



## AS "PN Project"

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

### **PROGRAMME FOR THE ISSUANCE OF SECURED 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 aggregate nominal amount of up to EUR 75,000,000 outstanding at any time (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 construed 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. This Base Prospectus constitutes a successor base prospectus to the base prospectus dated 24 April 2025, approved by the Bank of Latvia on 8 May 2025 (the "**Original Base Prospectus**"). Existing bonds previously issued under the Original Base Prospectus (the "**Existing Bonds**") constitute an issue (the "**Issue**") and continue under this Base Prospectus.

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 the same ISIN (International Securities Identification Number) to Bonds of different Tranches, unless it will be decided by Nasdaq CSD to provide different 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. 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 23 April 2026

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## 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.

<b>Issuer:</b>	AS "PN Project"
<b>Legal Entity Identifier (LEI):</b>	6488MO7801E7SK91DC04
<b>Programme Limit:</b>	Up to EUR 75,000,000 aggregate nominal amount of Bonds outstanding at any one time
<b>Programme Continuity:</b>	This Base Prospectus constitutes a successor base prospectus for the Programme originally established under the base prospectus dated 24 April 2025 approved by the Bank of Latvia (the " <b>Original Base Prospectus</b> "). Bonds issued under this Base Prospectus may be consolidated and form a single tranche with Bonds of any Tranche previously issued under the Original Base Prospectus, provided they have the same terms and conditions in all other respects, as further described in Section 12.20 "Further Issues". In such case, the Bonds will be issued under the same ISIN as the relevant previously issued Tranche, as specified in the applicable Final Terms
<b>Risk Factors:</b>	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"
<b>Method of Issue</b>	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 between Tranches, as specified in the applicable Final Terms: the Issue Date and the Issue Price of the Bonds.
<b>Form of the Bonds:</b>	The Bonds will be issued in dematerialized form and book entered with Nasdaq CSD SE
<b>Status and Security</b>	The Bonds of each Tranche will be issued as secured. The Bonds will be secured by a mortgage on real estate of the Issuer in the amount specified in the Final Terms, created in favour of the Collateral Agent acting on behalf of the holders of Bonds in accordance with the Collateral Agent Agreement and the process described in Section 14 "Information about the Collateral" and Section 12.26 "Collateral of the Bonds"
<b>Currency:</b>	EUR
<b>Denomination:</b>	The nominal amount of each Bond shall be specified in the Final Terms

<b>Issue Price:</b>	The Bonds may be issued at their nominal amount or at a discount or a premium to their nominal amount
<b>Minimum Investment Amount:</b>	The Bonds will be offered for subscription for a minimum investment amount that will be specified in the Final Terms
<b>Interest:</b>	The Bonds will bear interest at a fixed annual interest rate as specified in the Final Terms
<b>Maturity:</b>	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
<b>Listing:</b>	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
<b>Taxation:</b>	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 (" <b>Taxes</b> "), 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
<b>Rating:</b>	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
<b>Governing Law:</b>	Laws of the Republic of Latvia
<b>Dispute Resolution:</b>	Any disputes relating to or arising in relation to the Bonds shall be settled solely by the courts of Latvia of competent jurisdiction
<b>Selling Restrictions:</b>	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

#### 2.1.1 Geopolitical risk

In February 2022, Russia launched a military attack on Ukraine. This military assault has impacted 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, geopolitical tensions 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.

In addition, since 28 February 2026, an armed conflict involving the United States, Israel and Iran has caused severe disruption to global energy markets, including the near-complete cessation of shipping through the Strait of Hormuz. Brent crude oil prices have risen significantly, European natural gas prices have approximately doubled and fuel costs have increased materially across the EU. If sustained, elevated energy prices may increase the costs of construction materials, transportation and labour required to complete the Project beyond current estimates, contribute to higher inflation and interest rates in the eurozone, and reduce investor and occupier demand in the Latvian real estate market. While the conflict has not, as at the date of this Base Prospectus, directly affected the Issuer's operations, any prolonged disruption to energy supplies or deterioration in the European macroeconomic environment could adversely affect the Issuer's ability to complete the Project under current budget and estimates.

The Issuer considers geopolitical risk as low.

#### 2.1.2 Public health emergency risk

The Issuer may be impacted by a public health emergency, including a global pandemic, the severity and duration of which cannot be predicted. 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. Any public health emergency may cause financial difficulties, especially for tenants from certain sectors, and their ability to meet lease obligations.

The Issuer considers public health emergency risk as low.

## **2.2 Risk factors related to the industry of the Issuer**

### **2.2.1 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 this 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 ongoing conflict 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, in respect of any Tranche of Bonds which is secured, the value of real estate assets used as Collateral securing such Bonds.

Considering that Phase A of the Project involves constructing a 28,300 m<sup>2</sup> A+ class commercial building, the conditions of the Riga office market are relevant to the Project's success. According to the Q4 2024 Colliers Baltic Property Snapshot, office take-up in Riga in 2024 was approximately 52,000 m<sup>2</sup>, which, while approximately 10% lower than the near-record 59,100 m<sup>2</sup> reported in 2023, remained broadly in line with the long-term annual demand range. According to the Q2 2025 Colliers Baltic Real Estate Market Snapshot, take-up in the first half of 2025 exceeded 20,000 m<sup>2</sup>, in line with the annual demand range of 40,000–50,000 m<sup>2</sup>, though approximately 20% lower than in the first half of 2024. According to the Q3 2025 Colliers Baltic Property Snapshot, by mid-2025 nearly 90% of the Riga office development pipeline scheduled for completion in 2025 had already been delivered, resulting in limited Class A availability which is driving occupier demand toward Class B premises. A growing speculative pipeline in Riga is expected to increase vacancy and may drive landlords to offer more incentives to secure tenants. 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.

### **2.2.2 Risk related to competition and occupancy of the Project premises**

The Issuer operates in Riga, Latvia, where the Project is located. Riga has a number of existing high-quality offices, and new office spaces continue to develop. Offices with existing presence have established relationships in the market, whereas new entrants increase competition, especially if they bring 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.

Phase A of the Project is scheduled to be completed in 2026. As of the date of this Base Prospectus, tenant fit-out works have commenced in certain parts of the premises, although first tenants have not yet moved in. The Issuer must ensure a sufficient level of occupancy of the Project premises to generate the funds necessary to service its obligations, including under the Bonds. The Management Company and the Issuer are currently making their best efforts in searching and attracting tenants for the Project's premises, and several 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. 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**

### **2.3.1 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 Phase A, the largest phase of the Project, is planned for 2026. As of the date of this Base Prospectus, tenant fit-out works have commenced in parts of the premises, and the Project continues to progress in accordance with the current timeline. However, the frequent changes in the global markets and the building materials supply chain, primarily due to the ongoing conflict in Iran and Ukraine and the related economic and geopolitical situation in the region, including instability in the energy market (despite the fact that the Project is being built as energy efficient and therefore the Project is more resistant to fluctuations in energy prices), present a remote risk of unexpected increase in construction costs. As of the date of this Base Prospectus, the Project is progressing within its budgetary constraints. However, should there be unexpected increases in construction costs, it may become necessary for the Issuer to secure additional funding through debt. Obtaining such financing could be challenging for the Issuer due to various factors, or the Issuer may be unable to secure construction material required to complete the Project, which may reduce the overall profitability of the Project, delay its completion 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, all litigations that the Issuer has previously been involved in with previous contractors have been concluded, and there are no ongoing legal proceedings involving the Issuer or the Subsidiary. Nevertheless, since the construction of the Project remains subject to various uncertainties, 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 such potential 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.

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

The Issuer's ability to repay the Bonds depends 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**

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

All legal proceedings in which the Issuer has previously been involved with contractors have been concluded, and there are currently no ongoing legal proceedings involving the Issuer.

Nevertheless, 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 inherently unpredictable. In the event that any such dispute were resolved unfavourably for the Issuer, this could affect the Issuer's financial standing, reputation and capacity to fulfil its obligations and therefore, also the Issuer's ability to repay the Bonds. This may additionally impact the attractiveness and liquidity of the Bonds.

The Issuer considers risk of legal disputes as low.

## **2.5 Financial risk factors**

### **2.5.1 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 12.15.1 "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, and the amount recoverable by Bondholders in case of the Issuer's insolvency might decrease.

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

### **2.5.2 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.

### **2.5.3 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 real estate valuation report of SIA "NEWSEC VALUATIONS LV" dated 19 December 2025, the estimated market value of the Property as at 31 October 2025 was EUR 75,110,000).

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

## **2.6 Risk factors related to the Bonds**

### **2.6.1 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.

### 2.6.2 Refinancing risk

Bonds issued under earlier bond programmes (other than the Programme), including those encumbered in favour of UAB "AUDIFINA", have been fully redeemed and all related encumbrances have been deleted from the Land Register. The Existing Bonds, originally issued under the Original Base Prospectus, remain outstanding and continue under this Base Prospectus. As of the date of this Base Prospectus, the only encumbrances registered over the Property are (i) the mortgage and prohibition mark in favour of the Collateral Agent for the benefit of the holders of Bonds, securing the Bonds issued under the Programme (including the outstanding Existing Bonds), and a prohibition mark in favour of AB SEB bankas restricting the disposal, gifting, division and further encumbrance of the Property without its prior written consent. For the avoidance of doubt, the prohibition mark referred to in limb (ii) does not secure any financial indebtedness of the Issuer and does not constitute a mortgage, pledge or other security interest in the commercial sense; rather, it reflects the depositary/custodian control arrangements applicable in connection with the Issuer being wholly owned by the Sole Shareholder (LORDS LB Special Fund V), a Lithuanian closed-ended real estate investment fund managed by UAB LORDS LB ASSET MANAGEMENT, under the applicable investment fund regulatory framework. Upon maturity of Bonds, the Issuer may need to refinance Bonds through the issuance of further bonds under different bond issuance programme or from other sources. A failure to secure such refinancing on acceptable terms, or at all, could adversely affect the Issuer's ability to repay the Bonds.

The Issuer considers refinancing risk as medium.

### 2.6.3 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 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, the 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.

### 2.6.4 Inflation risk

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.

### 2.6.5 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. If the market rates increase, the price and the demand for the Bonds might decrease, leading to losses if the Bonds are sold prior to maturity. 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 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.

### 2.6.6 Risks 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.

#### 2.6.7 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 the applicable 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 number of Bonds for 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 a potential Investor.

The Issuer considers offering cancellation and delisting risk as low.

#### 2.6.8 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, familiarise 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**

#### 2.7.1 Risks related to mortgages and pledge marks

As of the date of this Base Prospectus, all previous pledge marks, prohibition marks and mortgage claims to the Property that had previously been registered in the Land Register have been deleted from the Land Register. The bonds previously issued under earlier bond programmes (other than the Programme), including those encumbered in favour of UAB "AUDIFINA", have been fully redeemed and all related encumbrances have been deleted. The only encumbrances currently registered over the Property are (i) the mortgage and prohibition mark in favour of the Collateral Agent for the benefit of the holders of Bonds, securing the Bonds issued under the Programme (including the outstanding Existing Bonds originally issued under the Original Base Prospectus), and (ii) a prohibition mark in favour of AB SEB bankas restricting the disposal, gifting, division and further encumbrance of the Property without its prior written consent. For the avoidance of doubt, the prohibition mark referred to in limb (ii) does not secure any financial indebtedness of the Issuer and does not constitute a mortgage, pledge or other security interest in the commercial sense; rather, it reflects the depositary/custodian control arrangements applicable in connection with the Issuer being wholly owned by the Sole Shareholder (LORDS LB Special Fund V), a Lithuanian closed-ended real estate investment fund managed by UAB LORDS LB ASSET MANAGEMENT, under the applicable investment fund regulatory framework.

There can be no assurance that additional encumbrances will not be registered over the Property in the future (subject to the covenants of the Issuer set out in Section 12.15 "General covenants"), or that claims by third parties in respect of the Property will not arise. Any such encumbrances or claims could affect the priority of the Collateral and the Bondholders' ability to recover their invested capital.

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

#### 2.7.2 Risks related to the registration of the Collateral

As of the date of this Base Prospectus, the mortgage and prohibition mark over the Property have been entered in the Land Register in favour of the Collateral Agent for the benefit of the Bondholders, thereby securing the Bonds issued under the Programme (including the outstanding Existing Bonds). All prior encumbrances have been removed from the Land Register. The Collateral secures the Bonds up to a maximum amount of EUR 82,500,000; however, the actual secured amount is registered in accordance with the total aggregate amount of Bonds issued under the Programme at the time, as specified in the Final Terms of each Tranche.

In addition, there is a prohibition mark in favour of AB SEB bankas restricting the disposal, gifting, division and further encumbrance of the Property without its prior written consent. For the avoidance of doubt, the respective prohibition mark does not secure any financial indebtedness of the Issuer and does not constitute a mortgage, pledge or other security interest in the commercial sense; rather, it reflects the depositary/custodian control arrangements applicable in connection with the Issuer being wholly owned by the Sole Shareholder (LORDS LB Special Fund V), a Lithuanian closed-ended real estate investment fund managed by UAB LORDS LB ASSET MANAGEMENT, under the applicable investment fund regulatory framework.

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

#### 2.7.3 Risk of insufficient value of the Collateral

The Bonds issued under this Base Prospectus which are specified in the applicable Final Terms as secured will be secured by the Collateral. The maximum amount of secured claim of the Collateral will be up to EUR 82,500,000 in favour of the Collateral Agent for the benefit of the Bondholders, with the exact claim amount to be 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 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 the construction stage, the value of the Collateral could be insufficient to cover the Issuer's obligations to the Bondholders.

In addition, in case of negative development of the Latvian real estate market and a resulting significant drop in the value of the Collateral even after completion of the Project, the value of the Collateral could be insufficient to satisfy all claims of the Bondholders. Pursuant to the real estate valuation report of SIA "NEWSEC VALUATIONS LV" dated 19 December 2025, the estimated market value of the Property as at 31 October 2025 was EUR 75,110,000. The value of the Property that is subject to the Collateral is expected to increase following the construction progress and successful completion of the Project.

The 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 realisation, 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 difficult to find buyers of the Property serving as the Collateral).

Moreover, the funds received upon realisation of the Collateral as a first priority will be used for the satisfaction of and payment of all costs and expenses (including, without limitation, the Collateral Agent's fees, state duties, notary fees) related to or arising from enforcement (realisation) of the Collateral incurred by the Collateral Agent as provided by the Collateral Agent Agreement and this 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.

#### 2.7.4 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 the Collateral securing the Bonds, potentially affecting the Bondholders' position.

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

#### 2.7.5 Risks associated with the Collateral Agent Agreement

The 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 authorised 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 of the Collateral.

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

#### 2.7.6 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 as 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, this Base Prospectus, and Applicable Law. 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 the 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 of EUR 2,000,000, provided that the Collateral Agent shall be entitled at any time during the term of this Base Prospectus and the Collateral Agent Agreement to replace such insurer with another reputable insurer offering equivalent professional liability coverage.

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

#### 2.7.7 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 Issuer considers risks related to the actions and financial standing of the Collateral Agent as low .

#### 2.7.8 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 metre 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 realise 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.

This Base Prospectus constitutes a successor base prospectus to the Original Base Prospectus, prepared in accordance with Article 8 of the Prospectus Regulation. The nine (9) Tranches of Bonds previously issued under the Original Base Prospectus together constitute an Issue for the purposes of this Base Prospectus. The Issuer may continue to issue further Tranches under the Issue on the terms established under the Original Base Prospectus and continued under this Base Prospectus. For the purposes of Article 8(11) of the Prospectus Regulation, any offer of Bonds that commenced under the Original Base Prospectus and is continuing as at the date of this Base Prospectus shall continue under this Base Prospectus, subject to the conditions set out in the applicable Final Terms.

