FINAL TERMS OF THE BONDS

12 March 2024

CLOSED-END INVESTMENT COMPANY FOR INFORMED INVESTORS
UAB "CAPITALICA Z114 REAL ESTATE FUND"

Issue of EUR 4,000,000 Bonds
under the EUR 17,600,000 Bond Programme (being a part of total EUR 20,000,000 Issue)

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Company's base prospectus drawn up by the Company, dated 5 March 2024 (the **Prospectus**) and Terms and Conditions which are provided therein. Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Prospectus and Terms and Conditions. The Prospectus (including all its supplements (if any)) is and will be available for acquaintance at the Issuer's website (www.capitalica.lt)). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Bonds.

The Bonds are issued based on the decision of the Management Board of the Management Company dated 13 December 2023 and the decision of the shareholders of the Issuer dated 13 December 2023.

A summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	Closed-end investment company for informed investors UAB "CAPITALICA Z114 REAL ESTATE FUND"
2.	Number of Tranche	1
3.	Maximum Aggregate Nominal Value of the Programme	EUR 17,600,000 (being a part of total EUR 20,000,000 Issue)
4.	Maximum Aggregate Nominal Value of the Tranche	EUR 4,000,000
5.	Maximum Aggregate Nominal Value of the Tranche for offering through the Auction	EUR 4,000,000
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	EUR 1,022.8648
9.	Minimum Investment Amount	EUR 1,022.8648
10.	Issue Date	26 March 2024
11.	Final Maturity Date	29 June 2026
12.	Redemption/Payment Basis	Redemption at par

13.	Interest		
	(i) Interest Payment Dates		29 June 2024, 29 December 2024, 29 June 2025, 29 December 2025, the Final Maturity Date, or, if applicable, Early Redemption Date or Early Maturity Date.
	(ii) Interest Rate		6% – fixed part of the interest rate; 3.955% – 6M EURIBOR (variable part of the interest rate to be reset 3 Business Days before the nearest Interest Payment Date indicated in point above); Cumulative interest (fixed + variable) – 9.955% (6% + 3.955%).
	(iii) Interest calculation method		30E/360 day count convention
14.	Record Date		Third Business Day before the Interest Payment Date, Final Maturity Date, Early Redemption Date or Early Maturity Date, whichever is relevant**.**
15.	Yield		10% per annum.
16.	Offering jurisdictions		The Republic of Lithuania, Estonia and Latvia
17.	Subscription Period		13 March 2024 – 22 March 2024
18.	Payment Date		26 March 2024 (Delivery versus Payment)
19.	ISIN code		LT0000408551
20.	Expected date of Admission to trading on the First North		Within 6 months as from placement of the Bonds of the first Tranche the latest.
21.	Placing and underwriting		Not applicable
22.	Subscription channels		I. Subscription by way of an Auction through Nasdaq where the Subscription Orders shall be accepted by the Exchange Members.

Signed on behalf of UAB "CAPITALICA Z114 REAL ESTATE FUND"

Mindaugas Liaudanskas
CEO of the Management Company
UAB “CAPITALICA ASSET MANAGEMENT”

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Date: 12 March 2024

SUMMARY

This Summary (the **Summary**) is a brief overview of the information disclosed in the base prospectus (the **Prospectus**) dated 5 March 2024 in connection with the public offering (the **Offering**) of up to EUR 17,600 bonds with the nominal value of EUR 1,000 each (the **Bonds**) (being a part of total EUR 20,000,000 issue (the **Issue**) of a closed-end investment company for informed investors UAB "CAPITALICA Z114 REAL ESTATE FUND" (the **Company** or **Issuer**) during the period of up to 12 months in separate series (the **Tranche**).

This Summary has been appended to the final terms applicable to the Bonds issued in the first Tranche (the **Final Terms**) and is, therefore, specific to the Bonds of the first Tranche. Information given in this Summary has been presented by the Company as at the registration of the Prospectus, unless otherwise stipulated. Terms used in this Summary shall have the meanings assigned under the Prospectus, unless stated otherwise.

