VERDE
GREENEST OFFICES IN RIGA

# DEVELOPMENT PROJECT BY CAPITALICA EUROPEAN OFFICE FUND

Investor Presentation
February 2026 (1st Tranche)

# DISCLAIMER

This investor presentation (the “Investor Presentation”) contains key information on the dematerialised bonds (the “Bonds” or “Bond Issue”) anticipated to be issued by the investment company for closed-end informed investors CAPITALICA EUROPEAN OFFICE FUND, UAB (the “Company” or “Issuer”).

The Bonds shall be issued under the Company’s Information Document (the “Information Document”). The Information Document is not a prospectus within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Regulation”) and the Law on Securities of the Republic of Lithuania (the “Law on Securities”) and was not approved by the Bank of Lithuania. The Bond Issue is exempted from the requirement to prepare a prospectus under Article 3 (2) of the Prospectus Regulation and Article 5 (2) of the Law on Securities.

This Investor Presentation is not and cannot be considered as a recommendation or advice to invest in the Bonds. Neither the Company nor its management company (UAB Capitalica Asset Management) provide any recommendations or advice regarding investment in the Bonds.

This Investor Presentation shall not be treated as legal, financial or tax advice of any kind. Each potential investor shall conduct its own investigation as to the potential legal, financial risks and tax consequences related to the issue of and investment in the Bonds. Any potential investor should consult their own financial, legal, business or tax advisors in order to fully understand the benefits and risks associated with subscribing the Bonds.

This Investor Presentation is provided for informational purposes only, to introduce to the potential investors the Issuer, its activities, and the Bond Issue. The potential investors shall familiarize with the Terms (as well as with any other documents specified in the Terms). The potential investors shall familiarize with the Information Document (as well as with any other documents specified therein). In the event of inconsistencies between this Information Memorandum and the Information Document, the Information Document shall prevail, which is the main legal document of the Bond Issue.

# EXECUTIVE SUMMARY

## Capitalica Asset Management and Bond issue for VERDE C&D

- Capitalica Asset Management is a Lithuania-based investment management company. The company, through 4 investment funds, develops and manages commercial real estate with EUR 255 million in assets under management and GLA of 100,000 m$^2$.
- Capitalica has an established capital markets track record, with a history of successful bond redemptions (over 50 mEUR), including those those financing VERDE phases A & B – developed by another Capitalica fund.
- Capitalica European Office Fund (the Bond Issuer), established in 2023, owns the S18 business center in Vilnius and is developing phases C and D of the VERDE Complex in Riga. Capitalica European Office Fund launches the first tranche in the amount of EUR 3 million within its bond program to finance the construction and development of VERDE C & D.
- The VERDE Complex currently comprises buildings A and B (controlled by Capitalica Baltic Real Estate Fund I), which were successfully completed in 2022 and 2024, respectively. Both buildings offer a combined gross leasable area of approximately 30,000 m$^2$ and are 100% leased to recognized international and regional tenants, including KPMG, Roche, Tietoevry, Merito Partners, Enefit Green, and INDEXO, demonstrating strong market demand and the established quality of the project.
- Phases C and D will be developed gradually. The financing for phase C is already secured with a construction loan from JSC Rietumu Banka and the construction works have been started in September 2025.
- The phase C and D development will comprise two six-storey office buildings with a combined GLA of approximately 22,500 m$^2$. With the construction of the new buildings, VERDE will become the largest business district in Latvia, offering more than 50,000 m$^2$ of leasable office space.
- The buildings are planned to achieve A-class energy efficiency and BREEAM Outstanding certification.


| ISSUER | Closed-end investment company for informed investors<br>CAPITALICA EUROPEAN OFFICE FUND, UAB |
|---|---|
| MANAGEMENT COMPANY | Capitalica Asset Management, UAB |
| USE OF PROCEEDS | Financing construction of Phases C and D of A+ business center VERDE in Riga, Latvia |
| BONDS | Unsecured Fixed Rate Bonds with the maturity of 2.5 years |
| OFFER TIPE | Public offering |
| ISSUE SIZE | Up to EUR 8,000,000 (or EUR 12,000,000, if issue amount is increased during the validity term of Information Document) |
| SIZE OF 1ST TRANCHE | Up to EUR 3,000,000 |
| INTEREST RATE | 8% per annum |
| INTEREST PAYMENT | Semi-annual |
| NOMINAL VALUE OF BONDS | 1 000 EUR |

**VERDE C&D Financing structure:**

| Financing structure | Verde C | Verde D |
|---|---|---|
| Equity | 8,5 mEUR ✓ | 4 mEUR |
| Bank financing | 19 mEUR ✓ | 30 mEUR |
| Bonds (Fund Level) | 5 mEUR | 7 mEUR |
| Operating CF of the Fund invested | 1,0 mEUR ✓ | 2,5 mEUR |
| Total: | 33,5 MEUR | 43,5 mEUR |