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 Daņilovs

#### 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.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_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, dated 23 April 2026. 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. Prospective investors should assess the suitability of investing in the Offer Shares 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 in 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: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/);
- 2) the Group's consolidated audited report for the financial year ended 31 December 2024: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/);
- 3) the Group's unaudited interim report for the 6-month period ended on 30 June 2024: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/);
- 4) the Group's unaudited interim report for the 6-month period ended on 30 June 2025: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/);
- 5) the Group's consolidated unaudited interim report for the financial year ended 31 December 2025: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/);
- 6) the Issuer's Articles of Association: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/).

The Group's consolidated report for year ended 31 December 2024 includes Independent Auditor's Report from PricewaterhouseCoopers SIA. The Group's consolidated audited report for the financial year ended 31 December 2023 also includes statement from independent auditor KPMG Baltics SIA that has audited financial year ended 31 December 2023 and 31 December 2022.

The Financial Statements have been audited by independent auditors PricewaterhouseCoopers SIA or 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](http://www.nasdaqbaltic.com)). In addition, the following document can be accessed through the Issuer's website ([www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/presesnams_bonds/)) during the validity period of Base Prospectus: this Base Prospectus and the Final Terms (available at: [www.lordslb.lt/presesnams\\_bonds/](http://www.lordslb.lt/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](mailto:info@lordslb.lt)

Telephone number: +370 52619470

Website: [www.lordslb.lt/presesnams\\_bonds/](http://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) 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.

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: *sabiedrība ar ierobežotu atbildību* or *SIA*). In 2018, the Issuer was reorganized from limited liability company to a joint-stock company (in Latvian: *akciju sabiedrība* or *AS*).

The Issuer has been established as a special purpose vehicle (SPV), which is fully owned (100%) by Lords LB Special Fund V (the "**Sole Shareholder**"). 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" (the "**Project**"). Further information on this commercial development Project is available in Section 7 "Project Preses Nams Kvartāls" of this Base Prospectus.

The Issuer engages in various activities related to the Project, 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 of the Project.

#### 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	The main types of activities pursuant to NACE classification are: <ul style="list-style-type: none"><li>- Construction of residential and non-residential buildings (41.20);</li></ul>

	<ul style="list-style-type: none"> <li>- Buying and selling of own real estate (68.10);</li> <li>- Rental and operating of own or leased real estate (68.20);</li> <li>- Management of real estate on a fee or contract basis (68.32)</li> </ul>
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"> <li>- Rental and operating of own or leased real estate (68.20);</li> <li>- Management of real estate on a fee or contract basis (68.32)</li> </ul>
Share capital	EUR 2 800
Nominal value of one share	EUR 1
Number of shares	2 800
Shareholders	100% share ownership by the Issuer

## **6.2. Financing of activities**

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

All proceeds from the Programme 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 Bonds will be refinanced through external loans from banks or other financial institutions.

As at the date of this Base Prospectus, the Issuer has issued nine (9) Tranches of secured Existing Bonds under the Programme (ISIN LV0000104271) with an aggregate nominal value of

EUR 53 958 000. Existing Bonds previously issued under the Original Base Prospectus together constitute an Issue for the purposes of this Base Prospectus. Proceeds from the issuance of Existing Bonds have been used to repay the intercompany loan received from UAB Preses Nams in the amount of EUR 27 651 765 and to finance the development of the Project. The Issuer intends to continue issuing additional Tranches under the Issue of the Programme to ensure sufficient financing for Project completion.

In addition to the Programme, the activities of the Issuer are funded from the investors' contributions. Investments valued at fair value and as accounted for by 31 December 2025 in the amount of EUR 69 678 629 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 a detailed list of loan amounts), an alternative plan involving the 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.

If there are fluctuations in the valuation which requires increase of the Issuer's equity, Sole Shareholder's loans could be capitalised to ensure compliance with legal regulation. Although the Issuer's own capital is decreasing, it has not become negative; therefore, in the upcoming period, the Sole Shareholder does not have intention to inject additional equity into the Issuer and will continue financing the Project via subordinated debt.

### 6.3. Material agreements

The Issuer and the Subsidiary have 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 (both agreements)	Issuer and AS "Citadele Banka; Issuer and 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 February 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"	SIA "Arhis Arhitekti" were architects of record for the design of the Project's 1st and 2nd stages.
Project's design work agreement	13 June 2018	Subsidiary and ARROW Architects (Copenhagen, Denmark)	For the Phase A – business center, ARROW Architects (Copenhagen, Denmark) has been engaged as the lead architect.

Furthermore, SIA "PN Construction Latvia" was established under Lords LB Special Fund V in November 2024 with the sole purpose of finishing the construction of Phase A 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 at the date of this Base Prospectus all outstanding disputes with former contractors have been resolved through out-of-court settlements.

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 previously entered into certain related-party financing agreements, which have since been fully settled and are no longer in force.

The related party loan balances (including accrued interest) of the Issuer as at 31 December 2025 are the following:

Lender	Borrower	Outstanding loan amount (EUR)
Sole Shareholder	Issuer	18 170 829

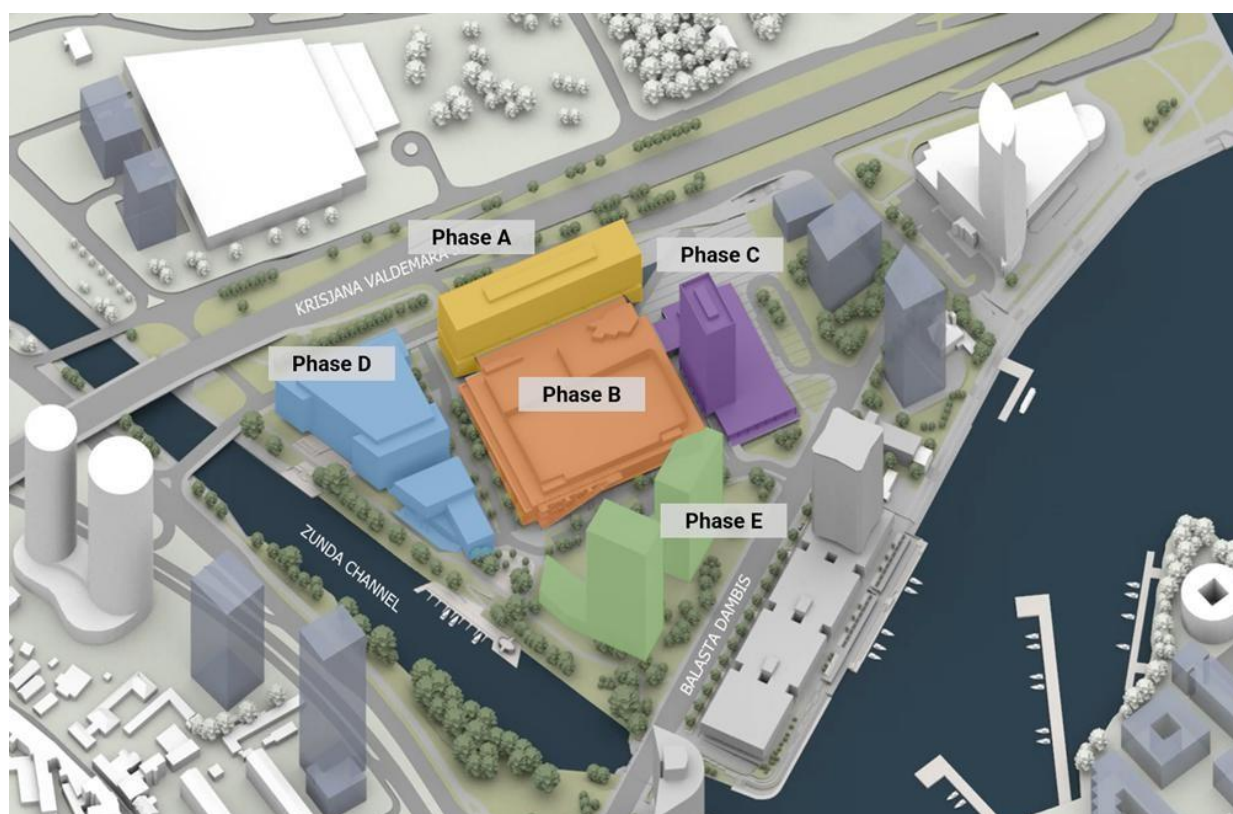
## 7. PROJECT PRESES NAMA KVARTĀLS

### **Introductory remarks and brief history**

The Issuer is developing and constructing the Project - a commercial development project in 2 Balasta Dambis, Riga, known as "Preseš Nama Kvartāls". The Project is situated on a 5.8 ha land plot in the city centre, in the heart of the future Riga central business district (CBD) – Kipsala district. In total, around 180 thousand m<sup>2</sup> of gross buildable area (GBA) will be developed during 5 separate phases of the development.

The original building of Preseš 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. Phase A is in an advanced stage of construction, with approximately 70% of works completed and planned for mixed office and retail use. Phase B is also under active construction, with around 50% completion and intended to provide retail and parking facilities. Below is a detailed overview of Phases A & B. The remaining phases are at earlier stages: Phase C and Phase E are in the design stage, while Phase D has obtained the necessary construction permit and is preparing to commence development.

### **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 m<sup>2</sup> 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 7 500 m<sup>2</sup> of retail space.



*Photo of the Phase A building from the construction site as of January 2026  
Source: Issuer*

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	MULTIFUNCTIONAL BUILDING	PHASE B
Architects	Arrow (Denmark)	Architects	Arhis (Latvia)
Gross buildable area, sqm	28.300	Sports field, sqm	10.000
Floors	11	Food court vendors	6-8
Floorplate, sqm	2.272	Retail area, sqm	7.466
BREEAM certification	Excellent	Overground parking places	1.022
Near Zero Energy certification	Yes	Reconstruction	Yes
Concept	Multi-tenant	Purpose	Service heart of future CBD
Number of bicycle places	400		

*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 2026 when the first tenants will be able to move into the premises.

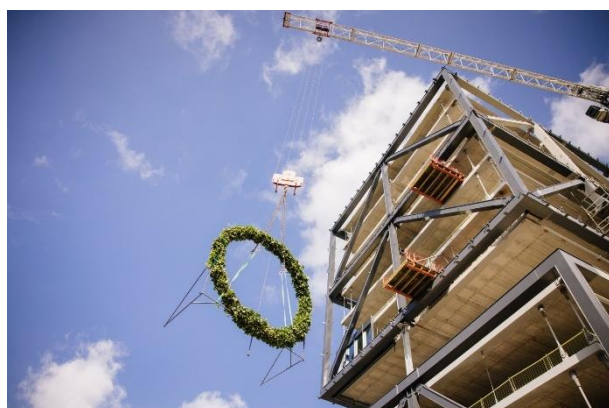
At the date of this Base Prospectus, the Phase A is at an advanced stage, with construction completion reaching around 70%. The underground components and main load-bearing structures of the building have been completed. The installation of external glazed façade elements is in progress, with more than 90% already installed and works currently ahead of schedule. Works on preparation of utility shafts are in the final stage. Fireproof coating works are in progress. Agreements with MEP system contractors have been signed and execution is taking place. More than 22 subcontractors from Lithuania and Latvia are engaged on the construction site. Construction quality is monitored by an external quality control provider, and periodic inspections are carried out by the national construction authority to ensure compliance with applicable regulations. Remaining key milestones include installation of remaining internal and external engineering systems, elevators installation, landscaping of the outdoor areas, interior finishing in common areas, and building commissioning. Timeline of the construction schedule for Phase A of the project can be seen below.

Construction Schedule – Phase A

	2025												2026										
	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	
CORE & STRUCTURAL ENGINEERING																							
FACADES																							
INTERNAL ENGINEERING NETWORKS																							
LANDSCAPING																							
FIT-OUT, COMMON AREAS																							
FIT-OUT, TENANTS																							
BUILDING COMMISSIONING																							

Source: Issuer

In September 2025 the Issuer celebrated the topping out ceremony of the new 11-storey A-class office building within the Preses Nama Kvartāls development of Phase A. The topping out marked the completion of the structural works and the achievement of the building’s highest construction point, symbolising a significant milestone in the progress of the project. The ceremony was attended by representatives of the Issuer, its project team and partners, comprising more than 20 companies from Latvia, Lithuania and Estonia, including Arhis Arhitekti, Forma 2, SIA BICP, Ardeko, UAB Staticus, Aile Grupa, AS Inspection, Katak and MiDan Contractors OÜ. In total, approximately 100 participants were present to commemorate this stage of the development, underscoring the collaborative efforts and cross-border expertise involved in delivering the project.



In turn, frame of the Phase B is 100% completed and initial engineering works are started. The Phase B (retail and parking building) is at approximately 50% completion.

**Tenant lead & diversification**

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

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, Deloitte, Vendon, VILGERTS, Berlin-Chemie/Menarini Baltic, OP Bank and others.

## ***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".

As at the date of this Base Prospectus, the Issuer has issued nine (9) Tranches of Existing Bonds under the Programme (ISIN LV0000104271) with an aggregate nominal value of EUR 53 958 000. Proceeds from the issuance of the Bonds have been used to repay the intercompany loan received from UAB Preses Nams in the amount of EUR 27 651 765 and to finance the development of the Project. The Issuer intends to continue issuing additional Bonds under the Programme to ensure sufficient financing for Project completion.

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 m<sup>2</sup> 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. Management is currently working on changing the development plan for Phase C from a hotel into a residential building, which is expected to drive an increase in its fair value and better align with current market demand.

## ***Overview of Phase D & E***

In July 2023 building permit for the 2nd stage was received, allowing construction of 30 000 m<sup>2</sup> 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 70 000 m<sup>2</sup> 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 50,000 m<sup>2</sup> 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 m<sup>2</sup>. The Issuer and Subsidiary share of that would be 180 thousand m<sup>2</sup>, 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.

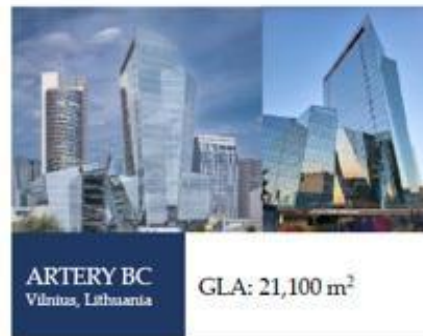
The Project is also located in the city centre in the heart of the future Riga CBD – Kipsala district. Location offers a strategic advantage for office buildings with its proximity to the city centre and key business hubs. The district's accessibility together with a growing infrastructure, makes it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



*Project overview visualisation*  
 Source: Management Company

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:



<b>BONDS</b>	<b>19.1M EUR</b>
<b>BANK LOAN</b>	<b>35.4M EUR</b>
<b>NOI</b>	<b>3.2M EUR</b>

<b>BONDS</b>	<b>55M EUR</b>
<b>BANK LOAN</b>	<b>55M EUR</b>
<b>NOI</b>	<b>5.6M EUR</b>

<b>LOAN / NOI</b>	<b>11.1x</b>
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<b>LOAN / NOI</b>	<b>9.8x</b>
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*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 2025 macroeconomic forecast indicates GDP growing by 1.7% in 2025 and inflation at 3.9%. In the coming years, the situation is expected to improve as both domestic and external demand strengthen, with GDP expected to grow by 2.8% in 2026, 2.9% in 2027, and 3.2% in 2028. The economic sentiment indicator points to economic recovery, with the industrial, retail, and services sectors, as well as consumer sentiment, currently in an upward phase. Amid declining global uncertainty about the impact of tariffs and a faster recovery in external demand, stronger export growth is expected. Meanwhile, challenges are posed by the rapid increase in labour costs in Latvia, as well as military conflicts and the associated uncertainty in the external environment. Inflation is projected to stand at 3–4% in the next three years (3.2% in 2026, 2.9% in 2027, and 3.6% in 2028), driven by stronger wage increases, the revision of administered tariffs and government decisions, including those to raise excise taxes. Fiscal policy will remain supportive, with consumption driven by the government's recent decisions on additional expenditures for defence and demography

	2025	2026	2027	2028
<b>Economic activity (annual changes; %; at constant prices; seasonally adjusted data)</b>				
GDP	1.7	2.8	2.9	3.2
Private consumption	0.6	3.0	3.1	3.1
Government consumption	2.0	0.2	1.2	1.7
Investment	9.9	4.0	2.2	6.2
Exports	1.2	4.0	2.8	2.8
Imports	5.7	3.1	2.2	3.3
<b>HICP inflation (annual changes; %)</b>				
Inflation	3.9	3.2	2.9	3.6
Core inflation (excluding food and energy prices)	3.5	4.0	3.3	3.5
<b>Labour market</b>				
Unemployment (% of the economically active population; seasonally adjusted data)	6.9	6.6	6.4	6.2
Nominal gross wage (annual changes; %)	8.0	7.6	7.6	7.9

## External sector

Current account balance (% of GDP)	- 3.2	- 3.5	- 3.2	- 3.5
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## Government finances (% of GDP)

Budget surplus/deficit	- 2.7	- 3.5	- 3.5	- 3.1
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General government debt	48.4	49.4	50.8	50.8
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*Economic projections of Bank of Latvia*

*Source: Bank of Latvia*

### **Riga office market trends**

According to Colliers Q4 2025 Baltic Real Estate Market Snapshot, no new office buildings were delivered to the Riga market in Q4, bringing the 2025 annual supply total to just under 28 000 m<sup>2</sup> - the lowest in three years. Approx. 58 000 m<sup>2</sup> remain under construction, with several projects expected to begin in first half of 2026. Supply is especially limited in recently completed buildings and on the left bank of the Daugava. Take-up reached only around 37 000 m<sup>2</sup> in 2025, down from over 50 000 m<sup>2</sup> in previous years. While deal volumes remain low, occupier interest is growing, driven by companies reassessing remote work strategies. Even smaller firms are now open to signing leases beyond 2026. Notably, Epson announced it will open a Riga office. Market vacancy declined from 13.7% to 13.2% over the year. With limited availability and new projects ahead, upward pressure on rents is likely to re-emerge in 2026.

