



TEWOX

BOND ISSUE

Private & confidential

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This document is not a prospectus within the meaning of Regulation (EU) No 2017/1129 and is intended solely for informational purposes. In order to comprehensively understand the terms and conditions of the bonds and risks associated with acquisition of bonds of Tewox each potential investor should carefully read the base prospectus of Tewox, approved by the Bank of Lithuania on 13 August 2024 and published at [https://lordslb.lt/tewox\\_bonds/](https://lordslb.lt/tewox_bonds/) (the **Prospectus**) and approach his/her financial, business, legal and tax advisors before making an investment decision.

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# Executive summary

**AB Tewox**, a special closed-ended real estate investment company, **specializes in managing and developing grocery-anchored retail properties in the Baltic Sea Region**; the investment company is **managed by Lords LB Asset Management UAB**, one of the largest investment management companies in the Baltics States.

**Tewox seeks to raise up to 35 mEUR** through bond issuance (1<sup>st</sup> tranche of 16.060 mEUR was issued on 05.09.2024):

- **2<sup>nd</sup> tranche of up to 5 mEUR<sup>1</sup>** will be allocated for general corporate purpose and refinancing of outstanding debt from the recent acquisition of two retail parks in Poland.
- The bonds are and will be issued according to the prospectus approved by the Bank of Lithuania on 13 August 2024.

**TEWOX**



LORDS LB  
Asset Management



146.7 mEUR AUM



9.5 mEUR NOI<sup>2</sup> in Y24  
(vs 5.6 mEUR in Y23)



140 unique tenants



98.3% occupancy



14 operating assets  
(78.4k m<sup>2</sup> of GLA)



8 operating assets in PL  
(55.7k m<sup>2</sup> of GLA)



6 operating assets in LT  
(22.7k m<sup>2</sup> of GLA)



10 planned projects  
(>24k m<sup>2</sup> of GLA)

## KEY BOND ISSUE TERMS

Issuer	SUTNTIB AB Tewox
Issue size	EUR 35,000,000
Issue size 2 <sup>nd</sup> tranche	Up to EUR 5,000,000 <sup>1</sup>
2 <sup>nd</sup> tranche settlement date	30.10.2024
Final maturity date	06.10.2026 (25 months)
Interest rate	8.50%
2 <sup>nd</sup> tranche yield	8.50%
Offering	Public offering in Lithuania, Latvia and Estonia
Loan to value (LTV) covenant following Bond issue	Tewox Investment company <=50% Tewox related entities (aggregated) <=60%
Arranger and Dealer	Luminor
Legal adviser	Ellex Valiūnas

<sup>1</sup>In accordance with the Terms and Conditions of the Bonds, prior to allocation of the Bonds to the Bondholders and subject to supplements or amendments to the Final Terms, the Issuer may increase or decrease the aggregate principal amount of this 2<sup>nd</sup> Tranche as set out in the Final Terms;  
<sup>2</sup>Aggregated NOI based on 6 months of actual results and the forecast for the next 6 months;

<sup>3</sup>Abbreviations: AUM stands for assets under management; GLA stands for gross leasable area; NOI stands for net operating income;

# Executive summary

## LORDS LB ASSET MANAGEMENT – TEWOX MANAGING COMPANY

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Established in 2008, Lords LB Asset Management is a premier provider of investment management services in the Baltic States.



### ACTIVITY

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Lords LB Asset Management specializes in establishing and managing investment funds across real estate, energy, infrastructure, and private equity. With a team of over 50 professionals in the Baltic region, they operate local offices in Vilnius, Riga, Tallinn, and Warsaw, supported by the expertise of the Vilnius team

Lords LB Asset Management and its managed funds operate under the supervision of the Central Bank of Lithuania.

Management Company provides capital adequacy, portfolio, fund units trading, and other reports on a quarterly and yearly basis.

### LICENSE

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Lords LB Asset Management is a licensed AIFM, which is supervised by the Central Bank of Lithuania.

### AUDITOR

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The Management Company and all of its funds are audited by a Big 4 Company. Auditor of the Management Company until Y24 was KPMG, from Y24 – PWC.

Audited financial reports are open to public and can be found on the Management Company's website [www.lordslb.lt](http://www.lordslb.lt).

### FUNDS

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As of end of 2023, Lords LB Asset Management oversees 14 real estate funds, 1 private capital fund, 2 energy and infrastructure funds, and 3 investment companies, managing over EUR 1,090 million in gross assets.

### INSURANCE

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Lords LB Asset Management and all of its funds are insured with two types of insurance: Private Equity & Venture Capitalist Management Liability and Crime Insurance and Professional Indemnity, Directors' & Officers' Liability and Crime Insurance. Total Insurance amount: 12 mEUR<sup>1</sup>.

<sup>1</sup>The insurance is issued by one of the leading global insurance providers - Howden.

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# Overview of Tewox

## PROFILE

Term	50 years <sup>1</sup>
Investment strategy	Opportunistic
Acquisition target	Commercial real estate
Geography	Baltic Sea Region
Investment profile	Cash flow generating properties / Development Grocery stores / Retail parks Single tenant / Master lease / Grocery-anchored

## RATIONALE & STRATEGY

Stable grocery anchored retail assets	Grocery stores retain customers despite ecommerce trends and market turbulence, ensuring financial stability and investor confidence.
Diversified portfolio	Investing in retail assets across the Baltic Sea Region with major operators; also, the company places strong focus on investments in Poland.
Stable and predictable cash flow	Inflation-tied rents from targeted assets in strategic, high-density locations.
Highly experienced team	Acquisitions follow in-depth due diligence and synergy evaluation. Senior management team has 15+ years of experience.
High shareholder commitment	Lords LB Asset Management shareholders commitment of at least 5 mEUR; shareholders are local high net worth individuals and institutional investors.
Strong compliance	Operating under supervision of the Central Bank of Lithuania and Swedbank acting as the Depositories. Tewox is audited by the Big 4 company.



Tewox asset in Kalisz, Poland



Tewox planned asset in Utena



Tewox asset in Vilnius

<sup>1</sup>By the end of 2027, the Investment Committee will decide on a public listing, changing the Company's status from closed-ended to open-ended, or changing the term to 8 years with a possible 2-year extension.

# Overview of Tewox

**2021 16,090 m<sup>2</sup> of GLA**

Inception 26<sup>th</sup> April 2021  
First share emission

**Acquisitions (+16,090 m<sup>2</sup>):**  
- RP in Kaunas;  
- GS in Alytus & Vilnius.

**2022 33,327 m<sup>2</sup> of GLA**

Issue of 10 mEUR bonds

**Acquisitions (+17,237 m<sup>2</sup>):**  
- GS in Kursenai & Klaipeda;  
- RP in Wroclaw.

Acquisition of land plots in  
Vilnius, Utena, Kretinga  
Construction of the GS in  
Kretinga

**2023 69,270 m<sup>2</sup> of GLA**

Issue of 15mEUR bonds  
Refinance 10mEUR in bonds

**Acquisitions (+35,943 m<sup>2</sup>):**  
- Five RP's in Poland

Acquisition of land plot in  
Ukmerge

Preparation of construction  
projects on acquired land  
plots

**2024<sup>1</sup> 78,410 m<sup>2</sup> of GLA**

Refinance 15mEUR bonds  
with a 16mEUR bond issue

**Acquisitions (+9,140 m<sup>2</sup>):**  
- RP in Lodz;  
- RP in Radom.

Development of projects on  
owned land plots

Further acquisitions of new  
assets are planned

**2025 >110,000 m<sup>2</sup> of GLA**

PLAN

Complete development  
projects totaling up to 13,000  
m<sup>2</sup> GLA

Acquire 4-6 RP properties,  
potentially adding 20,000-  
30,000 m<sup>2</sup> GLA

<sup>1</sup>As of end of September 2024.