VERDE

Developed by CAPITALICA Asset Management

# TABLE OF CONTENTS



VERDE

# 1. GROUP & THE ISSUER

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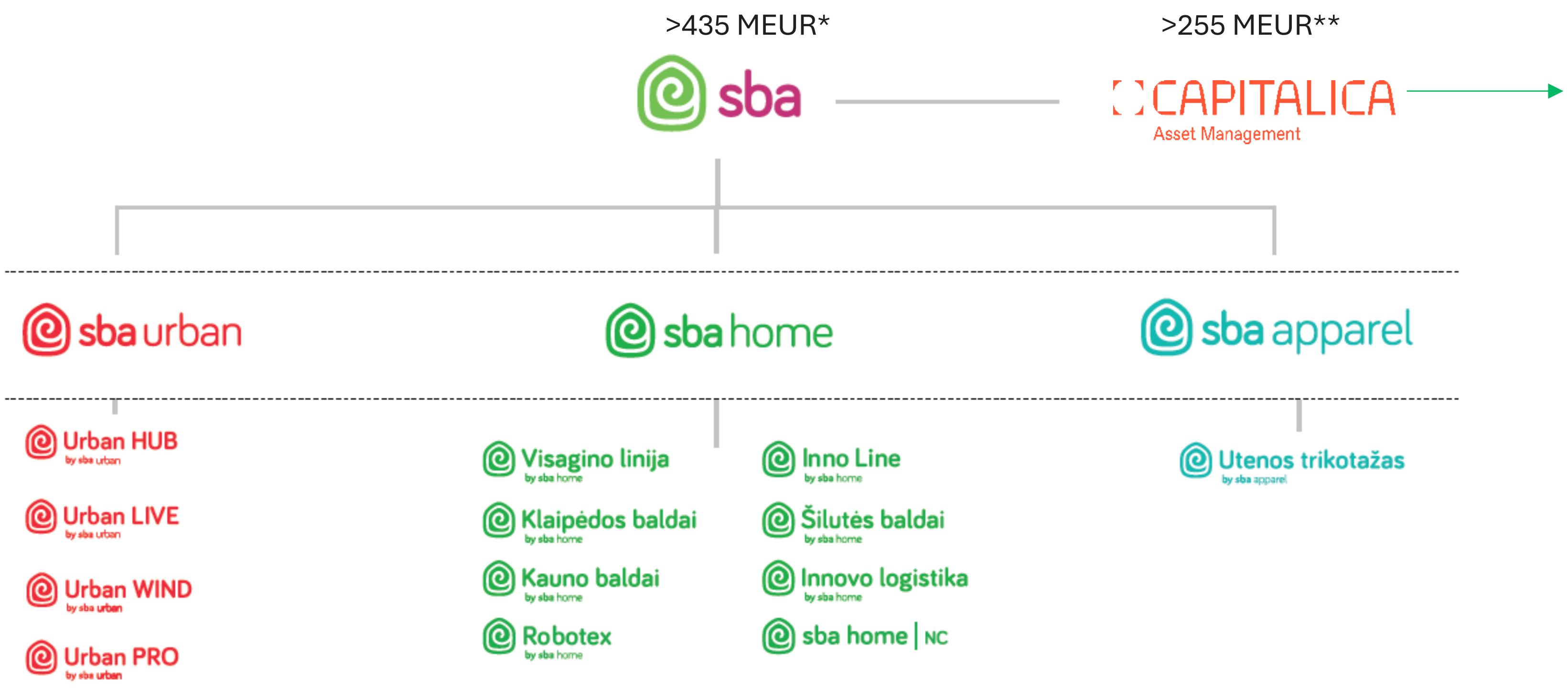
# CAPITALICA: PART OF SBA GROUP




Management company **Capitalica Asset Management** was established in 2016 by the SBA Group (70% ownership), together with Fox Holding, controlled by Andrius Barstys (30% ownership in CAM).

Since then, Andrius Barstys has been the CEO and a Chairman of the Board of the company. It results in strong "skin in the game" factor.

*Sales revenue, 2025 (unaudited)
** AuM, 2025 December

# CAPITALICA ASSET MANAGEMENT

| | |
|---|---|
| Assets under Management | 255 mEUR |
| Properties under management, GLA | 100k m2 |
| Properties under development, GBA | 35k m2 |
| Occupancy rate of managed objects | 91 % |
| Properties in Baltics | 12 |
| Closed-ended funds | 4 |

December 2025 figures

VERDE

# CAPITALICA PROPERTIES OVERVIEW

## 11 CASH FLOW PROPERTIES

**BC "VERDE A & B"**
Riga, Latvia
GLA: 27 700 m$^2$
Occupancy: 100 %

**BC "DOKAS"**
Kaunas, Lithuania
GLA: 15 239 m$^2$
Occupancy: 100 %

**BC "135"**
Vilnius, Lithuania
GLA: 7 641 m$^2$
Occupancy: 81 %

**BC "S18"**
Vilnius, Lithuania
GLA: 4 230 m$^2$
Occupancy: 100 %


**Shopping Center LUIZĖ**
Klaipėda, Lithuania
GLA: 4 031 m$^2$
Occupancy: 94 %

**Industrial S911**
Talin, Estonia
GLA: 11 760 m$^2$
Occupancy: 95 %

**BC "SAND OFFICES"**
Vilnius, Lithuania
GLA: 9 000 m$^2$
Occupancy: 60%

**Industrial MARUPE**
Riga, Latvia
GLA: 6 182 m$^2$
Occupancy: 68 %

**Industrial DREILINI**
Riga, Latvia
GLA: 5 647 m$^2$
Occupancy: 100 %

**TanaHub Industrial Complex (LADU32 & DEPOT36)**
Talin, Estonia
Total GLA: 9 451 m$^2$
Occupancy: 93 %

## 1 ONGOING DEVELOPMENT (TWO STAGES)


**BC "VERDE C & D"**
Riga, Latvia
GBA: 35 000 m$^2$
Under Development

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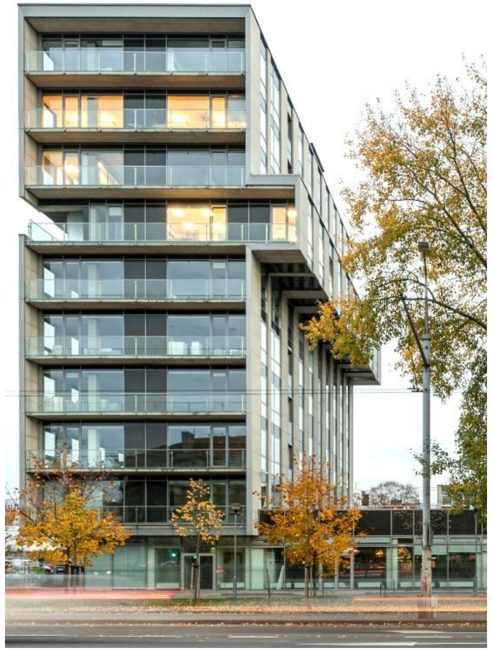
# LATEST FUND:
# CAPITALICA EUROPEAN OFFICE FUND

| | |
|---|---|
| Target AuM | 150 mEUR |
| Current AuM | 23.5 mEUR |
| Equity | 13.7 mEUR |
| Current IRR | 9,49 % |
| Return since inception | 41,32 % |
| Under management, GLA (UAB Savanorių 18) | 4 230 m2 |
| Under development, GBA (SIA Verde Development) | 35 000 m2 |
| Fund duration | 2023 - 2030 (+2 y) |

December 2025 figures

VERDE



1-st property of the fund
Business Center „S18”
Vilnius, Lithuania
GLA: 4 230 m2
Occupancy: 100%