1. INTRODUCTION AND WARNINGS

1.1. Name and ISIN of the Bonds

EUR 6.00 + 6 EURIBOR UAB CAPITALICA Z114 REAL ESTATE FUND OBLIGACIJOS 23-2026 with ISIN LT0000408551.

1.2. Identity and contact details of the Issuer, including its LEI

Closed-end investment company for informed investors UAB "CAPITALICA Z114 REAL ESTATE FUND" is a private limited liability company established and existing under the laws of the Republic of Lithuania (including, but not limited to the Law on Companies of the Republic of Lithuania, Civil Code of the Republic of Lithuania, the Law on Collective Investment Undertakings for Informed Investors of the Republic of Lithuania, etc.), legal entity code 305198076, registered address at Žalgirio st. 114, Vilnius, the Republic of Lithuania.

Contact details: tel. No +370 612 30260, e-mail info@capitalica.lt.

Issuer's LEI is 89450045YHYZZHDH8551.

1.3. Identity and contact details of the competent authority approving the Prospectus

The Prospectus has been approved by the Bank of Lithuania, as competent authority under the Prospectus Regulation, with its head office at Gedimino ave. 6, LT-01103 Vilnius, the Republic of Lithuania and telephone number: +370 800 50 500.

1.4. Date of approval of the Prospectus

The Prospectus was approved on 5 March 2024.

1.5. Warning

(i) This Summary has been prepared in accordance with Articles 7 and 8 of the Prospectus Regulation and should be read as an introduction to the Prospectus.
(ii) Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.
(iii) Any investor could lose all or part of their invested capital or incur other costs, related to disputes with regard to the Prospectus or Bonds.
(iv) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

2.1.1. *Domicile, legal form, LEI, jurisdiction of incorporation and country of operation*

The Issuer is incorporated in the Republic of Lithuania with its registered office at Žalgirio st. 114, Vilnius, the Republic of Lithuania and its LEI is 89450045YHYZZHDH8551. The Issuer is incorporated and registered as a private limited liability company in the Register of Legal Entities of the Republic of Lithuania with legal entity code 305198076. The information about the Issuer and the Offering can be found at www.capitalica.lt.

2.1.2. *Principal activities*

In July 2022, following the Bank of Lithuania's approval for the Company to operate as an investment company, the Company's management was transferred to the Management Company – UAB "CAPITALICA ASSET MANAGEMENT". According to the Articles of Association of the Company, the Company's goal is to ensure the long-term growth of the Company's return to shareholders by making investments in the Project – building a business center at Žalgirio st. 114, Vilnius, the Republic of Lithuania, where the positive return will be ensured by leasing office space and selling the Project until the liquidation and deregistration of the Company. The Company's geographic presence is limited to the Republic of Lithuania and the Company's real estate portfolio consists of the Building under reconstruction.

Under current market conditions the developed and fully leased office Building would generate annually EUR 1.8 million of net operating income. The Issuer plans to redeem the Bonds with the proceeds from the sale of the Building.

2.1.3. *Major shareholders*

The registered and fully paid-in share capital of the Company is EUR 5,619,068 which is divided into 5,619,068 ordinary shares (the **Shares**) with the nominal value of EUR 1. One Share carries one vote in the general meeting of shareholders.

The Company is being managed by UAB "CAPITALICA ASSET MANAGEMENT" (legal entity code 304234719, registered address at Upės st. 21-1, Vilnius, the Republic of Lithuania) (the **Management Company**).