<sup>2</sup>Abbreviations: GS – grocery store; RP – retail park.

# Overview of Tewox (1/2)

## FINANCIALS

Consolidated Statement of Profit or Loss, EUR	30 June 2024, Half year <sup>1</sup>	31 December 2023, Full year	31 December 2022, Full year
EBITDA	3,693,531	4,262,385	2,135,508
<b>EBITDA excl. CIU<sup>2</sup> administrative expenses</b>	<b>4,200,985</b>	<b>5,178,711</b>	<b>2,971,632</b>
Adjusted <sup>3</sup> operating profit	5,821,671	6,818,929	1,823,247
Adjusted <sup>3</sup> net profit	2,022,592	3,967,959	877,414
<b>Adjusted<sup>3</sup> total comprehensive income</b>	<b>2,229,815</b>	<b>4,711,289</b>	<b>897,332</b>

## COMPLIANCE

REGULATOR	DEPOSITORY	AUDITOR	ACCOUNTANT
 <b>LIETUVOS BANKAS</b> BANK OF LITHUANIA EUROSYSTEM		KPMG (until Y2024) PWC (from Y2024) 	Ernst & Young 

<sup>1</sup>30 June 2024 results are based on not audited financial statements.

<sup>2</sup>Collective investment undertaking.

<sup>3</sup>Operating profit, net profit, and total comprehensive income have been adjusted to exclude exchange rate variances related to the fair value of investment properties held by the Polish SPVs; the properties are initially valued in euros but are recalculated into Polish zloty in accordance with the functional currency of the Polish SPVs, and subsequently reconverted into euros at the balance sheet date exchange rate, in compliance with IFRS consolidation requirements. The adjusted figures presented herein reflect the change in fair value, denominated in euros, exclusive of any fluctuations attributable to exchange rate movements with respect to the investment properties in question.

## SNAPSHOT

Portfolio related figures	30 September 2024
Total AUM	EUR 146.7m
Operating AUM <sup>5</sup>	EUR 137m
No. of assets	23
NOI yield <sup>4,5</sup>	7.35%
Occupancy rate <sup>5</sup>	98.33%
WAULT <sup>5</sup> (years)	3.63

Leverage related figures	30 September 2024
Tewox <u>standalone</u> LTV	46.54%
Operating SPVs LTV <sup>5</sup>	48.14%
Tewox <u>standalone</u> cost of debt	9.51%
SPVs cost of debt <sup>5</sup>	5.73%
Weighted average maturity of Tewox <u>standalone</u> debt	1.09
Weighted average maturity of SPVs debt <sup>5</sup>	3.66

<sup>4</sup>Metric is based on fair value and represents annualized figures.

<sup>5</sup>Metric only includes operating properties.

# Overview of Tewox (2/2)

## FINANCIALS

Consolidated Statement of Financial Position, EUR	30 June 2024, Half year <sup>1</sup>	31 December 2023, Full year	31 December 2022, Full year
Non-current assets	134,472,108	131,517,887	71,110,500
Current assets	6,645,536	8,705,033	3,964,987
<b>Total assets</b>	<b>141,117,644</b>	<b>140,222,920</b>	<b>75,075,487</b>
Equity	47,352,281	43,976,930	33,136,244
Total non-current liabilities	57,280,154	64,359,451	22,171,950
Total current liabilities	36,485,209	31,886,539	19,767,293
<b>Total liabilities</b>	<b>93,765,363</b>	<b>96,245,990</b>	<b>41,939,243</b>
<b>Total equity and liabilities</b>	<b>141,117,644</b>	<b>140,222,920</b>	<b>75,075,487</b>

## COMPLIANCE

REGULATOR	DEPOSITORY	AUDITOR	ACCOUNTANT
 <b>LIETUVOS BANKAS</b> BANK OF LITHUANIA EUROSYSTEM		KPMG (until Y2024) PWC (from Y2024) 	Ernst & Young 

## SNAPSHOT

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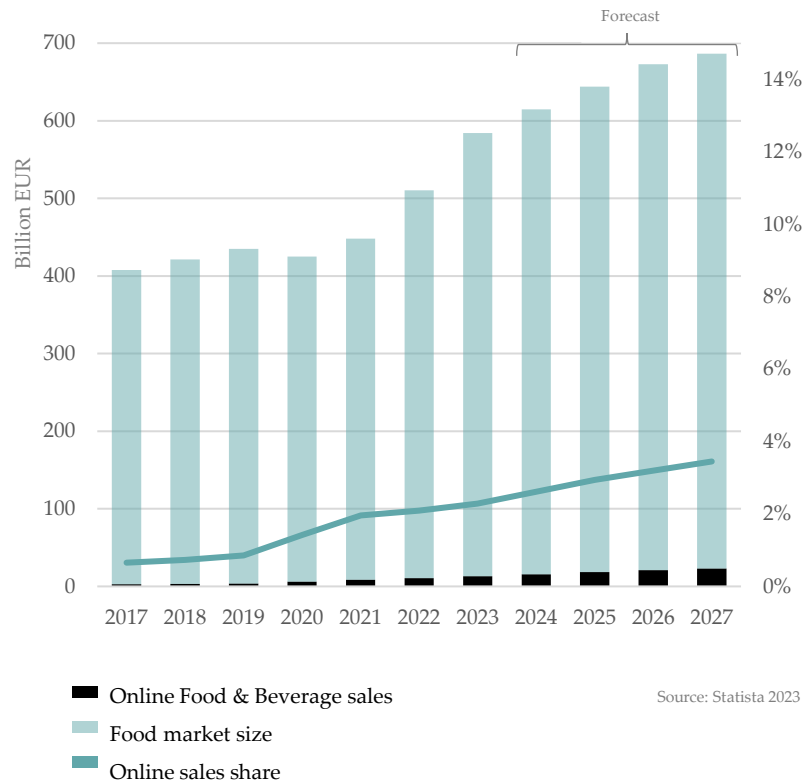
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# Market approach

## BALTIC SEA REGION<sup>1</sup> FOOD SALES TRENDS



<sup>1</sup>Combined Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland, Germany markets

