizatoriaus ir pridėta prie šios Dalies galutinių sąlygų.

Įvykdžius atitinkamos Obligacijų Dalies atsiskaitymus, Organizatorius, remdamasis iš Swedbank LT obligacijas laikančių Esamų obligacijų turėtojų pateiktais Keitimo nurodymais, perduos šią informaciją Emitentui, kuris savo ruožtu pateiks atitinkamą nurodymą „Nasdaq CSD“. Remiantis šiuo nurodymu, „Nasdaq CSD“ atliks du vienu metu vykdomus korporatyvinius veiksmus: 1) pašalins Esamas obligacijas iš atitinkamo Obligacijų turėtojo vertybinių popierių sąskaitos kaip sandorį be pinigų pervedimo; ir 2) priskirs naujas Obligacijas Organizatoriaus platinimo sąskaitai, o Organizatorius perves Obligacijas į atitinkamo Obligacijų turėtojo, dalyvavusio Keitimo siūlyme ir laikusio Esamas obligacijas Swedbank LT, vertybinių popierių sąskaitą kaip sandorį be pinigų pervedimo.

Pateikdami šiuos nurodymus, Organizatorius ir Emitentas laikysis šiame skyriuje nustatytų sąlygų, jei jos neprieštarauja Bazinio prospekto 13.5.11, 13.5.12 ir 13.5.13 punktuose nustatytoms sąlygoms. Atsižvelgiant į tai, galutinis rezultatas šiems Obligacijų turėtojams bus toks pat kaip ir kitiems, dalyvaujantiems Keitimo siūlyme; tačiau jis bus įgyvendinamas per Organizatorių, Emitentą ir „Nasdaq CSD“, apimant du vienalaikius korporatyvinius veiksmus vietoje vieno.

Atšaukimas

Kitą darbo dieną po Pasirašymo laikotarpio Emitentas nusprendžia, ar tęsti Dalies emisiją, ar atšaukti atitinkamą emisiją. Jei Dalies emisija atšaukiama,

Emitentas savo interneto svetainėje https://lordslb.lt/Presesnams_bonds/ paskelbia pranešimą.

Obligacijų paskirstymas

Obligacijos bus skirstomos tokiu eiliškumu:

- 1) Esamiems Obligacijų turėtojams, pasirinkusiems dalyvauti Mainų pasiūlyme, Obligacijos paskirstomos visapusiškai, laikantis mainų santykio;
- 2) Neprofesionaliesiems investuotojams ir instituciniams investuotojams, kurie pateikė Pasirašymo pavedimus pagal toliau aprašytus principus.

Nepažeidžiant pirmiau aprašyto prioriteto, paskirstymo proceso metu bus laikomasi šių principų:

- (vii) paskirstymu siekiama sukurti tvirtą, patikimą ir diversifikuotą Emitento investuotojų bazę;
- (viii) Emitentas gali taikyti skirtingus paskirstymo principus skirtingoms Investuotojų grupėms;
- (ix) Emitentas gali nustatyti mažiausią ir didžiausią vienam investuotojui skiriamų Obligacijų skaičių. Informacija apie siūlymo ir paskirstymo rezultatus bus paskelbta per Nasdaq Riga informacinę sistemą ir Emitento interneto svetainėje (https://lordslb.lt/Presesnams_bonds/) maždaug 04.06.2025.

Atsiskaitymas

Atsiskaitymą už siūlymą vykdys Nasdaq CSD. Neprofesionaliesiems ir instituciniams investuotojams paskirstytos Obligacijos bus pervestos į jų vertybinių popierių sąskaitas taikant vienalaikio vertybinių popierių ir lėšų pateikimo metodą pagal taikomas Nasdaq CSD taisykles tuo pačiu metu, kai bus pervestas mokėjimas už tokias Obligacijas. Nuosavybės teisė į Obligacijas pereis atitinkamiems neprofesionaliesiems ir instituciniams investuotojams, kai Obligacijos bus pervestos į jų vertybinių popierių sąskaitas. Jei neprofesionalusis investuotojas ar institucinis investuotojas pateikė kelis Pasirašymo pavedimus per kelias vertybinių popierių sąskaitas, tokiam neprofesionaliajam investuotojui ar instituciniam investuotojui skirtos Obligacijos bus pervestos į visas tokias vertybinių popierių sąskaitas proporcingai kiekvienai sąskaitai pateiktuose Pasirašymo pavedimuose nurodytam Obligacijų skaičiui, prireikus suapvalinant jį į didesnę ar mažesnę pusę. Atsiskaitymas vyks emisijos dieną. Visos apmokėtos Obligacijos laikomos išleistomis.

Visas Esamas obligacijas, kurios bus keičiamos į Obligacijas, Nasdaq CSD nurodys atitinkamam Nasdaq centrinio vertybinių popierių depozitoriumo nariui pervesti visą Obligacijų skaičių savo klientams, kurie savo ruožtu perves tam tikrą Obligacijų skaičių kiekvienam iš Investuotojų. Emisijos dieną Nasdaq CSD iš kiekvieno savo nario sąskaitos ištrins tam tikrą skaičių Esamų obligacijų, kurios buvo iškeistos į Obligacijas.

Informacija apie Obligacijų siūlymo rezultatus

Informacija apie siūlymo ir paskirstymo rezultatus bus paskelbta per Nasdaq Riga informacinę sistemą ir Emitento interneto svetainėje (https://lordslb.lt/Presesnams_bonds/) maždaug 04.06.2025.

Investuotojams priskaičiuotos išlaidos

Emitentas iš investuotojų nereikalauja jokių išlaidų ar mokesčių, susijusių su Obligacijų emisija. Tačiau investuotojams gali tekti padengti išlaidas, susijusias su vertybinių popierių sąskaitų atidarymu pas Saugotojus, taip pat komisinius, kuriuos Saugotojai ima už investuotojo pavedimų pirkti ar parduoti Obligacijas vykdymą, Obligacijų laikymą ar kitas su Obligacijomis susijusias operacijas. Emitentas nekompensuoja Obligacijų turėtojams jokių tokių išlaidų.

Kodėl rengiamas šis prospektas?

Įplaukų panaudojimas

Emitentas tikisi iš Obligacijų emisijos gauti maždaug iki 29 650 000 EUR grynujų įplaukų. Tiesiogiai su Obligacijų emisija susijusios išlaidos vertinamos maždaug 350 000 EUR, įskaitant mokesčius ir komisinius, kuriuos reikia sumokėti Obligacijų siūlymo konsultantams.

Grynąsias įplaukas iš Obligacijų emisijos, atėmus visas išlaidas, Emitentas panaudos tokia tvarka:

- 1) Projekto statybos ir įrengimo finansavimas;
- 2) Esamų obligacijų refinansavimas, kurių neapmokėta suma yra EUR 27 415 000;

3) Apyvartinio kapitalo didinimas.

Garantas

Obligacijoms garantas nebus taikomas.

Interesų konfliktai

Emitentas nežino apie jokių interesų konfliktus ar galimus interesų konfliktus tarp Emitento valdybos ir stebėtojų tarybos narių pareigų bendrovėje ir jų privačių interesų ir (arba) kitų pareigų.