Table below shows the key figures in the Baltic office market.

Class	Tallinn	Riga	Vilnius
A Class Rents	16-24	16-19	16.5-22
B1 Class Rents	9.9-16.8	11-15	12-16
A Vacancy*, %	9.0-9.5%	18-19%	10.5-11%
B1 Vacancy*, %	11.5-12%	13-14%	7.5-8%

*Key figures in the Baltic office market*

*Source: Colliers*

*EUR/m<sup>2</sup>/month*

*\* speculative office market vacancy rate*

Colliers Q2 2025 Baltic Real Estate Market Snapshot reported that nearly 22 000 sqm of new Class A office space was delivered to the Riga market. Vastint completed two buildings in Magdelēnas kvartāls, one of which is fully leased to ATEA, while the second still has vacant premises. Linstow finalized the Satekles Biznesa Centrs in the Central Station area, now serving as SEB's headquarters and almost fully occupied. Development activity remained strong, with the boutique Miera 1 project reaching completion and Capitalica announcing phases III and IV of its Verde complex in Skanste, which together will add approximately 23 000 sqm to Riga's most sought-after office district.

Occupier activity remained resilient, with quarterly take-up exceeding 20 000 sqm, in line with the annual demand range of 40 000–50 000 sqm, though still 20% below the first half of 2024. Leasing activity was dominated by smaller tenants in the 200–400 sqm range, with a clear preference for move-in-ready premises. While demand for modern Class A offices continues to be strong, older stock, particularly in Skanste, is gradually regaining traction as landlords enhance facilities and offer more

flexible leasing terms. Prime rents remained stable, but owners of older properties are under increasing pressure to adapt to prolonged vacancies and a limited tenant pool.

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 20 500 m2 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.

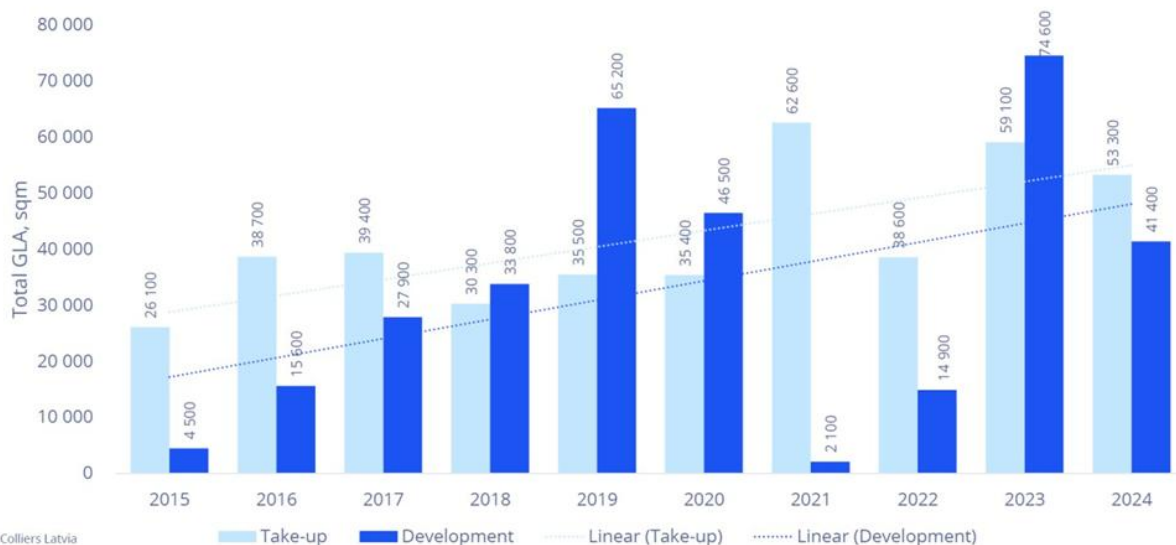
Market demand for good quality, sustainable and energy efficient office buildings continue to increase due to ESG requirements and experienced energy crisis. Notable tenants rarely choose older buildings as they do not meet the criteria. Almost 55% of lease transactions are within new stock (primary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

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.

Riga Office Market Overview

## Take-up vs development volumes



Source: Colliers Latvia

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 Group's consolidated unaudited interim report for the financial year ended 31 December 2025 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, a certified auditor (license No. 55) and member of the Latvian Association of Certified Auditors, was the Issuer's auditor for the historical financial information up to 2023, while PricewaterhouseCoopers SIA, registration number 40003142793, legal address Marijas iela 2A, Riga, LV-1050, Latvia, also a certified auditor and member of the Latvian Association of Certified Auditors, has audited the Issuer's financial information for 2024, which is included in this Base Prospectus.

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

### **8.5 Legal proceedings**

The following legal proceedings involving the Group have been concluded as at the date of this Base Prospectus. No ongoing litigation or arbitration proceedings involving the Group or the Subsidiary exist as at the date of this Base Prospectus.

#### *Arbitration with AS "UPB" regarding construction works*

The Group was involved in arbitration proceedings with the previous general contractor AS "UPB" at the SCC Arbitration Institute regarding a debt for executed construction works. On 17 June 2024, the SCC issued a judgment ordering the Group to pay EUR 12.5 million to AS "UPB", which was subsequently recognized and enforced by Riga City Court on 16 October 2024. The full amount has been settled. Following repayment, the recovery notation was removed from the Land Register, enabling the registration of the Collateral in favour of the Collateral Agent for the benefit of the Bondholders.

#### *Additional arbitration with AS "UPB" regarding construction materials*

On 14 November 2024, AS "UPB" commenced a separate arbitration against the Group, claiming EUR 3.5 million for materials purchased during the contract term. The dispute has been fully resolved and no proceedings remain ongoing.

#### *Arbitration with UAB "YIT Lietuva"*

On 8 July 2024, UAB "YIT Lietuva", another previous general contractor, commenced arbitration claiming EUR 4.5 million for executed construction works. Following the termination of the contract on 31 October 2024, UAB "YIT Lietuva" expanded the claim by EUR 3.5 million for construction materials, bringing the total to EUR 8 million. The Group and UAB "YIT Lietuva" have concluded a settlement agreement covering payment of the agreed debt and termination of legal proceedings. The settlement has been fully performed.

#### *Riga City Court dispute with a third party*

On 25 March 2025, a third party initiated proceedings in Riga City Court seeking to invalidate a pledge agreement and delete the existing bond mortgage and prohibition mark from the Land Register registered on the property owned by the Group. On 14 July 2025, Riga City Court decided to terminate the proceedings. The dispute has been concluded.

#### *Summary*

All disputes with AS "UPB" and UAB "YIT Lietuva" have been resolved through settlement agreements, which have been fully performed, and all related legal proceedings have been terminated. All encumbrances in favour of AS "UPB" and UAB "YIT Lietuva" have been deleted from the Land Register and the recovery notation has been removed. The Collateral has been registered in favour of the Collateral Agent for the benefit of the Bondholders. As at the date of this Base Prospectus, there are no ongoing legal proceedings involving the Group or the Subsidiary.

## 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:**

<b>First Name, Last Name</b>	<b>Position</b>	<b>Appointment Date</b>	<b>Expiry Date</b>
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 Daņilovs**

#### **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:**

<b>First Name, Last Name</b>	<b>Position</b>	<b>Appointment Date</b>	<b>Expiry Date</b>
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.

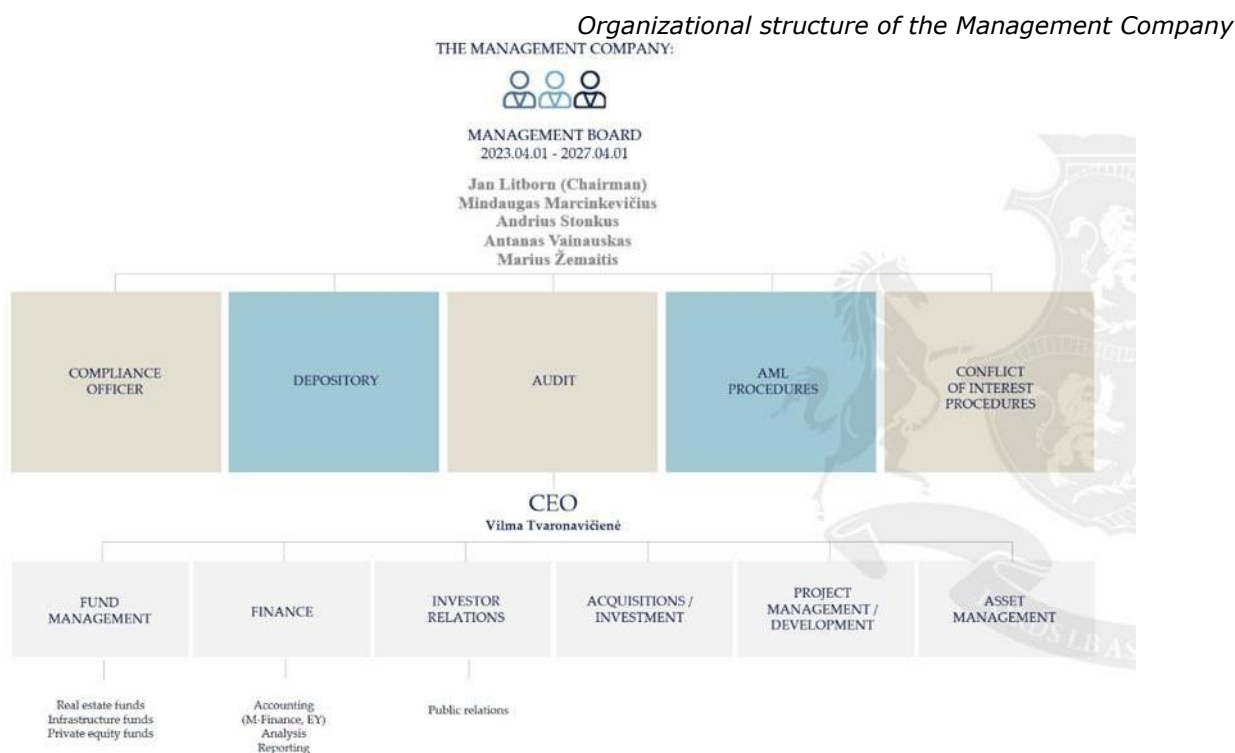
### 9.4 Management Company

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:










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	KRISTIJONAS FUDZINSKAS	RASA BARTUSEVIČIENĖ	DANA ČESŪNĖ	GIERDRIUS ŽILINKAS	RYTIS ZALOGA	ROKAS ADLIS
Position	CEO	CFO	Investor relations manager	Investor relations manager	Chief Risk Officer	Fund manager Baltic Fund IV, Baltic Small Cap Fund, Special Fund IV	Fund manager Baltic Opportunity
Career highlights	Achema group	BBN Airlines, Citadele, SEB, KPMG	Swedbank	SEB Bank	Danske Bank	Hanner	EQT Exeter, Cerberus

						
	PAULIUS NEVINSKAS	IEVA ANTANAITYTĖ - GENEVIČIENĖ	MARIUS ŽEMAITIS	MANTAS AURUŠKEVIČIUS	POVILAS URBONAVIČIUS	DOMINYKAS SVETIKAS
Position	Fund manager TEWOX	Fund manager Baltic Green Fund (V), BGFV Inter Cap Fund	Fund manager Special Fund I, Special Fund III, Central Development Fund, Right Bank Development Fund	Fund manager Green Energy Growth Fund, Atsinaujinančios energetikos investicijos	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	Darnu Group, Omberg Group	Covalis 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 Artea 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.
- ZAB "VILGERTS" SIA, a law firm registered with the Latvian Bar Association and registered with the Commercial Register under 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 holders of Tranches of the Bonds and, separately, as the Trustee in respect of all Tranches of Bonds under the Programme. In its capacity as Collateral Agent, it acts in accordance with this Base Prospectus, the applicable Final Terms, the Collateral Agent Agreement and Applicable Law concerning the Collateral securing such Bonds. The Issuer pays fees to the Trustee and the Collateral Agent in accordance with the 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 a sales agent to act 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

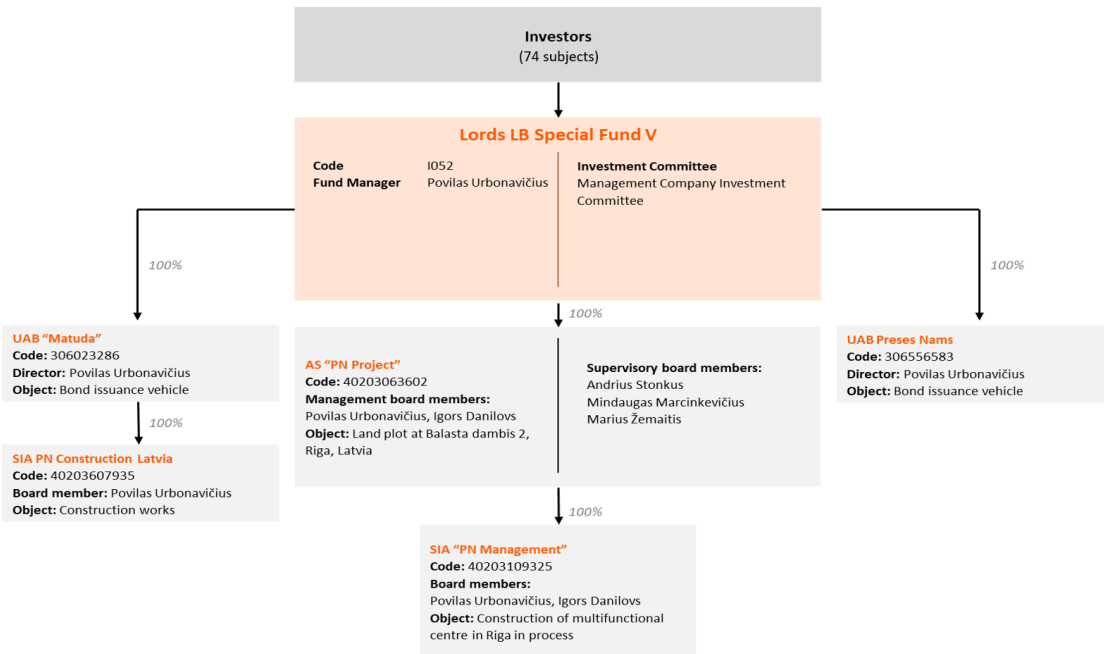
As at the date of this Base Prospectus, the Issuer is controlled by the Sole Shareholder and there are no other shareholders holding directly over 5% of Shares:

Shareholder	Number of shares	Proportion of total share capital (%)	Ultimate beneficial owner (UBO)
<b>Lords LB Special Fund V</b> 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 31 December 2025

### 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/](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 2024 and 31 December 2023 prepared in accordance with the Accounting Principles (the "**Audited Financial Reports**"), which are incorporated into this Base Prospectus by reference.