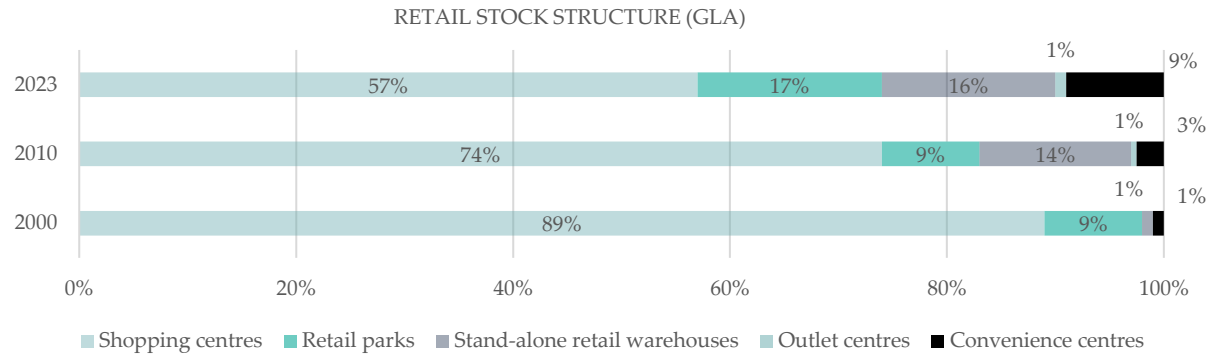
## GROCERY RETAIL MARKET SIZE 2023



Source: Euromonitor 2024

# Market approach

## RETAIL MARKET IN POLAND

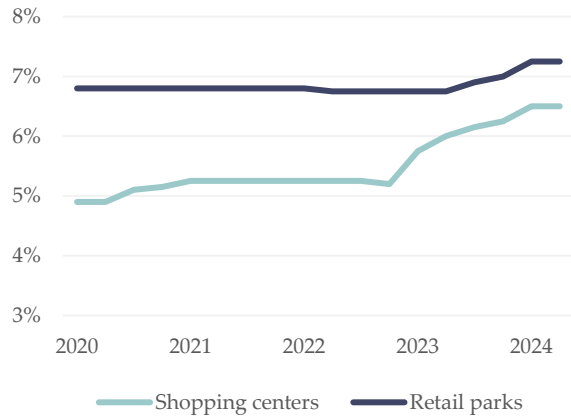


Source: JLL (2024)

According to the CBRE report, value retailers and grocery chains will be the key drivers of demand as consumer spending shifts towards essential items.

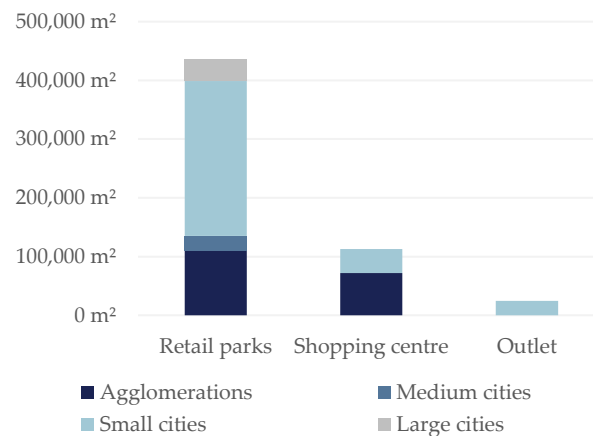
The gap between retail park and shopping center yields has decreased significantly during the past few years.

### SHOPPING CENTERS & RETAIL PARKS YIELD RATES



Source: JLL (2024)

### SPACES UNDER CONSTRUCTION PER RETAIL FORMAT



Source: CBRE (2024)

Retail parks comprised 91% of both new GLA and schemes of completed space in the first half of 2024.

In H1 2024, 76% of the 573,000 sq m retail space under construction is retail parks in Poland.

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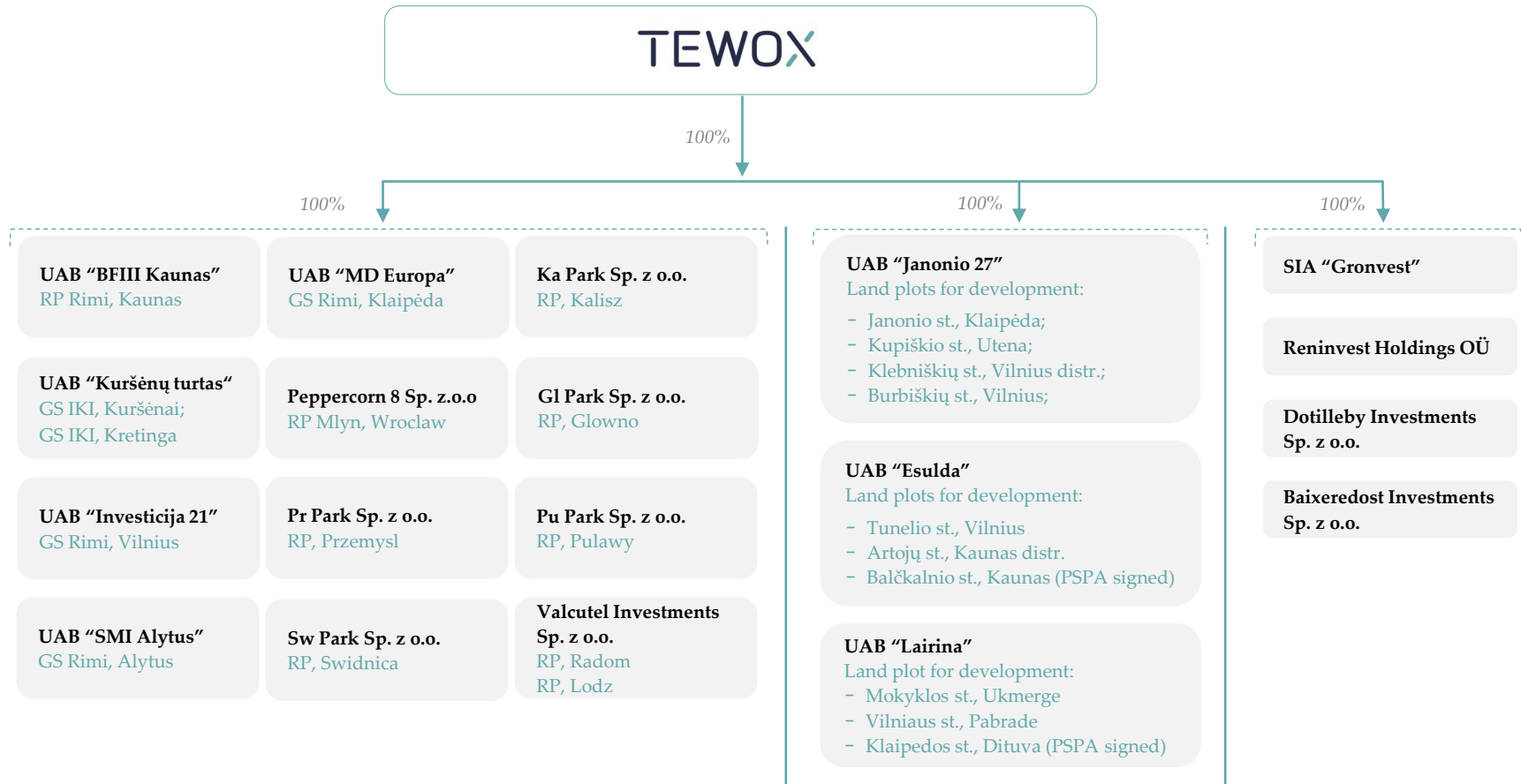
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# Portfolio: SPVs



<sup>1</sup>Abbreviations: GS – grocery store; RP – retail park.