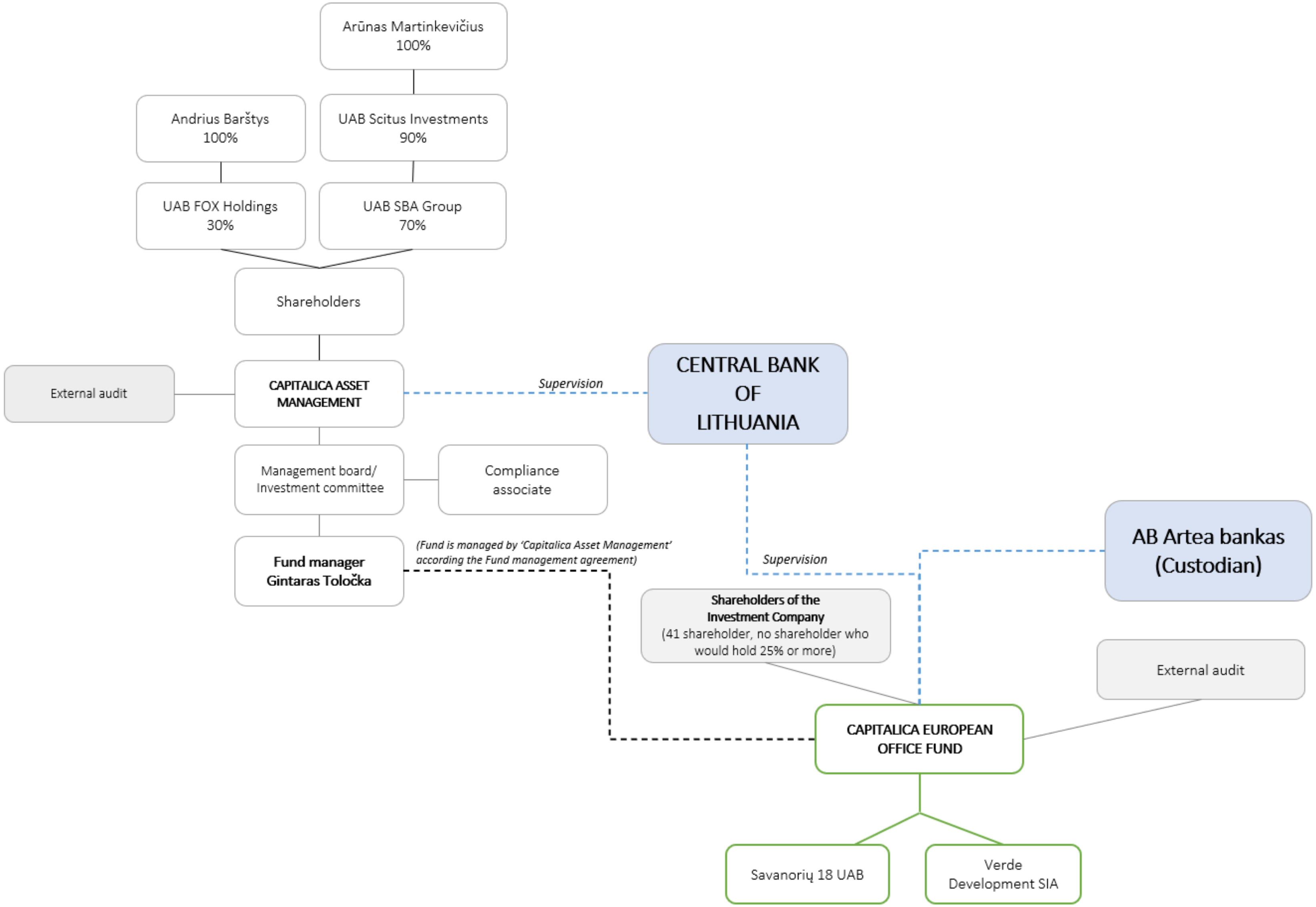
Business Center "S18" is located in the central part of the city, called Uptown, which is fresh, fully refurbished and leased to six strong tenants with long-term leases.

2-nd property of the fund
Ongoing „VERDE C&D” development
Riga, Latvia
GBA: ~35 000 m2
Under Development

Business Center "VERDE C & D" is planned and located in the central part of the city, called Skanste, next to the freshly finished and successfully leased "VERDE A & B" office complex.

# FUND SRUCTURE:

# CAPITALICA EUROPEAN OFFICE FUND

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# 2. TEAM

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# CAPITALICA KEY PERSONNEL

ANDRIUS BARŠTYS
CEO

>20 years of experience in the capital and real estate markets. Andrius was the former head of Finasta Group, the largest investment banking group with asset management and pension funds in Baltics.

Previous positions at Finasta Group.

AURIMAS DŪDONIS
CFO

>12 years of experience in corporate finance and financial audit (BIG4). Arranged >75M EUR of funding for various business projects in different fields. Experience in alternative investments.

Previous positions at Ernst & Young, Avia Solutions Group.

GINTARAS TOLOČKA
Fund Manager

>12 years of work experience gained in the real estate market in the Baltics, providing strategic advice to companies on real estate matters and facilitating property acquisitions in the region.

Previous positions at Newsec, SBA Urban, Inreal.

GABRIELĖ GEGEVIČIŪTĖ
Fund Manager

>10 years of experience in the real estate market, analysing and developing acquisition/sales strategies for commercial real estate and advising clients on investment matters.

Previous positions at Newsec, BPT real estate.

Our experience in the field of finance and real estate development and management allows us to carefully evaluate each investment and make decisions based not only on numbers but also on knowing what history is behind them.

GIEDRIUS CVILIKAS
CEO
Capitalica Industries

>20 years of experience in senior positions in Logistics, IT, construction, investment and finance.

Previous positions at TNT, Tiltra Group, Kauno tiltai, Urban inventors, Notus developers.

IVETA ARDAVA
Commercial Director in Latvia

>20 years of experience in real estate and sales organizations. She has responsible for sales, leasing and other RE activities.

Previous positions at CBRE Batics, Shopping centre SPICE.

IEVA NAŠČIŠONIENĖ
Investor Relations Project manager

>20 years of experience in real estate and sales, working with investment clients and projects in foreign markets.