The shareholders holding directly over 5% of all Shares in the Company are the following:

No.	**Name of shareholder**	**Number of Shares**	**Proportion** (rounded)	**Ultimate Beneficial Owner(s)**
1.	UAB "CAPITALICA ASSET MANAGEMENT" (Management Company of the Issuer)	104 300	1,6%	Andrius Barštys and Arūnas Martinkevičius
2.	Open-end investment fund for informed investors Multi Asset Selection	729 142	12,8%	Adomas Kaveckas (as the manager of the fund assigned by its management company Aggressive capital, UAB)
3.	UAB "RGK Invest"	729 142	12,8%	Raimondas Gintautas Kriūnas
4.	UAB Darius Zubas Holding	729 142	12,8%	Darius Zubas
5.	UAB TABA Invest	729 142	12,8%	Tautvydas Barštys
6.	UAB "LTU INVEST"	2 598 200	46,24%	Donatas Karosas

2.1.4. *Key managing directors*

The Company is a collective investment undertaking the management of which is delegated to the Management Company – UAB “CAPITALICA ASSET MANAGEMENT“. The Company does not have management bodies and the rights and duties of the Management Board and General Manager prescribed in the Law on Companies of the Republic of Lithuania are performed by the Management Company.

2.1.5. *Identity of the independent auditor*

The Company’s audited financial statements for the year ended 31 December 2022 (the **Audited Financial Statements**) were prepared in accordance with the Lithuanian Financial Reporting Standards (**LFAS**) and audited by the audit company Ernst & Young Baltic UAB, legal entity code 110878442, registered address at Aukštaičių st. 7, Vilnius, the Republic of Lithuania. The auditor Jonas Akelis is the independent auditor of the Audited Financial Statements for the year ended 31 December 2022.

2.2. What is the key financial information regarding the Issuer?

The Issuer is a limited liability company aimed at the Project development, and as the Project is at development and reconstruction stage, at the moment of the approval of the Prospectus the Company does not have any revenue generated from the Project. The Company use its debt and equity financing exclusively strictly for the development and construction of the Project.

The Company’s Audited Financial Statements for the year ended 31 December 2022 and the unaudited interim financial statements of the Company for the 12-month period ended 31 December 2023 (the **Unaudited Interim Financial Statements** and together with the Audited Financial Statements, the **Financial Statements**) were prepared in accordance with the LFAS.

The Company changed its accounting policy for investment property in 2022. The auditors of the Audited Financial Statements for the year ended 31 December 2022 have assessed the change in accounting policy (fair value accounting for investment property) and the comparative figures (2021) have also been restated accordingly in line with the adjustments to the accounting policy. The change was made retrospectively and therefore the change in accounting policy is reflected in the comparative figures for 2021. The audit report for the financial year ended 31 December 2022 contains a disclosure notice that the financial statements for the year ended 31 December 2021 were not audited, but the impact of the change in accounting policy was assessed by the auditors in note 17 of the Audited Financial Statements for the year ended 31 December 2022.

Table 1. Income statement (EUR)

Year	2023.12.31 (unaudited)	2022.12.31 (audited)	2021.12.31 (unaudited)
Operating profit/loss	535,634	339,711	377,304

Source: the Financial Statements

Table 2. Balance sheet (EUR)

Year	2023.12.31 (unaudited)	2022.12.31 (audited)	2021.12.31 (unaudited)
Net financial debt (long term debt plus short term debt minus cash)	2,133,161	No financial debt	No financial debt
Current ratio (current assets/current liabilities)	4.35	9.82	2.19
Debt to equity ratio (total liabilities/total shareholder equity)	0.39	0.02	0.02
Interest cover ratio (operating income/interest expense)	230.98	No interest expenses	No interest expenses

Source: the Financial Statements

Table 3. Cash flow statement (EUR)

Year	2023.12.31 (unaudited)	2022.12.31 (audited)	2021.12.31 (unaudited)
Net Cash flows from operating activities	(3,836,932)	(43,674)	40,189
Net Cash flows from financing activities	3,200,003	800,003	-
Net Cash flow from investing activities	-	-	-

Source: the Financial Statements

2.3. What are the key risks that are specific to the Issuer?

Financial risks

(i) **Construction cost and Project's success risk.** The Company invests in real estate development. Such investments are generally riskier than investments in completed properties as they do not yet generate operating income (e. g., rent). At the same time, significant costs are incurred, including construction and development costs, real estate taxes and insurance. Real estate development also poses the potential risk of investing high financial resources in projects that may be cancelled for legal and regulatory reasons, may take a very long time to complete, or may incur higher than expected costs. In addition, there is the potential for significant losses due to the inability of third parties to complete the construction works successfully. This may result in the planned work not being completed on time and at the expected cost. Thus, the facility may be constructed and begin to generate revenue later than planned or may generate less revenue than planned or not at all, and the costs of construction and maintenance may be higher than expected. This may have a significant negative impact on the Company's financial position and may limit its ability to pay Bondholders properly. Despite comprehensive due diligence procedures, it is important to note that there is no guarantee that all information used for the Project investments is exhaustive and error-free. Additionally, unforeseen external events affecting the real estate market and the Project developed by the Company cannot be ruled out.