The financial information in this Base Prospectus for the year ended 31 December 2025 has been derived from the unaudited consolidated interim financial statements of the Group for the year ended 31 December 2025 prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The financial information for the 6-month periods ended 30 June 2025 and 30 June 2024 has been derived from the unaudited consolidated interim financial statements of the Group for the 6-month period ended 30 June 2025 prepared in accordance with the Accounting Principles (IFRS) (together, the "**Interim Financial Reports**").

The Audited Financial Reports and Interim Financial Reports are further referred to as "**Financial Information**".

For ease of reference, the Financial Information is presented in separate tables: (i) 6-month data for the periods ended 30 June 2025, 30 June 2024 and 30 June 2023; (ii) full-year data for the years ended 31 December 2025 (unaudited), 31 December 2024 (audited) and 31 December 2023 (audited)..

### 11.1 Issuer's historical financial information

#### **Consolidated Statement of Financial Position**

Interim periods

	30 June 2025 (unaudited)	30 June 2024 (unaudited)	30 June 2023 (unaudited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6 908	6 180	2 568
Investment property	65 471 928	76 355 986	65 795 736
Prepayments related to investment property	1 106 731	2 733 577	721 883
<b>Total non-current assets</b>	<b>66 585 567</b>	<b>79 095 743</b>	<b>66 520 187</b>
<b>Current assets</b>			
Inventory	280 921	280 921	–
Trade receivables	1 894 825	66 806	66 388
Prepayments	59 357	28 917	50 224
Other current assets	312 220	58 655	179 830
Cash and cash equivalents	2 697 114	34 519	892 061
<b>Total current assets</b>	<b>5 244 437</b>	<b>469 818</b>	<b>1 188 503</b>
<b>TOTAL ASSETS</b>	<b>71 830 004</b>	<b>79 565 561</b>	<b>67 708 690</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	51 507 800	33 222 800	16 222 800
Retained earnings (losses)	(36 514 791)	(19 254 929)	(5 347 372)

<b>Total equity</b>	<b>14 993 009</b>	<b>13 967 871</b>	<b>10 875 428</b>
<b>Non-current liabilities</b>			
Loans received	–	50 502 085	38 891 100
Other non-current liabilities	93 835	1 471 309	1 470 687
Bonds issued	21 305 287	–	–
<b>Total non-current liabilities</b>	<b>21 399 122</b>	<b>51 973 394</b>	<b>40 361 787</b>
<b>Current liabilities</b>			
Trade payables	1 584 920	9 558 715	1 038 081
Income tax liabilities	–	–	38
Loans received	33 395 544	1 850 408	14 616 569
Bonds issued	158 139	–	–
Advance payments	47 674	55 744	47 674
Employment related liabilities	24 247	–	24 683
Other current liabilities	227 349	2 159 429	744 430
<b>Total current liabilities</b>	<b>35 437 873</b>	<b>13 624 296</b>	<b>16 471 475</b>
<b>TOTAL LIABILITIES</b>	<b>56 836 995</b>	<b>65 597 690</b>	<b>56 833 262</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>71 830 004</b>	<b>79 565 561</b>	<b>67 708 690</b>

Annual periods

	<b>31 December 2025 (unaudited)</b>	<b>31 December 2024 (audited, restated)</b>	<b>31 December 2023 (audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9 495	4 821	6 251
Investment property	77 752 438	62 962 491	72 610 000
Prepayments related to investment property	124 284	624 258	5 296 755
<b>Total non-current assets</b>	<b>77 886 217</b>	<b>63 591 570</b>	<b>77 913 006</b>
<b>Current assets</b>			
Inventory	1 860 014	280 921	280 921
Trade receivables	455	66 939	66 696
Prepayments	64 143	14 482	41 118
Other current assets <sup>1</sup>	114 402	49 784	52 199
Cash and cash equivalents	157 814	18 099	30 972
<b>Total current assets</b>	<b>2 196 828</b>	<b>430 225</b>	<b>471 906</b>
<b>TOTAL ASSETS</b>	<b>80 083 045</b>	<b>64 021 795</b>	<b>78 384 912</b>
<b>EQUITY AND LIABILITIES</b>			

<b>Equity</b>			
Share capital	51 507 800	51 507 800	33 222 800
Accumulated losses <sup>1</sup>	(37 699 692)	(35 329 108)	(13 755 313)
<b>Total equity</b>	<b>13 808 108</b>	<b>16 178 692</b>	<b>19 467 487</b>
<b>Non-current liabilities</b>			
Loans received	-	7 856 406	25 374 500
Bonds issued	44 393 789	-	-
Other non-current liabilities	-	1 471 309	1 471 309
<b>Total non-current liabilities</b>	<b>44 393 789</b>	<b>9 327 715</b>	<b>26 845 809</b>
<b>Current liabilities</b>			
Trade payables	2 457 821	10 054 986	11 219 375
Income tax liabilities	-	-	2 022
Loans received	18 653 294	28 230 130	20 094 463
Bonds issued	345 730	-	-
Advance payments	47 674	55 744	47 674
Employment related liabilities	4 449	-	28 693
Other current liabilities	372 180	174 528	679 389
<b>Total current liabilities</b>	<b>21 881 148</b>	<b>38 515 388</b>	<b>32 071 616</b>
<b>TOTAL LIABILITIES</b>	<b>66 274 937</b>	<b>47 843 103</b>	<b>58 917 425</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>80 083 045</b>	<b>64 021 795</b>	<b>78 384 912</b>

*Notes*

<sup>1</sup> Impact of Restatement on Consolidated Statement of Financial Position for the period 01.01.2024 – 31.12.2024: Other current assets adjusted by EUR (21) and Accumulated losses adjusted by EUR (21) to correctly represent data from separate financial statements of PN Management SIA.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

Interim periods

	<b>1 January 2025 – 30 June 2025 (unaudited)</b>	<b>1 January 2024 – 30 June 2024 (unaudited, restated)</b>	<b>1 January 2023 – 30 June 2023 (unaudited)</b>
Rental income	35 802	42 748	41 153
Other income	1 356 276	-	-
Investment property management expenses	(35 999)	(71 427)	(28 414)
Changes in fair value of investment property	-	-	(429 737)
Administrative expenses <sup>1</sup>	(601 521)	(2 128 736)	(89 654)
<b>Operating profit / (loss)</b>	<b>754 558</b>	<b>(2 157 415)</b>	<b>(506 652)</b>
Finance expenses <sup>1</sup>	(1 940 241)	(1 938 670)	(1 403 495)
<b>Loss before tax</b>	<b>(1 185 683)</b>	<b>(4 096 085)</b>	<b>(1 910 147)</b>

Income tax	-	(75)	(207)
<b>Net loss</b>	<b>(1 185 683)</b>	<b>(4 096 160)</b>	<b>(1 910 354)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive loss</b>	<b>(1 185 683)</b>	<b>(4 096 160)</b>	<b>(1 910 354)</b>

#### Annual periods

	<b>2025 (unaudited)</b>	<b>2024 (audited, restated)</b>	<b>2023 (audited, restated)</b>
Rental income	74 372	84 979	62 431
Other income	1 356 276	-	-
Investment property operating expenses	(69 731)	(100 862)	(87 331)
Changes in fair value of investment property <sup>2</sup>	1 530 119	(15 873 423)	(6 337 565)
Administrative expenses <sup>23</sup>	(887 608)	(2 381 116)	(724 155)
<b>Operating profit / (loss)</b>	<b>2 003 428</b>	<b>(18 270 422)</b>	<b>(7 086 620)</b>
Finance income	15 939	-	-
Finance expenses	(4 389 951)	(3 303 227)	(3 228 300)
<b>Loss before tax</b>	<b>(2 370 584)</b>	<b>(21 573 649)</b>	<b>(10 314 920)</b>
Income tax	-	(146)	(3 375)
<b>Net loss</b>	<b>(2 370 584)</b>	<b>(21 573 795)</b>	<b>(10 318 295)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive loss</b>	<b>(2 370 584)</b>	<b>(21 573 795)</b>	<b>(10 318 295)</b>

#### Notes

<sup>1</sup> Impact of Restatement on Consolidated Statement of Profit or Loss for the period 01.01.2024 – 30.06.2024: Investment property development expenses reclassified (EUR 2 995 951 reversal); Administrative expenses increased by EUR (1 799 119); Finance expenses decreased by EUR 206 624.

<sup>2</sup> Impact of Restatement on Consolidated Statement of Profit or Loss for the period 01.01.2023 – 31.12.2023: Changes in fair value of investment property adjusted by EUR 509 137; Administrative expenses adjusted by EUR (509 137).

<sup>3</sup> FY 2024 administrative expenses restated by EUR (21) per PN Management SIA consolidation adjustment.

#### **Consolidated Statement of Changes in Equity**

	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
<b>Balance as at 31 December 2021 (audited)</b>	4 222 800	1 542 908	5 765 708
Net loss	-	(4 979 926)	(4 979 926)
<b>Transactions with owners</b>			
Shares issued	12 000 000	-	12 000 000
<b>Balance as at 31 December 2022 (audited)</b>	<b>16 222 800</b>	<b>(3 437 018)</b>	<b>12 785 782</b>

Net loss	–	(10 318 295)	(10 318 295)
<b>Transactions with owners</b>			
Shares issued	17 000 000	–	17 000 000
<b>Balance as at 31 December 2023 (audited)</b>	<b>33 222 800</b>	<b>(13 755 313)</b>	<b>19 467 487</b>
Net loss	–	(21 573 795)	(21 573 795)
<b>Transactions with owners</b>			
Shares issued	18 285 000	–	18 285 000
<b>Balance as at 31 December 2024 (audited, restated)</b>	<b>51 507 800</b>	<b>(35 329 108)</b>	<b>16 178 692</b>
Net loss	–	(2 370 584)	(2 370 584)
<b>Balance as at 31 December 2025 (unaudited)</b>	<b>51 507 800</b>	<b>(37 699 692)</b>	<b>13 808 108</b>

### **Consolidated Statement of Cash Flows**

Interim periods

	<b>1 January 2025 – 30 June 2025 (unaudited)</b>	<b>1 January 2024 – 30 June 2024 (unaudited, restated)</b>	<b>1 January 2023 – 30 June 2023 (unaudited)</b>
<b>Loss before tax</b>	<b>(1 185 683)</b>	<b>(4 096 085)</b>	<b>(1 910 354)</b>
<b>Adjustments for:</b>			
Finance costs	1 940 241	1 938 670	1 403 495
Depreciation of PPE	1 790	1 260	–
Changes in fair value of investment property	–	–	429 737
<b>Operating CF before working capital adj.</b>	<b>756 348</b>	<b>(2 156 155)</b>	<b>(77 122)</b>
(Increase) in inventories	–	–	–
(Increase) / decrease in trade and other receivables	(2 617 670)	2 568 813	1 281 903
(Decrease) / increase in trade and other payables	(9 778 542)	(389 609)	(1 564 588)
<b>Operating CF after working capital adj.</b>	<b>(11 639 864)</b>	<b>23 049</b>	<b>(359 807)</b>
Income taxes paid	–	(2 097)	–
<b>Net CF from operating activities</b>	<b>(11 639 864)</b>	<b>20 952</b>	<b>(359 807)</b>
Additions to investment property	(2 509 437)	(5 149 442)	(2 895 473)
Purchase of PPE	(3 877)	(1 189)	(2 568)
<b>Net CF used in investing activities</b>	<b>(2 513 314)</b>	<b>(5 150 631)</b>	<b>(2 898 041)</b>
Interest paid	(1 202 582)	(57 359)	(439 115)

Loans received	11 418 229	5 710 375	4 523 000
Loans repaid	(2 167 000)	(519 790)	(15 885)
Bonds issued	8 841 574	–	–
Transaction costs related to bonds issued	(58 028)	–	–
<b>Net CF from financing activities</b>	<b>16 832 193</b>	<b>5 133 226</b>	<b>4 068 000</b>
<b>Net change in cash and cash equivalents</b>	<b>2 679 015</b>	<b>3 547</b>	<b>810 152</b>
<b>Cash at beginning of period</b>	<b>18 099</b>	<b>30 972</b>	<b>81 909</b>
<b>Cash at end of period</b>	<b>2 697 114</b>	<b>34 519</b>	<b>892 061</b>

Annual periods

	2025 (unaudited)	2024 (audited, restated)	2023 (audited, restated)
<b>Loss before tax</b>	<b>(2 370 584)</b>	<b>(21 573 649)</b>	<b>(10 314 920)</b>
<b>Adjustments for:</b>			
Finance income	(15 939)	–	–
Finance costs	4 389 951	3 303 227	3 228 300
Depreciation of PPE	4 104	2 619	681
Changes in fair value of investment property	(1 530 119)	16 225 914	6 337 565
<b>Operating CF before working capital adj.</b>	<b>477 413</b>	<b>(2 041 889)</b>	<b>(748 374)</b>
(Increase) / decrease in inventories	(1 579 093)	–	(280 921)
(Increase) / decrease in trade and other receivables	452 179	4 701 305	(3 156 541)
(Decrease) / increase in trade and other payables	(8 874 443)	(1 689 873)	17 120
<b>Operating CF after working capital adj.</b>	<b>(9 523 944)</b>	<b>969 543</b>	<b>(4 168 716)</b>
Income taxes paid	–	(2 168)	(3 375)
<b>Net CF from operating activities</b>	<b>(9 523 944)</b>	<b>967 375</b>	<b>(4 172 091)</b>
Additions to investment property	(13 259 828)	(6 578 405)	(7 373 914)
Purchase of PPE	(8 778)	(1 189)	(6 932)
Interest received	15 939	–	–
<b>Net CF used in investing activities</b>	<b>(13 252 667)</b>	<b>(6 579 594)</b>	<b>(7 380 846)</b>
Interest paid	(5 450 796)	(165 870)	(1 036 893)
Loans received	15 658 229	6 539 726	12 627 000
Loans repaid	(17 896 765)	(774 510)	(88 107)
Bonds issued	31 317 778	–	–

Transaction costs related to bonds issued	(686 892)	–	–
Repurchase of bonds	(25 228)	–	–
<b>Net CF from financing activities</b>	<b>22 916 326</b>	<b>5 599 346</b>	<b>11 502 000</b>
<b>Net change in cash and cash equivalents</b>	<b>139 715</b>	<b>(12 873)</b>	<b>(50 937)</b>
<b>Cash at beginning of year</b>	<b>18 099</b>	<b>30 972</b>	<b>81 909</b>
<b>Cash at end of year</b>	<b>157 814</b>	<b>18 099</b>	<b>30 972</b>

The Audited Financial Statements for the period 01.01.2023 – 31.12.2023 have been audited by KPMG Baltics SIA and incorporated by reference. The Audited Financial Statements for the period 01.01.2024 – 31.12.2024 have been audited by PricewaterhouseCoopers SIA and incorporated by reference. The Interim Financial Statements for the year ended 31 December 2025 and for the six-month period ended 30 June 2025 have not been audited or reviewed by an independent auditor.

The following material uncertainty related to going concern is included in the respective Independent Auditor's Reports.

***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 terminated the contract with its general contractor and, as of the date of that report, the development operations were suspended. During the building development and construction period, the Group has been financed by funds received from the shareholder and/or its controlled entities. The Group's ability to continue operations on a going concern basis is highly dependent on its ability to attract additional financing, settle its outstanding liabilities and resume the real estate development project. At the date of those consolidated financial statements, the Group, its shareholder and its other controlled SPVs had not received a written confirmed financing commitment from potential investors. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The auditor's opinion was not modified in respect of this matter.