Previous positions at The Acorn Group, London Executive, Countrywide Group UK, Stanhope Financial, 1 Asset Management

INGA KALESINSKIENĖ
Investor Relations Project manager

>20 years of experience in advising clients on asset management, investment planning, real estate financing and other financial matters.

Previous positions at PWC, Danske bank, SEB bank.

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# CAPITALICA MANAGEMEMENT BOARD

ANDRIUS BARŠTYS
Chairman of the board

Capitalica Asset Management | Co-founder & shareholder

>20 years of experience in the capital and real estate markets. Andrius was the former head of Finasta Group, the largest investment banking group with asset management and pension funds in the Baltic States.

NERIJUS AUKŠČIŪNAS
Board member

Head of Treasury at SBA Group

>20 years of experience in leading financial institutions in Lithuania and Scandinavia, in corporate banking. Was responsible for financing decisions of business clients and their financial risk management, structuring and implementation of investment project financing, and making financing decisions as a member of the credit committee.

JOLANTA GRAŠIENĖ
Board member

Vice-president at SBA Group

>15 years of active involvement in the operations of SBA Group, contributing to decision-making regarding strategic directions and goals of companies, overseeing their implementation, organizing feasibility analysis for major projects, including investment initiatives, and serving on the boards of various companies within the SBA Group.

ADAM SAULIUS VAINA
Board member

SBA Group board member| Director of Civitta International

>20 years of experience in business consultancy. Formerly worked at McKinsey & Company, a globally renowned consulting firm, and later founded Civitta, a successful business consulting company. As the Managing Director, he successfully expanded Civitta into a network operating in 10 European countries.

# GENERAL CONTRACTOR

CAPITALICA Industries

**Capitalica Industries, a certified general contractor registered in Latvia, is part of the Capitalica Asset Management group. The company's mission is to initiate and ensure the timely completion of projects within the designated budget.**

Its portfolio features the development of the "**Verde**" A and B buildings in Riga (35,000 m²), "Kauno Dokas" in Kaunas (20,000 m²), with the current project being under final construction stage - "**Sand Offices**" in Vilnius (10,000 m²).

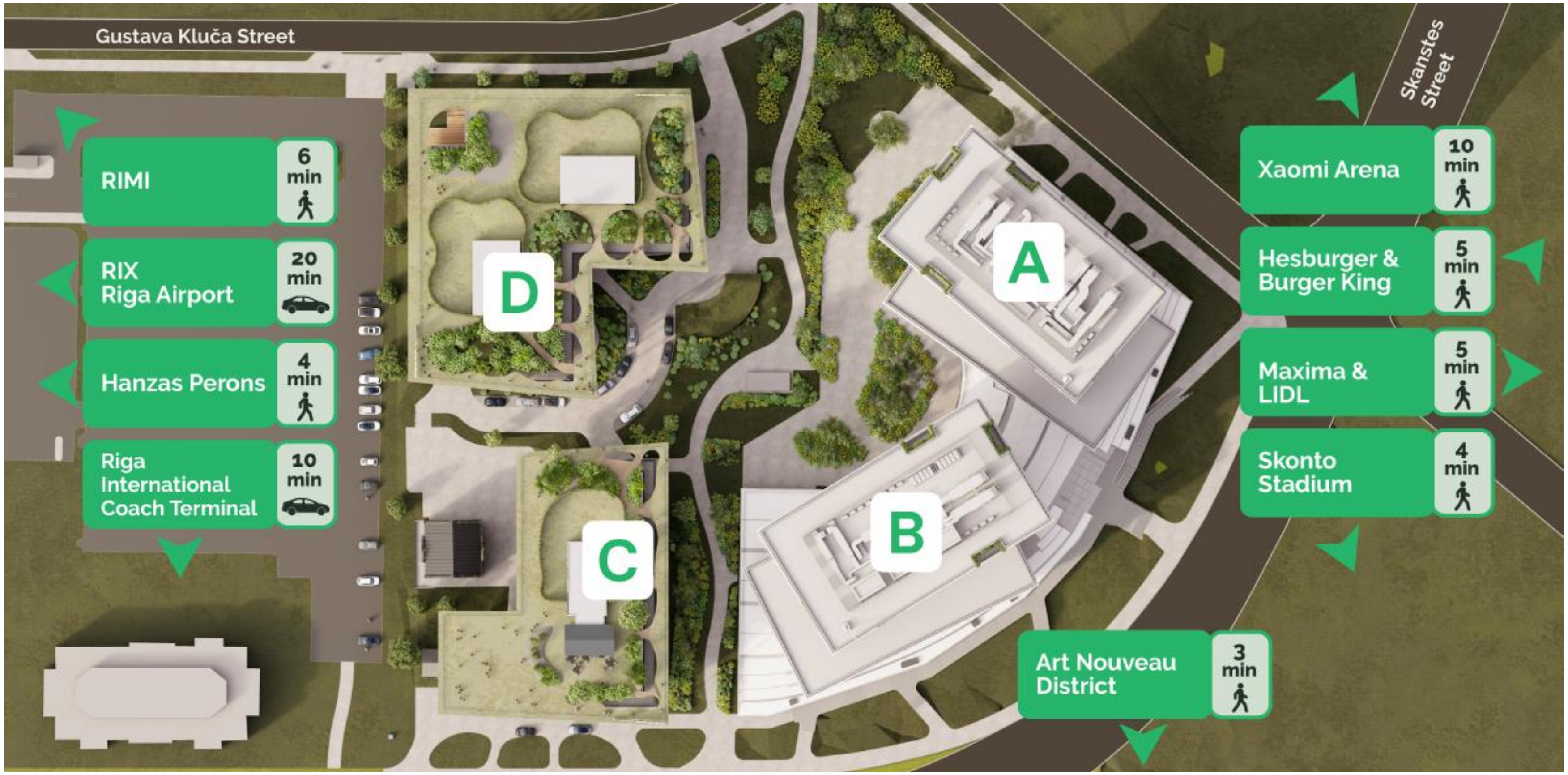
The team comprises five members - one local from Latvia and four from Lithuania, including four construction project managers and one technical maintenance manager.

The team has over a decade of experience in real estate, having developed more than 40,000 m² of residential properties, over 200,000 m² of warehouse space, and more than 150,000 m² of office space.