# Portfolio: operating properties (1/2)

## SUPERMARKETS



Alytus, Lithuania, GLA 6,250 m<sup>2</sup>

Klaipėda, Lithuania, GLA 3,239 m<sup>2</sup>



Vilnius, Lithuania, GLA 2,666 m<sup>2</sup>

Kuršėnai, Lithuania, GLA 1,657 m<sup>2</sup>



Kretinga, Lithuania, GLA 1,774 m<sup>2</sup>

## RETAIL PARKS



Wrocław, Poland, GLA 10,567 m<sup>2</sup>

Świdnica, Poland, GLA 10,312 m<sup>2</sup>

Przemysł, Poland, GLA 8,952 m<sup>2</sup>



Kalisz, Poland, GLA 8,020 m<sup>2</sup>

Głowno, Poland, GLA 6,066 m<sup>2</sup>

Łódź, Poland, GLA 5,445 m<sup>2</sup>



Radom, Poland, GLA 3,695 m<sup>2</sup>

Puławy, Poland, GLA 2,593 m<sup>2</sup>

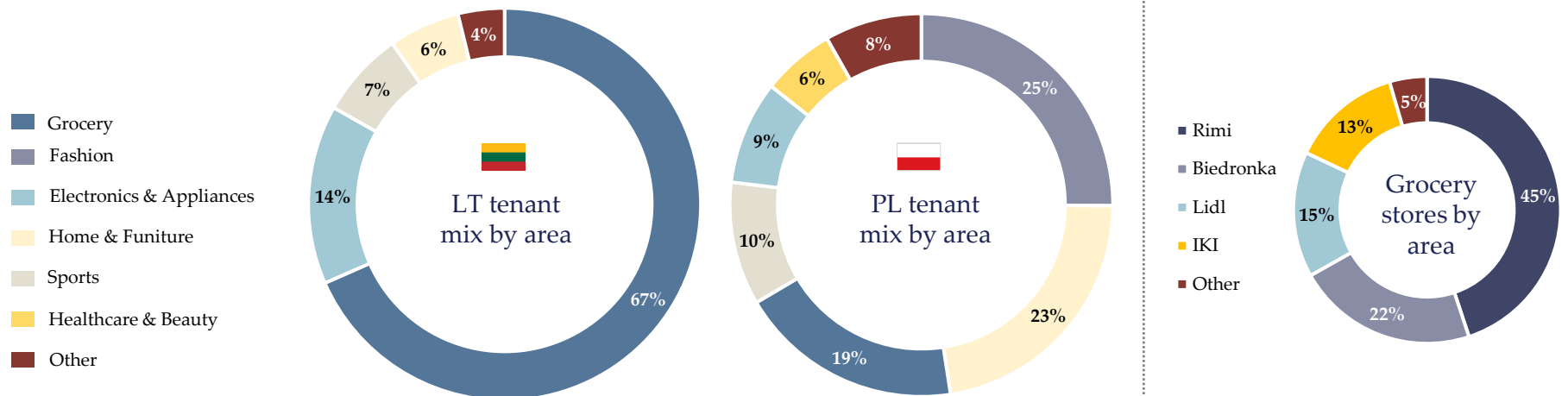
Kaunas, Lithuania, GLA 7,174 m<sup>2</sup>

# Portfolio: operating properties (2/2)

## KEY METRICS

TOTAL GLA	78,410 m <sup>2</sup>	TENANTS	140	WAULT <sup>1</sup>	3.63 (years)
AVERAGE MONTHLY RENT	12.33 EUR/m <sup>2</sup>	VACANCY RATE	1.67%	2024 <sup>2</sup> NOI	9.5 mEUR

## TENANT TYPES & GROCERY BRANDS IN TEWOX OPERATING ASSETS



<sup>1</sup>Metric represents operating properties.

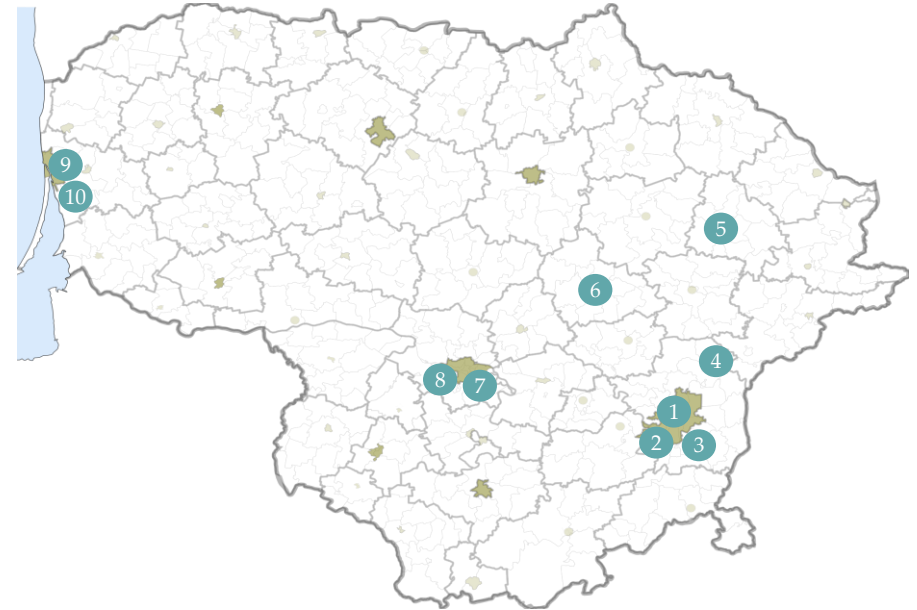
<sup>2</sup>Based on 6 months of actual results and the forecast for the next 6 months.

<sup>3</sup>Abbreviations: GLA stands for gross leasable area; NOI stands for net operating income;

# Portfolio: planned projects

## LAND PLOTS FOR DEVELOPMENT

No.	Location	Size, ha	GLA, sqm <sup>1</sup>	Type <sup>2</sup>	Budget, M EUR <sup>1</sup>
1.	Vilnius	0.50	1,788	GS	3.2
2.	Vilnius	0.74	2,151	GS	3.6
3.	Vilnius dist.	0.51	1,700	GS	2.9
4.	Pabradė	0.88	2,200	GS	3.4
5.	Utena	1.66	4,944	RP	8.7
6.	Ukmergė	1.41	4,400	RP	6.8
7.	Kaunas	0.86	4,300	RP	6.2
8.	Kaunas dist.	1.17	1,952	GS	3.0
9.	Klaipėda	0.63	2,130	GS	5.2
10.	Dituva	1.76	2,000	GS	3.3



## VISUALS OF THE PROJECTS

Vilnius (No. 1)



Vilnius (No. 2)



Utena (No. 5)



Klaipėda (No. 9)