(ii) **Economic environment and insolvency risk.** The performance of the Company relies heavily on economic conditions both within Lithuania and globally. Presently, regional and global economies are facing imbalances due to ongoing conflicts like the Ukraine-Russia war, steep rises in interest rates, volatility in energy prices, and the prolonged recovery period following the Covid-19 pandemic. While there is not a significant economic downturn domestically at the moment, if one were to occur, there could be a decrease in demand for the Company's services. This could elevate the risk of the Company's tenant or other contractors facing insolvency, potentially influencing the implementation and outcomes of the Company's business strategy. Consequently, the Project may not yield the anticipated positive returns. The Company anticipates rental income upon Project completion, expected by late 2024, after signing handover deeds with tenants. While a multipurpose property offers revenue potential, achieving full occupancy initially is unlikely, leading to potential income below expectations in the first year or so.

(iii) **Credit and default risk of the Company.** An investment in the Bonds is exposed to credit risk, implying that the Company may not fulfil its obligations arising from the Bonds in a proper and timely manner. The Company's capacity to meet these obligations and the Bondholders' ability to receive payments hinge on the financial position and operational results of the Company, both subject to the additional risks outlined in the Prospectus. In the event of the Company's insolvency, there exists a risk that Bondholders may not receive any payments related to the Bonds or a portion thereof. The Company does not provide assurance that no defaults under the Prospectus will occur before the Final Maturity Date of the Bonds. Therefore, investors are advised to independently evaluate the creditworthiness of the Issuer before deciding to invest in the Bonds.

Business activities and industry risks

(i) **Multiple tenants' risk and risk of finding suitable tenants.** The Project's success hinges on its tenants' success, with cashflow risk spread across multiple tenants. This setup aims to mitigate the impact on the Company's cash flow if one of tenants faces financial upheaval. While a multi-tenant property may not always maintain full occupancy, the risk of total vacancy appears. The Company is currently in the Project development stage and lacking any finalized lease agreements with significant tenants. It is planned that after the completion of the construction works, the first tenants will be able to move into the Building in Q1 of 2025, and the goal is to achieve full occupancy of the Building by the end of the 2025. However, considering that the supply of business centers in Vilnius is constantly growing and there is sufficient competition for rental spaces, the Company to remain competitive may be required to make discounts to tenants and/or significant additional investments that cannot be evaluated in advance. Additionally, if the market experiences a slowdown, leading to increased vacancies and competitive pricing pressure, there's a risk of prolonged vacancy, resulting in lower-than-anticipated income. Despite this, the Company and the Management Company will mobilize all available resources to secure new tenants on terms favourable to their object.

(ii) **Real estate market risk.** Due to the ever-changing market situation, there is a risk that real estate investments may lose their value. Since the Company's activity is related to the construction (development) of real estate, the main risk is fluctuations in the real estate market, which may reduce the liquidity and value of the Company's assets. The real estate market directly depends on the state of the economy. A declining economy leads to falling rental incomes and rising unemployment. As a result, it may be more difficult for the Company to collect rent for the constructed real estate object. The real estate market may also fluctuate significantly due to increased interest rates and reduced financing options. This can lead to a decrease in buyer activity in the market and an increase in seller activity in the market. This would lead to a decrease in asset prices and transaction volumes might harm the Company's financial standing, diminish the worth and ease of selling real estate assets used as Collateral for Bondholders, ultimately impacting their ability to fulfil claims against the Issuer concerning the Bonds.