***Auditor's report for the year ended 31 December 2024:***

PwC draws attention to Note 3.20. "Going concern" of the consolidated financial statements, which states that as at 31 December 2024 the Group had a working capital deficit of EUR 38 085 142. Refinancing of the existing loans from related companies, settlement of the Group's outstanding liabilities towards suppliers and resuming the development of the 1st stage of the construction are highly dependent on the attraction of external financing from the public bond issuance and new equity from the parent fund investors. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The auditor's opinion was not modified in respect of this matter.

**11.2 Insight in the Group's financial standing**

The Group does not earn income independently as its main activity is the development of a multifunctional real estate centre on its controlled land plot at Balasta Dambis 2, Riga, Latvia. The Group continues to invest in its investment property. As of 31 October 2025, the investment property value reached EUR 75 110 000 based on the independent real estate appraiser Newsec. As at 31 December 2025, following additional capitalised development expenditure incurred after the valuation date, the carrying amount of the investment property was EUR 77 752 438.

The development of the Group's investment property has historically been financed by equity contributions and intercompany loans from the shareholder and other Group companies operating in Lithuania. As of 31 December 2023, the loans received amounted to approximately EUR 45.5M. As of 31 December 2024, the loans received had decreased to EUR 36.1M following partial refinancing and share capital increases. During the year ended 31 December 2025, the Group successfully launched a public EUR 75 million bond programme in Latvia, issuing eight tranches with an aggregate nominal

value of EUR 45 085 000. The proceeds were used to repay the loan from Preses Nams UAB (EUR 27.7M), settle liabilities to former contractors and fund ongoing construction. As at 31 December 2025, loans received stood at EUR 18.7M and the carrying amount of bonds issued (including accrued interest) was EUR 44.7M, bringing total borrowings to EUR 63.4M.

### **Recent trends and developments and long-term objectives**

The Group resumed construction of the 1st stage of the real estate project in Q2 2025 following the appointment of PN Construction Latvia SIA, a related entity within the Lords LB Special Fund V group, as general contractor. The Group successfully resolved all outstanding disputes and concluded litigation with former contractors during H1 2025, reaching full settlements on claims (including the SCC Case No. V2024/112 settlement of EUR 6 327 818). The planned completion of the 1st stage has been revised to Q4 2026, following which the Group is expected to begin independently generating rental income and positive net cash flows from operations.

The 2nd stage construction of approximately 31 200 sqm of buildable area for the office and school complex, for which the building permit was received in June 2023, is planned to commence when anchor tenants are secured. The 3rd stage development of approximately 66 100 sqm of buildable area remains in the concept stage, with the Group seeking the most appropriate development scheme to complement other designed stages. The hotel building development plan has been revised to a residential building, reflecting market conditions and the decreased appetite of financial institutions for hospitality financing.

The development of the real estate project is being financed through the issuance of Bonds under this Base Prospectus, complemented by existing shareholder equity and intercompany loan facilities. On 24 February 2026, the Group issued the ninth tranche under the bond programme in the nominal amount of EUR 8 873 000.

SIA "PN Construction Latvia" (reg. nr. 40203607935) was established under Lords LB Special Fund V in November 2024 with the sole purpose of completing the construction of Stage 1 of the Project as general contractor. The entity's Chairman of the Management Board is Povilas Urbonavičius, Lords LB Special Fund V fund manager and Chairman of the Management Board of the Issuer. The entity engaged a full team of professional construction managers and successfully resumed construction works at the Property in February 2025. During 2025, total capitalised construction expenses attributable to PN Construction Latvia SIA amounted to EUR 8 291 270.

### **11.3 Financial Indebtedness**

Since the Group does not earn income independently, it requires sufficient funds to develop the real estate located at Balasta Dambis 2, Riga, Latvia. Funding has been provided by the shareholder via equity contributions and loans, by other Group companies and, since June 2025, through the public bond programme. The capital and borrowing structures of the Group are set out in the tables below.

#### **The Capital Structure of the Group**

Annual periods

<b>Item</b>	<b>31 December 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>	<b>31 December 2023 (audited)</b>
Loans received	18 653 294	36 086 536	45 468 963
Bonds issued	44 739 519	–	–
Long-term amounts payable to suppliers and contractors	–	1 471 309	1 471 309
Trade payables to suppliers and contractors	2 457 821	10 054 986	11 219 375
Income tax liabilities	–	–	2 022
Advance payments	47 674	55 744	47 674
Employment related liabilities	4 449	–	28 693

Accrued expenses and other current liabilities	372 180	174 528	679 389
<b>Gross liabilities</b>	<b>66 274 937</b>	<b>47 843 103</b>	<b>58 917 425</b>
Cash and cash equivalents	157 814	18 099	30 972
<b>Net liabilities</b>	<b>66 117 123</b>	<b>47 825 004</b>	<b>58 886 453</b>
Equity	13 808 108	16 178 692	19 467 487
<b>Liabilities / equity ratio</b>	<b>4.80</b>	<b>2.96</b>	<b>3.03</b>
<b>Net liabilities / equity ratio</b>	<b>4.79</b>	<b>2.96</b>	<b>3.02</b>

Interim periods

Item	30 June 2025 (unaudited)	30 June 2024 (unaudited)	30 June 2023 (unaudited)
Loans received	33 395 544	52 352 493	53 507 669
Bonds issued	21 463 426	–	–
Long-term amounts payable to suppliers and contractors	93 835	1 471 309	1 470 687
Trade payables to suppliers and contractors	1 584 920	9 558 715	1 038 081
Income tax liabilities	–	–	38
Advance payments	47 674	55 744	47 674
Employment related liabilities	24 247	–	24 683
Accrued expenses and other current liabilities	227 349	2 159 429	744 430
<b>Gross liabilities</b>	<b>56 836 995</b>	<b>65 597 690</b>	<b>56 833 262</b>
Cash and cash equivalents	2 697 114	34 519	892 061
<b>Net liabilities</b>	<b>54 139 881</b>	<b>65 563 171</b>	<b>55 941 201</b>
Equity	14 993 009	13 967 871	10 875 428
<b>Liabilities / equity ratio</b>	<b>3.79</b>	<b>4.70</b>	<b>5.23</b>
<b>Net liabilities / equity ratio</b>	<b>3.61</b>	<b>4.69</b>	<b>5.14</b>

### ***The borrowing structure of the Group***

Annual periods

Item	31 December 2025 (unaudited)	31 December 2024 (audited)	31 December 2023 (audited)
Preses Nams UAB	–	26 995 536	1 700 000
Lords LB Special Fund V	11 138 000	227 000	16 615 384
Matuda UAB	–	167 000	19 730 016
Attexo OÜ	377 000	377 000	–
Bonds issued (ISIN LV0000104271)	44 393 788	–	–

Accrued interest	7 484 024	8 320 001	7 423 562
<b>Total loans and bonds</b>	<b>63 392 813</b>	<b>36 086 536</b>	<b>45 468 963</b>

Interim periods

Item	30 June 2025 (unaudited)	30 June 2024 (unaudited)	30 June 2023 (unaudited)
Preses Nams UAB	15 099 765	25 755 575	–
Lords LB Special Fund V	9 438 000	16 615 384	32 595 384
Matuda UAB	–	1 452 295	14 418 238
Attexo OÜ	377 000	377 000	–
Bonds issued	21 305 287	–	–
Accrued interest	8 638 918	8 152 239	6 494 046
<b>Total loans and bonds</b>	<b>54 858 970</b>	<b>52 352 493</b>	<b>53 507 669</b>

As at 31 December 2025, the total loans received and bonds issued amounted to EUR 63.4M and represented approximately 96% of the Group's gross debt. The principal components comprised (including accrued interest): (i) bonds issued under ISIN LV0000104271 with a carrying amount of EUR 44.7M; (ii) loans from shareholder Lords LB Special Fund V in the amount of EUR 18.2M; and (iii) a residual balance of EUR 0.5M to Attexo OÜ. The loan from Preses Nams UAB was substantially repaid during 2025 using bond proceeds, with only a nominal balance of EUR 62 remaining as at the reporting date.

Total short-term borrowings (current portion of loans and bonds) as at 31 December 2025 amounted to EUR 19.0M, representing approximately 29% of total gross liabilities. Total long-term borrowings (non-current bonds) as at 31 December 2025 amounted to EUR 44.4M, representing approximately 67% of total gross liabilities.

#### 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 0.00% (previously 4.87% and 3.66% respectively, reduced to nil in connection with the bond programme). The maturity date for both agreements is 13 May 2026. These loans, together with the share capital contributions (total EUR 51.5M as at 31 December 2025), were used to finance the design and construction of the 1st stage of the real estate project. As at 31 December 2025, the total loan balance (including accrued interest part) due to Lords LB Special Fund V amounted to EUR 18.2M. Under the terms of the bond programme, all shareholder claims are fully subordinated to the bondholders.

#### Loans from Matuda UAB and Preses Nams UAB

As the development of the 1st stage project required additional financing, the group company Matuda UAB issued non-public bonds in Lithuania and entered into a 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. Subsequently, another group company Preses Nams UAB issued new non-public bonds in Lithuania to refinance the Matuda UAB loan. The Group entered into a loan agreement with Preses Nams UAB on 7 November 2023, with a maturity date of 13 November 2025. In April 2024, the Matuda UAB loan was successfully refinanced, with the remaining amount of EUR 1.5M transferred to a new loan agreement on 7 May 2024. During 2025, the Preses Nams UAB loan was substantially repaid using the proceeds from the public bond programme, with only a nominal residual balance (accrued interest) of EUR 62 outstanding as at 31 December 2025.

#### Public Bond Programme (ISIN LV0000104271)

In April 2025, the Bank of Latvia approved the Prospectus for the Group's public bond programme with a maximum aggregate nominal amount of EUR 75 000 000. On 12 May 2025, the Group launched the

issuance process for the first tranche. During the year ended 31 December 2025, a total of eight tranches were issued with an aggregate nominal value of EUR 45 085 000, carrying a fixed coupon rate of 10.00% per annum and a maturity date of 4 June 2027. The bonds are secured by a first-ranking commercial pledge over the investment property at Balasta dambis 2, Riga. The LTC (loan-to-cost) covenant under the bond programme must not exceed 75.00%, and the Group was in compliance with all financial covenants as at 31 December 2025. On 24 February 2026, the Group issued the ninth tranche in the nominal amount of EUR 8 873 000.

#### 11.4 Alternative performance measures (APM)

This Base Prospectus contains certain financial and operating performance measures that are not defined or recognised under 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 its activity is the development of real estate, the selected APMs for this Base Prospectus are: NAV, Investment Property / Assets ratio, Equity / Assets ratio and Loan-to-Cost (LTC) ratio. The APMs are presented in the tables below.

##### **Selected alternative performance measures**

Annual periods

Item	31 December 2025 (unaudited)	31 December 2024 (audited)	31 December 2023 (audited)
Net Asset Value	13 808 108	16 178 692	19 467 487
Investment Property / Assets, %	97.1%	98.3%	92.6%
Equity / Assets, %	17.2%	25.3%	24.8%
Loan-to-Cost, %	51.4%	29.9%	47.1%

Interim periods

Item	30 June 2025 (unaudited)	30 June 2024 (unaudited)	30 June 2023 (unaudited)
Net Asset Value	14 993 009	13 967 871	10 875 428
Investment Property / Assets, %	91.1%	96.0%	97.2%
Equity / Assets, %	20.9%	17.6%	16.1%
Loan-to-Cost, %	47.9%	48.7%	70.6%

##### **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 the Group’s reliance on development property as its principal asset. A high ratio signals concentration in investment property as the Group’s main asset and business.

##### **Equity / Assets**

Equity / Assets Ratio = Total Equity / Total Assets

The ratio measures how well the Group is capitalised and the robustness of its balance sheet. A higher ratio indicates greater equity capital and a more resilient financial position.

### **Loan-to-Cost**

Loan-to-Cost Ratio = Total Loans Received and Bonds Issued / Total Investment Property Development Costs

The Loan-to-Cost (LTC) ratio indicates the proportion of borrowings relative to the costs already incurred. A lower LTC suggests that borrowings represent a smaller portion of the asset's development cost, thereby reducing lender risk. LTC ratio is calculated in accordance with definitions and methodology set forth in Clause 12.14 and on the Issuer (stand-alone) financial information basis.

This Base Prospectus includes certain references to APMs derived from the Group's Financial Information shown in the tables 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 a 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 Meeting of the Management Board held on 20 April 2026 authorised the issuance, public offering and listing of the Bonds, approved the Terms and Conditions, the Base Prospectus, the Final Terms.

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

The nine (9) Tranches of Bonds previously issued under the Original Base Prospectus together constitute an Issue for the purposes of this Base Prospectus. The Issuer may continue to issue further Tranches under the Issue subject to the terms applicable to the Issue as established under the Original Base Prospectus and continued under this Base Prospectus.

### **12.1 Type and class of the Bonds**

The Bonds are freely transferable debt securities denominated in euro with the nominal value of EUR 1 000. The Bonds of each Tranche will be issued as secured Bonds. The Bonds represent secured debt obligations of the Issuer towards the Bondholders, subject to the Collateral 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 specified in the Final Terms, but it shall amount to EUR 1 000.

### **12.3 Form and Registration**

The Bonds are dematerialised 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. All Tranches will bear the same ISIN (International Securities Identification Number) code.

### **12.4 Status of the Bonds**

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

### **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 Rights and restrictions connected with the Bonds issue**

- 12.8.1 Any Bondholder has the right to receive Interest and Nominal Value payments in accordance with the Clause 12.9 "Interest", Clause 12.11 "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.
- 12.8.2 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.
- 12.8.3 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.

## **12.9 Interest**

- 12.9.1 The Bonds shall bear interest at a fixed interest rate (the **Interest**) which shall be determined by the Issuer and specified in the Final Terms.
- 12.9.2 The Interest shall be paid on the dates specified in the Final Terms (the **Interest Payment Date**) until the Maturity Date.
- 12.9.3 Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of 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.
- 12.9.4 Interest shall be calculated on Actual/365 (Fixed) basis. The interest payment shall be determined according to the following formula, per one bond:  
$$\text{CPN} = F \times C \times n/365$$
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.
- 12.9.5 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.
- 12.9.6 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.

## **12.10 Early redemption at the option of the Issuer (call option)**

- 12.10.1 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 years (i.e., 18 months) from the Issue by paying 100% (one hundred per cent) of the Nominal amount plus accrued and unpaid interest.
- 12.10.2 Each Final Terms shall specify exact dates when the Issuer can exercise the early redemption (call option) as stipulated in Clause 12.10.1 (a) to (b) above.
- 12.10.3 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 Trustee and the Bondholders until the Early Redemption Date (including) in a manner prescribed in Clause 12.10.6.
- 12.10.4 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.
- 12.10.5 Subject to Clause 12.10.1, the Issuer can exercise the early redemption (call option) of the Bonds at any given time until the Maturity Date, ensuring proportional Interest Payment for Bondholders according to the Bonds held at the time.
- 12.10.6 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/](http://www.lordslb.lt/presesnams_bonds/) and Nasdaq Riga information system.
- 12.10.7 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.

## **12.11 Maturity**

- 12.11.1 Each Tranche of the Bonds shall have a maturity of up to 2 (two) years starting from the Issue Date of the first Tranche. All Tranches shall share the same Maturity Date. 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.
- 12.11.2 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 the Maturity Date.
- 12.11.3 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).
- 12.11.4 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.