<sup>1</sup>Indicative figures

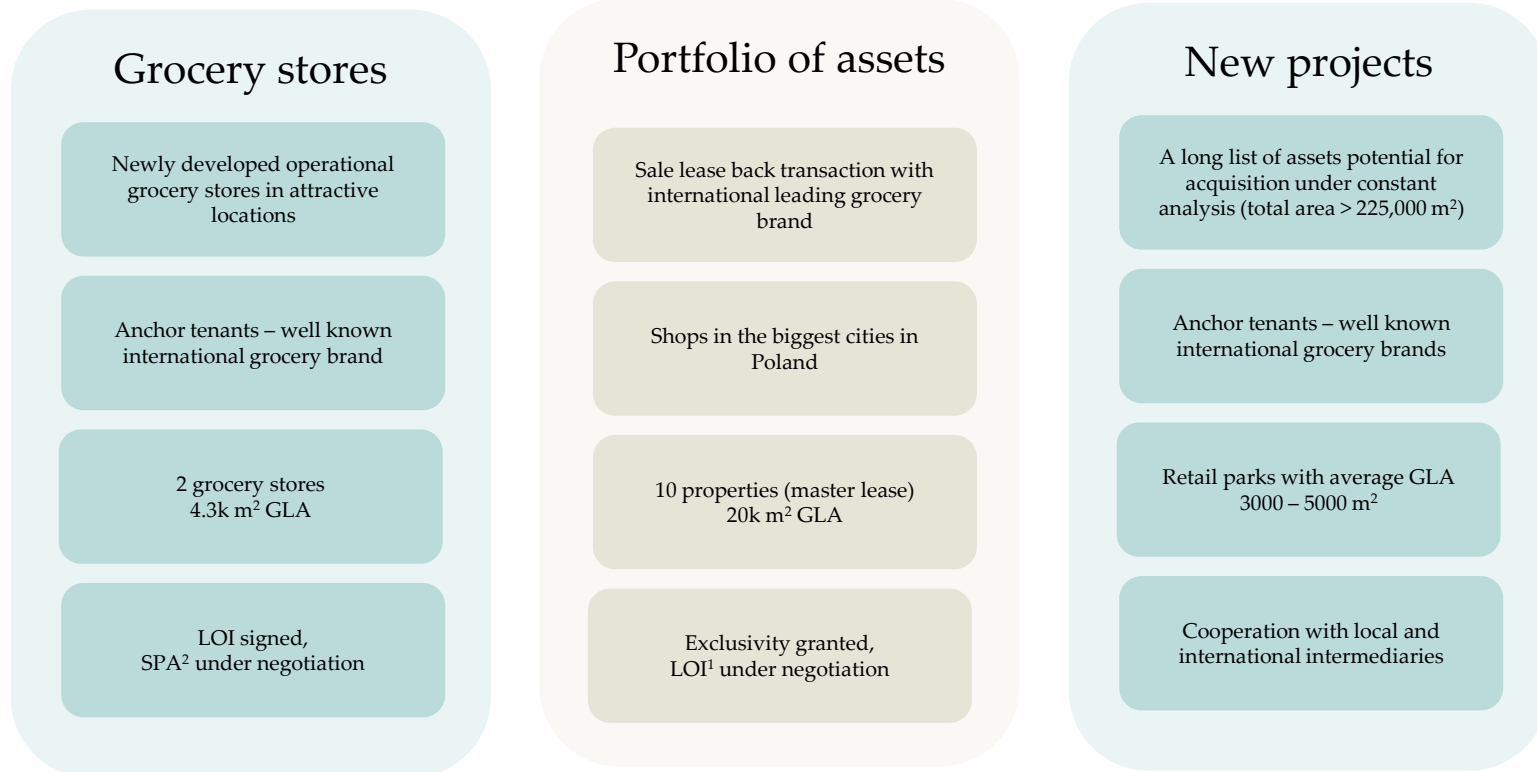
<sup>2</sup>Abbreviations: GS – grocery stores, RP – retail park.

# Portfolio

## ACQUISITION PIPELINE

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Tewox is actively pursuing the following acquisition paths over the next six months.



<sup>1</sup>LOI stands for the letter of intent.

<sup>2</sup>SPA stands for sale purchase agreement.

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# Bond terms and conditions

## GENERAL INFORMATION

Issuer	SUTNTIB AB Tewox
Incorporation country	Lithuania
Co. Reg. nr	305733600
Issuer's group webpage	<a href="https://lordslb.lt/tewox_bonds/">https://lordslb.lt/tewox_bonds/</a>
Type of security	Unsecured
ISIN	LT0000409567
Type of placement	Public offering in Lithuania, Latvia and Estonia
Currency of issue	EUR
Nominal	EUR 1,000.00
Issue size	EUR 35,000,000
2nd tranche size	Up to EUR 5,000,000 <sup>1</sup>
Interest rate	8.50%
2 <sup>nd</sup> tranche yield	8.50%
Coupon payment frequency	Semi-annually
Coupon calculation convention	Actual/actual (ICMA)
2 <sup>nd</sup> tranche settlement date	30.10.2024
Interest payment dates	06.04.2025 / 06.10.2025 / 06.04.2026 / 06.10.2026
Final maturity date	06.10.2026

## LEGAL AND ADMINISTRATIVE

Arranger and Dealer	Luminor
Legal adviser	Ellex Valiunas
Trustee	Audifina
Registrar	Nasdaq CSD SE Lithuanian branch
Governing law	Lithuanian
Documentation language	English
Standard of the financial statements	Tewox – IFRS Tewox group of companies – local GAAP
Use of Proceeds	Financing acquisitions, development of grocery centres and retail parks, refinancing previously issued bonds and debt outstanding.
Loan to value (LTV) covenant following Bond issue	Tewox Investment company <=50% Tewox related entities (aggregated) <=60%
Early redemption	Early Redemption Date may occur no earlier than 3 (three) months prior to the Final Maturity Date.

<sup>1</sup>In accordance with the Terms and Conditions of the Bonds, prior to allocation of the Bonds to the Bondholders and subject to supplements or amendments to the Final Terms, the Issuer may increase or decrease the aggregate principal amount of this 2<sup>nd</sup> Tranche as set out in the Final Terms.

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# Risks factors (1/4)

## **RISKS RELATED TO THE COMPANY**

### **FINANCIAL RISKS**

#### **INVESTMENT PROJECTS' SUCCESS RISK**

The Company's investment success is highly dependent on the Management Company's decisions and experience of the Management in relation to planning of investments, negotiations with counterparties, etc. Considering that even one unsuccessful investment can have a significant negative impact on the Company's financial performance and results, the Management Company's employees invoke all available information and analytic resources when planning investments, thorough due diligence procedures are carried out, however, there is no guarantee, that all information based on which the investments in the real estate projects are made is exhaustive and error free or there will be no other unpredictable external events with impact on the real estate market and Company's investment projects.

Therefore, there is a risk that the key variables regarding which investments assumptions are made could significantly and negatively change and adjustments to the initial calculations might be required consequently reducing overall profitability of the Company's investment portfolio and affecting the Company's activities, financial situation, and ability to redeem the Bonds.