(iii) **Risk of limited investment diversification.** In accordance with the current Articles of Association of the Company, the Company's investment strategy is presently restricted to investments in the real estate Project. It is crucial to note that this limited investment strategy, coupled with the potential risks associated with an unsuccessful development scenario, could pose challenges and adverse effects on investors. The concentration of investments in a single Project increases the risk profile for the Company, as any setbacks or financial challenges in the development of the real estate Project may adversely affect the Issuer's financial standing, further influencing the investment's overall risk dynamics and the Company's ability to redeem the Bonds at their maturity.

Legal risks

(i) **Risk of legal disputes.** While the Company is currently not engaged in any legal proceedings the risk of legal disputes is currently considered remote. Nevertheless, the Company cannot guarantee the absence of future disputes with tenants or other parties, the outcomes of which are unpredictable. In the unlikely event that a dispute is resolved unfavourably for the Company, it may negatively impact its operations, financial status, and reputation. The Company may be obligated to cover awarded damages, including the legal expenses of the opposing party, incurring additional legal costs itself. These circumstances could affect the Company's capacity to fulfil obligations to investors and may influence the appeal and liquidity of the Bonds.

Governance and internal control risks

(i) **Management and human resources risk.** With the transfer of the Company's management to the Management Company, the outcomes of the Company are contingent on the decisions made by the Management Company's team, as well as the competence and experience of its team members. The Management Company's inability to attract additional talent or promptly appoint qualified and efficient successors for departed employees, as well as its challenges in effectively managing temporary expertise gaps or other disruptions caused by such departures, holds the potential to adversely affect the Company's business, financial status, operational results, or future prospects.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

3.1.1. *Type, class and ISIN*

A fixed-term non-equity non-convertible non-subordinated (debt) security instrument with ISIN LT0000408551.

3.1.2. *Currency, denomination, par value, number of securities issued and duration*

The currency of the Bonds is euros. The Nominal Value of Bond is EUR 1,000. The Maximum Aggregate Nominal Value of the Offering under the Prospectus amounts to EUR 17,600,000. The Final Maturity Date of the Bonds is 29 June 2026.

3.1.3. *The rights attached to the securities*

The Bonds grant the Bondholders the following main rights (i) receive the interest accrued; (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Maturity Date or Early Redemption Date; (iii) to participate in the Bondholders' Meetings; (iv) to vote in the Bondholders' Meetings.

On 13 December 2023 the Issuer has concluded the Agreement on Bondholders' Protection with UAB „AUDIFINA", a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, LT-09310 Vilnius, the Republic of Lithuania (the **Trustee**).

The Issue, including the Offering is secured by a first ranking mortgage over the real estate (the **Collateral**) under the Collateral Agreement concluded between the Issuer and Trustee on 19 December 2023.

3.1.4. *Rank of securities in the Issuer's capital structure in the event of insolvency*

In case of the Issuer's insolvency, the Investors shall have a right to receive payment of the outstanding principal amount of the Bonds and the interest accrued on the Bonds according to the laws of the Republic of Lithuania governing the insolvency of the Issuer.

3.1.5. *Restrictions on the free transferability of the securities*

The Bonds are freely transferable, subject to certain transfer restrictions under the relevant laws in certain jurisdictions, as may be applicable to the transferor or the transferee.

3.2. Where will the securities be traded?

The Issuer will seek Admission of the Bonds to trading on the First North, administered by the regulated market operator Nasdaq Vilnius AB (**Nasdaq**) (the **First North**). The Bonds will be publicly offered in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia.