**Giedrius Cvilikas**
CEO of Capitalica Industries

# 3. VERDE PROJECT OVERVIEW

# ONE STEP TO NEW CBD AND HISTORICAL CENTER

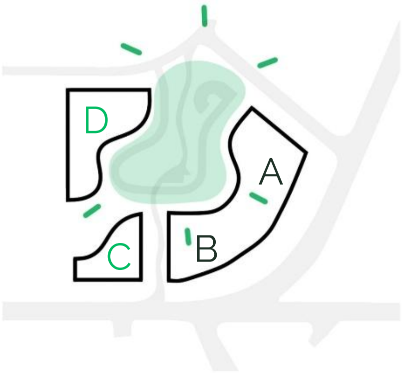



The Verde complex (current A&B buildings, which belong to another Capitalica fund - CBREFI) is already an essential landmark of Skanste's modern business district. However, with the construction of the C&D buildings, Verde will become the **largest business district in Latvia**, offering an impressive **50,000 m² of leasable office space**.

By choosing to establish your office in the new Verde C&D buildings, tenants will gain much more than just workspace.

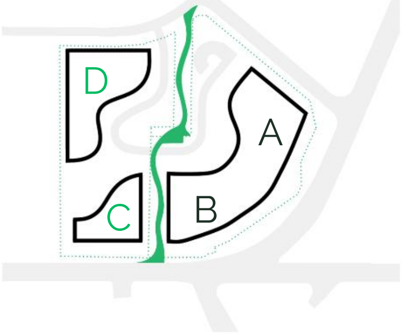
Here, strategic **visibility** combines with belonging to Latvia's most progressive business hub, where everything is designed to inspire productive work and success.

# THE MASTER PLAN OF VERDE QUARTER



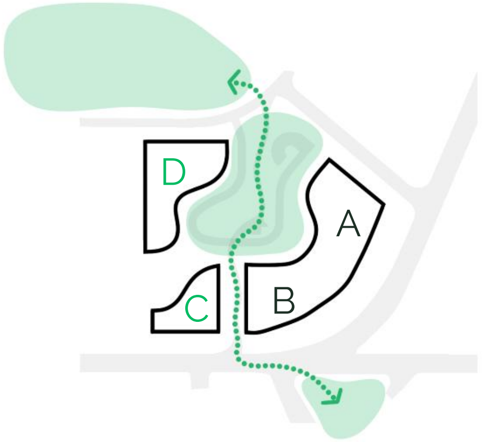

### COMMON COURTYARD

One common green space, together with VERDE site, forms the quarters' internal environment




### THE CENTRAL PATH

The volumes are placed strategically in order to achieve one main pedestrian walkway through the courtyard- on the border between the existing and new site




### GREEN CONNECTIONS

The main pedestrian path, spanning through the central courtyard, forms a chain of green areas, allowing the new proposal to sit within the context harmoniously

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# BUSINESS OASIS WHERE INNOVATION MEETS NATURE


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# BUSINESS OASIS WHERE INNOVATION MEETS HISTORY

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# CLASS A+ ENERGY EFFICIENCY

BREEAM®
OUTSTANDING

- Targeting **BREEAM Outstanding** certificate
- Targeting **nZEB** – Nearly zero energy building
- Intelligent Building management system (**BMS**)
- Highest standard Heating Ventilation and Air Conditioning (**HVAC**) system
- **$CO^2$ sensors**, air humidification, chilled beams systems
- Natural **daylight** infused office spaces
- **Energy saving facade** solution and etc.

NZEB
Nearly Zero Energy Building

VERDE

# KEY FIGURES: STAGE C&D

**2** new buildings: C&D

**6** floors in each building

**22 500 m²** total leasable area

up to **1600 m²** on each floor C

up to **2800 m²** on each floor D

**2500** employees

**1000 m²** green roof terrace in each building

**250** parking lots

**100** bicycle parking lots

Verde A&B leased **100%**

After C&D completion total GLA: **50 000 m²**

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# GREEN ROOFS ON THE TOP OF THE BUILDINGS

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# VERDE TIMELINE: FROM A&B to C&D

**November**
Start of A building construction

**2020**

**June**
Finished 0 cycle works for A&B

**2021**

**July**
A building commissioning

**2022**

**January**
Start of B building construction

**2023**

**April**
Commissioning of B building

**2024**

✓ **October**
Start of C&D architectural project works

✓ **May**
Approved Minimal composition project

**2025**

✓ **September**
C&D building permit & start of 0 cycle construction works

**April**
Finalizing 0 cycle works for C

**2026**

**December**
Finalizing C building facades & Core

**May**
Commissioning C & Tenants start moving into C

**2027**

**December**
Finalizing D building facades & start of Core

**2028**

**June**
Commissioning D & Tenants start moving into D

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# VERDE C&D FINANCING STRUCTURE

| Financing structure | Verde C | Verde D | |
|---|---|---|---|
| **Equity** | 8,5 mEUR ✓ | 4 mEUR | To be raised during 2026/2027 |
| **Bank financing** | 19 mEUR ✓ | 30 mEUR | |
| **Bonds (Fund Level)** | 5 mEUR | 7 mEUR | Bonds to be raised during 2026 |
| **Operating CF of the Fund invested** | 1,0 mEUR ✓ | 2,5 mEUR | NOI of S18, Verde C starting 2H 2027 |
| **Total:** | **33,5 mEUR** | **43,5 mEUR** | |

# CONSTRUCTION WORKS PROGRESS AS OF 2026 JAN

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# CONSTRUCTION WORKS PROGRESS AS OF 2026 JAN


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# VERDE C&D LEASING STATUS AS OF 2026 JAN

| | Verde C | Verde D | TOTAL |
|---|---|---|---|
| **GLA, sqm** | 8,150 | 14,400 | **22,550** |
| **Lease agreements signed, sqm (%)** | - | - | **-** |
| **LOI signed, sqm (%)** | 1,470 (18.0%) | - | **1,470 (6.5%)** |
| **Close to LOI, sqm (%)** | ~500 (6.1%) | - | **~500 (2.2%)** |