#### **TENANTS' RISK**

The Company's strategy is to lease the real estate objects for the highest possible price. Even though rent is usually paid on time by tenants (tenants' obligations not fulfilled on time according to the latest Audited Consolidated Financial Statements as of 31 December 2023 amounted to EUR 166,652, EUR 73,052 of which are not overdue receivables and EUR 93,600 was overdue). Accordingly, the total amount of receivables represented 2.03% of the Company's total income from tenants and the overdue amount represented 1.14% of the Company's total income from tenants. Therefore, the amounts not paid by the tenants on time do not have a significant impact on the Company's activities), there is a risk that changed economic conditions and/or economic downturn would cause tenants defaults. This would negatively affect the Company's profit and cash flows. As a result of non-fulfilment of a large part of obligations on time by tenants, the Company's normal business activities may be disrupted, additional sources of financing may have to be sought, which may not always be available. The Company may face the problem of non-reimbursed costs of constant tenants if it fails to obtain the expected rental income or to maintain a high occupancy rate of the buildings. This risk may occur from significant increase in the supply of rental premises and decrease in demand, resulting in a fall in rental prices.

If it is not possible to rent the premises at the expected prices or volumes, if the existing tenants terminate the lease agreements, the Company's income could decrease, without any change in fixed costs. The Company's profits would decrease accordingly, and this might affect the Company's ability to redeem the Bonds.

#### **LIQUIDITY RISK**

Liquidity risk is the risk that the Issuer is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due and to redeem the Bonds. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Issuer to meet its payment obligations in cash, whether scheduled or unscheduled. There may be difficulty in the future in accessing the financial markets, which could make it more difficult or expensive to obtain funding. There can be no assurance that the Company will be able to continue to raise financing at a reasonable cost, or at all. The Company may also be subject to solvency risks of its counterparts in its financial investments and arrangements. These may have an adverse effect on the Group's business, financial condition and results of operations. Although the Management Company monitors its liquidity position and follows procedures to manage liquidity risk, a reduction in the Company's liquidity position could have a material adverse effect on the Company's business, financial condition, results of operations or prospects, as well as ability to redeem the Bonds at their maturity.

In evaluating the liquidity risk, it is notable that the Company's consolidated financial statements for the year ended 31 December 2023 were prepared on a going concern basis. As of 31 December 2023, the Group's current liabilities exceeded current assets by EUR 23,181,000. The audit company, in its report on these financial statements, highlighted this matter and the going concern assumption. However, it should be noted that the going concern assessment was based on assumptions that the Group would successfully issue a non-public one-year bond of EUR 10,000,000 and a second non-public two-year bond of approximately EUR 16,000,000 in 2024 to refinance its current liabilities. The Management concluded that no material uncertainties exist regarding the Group's ability to continue as a going concern. The audit company did not modify its opinion on the consolidated financial statements for the year ended 31 December 2023 concerning this issue. Nevertheless, as correctly anticipated by the Management, the Company issued EUR 9,974,000 in bonds (ISIN LT0000313603) in early 2024, with a maturity date of 12 February 2025. Therefore, the remaining assumption hinges on the success of the Offering based on this Prospectus.

## **BUSINESS ACTIVITIES AND INDUSTRY RISKS**

### **REAL ESTATE MARKET RISK**

Since the Company's main business is management and development of real estate projects, negative developments in the Company's target markets – the Baltic States and Poland, could have a negative impact on both real estate market prices and market transaction volume.

Due to the constantly changing market situation (as presented in the chart below, including increase in geopolitical risks caused by the Russia's war in Ukraine), there is a risk that the Company's investments may lose their value or the anticipated Company's investment projects may have to be reconsidered and/or postponed. The fluctuations in the real estate market may reduce the rental income received by the Company and the liquidity and value of the assets.

The real estate market can also fluctuate significantly due to increased interest rates and reduced financing options. This can lead to a decrease in buyers' activity in the market and an increase in sellers' activity in the market. This would lead to a decrease in asset prices and a drop in liquidity. In essence, it would become more difficult to sell assets owned by the Company.

Moreover, because of the economic processes in Lithuania and internationally, the Company's target clients may slow their expansion and growth plans, thus interest in the Company's properties and services may decrease and it may be difficult to find suitable tenants or buyers of developed properties.

### **INFLATION RISK**

Inflation and significant changes in inflation negatively affect the economy. The lease agreements of the assets owned by the Company (Group) may not always be indexed or not adjusted exactly according to inflation, so there remains a risk that inflation may have a negative impact on the Company's (Group's) rental return.

\*Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Company and the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

# Risks factors (2/4)

## **INFLATION RISK**

Additionally, geopolitical tension and accelerating inflation significantly impact consumer spending habits. In response to the rising cost of living, consumers are cutting their overall expenditure, reducing spend on non-essential items and focus on saving. Because of changes in households' behaviour, turnover of the Group's tenants may be lower than in stable economy. Lower turnover of tenants may directly affect the Group's financial situation as usually the rent fees are determined according to turnover of the tenants.

## **COMPETITION RISK**

Based on the geography and nature of business activities of the Company, no direct competition is identified as of the day of this Prospectus. Nevertheless, competition in separate business lines, as well as appearance of competition in the future in business of the management and development of retail orientated real estate properties such as retail parks or grocery shopping centers where the Group operates may have adverse effect on the results of operations and profitability of the Company and the Group.

Competing properties might be developed and decrease demand for the Group's developed real estate properties and services. Increased competition might affect the Company's profitability as the Company would have to make concessions to retain or attract tenants which in turn could affect the Group's profitability and result in worse financial performance of the Group and the Company.

## **LEGAL RISKS**

### **RISK OF LEGAL DISPUTES**

Even though the Company is not involved in any legal proceedings at the moment, the Company cannot provide any assurance that there will not be any disputes with its tenants or other counterparties, the outcome of which cannot be predicted in advance. In unlikely situation where dispute is resolved in the manner unfavourable to the Company, this could adversely affect its operations, financial condition, and reputation as the Company may be required to pay damages awarded, including the legal costs of the opponent (the Issuer itself would also incur legal costs). All of this can have an impact on the Company's ability to properly perform its obligations to the investors, and on the attractiveness and liquidity of the Bonds.

### **GOVERNANCE AND INTERNAL CONTROL RISKS**

### **MANAGEMENT AND HUMAN RESOURCES RISK**

As the Company's (and indirectly the whole Group's) management is transferred to the Management Company, the Group's results depend on

the Management Company's team and their decisions, and on the competence and experience of the team members.

The Group's success and its ability to carry out its growth initiatives depend on qualified executives and employees, in particular certain executive officers of the Management Company and employees with special expertise in the development, financing, operation and maintenance of projects. Given their expertise in the industry, their knowledge of the Group's business processes and their relationships with the Group's local partners, the loss of the services of one or more of these individuals could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Furthermore, as the Group expands its operations, portfolio and geographic footprint, the Group's operating success and ability to carry out its business plan depend in a large part upon the Management Company's ability to attract and retain additional qualified personnel who have specific technical or industry expertise, including people in the locations where the Group has operations.

The Management Company is also routinely required to assess the business, financial, legal and tax impacts of the complicated business transactions that the Group enters, whether in connection with evaluating and developing new projects or overseeing asset construction and operation.