## **12.12 Refinancing / Sale**

- 12.12.1 During the validity period of the Base Prospectus, the Issuer may obtain borrowings from a New Lender to refinance all or part of the Bonds and/or, subject to Clause 12.32, sell all or any part of the Property, or both simultaneously, if applicable. With the express prior consent of the Collateral Agent, the Issuer is also permitted to transfer the Property or any part thereof into the ownership of a NewCo, provided that such Property remains subject to Collateral (Mortgage) granted in favour of the Collateral Agent to secure the Bonds on substantially the same terms and conditions as under the Mortgage Agreement, unless such Property is released from the Collateral (Mortgage) in accordance with Clause 12.32.
- 12.12.2 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, acting in the interests of the Bondholders. The Issuer may propose one or more candidates for the role of Escrow Agent; however, the Collateral Agent shall not be bound by such proposals and shall retain full discretion in the selection of the Escrow Agent. The Issuer shall bear the escrow fees of the Escrow Agent.
- 12.12.3 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, 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).
- 12.12.4 Subject to Clause 12.32, 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 has consented to the subsequent rank mortgage for the benefit of the refinancing of all or part of such Bonds and the Collateral Agent has confirmed the escrow arrangements, and no later than thirty (30) days after the funds have been deposited in the Escrow Account such application of funds shall be made in accordance with the instructions of the Collateral Agent acting in the interests of the Bondholders and in accordance with the priority of claims to the Collateral. For the avoidance of doubt, where any separated land plot, building or part thereof is released from the Collateral (Mortgage) and sold, transferred or otherwise disposed of in accordance with Clause 12.32, such sale, transfer or disposal shall not constitute a Sale Transaction for the purposes of this Clause 12.12 to the extent that the conditions for release set out in Clause 12.32 have been satisfied, and the Issuer shall not be required by this Clause 12.12 to apply the proceeds of such sale, transfer or disposal towards redemption or repayment of the Bonds.
- 12.12.5 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, subject to the prior written confirmation of the Collateral Agent (acting in its discretion and in the interests of the Bondholders) that the conditions set out below are satisfied, and 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 relevant Bonds, as confirmed to the Collateral Agent by the Depositary or a similar institution that handles payment settlements to the Bondholders under the Base Prospectus and/or the Final Terms, in form and substance satisfactory to the Collateral Agent, 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.
- 12.12.6 No later than five (5) Business Days after the complete release of funds from the Escrow Account to the Bondholders of the relevant Bonds, 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 authorised to the Escrow Agent with the consent of the Collateral Agent.
- 12.12.7 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 condition: the Collateral has been re-established in accordance with the provisions set forth in this Base Prospectus, and any subsequent ranking mortgage benefiting the New Mortgagee has been deleted from the Land Register; and the Collateral Agent has confirmed that the escrow release conditions are satisfied.
- 12.12.8 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 to proceed with the relevant steps in support of the Refinancing Transaction or the Sale Transaction. The Collateral Agent shall not incur any liability for any action taken or omitted in connection with such Refinancing Transaction or Sale Transaction, except in case of gross negligence or wilful misconduct.

### **12.13 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, reorganisation (except for any sale, disposal, merger, demerger, amalgamation, reorganisation 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;
- (h) the Issuer will keep the Property owned by the Issuer insured with one or more reputable insurers against risks and in amounts customary for similar properties and businesses on the relevant geographical market and sufficient to preserve the value of the Collateral.

## 12.14 Financial covenant

- 12.14.1 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:

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

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 payable under the design, construction and other contracts with respect to the development of the Project;
  - (b) the aggregate of the invoices 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 payable 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, except for interest expenses related to the shareholder loans provided to the Issuer.
- 12.14.2 Financial covenant set forth in Clause 12.14.1 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.
- 12.14.3 The Issuer may in its sole discretion choose to calculate the financial covenant under Clause 12.14.1 in accordance with the Accounting Principles.

## 12.15 General covenants

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

- 12.15.1 **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.

- 12.15.2 **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 to have occurred if the Sole Shareholder of the Issuer after the Issue Date ceases 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).
- 12.15.3 **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 of 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 the LTC ratio provided in Clause 12.14.1, 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 the Bonds in accordance with Clause 12.10 of this Base Prospectus.

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 earliest applicable Early Redemption Date.

**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 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.

- 12.15.4 **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.
- 12.15.5 **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 Clause 12.26 "Collateral of the Bonds" of this Base Prospectus.
- 12.15.6 **Negative pledge.** For as long as any Bond is outstanding, 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 12.15.1 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 Clause 12.26 of this Base Prospectus

## 12.16 Reporting Obligations

- 12.16.1 For as long as the Bonds remain not redeemed and valid until the 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, as at 30 June and for the six-month period then ended;
- (c) semi-annual reports on performance of the financial ratio LTC set forth in Clause 12.14 "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 the date of the respective report;
- (d) information on other 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 and the Trustee, as applicable, without undue delay of becoming aware of such events;
- (f) prepare and make available a Compliance Certificate to the Collateral Agent and the Trustee and on the Issuer's website (i) each quarter for the compliance of the financial ratio LTC set forth in Clause 12.14 "Financial Covenant" of this Base Prospectus; (ii) when a semi-annual financial report is made available; and (iii) at the Collateral Agent's and the Trustee's reasonable request, within 20 (twenty) calendar days from such request.

12.16.2 The Issuer shall supply all the information set out in Clause 12.16.1 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 financial statements referred to in Clause 12.16.1(b), within 2 (two) months after 30 June of the relevant financial year;
- (c) in the case of the semi-annual report on the performance of the financial ratio LTC set forth in Clause 12.16.1(c), within 2 (two) months after 30 June of the relevant financial year and together with the interim financial statements referred to in Clause 12.16.1(b).

12.16.3 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 Clause 12.14, the Issuer within 30 (thirty) calendar days as of receipt of such request shall provide: (a) invoices received and accounted for within the last reporting period set forth in Clause 12.16.1 (c); and (b) accounting documents with respect to other Costs of the Project that are the costs other than those stipulated in item (a) above incurred by the Issuer.

## 12.17 Covenant cure

12.17.1 The Issuer and the Sole Shareholder of the Issuer may cure or prevent a breach of the financial covenants in Clause 12.14.1 (and any Event of Default arising as a result thereof) 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 and the Trustee 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 and the Trustee 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 12.14.1 would be complied with if tested again as at the last date of the Breach Period, and, for the avoidance of doubt, both the Collateral Agent and the Trustee shall receive such information in full.

12.17.2 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.

- 12.17.3 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, and any Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of these Terms and Conditions.

## **12.18 Events of Default**

- 12.18.1 The Bondholders representing at least 10 (ten) per cent of the principal amount of all outstanding Bonds may in accordance with Clause 12.21 "Notices" notify the Issuer about the occurrence of an Event of Default. If an Event of Default has objectively occurred, subject to Clause 12.18.2, 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).
- 12.18.2 If the Issuer is unable to make payments in accordance with Clause 12.18.1 of the Terms and Conditions or an 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 12.21 thereof.
- 12.18.3 If the Issuer has failed to prepay all Bondholders the outstanding principal amount of the Bonds and the Interest accrued on the Bonds within the term specified in Clause 12.18.1 or has notified the Bondholders that it is unable to make such payments, then the Bondholders may instruct the Collateral Agent to act in accordance with Clause 0 "Establishment, Release and Enforcement of the Collateral"
- 12.18.4 Notwithstanding the foregoing, if the Issuer has notified Bondholders 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 as set forth in Clause 12.18.3, including by instructing the Collateral Agent to proceed in accordance with Clause 0 "Establishment, Release and Enforcement of the Collateral".
- 12.18.5 Each of the following events shall constitute an event of default (an **Event of Default**):
- (a) **Non-Payment:** Any amount of Interest on or principal of the Bonds has not been paid within 10 (ten) Business Days from the relevant due date;
  - (b) **Breach of Covenants:** The Issuer has violated the conditions of Clause 12.14 "Financial Covenant" and has failed to remedy such violation according to Clause 12.17 "Covenant Cure", or the Issuer does not perform or comply with any one or more of its other obligations set out in Clause 12.15 "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 and (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 the 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 jurisdiction 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.

### **12.19 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.

### **12.20 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 (including the Existing 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 12.13.

### **12.21 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/](http://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/](http://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.

## **12.22 Appointment and replacement of the Trustee**

- 12.22.1 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.
- 12.22.2 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.
- 12.22.3 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.
- 12.22.4 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.
- 12.22.5 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.
- 12.22.6 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.
- 12.22.7 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.

### **12.23 Duties of the Trustee**

- 12.23.1 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](http://www.nasdaqbaltic.com) upon listing of the Notes on Nasdaq Riga Regulated Market.
- 12.23.2 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.
- 12.23.3 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.
- 12.23.4 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.
- 12.23.5 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.
- 12.23.6 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 12.16 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 the Compliance Certificate described hereunder only to the extent the information provided in each Compliance Certificate corresponds to this Base Prospectus, the financial statements delivered pursuant to Clause 12.16 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.

- 12.23.7 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.
- 12.23.8 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.

#### **12.24 Limited liability of the Trustee**

- 12.24.1 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.
- 12.24.2 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 Bondholders.
- 12.24.3 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.

#### **12.25 Bondholders' meetings and decisions**

##### *General provisions*

- 12.25.1 The decisions of the Bondholders (including decisions on amendments of this Base Prospectus, these Terms and Conditions, the Collateral Agent Agreement and/or the Collateral Agreement, on the replacement of the Trustee or the Collateral Agent, granting of consent or waiver, or instructions to the Trustee or the Collateral Agent) shall be passed at the Bondholders' Meeting or in Procedure in Writing at the choice of the Issuer, or the Trustee or the Collateral Agent, as applicable. 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.
- 12.25.2 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 Trustee or the Collateral Agent 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).
- 12.25.3 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.
- 12.25.4 In case convening of the Bondholders' Meeting or instigation of the Procedure in Writing is requested to the Issuer by the Trustee or the Collateral Agent 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 written request.
- 12.25.5 All expenses in relation to the convening and holding the Bondholders' Meeting or a Procedure in Writing shall be covered by the Issuer.

- 12.25.6 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 who 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.
- 12.25.7 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.
- 12.25.8 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*

- 12.25.9 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.
- 12.25.10 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 this Clause.
- 12.25.11 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.
- 12.25.12 A matter decided at the Bondholders' Meeting or the Procedure in Writing is binding on all Bondholders of the outstanding Bonds 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/](http://www.lordslb.lt/presesnams_bonds/)) and the Nasdaq Riga information system, provided that a failure to do so shall not invalidate any decision made or voting result achieved.
- 12.25.13 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 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).
- 12.25.14 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) decide on any other matters, except the matters provided for in this Clause.
- 12.25.15 The Issuer shall, without any delay, inform the Trustee and the Collateral Agent of the results and the status of the relevant decision adopted by Bondholders.

### *Procedure in Writing*

- 12.25.16 The Issuer may apply for a consent itself or through the intermediary of an authorised person (the "**Agent**").
- 12.25.17 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 Trustee, the Collateral Agent and the Bondholders in English and Latvian on the Issuer's website 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). Communication 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; and (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) and the method for replying.
- 12.25.18 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 has not yet expired.
- 12.25.19 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.
- 12.25.20 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.
- 12.25.21 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).

### **12.26 Collateral of the Bonds**

- 12.26.1 Each Tranche of 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 holders of Bonds, 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.
- 12.26.2 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 28 November 2025, the estimated market value of the Property as at 31 October 2025 was EUR 75 110 000. It shall be noted that neither SIA "NEWSEC VALUATIONS LV", nor the property appraiser have any material interest in the Issuer or the Property appraised.

- 12.26.3 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 (who shall provide it 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, and in any event without undue delay after receipt by the Issuer.
- 12.26.4 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 holders of Bonds shall be fulfilled from all value of the Collateral existing at the moment of the Collateral realisation that is carried out in accordance with the Base Prospectus, Collateral Agreement, Collateral Agent Agreement and the Applicable Law.
- 12.26.5 Save in respect of the Issue (for which the Collateral has been established and registered in the Land Register prior to the date of this Base Prospectus), 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 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 under the respective Final Terms.
- 12.26.6 The Collateral Agent will hold the Collateral for the benefit of the holders of Bonds and the Collateral Agent is authorised to act with the Collateral in accordance with its rights and discretion under the Base Prospectus, the Final Terms, the Collateral Agreement, the Collateral Agent Agreement and the Applicable Law, but in favour of all the holders of Bonds in accordance with the Base Prospectus, Final Terms, Collateral Agreement, the Collateral Agent Agreement and the Applicable Law. Holders of Bonds have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for such 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 such 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 holders of Bonds 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.

## **12.27 Bondholders and the Collateral Agent**

- 12.27.1 By submitting a subscription order or acquiring Bonds on the secondary market (or, in respect of the Issue, by continuing to hold Bonds following the approval of this Base Prospectus), each holder of Bonds:
- (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 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 and this 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 12.31.1(a) and other clauses of this Base Prospectus and the Applicable Law). Each holder of Bonds acknowledges that this 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 in accordance with its rights and discretion under this Base Prospectus, the Collateral Agreement, the Collateral Agent Agreement and the Applicable Law, considering the interests of the holders of Bonds collectively and generally (and not of any particular Bondholder), unless specifically instructed otherwise by the Majority Bondholders in accordance with Clause 12.29.9;
- (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 authorised representatives) and the Issuer upon the request of the Collateral Agent, are obliged to disclose to the Collateral Agent all information and documents necessary to fulfil the Collateral Agent's obligations regarding AML and Sanctions regulation requirements (e.g., information and documents on the ultimate beneficial owner etc.).

## **12.28 Scope of obligations of the Collateral Agent**

12.28.1 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 holders of Bonds and under the name of the Collateral Agent (as the holder of the Collateral (pledgee)) in accordance with this Base Prospectus, the Collateral Agreement, the Collateral Agent Agreement and the Applicable Law to secure the Bonds. For the avoidance of doubt, for the Issue the Collateral has been established and registered prior to the date of this Base Prospectus and the Collateral Agent's obligations are effective as of such date.

12.28.2 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 the Final Terms in connection with any assets of the Issuer, except for enforcing the Collateral in accordance with this Base Prospectus, the 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 and the 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, the Collateral Agent Agreement and/or the Applicable Law;
- (d) to provide any legal, accounting, tax or other advice to the Bondholders, except to the extent expressly agreed otherwise; or
- (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. The 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, the Final Terms, the Collateral Agreement, the Collateral Agent Agreement and the Applicable Law.

- 12.28.3 The holders of Bonds 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.
- 12.28.4 Upon the performance of its obligations and exercising its rights, the Collateral Agent shall act in accordance with its rights and discretion under this Base Prospectus, the Collateral Agreement, the Collateral Agent Agreement and the Applicable Law in the interests and on the account of the holders of the Bonds 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 12.30.1(a) 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 in accordance with its reasonable judgment and the rights granted to it under this Base Prospectus, on the appropriate course of action in the interests of the holders of Bonds 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 12.29.5.
- 12.28.5 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, the Applicable Law or any restrictions or delays thereof.
- 12.28.6 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, the 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 on its own; and (iv) it remains the 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 under this Base Prospectus, the related fees, costs and expenses shall be recoverable in accordance with the applicable provisions of this Base Prospectus relating to the fees, costs and expenses of the Collateral Agent. The Collateral Agent shall not be responsible for the losses and damage caused by the acts and omissions by third parties.
- 12.28.7 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, the Final Terms, the Collateral Agent Agreement, the Collateral Agreement, the Applicable Law and other applicable laws and regulations.

- 12.28.8 At the request of the Collateral Agent, the Issuer shall provide the Collateral Agent with an updated list of holders of Bonds 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 authorises the Collateral Agent to directly request from Nasdaq Riga any information and documents concerning the Bondholders, private individuals, legal entities, and their authorised representatives for the purpose of fulfilling the duties of the Collateral Agent in accordance with this Base Prospectus, the Final Terms, the Collateral Agent Agreement and the Applicable Law.
- 12.28.9 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.
- 12.28.10 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, the Final Terms and the Collateral 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 the Applicable Law, this Base Prospectus, the Final Terms and the Collateral 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. For the avoidance of doubt, the fee and indemnity arrangements of the Collateral Agent under the Collateral Agent Agreement also govern the Collateral Agent's remuneration in its capacity as Trustee, as the same entity acts in both capacities.
- 12.28.11 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 the 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.
- 12.28.12 The Collateral Agent has the right to terminate the Collateral Agent Agreement in case: (a) the Collateral described in Clause 12.26 of this Base Prospectus has not been established within the relevant term stipulated in Clause 12.30.1 of this Base Prospectus (not applicable to the Issue, for which the Collateral has already been established); and/or (b) the Collateral Agent withdraws from performance of the tasks set out in this Base Prospectus in accordance with the terms of the Collateral Agent Agreement and this Base Prospectus as set out in Clause 12.30.. Fees and payments already paid to the Collateral Agent shall not be refunded in the event of termination of the Collateral Agent Agreement.
- 12.28.13 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 or wilful misconduct in exercising its rights. A new Collateral Agent must be designated by the Issuer who must take over the obligations of the retiring Collateral Agent in accordance with Clause 12.30.