LOI – Letter Of Intent

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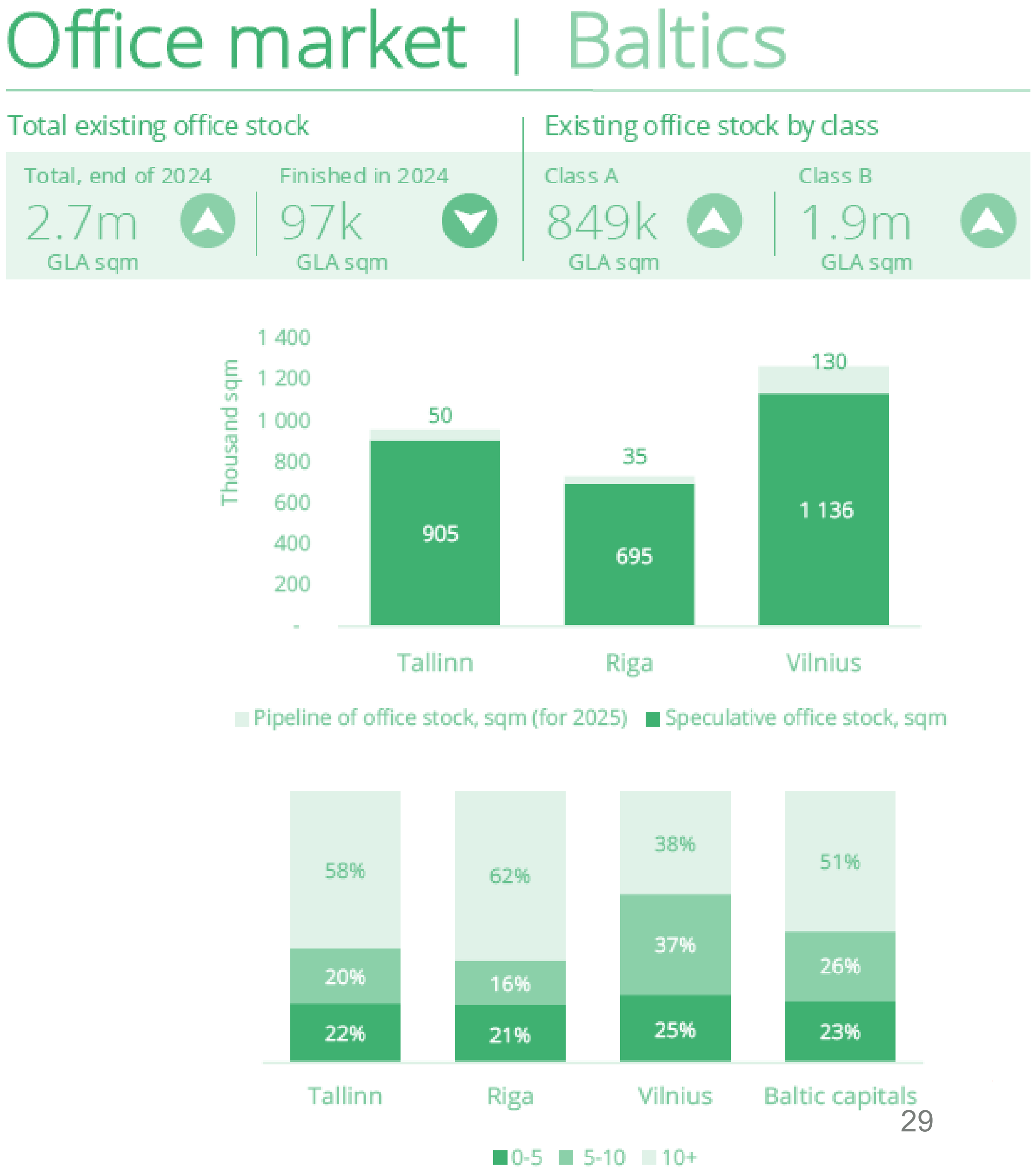
# 4. MARKET OVERVIEW

# WHY OFFICES IN RIGA?

- By the end of year 2025 Office stock in all three Baltic capitals exceeded 3,0 million sqm and only less than 25% of that stock were in Riga;
- Vilnius has 2,0x times and Tallinn 1,5x times more Office stock sqm than Riga;
- Moreover, only ~37% of Office stock in Riga is quite new and fresh – built less than 10 years ago. While in Tallinn it is ~42% and in Vilnius – even 62% of the stock;
- We believe that Riga still lacks quality Offices in central part of the city and there is enough space for several quality projects in the market in upcoming few years, especially when current Verde A&B buildings in Riga are fully occupied and have 0% vacancy.

Source: Colliers Baltics



# VERDE A&B (30,000 M² GLA)
# 100% IS LEASED WITH TOP TIER TENANTS

**A: 2022**

| | |
|---|---|
| 10th floor | DECTA |
| 9th floor | SWETCH, Enefit |
| 8th floor | KPMG |
| 7th floor | KPMG |
| 6th floor | DECTA, viasms GROUP, Merito |
| 5th floor | ALSO |
| 4th floor | INDEXO, swisscom |
| 3rd floor | Marsh, WORKLAND YOUR OFFICE |
| 2nd floor | WORKLAND YOUR OFFICE |
| 1st floor | Moltto COFFEE, IGK |
| 0 floor | DIA, 36.line |

**B: 2024**

| | |
|---|---|
| 10th floor | Merito |
| 9th floor | tietoevry |
| 8th floor | tietoevry |
| 7th floor | swisscom |
| 6th floor | swisscom |
| 5th floor | swisscom |
| 4th floor | tietoevry |
| 3rd floor | Roche |
| 2nd floor | WORLDLINE |
| 1st floor | VIVIDERM lāzerdermatoloģijas klīnika, INDEXO |

VERDE

**Important Note:** VERDE A&B is controlled by another Capitalica fund – Capitalica Baltic Real Estate Fund I

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# 5. BOND TERMS

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# KEY TERMS & SUBSCRIPTION OF THE BONDS ISSUANCE (I/III)

| | |
|---|---|
| ISSUER | Closed-end investment company for informed investors<br>**CAPITALICA EUROPEAN OFFICE FUND**, UAB |
| SECURITIES | Unsecured Fixed Rate Bonds with the maturity of 2.5 years |
| ISIN CODE | LT0000136970 |
| ISSUE SIZE | Up to EUR 8,000,000 (or EUR 12,000,000, if issue amount is increased during the validity term of Information Document) |
| SIZE OF THE TRANCHE | Up to EUR 3,000,000 |
| TYPE OF PLACEMENT | Public |
| SECURITY | None |
| NOMINAL VALUE | 1 000 EUR |
| ISSUE PRICE | 1 000 EUR |
| ISSUE YIELD | 8.0% |
| USE OF PROCEEDS | Financing construction of Phases C and D of A+ business center VERDE in Riga, Latvia |
| TRANCHE SUBSCRIPTION PERIOD | 3 February 2026 – 9 February 2026 |
| ISSUE DATE | 12 February 2026 |
| MATURITY DATE | 12 August 2028 |
| ANNUAL INTEREST RATE AND CALCULATION | The Issuer shall pay annual interest on the Nominal Value of the Bonds equal to 8.0% (fixed). Interest calculation method – 30E/360 day count convention. |
| PAYMENT OF INTEREST | Semi-annual |