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

Risks concerning the terms of the Bonds

(i) **Risk of insufficient value of the Collateral.** The Issue is secured by a first ranking mortgage over the Collateral under the Collateral Agreement. Apart from the Collateral, there are no other securities of third parties securing the whole Issue, including the Bonds issued under the Prospectus. Collateral consists of real estate property currently developed and constructed by the Company as a part of the Project. As of the Collateral Agreement's date on December 19, 2023, the State Enterprise Centre of Registers mass property valuation reported an average market value for the Collateral of EUR 2,638,000, a figure explicitly documented within the terms of the Collateral Agreement. Nevertheless, pursuant to the real estate valuation report of UAB "OBER-HAUS" nekilnojamas turtas" dated 6 February 2024, the value of the Collateral by 31 December 2023 was EUR 8,000,000. Value of the Collateral is expected to increase following the construction progress and successful completion of the Project. However, in case of the Company's default before the construction stage is finished, the value of the Collateral could be not sufficient to cover all the Issuer's obligations towards the Bondholders of the Issue. In addition to that, in case of negative development of Lithuanian real estate market and resulting significant drop in the value of the Collateral even after completion of the Project, the value of Collateral could be not sufficient to satisfy all claims of the Bondholders. Therefore, it is important to understand that the value of the Collateral may vary from time to time, however in case of enforcement, the Trustee's and Bondholders' claims will be satisfied from the value of the Collateral, existing at the moment of the Collateral realization that is determined and carried out in accordance with the Code of Civil Procedure of the Republic of Lithuania. It shall be noted that in case of enforcement pursuant to the Collateral Agreement and laws of the Republic of Lithuania, the foreclosure of the Collateral may be prolonged (e.g., it may be hard to find buyers of the Collateral). Moreover, please consider that the funds received upon realization of the Collateral as a first priority will be used for the satisfaction of and payment of all costs and expenses (including, without limitation, state duties, notary fees) related to or arising from enforcement (realization) of the Collateral by the Trustee. Hence, the Bondholders will receive only the remaining amounts after satisfying the Trustee's claims.

(ii) **Refinancing risk.** Although the Issuer intends to sell the Project to repay the Bonds upon reaching their Final Maturity Date, there is a possibility that the Issuer may need to seek a loan if the sale does not proceed as planned. This introduces uncertainty, as the terms of raising new financing depend on market conditions and the Issuer's creditworthiness. In adverse debt capital market conditions, the Issuer may face challenges accessing financing sources on favorable terms or at all. The Issuer's inability to refinance its debt obligations could negatively impact its operations, financial health, earnings, and the potential recovery of Bondholders under the Bonds.

Offering and Admission to trading on the First North related risks

(i) **There is no active trading market for the Bonds.** The Bonds represent new securities of the Issuer with limited distribution and currently lack an active trading market, making them subject to potential illiquidity and price volatility. The liquidity and price of these Bonds are intricately tied to the financial standing of the Issuer and the success of the development of the real estate Project. In the event of negative occurrences concerning the Issuer, such as financial instability or setbacks in the Project, Bondholders may face challenges in selling the bonds in the secondary market. While applications will be submitted for the Bonds' admission to trading on the First North, acceptance by Nasdaq, admission of specific Tranches, or the development of an active trading market cannot be guaranteed. Trading on the First North, due to its smaller market size and lower volumes, may not ensure liquidity, limiting buying and selling opportunities for Bondholders. Consequently, investors may encounter challenges selling their Bonds or may need to trade them at a discount to their purchase/subscription price due to these factors.

(ii) **Bonds may not be appropriate to some Investors.** Investing in the Bonds may not be suitable for all investors. Potential investors must evaluate the appropriateness of the investment, considering personal circumstances and ensuring adequate financial resources to bear all associated risks, including potential capital loss. Investors should possess: (i) knowledge and experience to assess the Bonds and associated risks; (ii) access to analytical tools for portfolio impact evaluation; (iii) sufficient financial resources and liquidity; (iv) understanding of Bond terms and relevant markets; and (v) ability to evaluate economic and interest rate scenarios. The Issuer does not assess the Bonds' appropriateness for investors directly, and lack of such evaluation may result in an unsuitable investment, even if assessed by the Lead Manager/Manager(s)/Exchange Members.

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4. KEY INFORMATION ON THE OFFERING

4.1. <u>Under which conditions and timetable can I invest in this security</u>?

In the course of the Offering, the Company offers up to 4,000 Bonds to be issued under the first Tranche (the **Offer Bonds**). The Bonds are offered for the price of EUR 1,022.8648 per one Offer Bond (the **Issue Price**). The Offering may be decreased by the amount unsubscribed or increased as provided in the Final Terms.