The Management Company's failure to attract additional workforce or promptly appoint qualified and effective successors for employees who have left or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

## **RISKS RELATED TO THE BONDS**

### **GENERAL RISKS**

#### **INFLATION RISK**

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

#### **REFINANCING RISK**

The Company may be required to refinance certain or all of its outstanding debts, including the Bonds. Up to date of this Prospectus

Company's bonds amounting to EUR 24,974,000 remain outstanding: EUR 15,000,000 bonds (ISIN LT0000407785) with a maturity date of 7 September 2024 and EUR 9,974,000 bonds (ISIN LT0000313603) with a maturity date of 12 February 2025. The Company plans to redeem the bonds with funds generated by operating Subsidiaries and funds raised from the issuance of new Bonds on a basis of this Prospectus. The Company's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. In unfavourable debt capital market situation, the Company's access to financing sources at a particular time may not be available on favourable terms, or at all. The Group's level of indebtedness presents a number of risks to its financial condition, including the following: certain of the Company's borrowings are at variable rates of interest, exposing the business to the risk of increased interest rates; and if due to liquidity needs the Company must replace any borrowings upon maturity, the business would be exposed to the risk that it would be unable to do so as the result of market, operational or other factors. The Company's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Company's operations, financial condition, earnings and on the Bondholders' recovery under the Bonds.

The Company plans to use bank loan (although no negotiations regarding the terms of the loan have commenced at this time), equity, investment proceeds or proceeds from another bond issue as the main source for the redemption of the Bonds (the proportions may change, therefore the Company decided not to list them). The Issuer's preventative actions and/or anticipated plans on refinancing of the Bonds described above does not guarantee that the Company will be able to redeem the Bonds as anticipated on the day of the Prospectus and that Bondholders will recover their planned investments.

#### **INTEREST RATE RISK**

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

\*Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Company and the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

# Risks factors (3/4)

## **CREDIT AND DEFAULT RISK OF THE COMPANY**

An investment in the Bonds is subject to credit risk, which means that the Company may fail to meet its obligations arising from the Bonds duly and in a timely manner. The Company'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 Company, which are subject to other risks described in this Prospectus. In case of insolvency of the Company, there is a risk that the Bondholders would not receive any payments, related to the Bonds or part thereof.

The Company is not guaranteeing that no default under this Prospectus will occur until the Final Maturity Date of the Bonds, therefore the investors shall independently assess the Issuer's creditworthiness before investing into the Bonds.

## **INTEREST RATE RISK**

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

## **CREDIT AND DEFAULT RISK OF THE COMPANY**

An investment in the Bonds is subject to credit risk, which means that the Company may fail to meet its obligations arising from the Bonds duly and in a timely manner. The Company'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 Company, which are subject to other risks described in this Prospectus. In case of insolvency of the Company, there is a risk that the Bondholders would not receive any payments, related to the Bonds or part thereof.

The Company is not guaranteeing that no default under this Prospectus will occur until the Final Maturity Date of the Bonds, therefore the investors shall independently assess the Issuer's creditworthiness before investing into the Bonds.

## **NO LIMITATION ON ISSUING ADDITIONAL DEBT**

The Company is not prohibited from issuing further debt instruments. If the Company incurs significant additional debt of an equivalent seniority with the Bonds, it will increase the number of claims that would be equally entitled to receive the proceeds, including those related to the Company's possible insolvency. However, please note that the borrowed

capital (including any consolidated loans from the Subsidiaries) shall not exceed 80% of the market value of the Company's assets as at the date of the loan (similar debt) agreement. However, it shall be noted that only paid and issued Bonds under this Prospectus shall be considered when calculating said ratio. As of the end of June 2024, the ratio was less than 68%.

## **UNSECURED BOND ISSUE**

Investors should be aware that the Bond Issue is unsecured. This means that the Bonds are not backed by any collateral, such as property or other assets. In the event that the Issuer faces financial difficulties or bankruptcy, Bondholders will not have a claim to any specific assets of the Issuer. Instead, they will be treated as general creditors, ranking behind any secured creditors who have a prior claim on the Issuer's assets and the payment obligations of the Issuer under Issue together with interest thereon shall rank at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## **EARLY REDEMPTION RISK**

According to the Terms and Conditions of the Offering established in the Prospectus, the Bonds may be redeemed prematurely on the initiative of the Company. If the early redemption right is exercised by the Company, the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor.

Moreover, there is no guarantee by the Company that Extraordinary Early Redemption Event will not occur, therefore in case of the occurrence of the Extraordinary Early Redemption Event the Bonds will have to be redeemed by the Company following the procedure established in the Prospectus and the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor.

## **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 Prospectus.

Natural persons who are Lithuanian tax residents shall consider that if the Issue Price of the Bond of certain Tranche would be higher than the

Nominal Value of the Bond, the Nominal Value received after the Bond is redeemed by the Issuer should not be treated as income of the natural person. However, for personal income tax purposes, the difference between the Issue Price and the Nominal Value, i.e., loss, will not reduce the interest received or any other taxable income of the natural person.

Moreover, changes to the laws and legal acts applicable in the Republic of Lithuania 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.

## **OFFERING AND ADMISSION TO TRADING ON THE BOND LIST OF NASDAQ RELATED RISKS**

### **THERE IS NO ACTIVE TRADING MARKET FOR THE BONDS**

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If a market does develop, it may not be very liquid. Therefore, no liquidity of any market in the Bonds can be assured; nor the ability of the Bondholders to sell their Bonds or the prices at which they would be able to sell their Bonds.

It is possible that the market for the Bonds will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on the Bonds, regardless of the Company's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Bonds.

Even though the applications will be made for admission of the Bonds to trading on the Bond List of Nasdaq, there can be no assurance that such applications will be accepted by Nasdaq, that any particular Tranche of the Bonds will be admitted or that an active trading market will develop. In addition to that, the Bond List of Nasdaq, compared to other international debt securities markets, is characterised by relatively low liquidity and limited secondary trading. Therefore, the Bondholders might bear a loss due to not being able to sell the Bond or having to sell them at an unfavorable price.

\*Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Company and the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

# Risks factors (4/4)

## **BONDS MAY NOT BE APPROPRIATE TO SOME INVESTORS**

The Bonds may be not an appropriate investment to some investors. Each potential investor into the Bonds should assess appropriateness of the investment taking into account all relevant personal circumstances, reserve of sufficient financial resources and liquidity to bear all the risks of investing in the Bonds or holding the Bonds to maturity, including losing all or a substantial amount of the capital invested, unless the Bonds are subscribed through the Exchange Members or Distributors that shall initially evaluate the appropriateness of the Bonds to the investor and the investor shall base its decision to invest in the Bonds on the provided outcome. In particular, each potential investor should: (i) 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 Prospectus or any applicable supplement; (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 such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of 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 behavior of any relevant indices and 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. The potential investor shall be aware, that the Issuer itself is not obliged and will not carry out the assessment, whether the Bonds are a suitable financial product for the investor (although such assessments will be performed by the Exchange Members or Distributors, in any case such assessment(s) may have a different scope and produce a different result), therefore subscription of the Bonds through the Issuer directly may lead to the fact that lack of knowledge or assessment of the appropriateness by the investor itself will lead into not appropriate investment.