# KEY TERMS & SUBSCRIPTION OF THE BONDS ISSUANCE (II/III)

| | |
|---|---|
| EARLY REDEMPTION | @101% after 6 months from the issue date<br>@100.5% between 12 and 18 months from the issue date<br>@100% after 18 months from the issue date |
| TRUSTEE | UAB “Audifina” |
| LEAD MANAGER | AB Artea bankas |
| CO-MANAGER | AS Signet Bank |
| SETTLEMENT AGENT | AB Artea bankas |
| LEGAL ADVISOR | Advokatų profesinė bendrija „Ellex Valiūnas“ |
| LISTING | Nasdaq First North on the Issue date |
| KEY UNDERTAKINGS (COVENANTS)[1] | Loan to Value (LTV) ratio up to 70%[2] |

[1] *Full list of covenants can be found in the Information Document*
[2] *Nominal value of the Bonds and other loans of the Issuer and the Subsidiaries, excluding any shareholder loans / Assets and cash balance of the Issuer and Subsidiaries*

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# KEY TERMS & SUBSCRIPTION OF THE BONDS ISSUANCE (III/III)

To invest, a securities account is required. If you do not have one yet, you can open it at any financial institution in the Baltic States that provides investment services.

You can subscribe to the Bonds by submitting orders through any Baltic financial institution where you hold a securities account, either via internet banking or by contacting your bank and inquiring about the procedure of subscription.

Subscription orders can be submitted from 3 February 2026 until 9 February 2026.

# 6. RISKS OVERVIEW

- *Investing into the Bonds issued by the Company entails various risks. Each prospective investor in the Bonds should thoroughly consider all the information presented in the Information Document, including the risk factors described below. Any of the risk factors described below, 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 result in a corresponding decline in the value of the Bonds or the ability of the Company to redeem the Bonds. As a result, investors could lose a part or all of the value of their investments. The Management 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.*

- *This Investor Presentation 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, etc.*

# RISKS ASSOCIATED TO THE ISSUER

| | |
|---|---|
| **CONSTRUCTION COST AND PROJECT'S SUCCESS RISK** | Phase C and phase D (approximately 22,500 m² of gross leasable area (GLA) across two buildings) represent a significant expansion of the VERDE Complex with capital expenditure (CAPEX) across both phases of up to approximately EUR 75 million, requiring substantial funding commitments and potentially depending on successful financing and/or refinancing throughout the construction period.<br><br>As of the date of this Document, financing for Phase C of the VERDE Complex in an amount of approximately EUR 28 million has been secured through external financing and shareholders' equity commitments (including shareholders' contributions to be made). However, no financing arrangements have been made for phase D (for the remaining amount of expected CAPEX), which creates uncertainty as to how phase D will be financed, including whether it may be possible to raise such financing through the Bonds issued under this Document.<br><br>Moreover, construction projects of this scale may also be exposed to cost overruns and budget escalation due to inflation, supply chain disruptions, changes in construction material prices, labour shortages, and regulatory or technical requirements, particularly given that the planned construction period extends until at least 2027 - 2028. The commissioning and tenant move-in for phase C is planned for Q2 2027 and for phase D for Q3 2028, meaning that during the construction and initial lease-up periods of phases C and/or D of the VERDE Complex may not generate sufficient cash flows to cover costs and debt service of the Issuer and Group.<br><br>If financing becomes unavailable, more expensive or delayed, or if construction costs materially increase, the Group may be required to raise additional funding or equity, and may be unable to complete phase C and/or phase D of the VERDE Complex on the planned terms. Any delays in commissioning or lease-up could further postpone revenue generation and adversely affect the Issuer's cash flows and its ability to meet its obligations under the Bonds.<br><br>The ability to complete phase C and phase D of VERDE Complex also depends on the performance of contractors and subcontractors, including the general contractor. Contractor underperformance, insolvency, disputes, or failure to meet timelines/quality standards could cause delays, increase costs and reduce expected returns, adversely affecting the Issuer's liquidity and ability to service the Bonds. |

# RISKS ASSOCIATED TO THE ISSUER

| | |
|---|---|
| **Subordination and security risk** | Under the loan agreement(s) between the Issuer and its subsidiary, SIA VERDE DEVELOPMENT, the Issuer's claims against the subsidiary are fully subordinated in favor of JSC "Rietumu Banka" until the subsidiary has fully discharged all liabilities to this Latvian bank under the loan agreement. Accordingly, the Issuer may not demand, and the subsidiary may not make, any repayment of principal, interest or other amounts owed to the Issuer unless and until the subsidiary's payment obligations to the bank have been satisfied in full.<br><br>In addition, the shares of SIA VERDE DEVELOPMENT and substantially all of its assets are pledged and/or mortgaged to AS Rietumu Banka. As a result, in the event of the Subsidiary's insolvency and/or acceleration of the bank's loan, the bank would have first-ranking priority to satisfy its claims against SIA VERDE DEVELOPMENT from the proceeds of enforcement of such collateral, which may materially reduce or eliminate any recoveries available to the Issuer (and, indirectly, to Bondholders). |
| **Tenant demand and lease-up risk** | The VERDE Complex is being developed in phases. The successful leasing of the later development phases C&D (approximately 22,500 m² of the GLA across two buildings) will depend on market conditions prevailing at the time of their completion, including overall demand for Class A office space in Riga and the competitive environment in the relevant submarkets. New office developments entering the Riga market may increase competition for tenants, which could put pressure on achievable rents and require landlords to offer incentives or accept longer lease-up.<br><br>Although the Issuer expects phase C commissioning and tenant move-in in Q2 2027 and phase D commissioning and tenant move-in in Q2-Q3 2028, leasing activity may take longer than anticipated, and it may be required to grant tenant incentives (such as rent-free periods, fit-out contributions, step rents or other concessions) in order to secure occupancy. If it is not feasible to lease the remaining vacant premises in phase C and/or phase D within the expected timeframe, or if tenants negotiate more favourable terms due to market conditions, this could result in prolonged vacancies, reduced rental income and lower net cash flows. This, in turn, could adversely affect the overall profitability of the VERDE Complex and the Issuer's ability to meet its payment obligations under the Bonds. |