## 12.29 Establishment, Release and Enforcement of the Collateral

- 12.29.1 For constituting security for the due and timely payment, discharge and performance of the Bonds, the Collateral shall be established in the interests of holders of Bonds 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. Save in respect of the Issue (for which the Collateral has been established and registered prior to the date of this Base Prospectus), 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 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 only in the amount and to the extent such equivalent sum has become due and payable to holders of Bonds under this Base Prospectus and any Final Terms. For the avoidance of doubt, a Promissory Note is required only if the Collateral has not been registered in the Land Register within 60 (sixty) Business Days from the Issue Date under the respective Final Terms due to refusal of the Land Register.
- 12.29.2 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. In respect of the Issue, the Issuer confirms that such registration has taken place prior to the date of this Base Prospectus.
- 12.29.3 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).
- 12.29.4 Upon receipt of a notification by the Issuer that an Event of Default has occurred pursuant to Clause 12.18.5, 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 12.25 of this Base Prospectus and the Majority Bondholders may vote for the approval of the Action Plan.
- 12.29.5 If the Majority Bondholders have not approved the Action Plan, the Issuer shall act in accordance with Clause 12.25 "Bondholders' Meetings and Decisions" of this Base Prospectus and the Majority Bondholders shall vote on whether to instruct the Collateral Agent to enforce the Collateral (the **Instruction**) as set out in Clause 12.25.14. The Bondholders agree that the Collateral Agent will enforce the Collateral upon receipt of the Instruction.
- 12.29.6 If the Majority Bondholders in accordance with Clause 12.29.5 of this Base Prospectus have provided to the Collateral Agent the Instruction, the Collateral Agent shall immediately notify, 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.it/presesnams\\_bonds/](http://www.lordslb.it/presesnams_bonds/)) and on the Nasdaq Riga information system.
- 12.29.7 Upon receipt of the Instruction to enforce the Collateral, the Collateral Agent shall commence enforcement of the Collateral.
- 12.29.8 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.

- 12.29.9 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, the Final Terms and the 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 the Majority Bondholders have provided the Collateral Agent with requested instructions or clarifications.
- 12.29.10 Without prejudice to Clause 12.29.7, if, under Clause 12.29.8 of this Base Prospectus or following the request of the Collateral Agent submitted under Clause 12.29.9 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 holders of Bonds. The Collateral Agent shall not be liable for any consequences or damages that result from complying with the instructions.
- 12.29.11 Notwithstanding Clause 12.29.10 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.
- 12.29.12 Without prejudice to Clauses 12.29.9, 12.29.10, 12.29.11 of this Base Prospectus, the Collateral Agent may (but is not obligated to) act (or refrain from acting) in accordance with its reasonable judgment and the rights granted to it under this Base Prospectus, as it reasonably believes appropriate in interests of the holders of Bonds. 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 the Applicable Law.
- 12.29.13 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.

### **12.30 Replacement of the Collateral Agent**

- 12.30.1 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: (i) (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 (ii) the estimated proceeds of the enforcement of the Collateral will not be sufficient to cover the fees, costs, expenses, liabilities and secured claims payable out of the enforcement proceeds in accordance with the Clause 12.31 (a) of this Base Prospectus, the Collateral Agreement and the Applicable Law; or
  - (b) in the opinion of the Collateral Agent, the Collateral (or the substantial part thereof) ceases to exist for any reason; or
  - (c) the Collateral Agent resigns from the performance of its duties at its own initiative in accordance with the terms of the Collateral Agent Agreement, provided that the Collateral Agent shall continue to perform its duties until a successor Collateral Agent

has been duly appointed in accordance with Clause 12.30 and the Collateral Agent Agreement

- 12.30.2 In order to exercise its right of termination under Clause 12.30.1, 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 12.30.1.
- 12.30.3 No later than 3 (three months) after the receipt of the relevant notice under Clause 12.30.1 by the Issuer, a successor Collateral Agent must be designated by the Issuer and the Majority Bondholders, who must take over the obligations of the retiring Collateral Agent.
- 12.30.4 If a successor Collateral Agent has not been appointed within the term set out in Clause 12.30.3, 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, provided that the retiring Collateral Agent shall have no further duties, obligations or liability in such capacity other than such formal registration status pending replacement.
- 12.30.5 The Collateral Agent shall assess whether any conflict of interest exists with regard to the Issuer, the 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 the Final Terms as provided in the Collateral Agreement and in the Collateral Agent Agreement.

### **12.31 Application of the Proceeds from Enforcement of the Collateral**

- 12.31.1 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 by the Collateral Agent pursuant to conditions set out, inter alia, in Clauses 12.28.6 and 12.28.10 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 Bonds, 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 12.28.6 and/or Clause 12.28.10 of this Base Prospectus;
  - (b) as the second priority (after full satisfaction, payment and deduction of all claims and amounts set forth in Clause 12.31.1(a) of this Base Prospectus): in payment of the claims of the holders of Bonds arising under the Base Prospectus and the respective Final Terms.
- 12.31.2 The Collateral Agent shall withhold the proceeds necessary for satisfying the fees, costs, expenses, damages and claims of the Collateral Agent specified in Clause 12.31.1(a) and transfer the remaining proceeds to the Bondholders for satisfying the claims under Clause 12.31.1(b). The Collateral Agent shall return the proceeds from the enforcement of the Collateral remaining after satisfying all claims set forth in Clause 12.31.1 to the Issuer.
- 12.31.3 In case the proceeds remaining after covering the fees, costs, expenses, damages and claims under Clause 12.31.1(a) do not cover the claims of the Bondholders under Clause 12.31.1(b) in full, these claims shall be satisfied pro rata.

- 12.31.4 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).
- 12.31.5 In case the Collateral Agent is required, under the 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.
- 12.31.6 Proceeds from the enforcement of the Collateral that accrue to the Collateral Agent in connection with the enforcement of the Collateral or other rights and obligations specified in this Base Prospectus, the Final Terms, the Collateral Agreement or the Collateral Agent Agreement, except amounts set forth in Clause 12.31.1(a) of this Base Prospectus, do not belong to the property (assets) of the Collateral Agent.

### **12.32 Separation of the Property**

- 12.32.1 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 Clause.
- 12.32.2 The separation of land or buildings from the Property (the "**Separation**") is permitted, subject to the following conditions being met prior to, or simultaneously with, such Separation:
- (a) after the Separation, the Collateral (Mortgage) on the separated land or buildings (the "**New Property**") remains valid, registered, and fully enforceable, save to the extent that any New Property is to be released from the Collateral (Mortgage) in accordance with Clause 12.32.6;
  - (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 remaining subject to the Collateral (Mortgage), nor will current charges or costs affecting the Property increase;
  - (d) the New Property continues to be owned by the Issuer or NewCo, if the New Property is not to be released from the Collateral (Mortgage) pursuant to Clause 12.32.6; and
  - (e) if the Issuer proposes that the New Property be released from the Collateral (Mortgage) and sold, transferred or otherwise disposed of, the conditions set out in Clause 12.32.6 are satisfied.
- 12.32.3 A valuation of the Property by the Appraiser shall not be required solely as a consequence of a Separation where the New Property remains subject to the Collateral (Mortgage). However, where the Issuer requests a release of the New Property from the Collateral (Mortgage) pursuant to Clause 12.32.6, the Issuer shall procure that the Appraiser delivers an updated valuation of (i) the New Property and (ii) the Property remaining subject to the Collateral (Mortgage), in each case in form and substance satisfactory to the Collateral Agent.
- 12.32.4 If the Collateral cannot be registered over the New Property in its full amount at a nominal administrative cost to the Issuer, the Issuer may request that the Collateral Agent, in consultation with the Appraiser, allocate and register the Collateral across the New Properties in reduced amounts per property, provided that the aggregate registered amount of the Collateral equals at least the total required Collateral amount and does not materially adversely affect the security granted to the Bondholders.

- 12.32.5 Following completion of the Separation, and in any event as a condition to any release under Clause 12.32.6, the Issuer shall provide to the Collateral Agent the valuation issued by the Appraiser. Such valuation shall demonstrate, to the satisfaction of the Collateral Agent, that immediately after the proposed release of the New Property from the Collateral (Mortgage), the aggregate market value of the Property remaining subject to the Collateral (Mortgage) is not less than 125 per cent. of the aggregate nominal amount of the Bonds then outstanding (or such higher amount as may be required in order for the Issuer to remain in compliance with the Financial Covenants set out in Clause 12.14).
- 12.32.6 Subject to satisfaction of the conditions set out in Clauses 12.32.2 to 12.32.5, the Issuer may require that the New Property be released from the Collateral (Mortgage), including for the purposes of a sale, transfer or other disposal by the Issuer or a NewCo, provided that:
- (a) immediately after giving effect to such release and any related sale, transfer or disposal, the condition set out in Clause 12.32.5 is satisfied; and;
  - (b) no Event of Default is continuing or would result from such release, sale, transfer or disposal.

Upon the Collateral Agent being satisfied that the foregoing conditions have been met, the Collateral Agent shall, without undue delay, execute all documents and take all steps reasonably required to release the New Property from the Collateral (Mortgage) and to give effect to the relevant sale, transfer or disposal.

### **12.33 Collateral Cure**

Save in respect of the Issue (for which the Collateral has been established and registered prior to the date of this Base Prospectus), in case the Collateral securing the Bonds is not registered in the Land Register within 60 Business Days after the Issue Date under the respective Final Terms due to prohibitions imposed by other third parties, the Issuer undertakes to cure or prevent a breach of Clause 12.15.5 "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 any Event of Default thereby shall be deemed to have been remedied for the purposes of these Terms and Conditions.

## 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 and the Republic of Estonia; (ii) a private placement (the "**Private Placement**") of the Bonds to institutional investors (each an "**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. The Retail Investor and the Institutional Investor 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 (each a "**Custodian**").
- 13.1.3 For the purposes of the Offering the Issuer may appoint a sales agent (a "**Sales Agent**"), to act as a Sales Agent in relation to the Offering of a specific Tranche in Lithuania, Latvia and/or Estonia. The Sales Agent may act as a distributor and offer Bonds of a 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 the Final Terms of the specific Tranche in Lithuania, Latvia and/or Estonia. In any case, the respective Sales Agent information shall be indicated in the Final Terms of the 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 the 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 a 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, a 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 the 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 the 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 the 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 Withdrawal of the Subscription Orders**

- 13.5.1 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.
- 13.5.2 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.
- 13.5.3 An Investor shall be liable for payment of all fees and costs charged by a credit institution or an investment brokerage firm used by the Investor for the Subscription of the Bonds in connection with the withdrawal or amendment of the Subscription Order.

- 13.5.4 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.

### **13.6 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.

### **13.7 Payment for the Bonds**

- 13.7.1 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.
- 13.7.2 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.
- 13.7.3 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.
- 13.7.4 Payments for the Bonds are interest free.

### **13.8 Allotment**

- 13.8.1 On the next Business Day following the end of the 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.
- 13.8.2 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.
- 13.8.3 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*

- 13.8.4 The Issuer will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.

- 13.8.5 As a general principle, if the total number of the Bonds subscribed for is equal to or less than the number of the Bonds of the relevant Tranche and the Issuer decides to proceed with the Offering, the Bonds will be allotted based on the Subscription Orders placed.
- 13.8.6 In case the total number of the Bonds subscribed for is higher than the number of the Bonds of the relevant Tranche and the Issuer decides to proceed with the Offering, the Bonds may be allocated to them in an entirely discretionary manner of the Issuer.
- 13.8.7 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.
- 13.8.8 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.
- 13.8.9 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.
- 13.8.10 The allocation shall be aimed to create a solid and reliable Investor base for the Issuer.
- 13.8.11 The Issuer shall be entitled to prefer holders of any Existing Bonds to other Investors.
- 13.8.12 Possible multiple Subscription Undertakings submitted by an Investor shall be merged for the purpose of allocation.

#### *Confirmations*

- 13.8.13 After completion of the allotment, on the settlement date of the 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*

- 13.8.14 Information about the results of the Offering of each Tranche (including the number of Bonds issued, the aggregate principal amount of the respective Tranche) shall be published on the Issuer's website ([www.lordslb.lt/prese/nams\\_bonds/](http://www.lordslb.lt/prese/nams_bonds/)) as well as at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com).

### **13.9 Cancellation, Suspension or Postponement of the Offering**

- 13.9.1 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.
- 13.9.2 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.
- 13.9.3 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.

### **13.10 Settlement and Delivery**

- 13.10.1 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 a 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.

### **13.11 Listing and Admission to Trading**

- 13.11.1 The Issuer shall submit an application to list and admit to trading each Tranche of the Bonds on Nasdaq Riga Baltic Bond List.
- 13.11.2 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.
- 13.11.3 The Issuer expects that the Bonds of the respective Tranche shall be admitted to trading on Nasdaq Riga within 3 (three) months as from Issue Date and as soon as reasonably possible for any further Tranche, in accordance with Clause 12.15.4. Disregarding this, the Issuer will put its best endeavours so that these terms would be as short as practicable possible.
- 13.11.4 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.
- 13.11.5 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 is secured by the Collateral.

Each Tranche of 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) and any other buildings, constructions and infrastructure constructed thereof (as a part of the real estate property) (the Mortgage or the Collateral).

The maximum amount of secured claim will be up to EUR 82 500 000 for the benefit of the holders of Bonds, 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.

### **Status of the Collateral as at the date of this Base Prospectus**

The Collateral has been established and registered in the Land Register in favour of the Collateral Agent for the benefit of the holders of Bonds. The Collateral was originally established in connection with the issuance of the Issue under the Original Base Prospectus and continues in full force and effect under this Base Prospectus.

### **Establishment of Collateral for further Tranches of Bonds**

Where the Issuer issues a new Tranche of Bonds under the Programme (other than further Tranches within the Issue, which are already covered by the existing Collateral), the Collateral shall be established (or, where the Collateral is already registered in the Land Register, extended to cover such new Tranche) 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) and the respective Collateral shall be registered in the Land Register within 60 (sixty) Business Days after the Issue Date under the respective Final Terms, in accordance with Clause 12.29.1.

### **Valuation of the Property**

Pursuant to the real estate valuation report of SIA "NEWSEC VALUATIONS LV", registration number: 40103216919, legal address: Marijas iela 2A, Rīga, LV-1050, Latvia, dated 28 November 2025, the estimated market value of the Property as at 31 October 2025 was EUR 75 110 000. 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, in accordance with Clause 12.26.3.

### **Collateral Agent**

The Collateral Agent acts as the holder of the Collateral (pledgee/mortgagee) on behalf of the holders of Bonds. The Collateral Agent is the same entity as the Trustee appointed under Section 12, acting in a separate capacity as collateral agent. The rights and obligations of the Collateral Agent are set out in Clauses 12.26 to 12.33. The identity and contact details of the Collateral Agent are set out in the Glossary of this Base Prospectus.

### **Enforcement**

The Collateral may be enforced only in accordance with the procedures set out in Clause 0, upon instruction of the Majority Bondholders following the occurrence of an Event of Default. The proceeds of enforcement shall be applied in the order of priority set out in Clause 12.31.

## 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 25.5 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 25.5 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 originally dated 24 April 2025 (the “**Original Base Prospectus**”), as succeeded by the Base Prospectus dated 23 April 2026 approved by the Bank of Latvia (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.lt/Presefinans\\_bonds/](https://lordslb.lt/Presefinans_bonds/).