## **CANCELATION OF THE OFFERING**

This Offering is subject to the sole discretion of the Issuer. The Issuer reserves the right to cancel the Offering of any Tranche carried out under the respective Final Terms at any time prior to the Issue Date of that Tranche, for any reason, and without any permissions of the investors and/or Trustee. Prospective investors should be aware that the decision to cancel the Offering of any Tranche conducted under the respective Final Terms may be influenced by various factors, including market conditions, regulatory considerations, or other unforeseen circumstances. In the event of the cancellation of the Offering of a particular Tranche, placed

Subscription Orders will be disregarded, and any payments made in respect of the submitted Subscription Orders will be returned without interest or any other compensation to the investors. Moreover, if the Offering of a Tranche is cancelled, the Issuer shall not be liable for any costs, damages, or losses incurred by prospective investors, including but not limited to expenses related to due diligence, legal, or other professional fees.

## **CONTINUOUS OFFERING**

Although the Company plans to issue whole Issue up to total EUR 35,000,000 amount on a basis of this Prospectus, it may happen, that the Company will not issue anticipated units of Bonds under this Prospectus and associated Final Terms and the Company will have to prepare another base prospectus for the remaining part of the Issue. There is a risk that such new prospectus won't be approved by the Bank of Lithuania (or won't be approved under the same rules) and therefore new base prospectus won't be published (or will be published with material changes). Both situations would have significant influence on the amount of total proceeds from the Bonds, continuance of the Company's growth strategy and investment projects, financial stability of the Company and the amount of Bonds available in the market.

\*Each prospective investor in the Bonds should thoroughly consider all the information in the Prospectus and this presentation, including the risk factors described. Any of the risk factors described in the Prospectus, or additional risks not currently known to the Management or not considered significant by the Management, could have a material adverse effect on the business, financial condition, operations or prospects of the Company and the Group and result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds.

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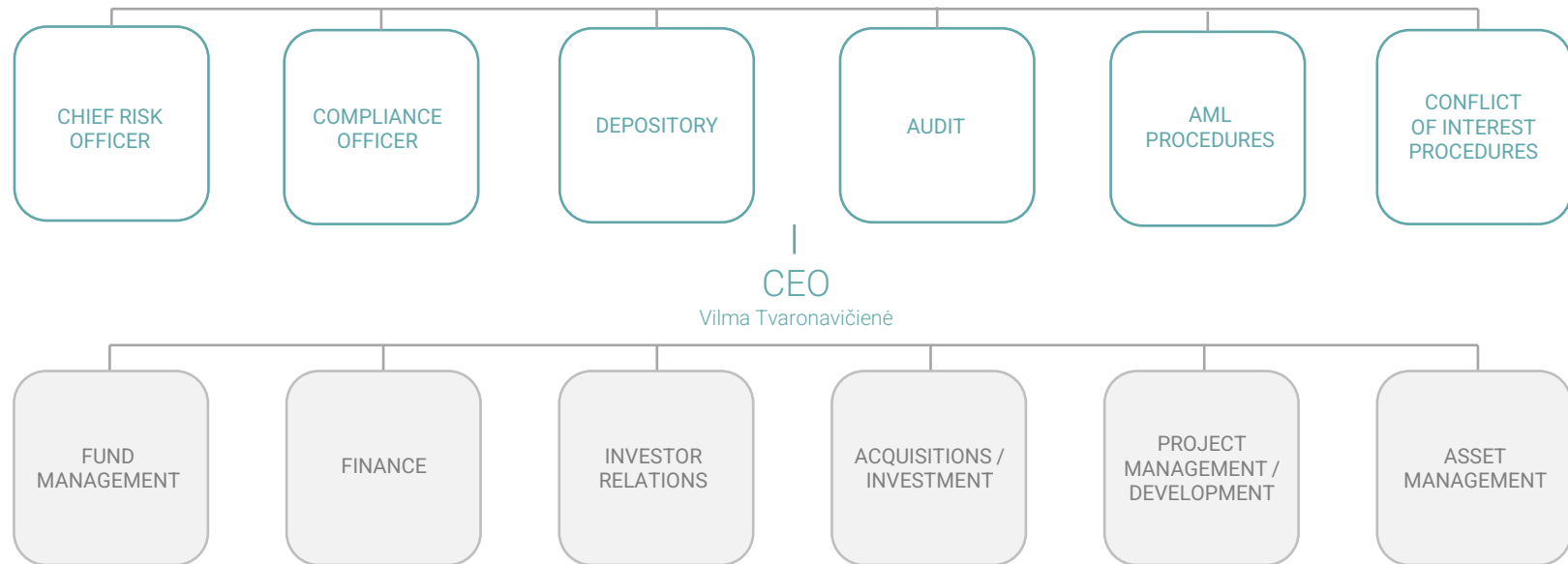
# Structure

THE MANAGEMENT COMPANY:

## MANAGEMENT BOARD

(2023.04.01 – 2027.04.01)

Jan Litborn (Chairman)  
Mindaugas Marcinkevičius  
Andrius Stonkus  
Antanas Vainauskas  
Giedrius Bernotas



# Structure



**ANDRIUS STONKUS**

Board member, Founder and Owner

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 a number of financial and management positions at Prime Investment. During his career Mr. Stonkus was managing and participating in RE transactions totalling EUR 1 billion.

Mr. Stonkus holds a Bachelor degree in Banking from Vilnius University and has taken various courses in finance and analysis.



**MINDAUGAS MARCINKEVIČIUS**

Board member, Owner

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

For 10 years he was a Chairman of Akropolis, the largest and most successful shopping centre developer in the Baltics with operations in Lithuania, Latvia, Estonia and Bulgaria. Under Mr. Marcinkevičius' management, Akropolis developed over 250.000 m<sup>2</sup> of flagship retail & office space which has been recognized as the most valuable commercial real estate assets in Lithuania.

Mr. Marcinkevičius holds Master's degree in Real estate valuation and management from Vilnius Gediminas Technical University.



**ANTANAS VAINAUSKAS**

Board member, Owner

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

Mr. Vainauskas has been a board member of various companies in one of the largest business groups in Lithuania, SBA Concern, whose activities concentrate on 4 business areas – furniture, apparel, business centres and energy.

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

# Structure

## Tewox management team



PAULIUS  
NEVINSKAS

KRISTIJONAS  
GRIGAITIS

JAN  
WALACH

## Tewox supporting team



VILMA  
TVARONAVIČIENĖ

KIRILAS  
KUNDUŠAS

GIEDRIUS  
ŽILINSKAS

MONIKA  
MUKOVOŽIENĖ

RASA  
BARTUSEVIČIENĖ

DANA  
ČESUNĖ

POSITION	Investment Company Manager	Deputy Investment Company Manager	Investment Manager Poland	CEO	Finance Director	Chief Risk Officer	Compliance Officer	Investor Relations Manager	Investor Relations Manager
JOINED	2024	2022	2023	2011	2022	2021	2020	2018	2023
PROFESSIONAL EXPERIENCE	20 years	6 years	12 years	23 years	15 years	10 years	9 years	21 years	16 years
CAREER HIGHLIGHTS	VP group, SBA group	KN Energies	Savills	Achema group	PwC, EY	Danske Bank	Lewben	Swedbank	SEB Bank

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# Contacts



TEWOX

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