<u>Subscription period.</u> The subscription period is the period during which the persons who have the right to participate in the Offering (the **Subscription Period**) may submit the subscription orders for the Offer Bonds (the **Subscription Order**). The Subscription Period commences on 13 March 2024 and ends on 22 March 2024, unless the Offering is cancelled pursuant to the Prospectus.

<u>Right to participate in the Offering.</u> The Offer Bonds are publicly offered to retail and institutional investors in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia.

In order to subscribe for the Bonds by way of an Auction through Nasdaq (the **Auction**), the Investor must have a securities account with the Exchange Member and fill in a Subscription Order form provided by the Exchange Member during the Subscription Period in order for the Exchange Member to enter a buy order in Nasdaq's trading system.

<u>Subscription channels.</u> As the Offering is conducted by way of an Auction through Nasdaq, the Subscription Orders as to acquisition of the Bonds of the first Tranche shall be submitted by the Investors to the Exchange Members. Auction Rules are published on the website of Nasdaq at www.nasdaqbaltic.com (the **Auction Rules**).

<u>Allocation.</u> The Issuer shall accept all Subscription Orders of the investors that are considered valid under the Prospectus and each investor shall be allocated with the amount of Bonds requested in the respective Subscription Order. In case the Maximum Aggregate Nominal Value of the first Tranche is exceeded (i.e., oversubscription), the Issuer following the recommendation of the Lead Manager shall allocate the Bonds proportionally to all investors that provided valid Subscription Orders and paid the Issue Price.

<u>Payment.</u> In respect to the Auction, payment for the Bonds subscribed and distribution of the Bonds are made by Delivery Versus Payment method, meaning that the settlement procedure is carried out by Nasdaq CSD and Exchange Members on the Issue Date in accordance with the Auction Rules and title to the Bonds purchased in the Subscription process is obtained upon Bonds transfer to respective securities account which is done simultaneously with making the cash payment for the purchased Bonds.

<u>Issue Date.</u> The Offer Bonds shall be registered with Nasdaq CSD and distributed to the investors on 26 March 2024 (the **Issue Date**).

<u>Admission to trading.</u> It is expected that the Offer Bonds will be listed and admitted to trading on the First North not later than within 6 months as from placement of the Bonds of the first Tranche.

<u>Return of funds.</u> In respect to the Auction, the Investors who have not been allotted any Bonds or whose Subscription Orders have been reduced will receive reimbursements from the Exchange Members (i.e. block on the funds will be removed).

Changes to the Offering. Any decision on cancellation, suspension and changes of dates of the primary distribution or other information will be published on the Issuer's website at www.capitalica.lt and/or sent to the investors via e-mail indicated by each investor in its Subscription Order.

4.2. Why is this Prospectus being produced?

The Prospectus has been prepared in connection with the (i) Offering in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia and (ii) Admission to trading on the First North.

Provided that all the Bonds under the Programme are subscribed for and issued by the Company, the expected amount of gross proceeds would be up to EUR 17,600,000, less the amounts of costs and expenses incurred in connection with the Offering, as prescribed below.

The Company will bear approximately up to EUR 186,600 of fees and expenses in connection with the Offering (including the maximum amount of any discretionary commission) under the Programme: up to EUR 150,000 payable for the Bonds placement services, expenses up to EUR 5,400 for the Admission of the Bonds to the First North and up to EUR 16,000 services of the Certified Adviser (within the validity of the Prospectus), and fees payable to the Trustee up to EUR 9,200 (within the validity of the Prospectus). In addition to that and during the validity term of this Prospectus the Company also expects to pay approximately up to EUR 6,000 of Nasdaq fees in connection with an Auction, if any. These costs of the Offering will be covered by the proceeds of the Offering.

No underwriting agreement has been signed for the purposes of the Offering. Also, to the best knowledge of the Issuer there is no conflicts of interest pertaining to the Offering and/or the Admission to trading on the First North.