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

**WARNING: The Original Base Prospectus approved by the Bank of Latvia on 24 April 2025 ceases to be valid twelve (12) months from the date of its approval. [For continuing offers under Article 8(11) of the Prospectus Regulation: The validity of the Original Base Prospectus expired on 24 April 2026. The successor Base Prospectus was approved by the Bank of Latvia on 23 April 2026 and has been published on the Issuer’s website ([https://lordslb.lt/presefinans\\_bonds/](https://lordslb.lt/presefinans_bonds/)) and on the website of the Bank of Latvia (<https://bank.lv/>).]**

1.	Issuer:	AS PN Project
2.	Currency:	EUR
3.	Tranche number:	[●]
4.	ISIN:	LV0000104271
5.	Type of Bonds:	Secured Bonds
6.	Aggregate principal amount of this Tranche:	EUR [●]
7.	Number of Bonds:	[●]
8.	Nominal amount of one Bond:	EUR 1 000
9.	Issue Date:	[●]
10.	Annual Interest Rate:	[●]% per annum (fixed)
11.	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 [●]% 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 [●]% of the Nominal amount plus accrued and unpaid interest.
14.	Minimum Investment Amount:	EUR [●]
15.	Offer Price of the Bond:	[●]
16.	Subscription Period:	[●]
17.	Procedure for submission of Subscription Orders:	[●]
18.	Procedure for allotment of the Bonds and settlement:	[●]
19.	Estimated total expenses of the issue of the Bonds:	[●]
20.	Estimated net amount of the proceeds from the Issue of the Bonds:	[●]
21.	Use of proceeds:	[As described in Section 5 of the Base Prospectus] / [If any variation, specify]
22.	Name of the Arranger:	[●]
23.	Name of the Sales Agent(s):	[●] / [Not applicable]
26.	Rating:	The Bonds to be issued have not been rated.
27.	Information about the securities of the Issuer that are already admitted to trading:	[●] / [Not applicable]
28.	Any other terms or special conditions:	[●] / [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.

<b>AB SEB bankas</b>	AB SEB bankas, registration No. 112021238, registered address at Vilnius, Konstitucijos pr. 24, LT-08131.
<b>Accounting Principles</b>	International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
<b>Action Plan</b>	The proposed action plan submitted by the Issuer to the Bondholders within 20 (twenty) Business Days following an Event of Default, as described in Clause 12.29.4 of the Base Prospectus.
<b>AML</b>	Anti-money laundering.
<b>Applicable Law</b>	Laws of the Republic of Latvia.
<b>Appraiser</b>	Refers to an independent real estate appraiser who is duly certified or licensed in accordance with Applicable Law and adheres to internationally recognised 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.
<b>Arranger</b>	AB Artea bankas, registration number: 12025254, legal address: Tilžės g. 149, LT-76348 Šiauliai, Lithuania.
<b>Articles of Association</b>	Articles of Association of the Issuer effective as at the date of this Base Prospectus.
<b>Auditor</b>	PricewaterhouseCoopers SIA, registration number: 40003142793, legal address: Marijas iela 2A, Riga, LV-1050, Latvia, confirmed as the Issuer's auditor starting from the financial year 2024.
<b>Bank of Latvia</b>	The Bank of Latvia (in Latvian: Latvijas Banka) with its registered office in Riga, Latvia. The Latvian financial supervision authority.
<b>Bank of Lithuania</b>	The Bank of Lithuania (in Lithuanian: Lietuvos bankas) with its registered office in Vilnius, Lithuania. The Lithuanian financial supervision authority.
<b>Base Prospectus</b>	Shall mean this document, including the registration document of the Issuer and the securities (the Bonds).
<b>Bonds</b>	The Issuer's secured bonds to be offered and issued under this Base Prospectus and the respective Final Terms. For the avoidance of doubt, Bonds includes all Existing Bonds issued under the Original Base Prospectus and continued under this Base Prospectus.
<b>Bondholder</b>	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.
<b>Breach Period</b>	The period described in Clause 12.17.1 of the Base Prospectus within which the Issuer may effect an Equity Cure.

<b>Business Day(s)</b>	Business Day is a day when the Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
<b>CIT</b>	Latvian Corporate Income Tax.
<b>Collateral</b>	Mortgage over the Property, which serves as a security for the fulfilment of the Issuer's obligations towards the holders of Bonds under the Base Prospectus and the applicable Final Terms. Collateral (Mortgage) is further described in Section 12 and Section 14 of this Base Prospectus.
<b>Collateral Agent</b>	A person holding the Collateral on behalf of the holders of Bonds and authorised to act with the Collateral in favour of all the holders of Bonds in accordance with the Base Prospectus and the Collateral Agent Agreement, initially ZAB "VILGERTS" SIA, a law firm registered with the Latvian Bar Association and registered with the Commercial Register with registration no. 40203309933, legal address: Audēju iela 15-8, Riga, LV-1050, Latvia.. The Collateral Agent is the same entity as the Trustee, acting in a separate capacity in respect of the Collateral.
<b>Collateral Agreement Agent</b>	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 holders of Bonds, as well as the Collateral Agent's compensation, and, where the same entity also acts as Trustee, the corresponding trustee functions and remuneration. A copy of the Collateral Agent Agreement is available for review upon request to the Issuer.
<b>Collateral Agreement</b>	The Collateral Agreement governed by the Applicable Law and concluded between the Collateral Agent (as the pledgee) and the Issuer (as the collateral provider) regarding creation of the mortgage over the Property. In respect of the Issue, the Collateral Agreement has been concluded and the Collateral registered in the Land Register prior to the date of this Base Prospectus. In respect of any new Tranches of Bonds, the Collateral shall be registered in the Land Register within 60 (sixty) Business Days after the Issue Date under the respective Final Terms.
<b>Collateral Cure</b>	The cure mechanism described in Clause 12.33 of the Base Prospectus, pursuant to which the Issuer undertakes to complete the Collateral registration within 1 (one) month after the 60 Business Day period has elapsed.
<b>Commercial Law</b>	Commercial Law of Latvia, adopted on 13 April 2000.
<b>Commercial Register</b>	Commercial Register maintained by Register of Enterprises of Latvia.
<b>Compliance Certificate</b>	Means a certificate, in form and substance reasonably satisfactory to the Collateral Agent and the Trustee, signed by an authorised signatory of the Issuer certifying that (A) the financial covenants set forth in Clause 12.14 were met as per the last day of each relevant quarter to which the Compliance Certificate relates; (B) there was no breach of any other undertakings set forth in Clauses 12.15 (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.
<b>CPF</b>	Counter Proliferation Financing.

<b>Custodian</b>	A Nasdaq CSD participant directly or licensed credit institution or investment brokerage company that has a financial securities' custody account with Nasdaq CSD participant.
<b>Delegated Regulation</b>	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.
<b>Depository</b>	Nasdaq CSD SE, a company registered in the Company Register of the Republic of Latvia under registration number: 40003242879.
<b>Double Taxation Treaty</b>	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.
<b>Early Redemption Date</b>	The date on which a bond may be repaid before its Maturity Date, as specified in the Final Terms and Clause 12.10 of the Base Prospectus.
<b>EEA</b>	The European Economic Area.
<b>Equity Cure</b>	The injection of new shareholder equity by the Sole Shareholder as described in Clause 12.17.1 of the Base Prospectus.
<b>Escrow Account</b>	The Escrow 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.
<b>Escrow Agreement</b>	<b>Account</b> 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 deposited for the purpose of securing payment to the Bondholders in connection with a Refinancing Transaction or a Sale Transaction.
<b>Escrow Agent</b>	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 the Trustee 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.
<b>Estonia</b>	Republic of Estonia.
<b>Estonian Financial Supervision Authority</b>	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.
<b>EU</b>	The European Union.
<b>EUR, €, euro</b>	The official currency of Eurozone countries, including Lithuania, Latvia, Estonia, the euro.
<b>Existing Bonds</b>	Existing bonds previously issued under the Original Base Prospectus with ISIN LV0000104271, 10.00% fixed coupon rate per annum and maturity date of 4 June 2027.
<b>Financial Indebtedness</b>	Any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility or

		dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price; (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.
<b>Financial Report</b>		Financial report of the Group published semi-annually (every 6 months) in accordance with Applicable Law.
<b>Financial Statements</b>		Consolidated audited financial statements of the Group for the financial year ending on 31 December 2024 and 31 December 2023 prepared in accordance with Accounting Principles.
<b>Final Terms</b>		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".
<b>General Meeting</b>		Meeting of the Issuer's shareholders, the highest governing body of the Issuer.
<b>Group</b>		The Issuer and the Subsidiary together.
<b>IAS</b>		International Accounting Standards.
<b>IFRS</b>		International Financial Reporting Standards.
<b>Instruction</b>		The instruction issued by the Majority Bondholders to the Collateral Agent to enforce the Collateral, as described in Clause 12.29.5 of the Base Prospectus.
<b>Intercompany Agreement 1</b>	<b>Loan</b>	Intercompany Loan Agreement concluded between the Issuer (as the borrower) and UAB Preses Nams (as the lender).
<b>Intercompany Agreement 2</b>	<b>Loan</b>	Intercompany Loan Agreement concluded between the Issuer (as the borrower) and UAB Matuda (as the lender).
<b>Interest</b>		The annual payment made on a Bond, which is determined by the Issuer and specified in the Final Terms of the respective Tranche.
<b>Interest Payment Date</b>		The date on which the interest payment is made, as specified in the Final Terms of the respective Tranche.
<b>Investor</b>		Retail Investor and Institutional Investor.
<b>ISIN</b>		International Securities Identification Number.
<b>Issue</b>		The Tranches of secured Existing Bonds constituted by the Existing Bonds as continued under this Base Prospectus.
<b>Issuer</b>		AS "PN Project", registration number: 40203063602, legal address: Republikas laukums 2A, Riga, LV-1010, Latvia.

<b>Issue Date</b>	The issue date of each Tranche.
<b>Land Register</b>	Land Register of the Republic of Latvia.
<b>Latvia</b>	Republic of Latvia.
<b>Latvian SSS</b>	Latvian Securities Settlement System.
<b>Latvian Association of Certified Auditors</b>	Association of Certified Auditors of the Republic of Latvia.
<b>Listing</b>	Listing of Bonds on Nasdaq Riga Baltic Bond List.
<b>Lithuania</b>	Republic of Lithuania.
<b>Majority Bondholders</b>	<p>Means, in respect of any decision, resolution or instruction to be taken or given under this Base Prospectus:</p> <p>in respect of matters to be decided by the holders of all outstanding Bonds under the Programme pursuant to Clause 12.25.14): Bondholders who collectively hold in aggregate Bonds with a Nominal Value representing at least one half (1/2) of the aggregate Nominal Value of all outstanding Bonds under the Programme plus at least one additional Bond, in respect of the first convened Bondholders' Meeting or first Procedure in Writing initiated in each case; provided that, if such first Bondholders' Meeting does not reach quorum or is unable to pass the relevant decision, "Majority Bondholders" for the second convened Bondholders' Meeting shall mean Bondholders who collectively hold in aggregate Bonds with a Nominal Value representing at least one half (1/2) of the aggregate Nominal Value of the Bonds represented at that second Bondholders' Meeting plus at least one additional Bond; and</p> <p>For the avoidance of doubt, Bonds held by the Issuer, its direct and/or indirect shareholders and Related Parties shall be excluded from the calculation of outstanding Bonds for the purposes of determining the Majority Bondholders and shall not carry voting rights at any Bondholders' Meeting or in any Procedure in Writing.</p>
<b>Management Board</b>	Management Board of the Issuer.
<b>Management Company</b>	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.
<b>Maturity Date</b>	The date on which the principal amount of the Bonds of the respective Tranche is to be repaid in full. All Tranches share the same Maturity Date. The exact maturity date will be specified in the Final Terms of the respective Tranche.
<b>MIFID II</b>	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.
<b>Mortgage</b>	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).
<b>Nasdaq CSD</b>	Nasdaq CSD SE (Societas Europaea), the regional Baltic central securities depository (CSD), registration No. 40003242879, registered address Valņu iela 1, Rīga LV-1050, Latvia.
<b>Nasdaq Riga</b>	Nasdaq Riga AS, registration No. 40003167049, registered address at Valņu iela 1, Riga, LV-1050.
<b>NewCo</b>	A company incorporated in the Republic of Latvia, wholly owned by the Issuer, which acquires ownership of all or part of the Property for the purposes of the Sale Transaction or the Refinancing Transaction.
<b>New Lender</b>	Any entity authorised to operate within the European Union.
<b>New Mortgagee</b>	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.
<b>New Property</b>	Any land or buildings separated from the Property in accordance with Clause 12.32.
<b>NOI</b>	Net operating income.
<b>Nominal Value</b>	The face value of a bond, which for one Bond is EUR 1 000.
<b>Offer Price</b>	The price at which each Bond is to be issued or sold under the Offering.
<b>Offering</b>	The Retail Offering and the Private Placement jointly.
<b>Original Base Prospectus</b>	The base prospectus approved by the Bank of Latvia on 24 April 2025 under which the first nine (9) Tranches of Existing Bonds were issued.
<b>Programme</b>	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, including all Existing Bonds issued under the Original Base Prospectus and continued under this Base Prospectus.
<b>Project</b>	A commercial development project at Balasta dambis 2, Riga, Latvia (known as "Preseš Nama Kvartāls") which is being developed and constructed by the Issuer. Further information on the Project is provided in Section 7 "PROJECT PRESEŠ NAMS KVARTĀLS" of this Base Prospectus.
<b>Promissory Note</b>	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.
<b>Property</b>	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).
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Refinancing Transaction</b>	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.
<b>Regulated Market</b>	The Baltic Bond List of Nasdaq Riga, which is a regulated market for the purposes of the MIFID II.
<b>Related Parties</b>	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.
<b>Relevant Period</b>	Each period of 12 (twelve) consecutive calendar months, fixed at the end of each calendar half-year.
<b>Sale Transaction</b>	The sale of the Property 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.
<b>Sanctions</b>	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.
<b>Section</b>	A Section of this Base Prospectus.
<b>Separation</b>	The separation of land or buildings from the Property as described in Clause 12.32 of the Base Prospectus.
<b>Shares</b>	All issued and paid-up shares of the Issuer, the amount of which may change from time to time.
<b>SIA "ARHIS ARHITEKTI"</b>	SIA "Arhis Arhitekti", registration no. 40003026957.
<b>SIA "PN Construction Latvia"</b>	SIA "PN Construction Latvia", registration no. 40203607935.
<b>Sole Shareholder</b>	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, managed by Lords LB Asset Management UAB.
<b>Subscription Order</b>	Order to acquire the Bonds submitted by the Investor to its Custodian or the Arranger.

<b>Subscription Period</b>	The subscription period for each Tranche as specified in the Final Terms.
<b>Subsidiary</b>	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.
<b>Summary</b>	The summary of this Base Prospectus.
<b>Supervisory Board</b>	The Supervisory Board of the Issuer.
<b>Terms and Conditions</b>	Shall mean the terms and conditions of the Bonds which are provided in Section 12 "Terms and Conditions of the Bonds" 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.
<b>The Baltic States, The Baltics</b>	The Republic of Latvia, the Republic of Estonia, and the Republic of Lithuania as a whole.
<b>Tranche</b>	An individual issuance of Bonds.
<b>Trustee</b>	Initially ZAB "VILGERTS" SIA, registration no. 40203309933, legal address: Audēju iela 15-8, Riga, LV-1050, Latvia. The Trustee is the same entity as the Collateral Agent.
<b>UAB Matuda</b>	UAB Matuda, legal entity code in Lithuania: 306023286, legal address: Jogailos st. 4, Vilnius, Lithuania. UAB Matuda is a subsidiary of the Sole Shareholder (Lords LB Special Fund V) and sister company of the Issuer.
<b>UAB Preses Nams</b>	UAB Preses Nams, legal entity code in Lithuania: 306556583, legal address: Jogailos st. 4, Vilnius, Lithuania.