# RISKS ASSOCIATED TO THE ISSUER

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| **Valuation risk** | The value of office development projects is highly sensitive to changes in market assumptions, including achievable market rents, vacancy levels, tenant incentives (such as rent-free periods and fit-out contributions), lease lengths, operating costs. These assumptions are influenced by broader macroeconomic conditions, interest rates and investor sentiment.<br><br>Office property values depend mainly on (i) the rental income the building can generate and (ii) the interest rate environment. If market interest rates increase, investors generally require a higher return to invest in real estate. As a result, the market value of office buildings may decrease even if rental income stays the same. In addition, if demand for office space weakens or if many new office buildings are delivered to the market, the Issuer may need to lease space at lower rents, may face longer vacancy periods, or may have to offer incentives to attract tenants. This would reduce the VERDE Complex's rental income and could lower the value of phase C and phase D.<br><br>As phase C and phase D of the VERDE Complex are under development and are expected to reach commissioning and tenant move-in only in 2027 (phase C) and 2028 (phase D), their valuation is subject to additional uncertainty until they are completed, leased and stabilised.<br><br>A lower-than-expected valuation may adversely affect the Issuer's and Group's financial ratios, including the LTV ratio, potentially leading to reduced borrowing capacity, tighter refinancing conditions, increased margin requirements, additional collateral requirements or covenant pressure under the Group's financing arrangements. If refinancing is required at or around VERDE Complex's C and D completion, less favourable market conditions or a reduced valuation could limit the Issuer's ability to refinance on acceptable terms or at the expected loan amount, which could in turn require additional equity injections, asset sales, or other measures. Any such developments may adversely affect the Issuer's liquidity, cash flows and ability to meet its obligations under the Bonds. |
| **Liquidity risk** | Liquidity risk is the risk that the Issuer may not have enough cash or liquid assets to meet its payment obligations and redeem the Bonds when due. Maintaining liquidity and accessing long-term financing are essential for the Issuer to meet its financial commitments. However, future difficulties in accessing financial markets could make obtaining funding more challenging or costly. There is no guarantee that the Issuer will be able to secure financing at a reasonable cost, or at all. The Issuer and Group may also face risks from the solvency of its financial counterparties, which could negatively impact business, financial condition, and operational results. Although the Management actively monitors and manages liquidity risk and after considering various internal and external factors, a decline in the Issuer's liquidity could materially harm its business, financial health, and ability to redeem the Bonds at maturity if it does not receive the necessary capital injections. |

# RISKS ASSOCIATED TO THE ISSUER

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| **Credit and default risk** | The Bonds are being issued to finance phases C&D of the VERDE Complex. As phase C and D of the VERDE Project are currently under development, the ability to generate stable operating income from these phases will depend on their timely completion and successful lease-up. During the construction and initial lease-up periods, the Group may not generate sufficient cash flows from the VERDE Complex to cover all costs and debt service and may therefore rely on external financing and timely access to additional funding (including shareholder support, if applicable) to meet its obligations.<br><br>The Issuer and its Group are also (or may become) parties to other financing agreements in relation to the Group's operations, each containing its own terms, covenants, repayment schedules and other obligations. Compliance with such arrangements, as well as any refinancing needs thereunder, may affect the Issuer's and the Group's liquidity and financial flexibility and may limit the Issuer's ability to allocate cash flows to service the Bonds.<br><br>Real estate development projects typically require significant up-front investment and may result in an increase in the Group's liabilities during the construction phase. Although the value of the VERDE Complex is expected to increase as construction progresses, the Issuer's ability to service and repay the Bonds depends on, inter alia, (i) successful completion of phase C and phase D, (ii) the timely commencement and stability of rental income, and (iii) the Issuer's ability to maintain adequate liquidity and financing capacity. If it is not feasible to attract tenants for phase C and phase D on expected terms or within expected timeframes, or if rental income is lower than anticipated due to prolonged vacancies, tenant incentives, rent reductions or tenant defaults, the Group's net cash flows may be negatively affected. This could limit the Issuer's ability to make payments under the Bonds.<br><br>The Issuer cannot guarantee that a default will not occur prior to the Final Maturity Date of the Bonds. Investors should therefore independently assess the Issuer's creditworthiness and the risks associated with the Bonds before making an investment decision. Under the circumstances described above, the Issuer considers the risk to be at a manageable level; however, if the risk materialises, it could have a significant adverse impact on the Issuer's financial position and its ability to meet its obligations under the Bonds. |
| **Project-based operations** | The Group's operations are predominantly project-based, requiring substantial upfront planning, resource mobilisation and capital deployment, while revenue is typically recognised only upon the achievement of contractually defined milestones. As a result, any variations in project scope, scheduling, execution assumptions or input costs may give rise to significant volatility in cash flows, margins and overall profitability. Furthermore, simultaneous management of numerous complex projects heightens the operational burden and increases the risk of budget overruns, delays, contractual disputes and resource constraints. Such challenges may adversely affect the Group's financial performance and its ability to deliver projects in accordance with expected timelines and cost parameters. |

# RISKS ASSOCIATED TO THE ISSUER

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| **Riga office market risk** | The real estate market is inherently cyclical and may be volatile, and there is a risk that real estate investments may lose value over time. Since the Issuer's activities are closely tied to the development and leasing of real estate, the Issuer inter alia is exposed to fluctuations in the Riga office market, which could adversely affect both the liquidity and value of its assets as well as the ability of the VERDE Complex to generate stable rental income.<br><br>The Riga office market is competitive and is characterised by an ongoing pipeline of new office developments, including projects under construction and other planned developments, which may increase competition for tenants.<br><br>The real estate market is also closely linked to the overall macroeconomic environment in the Republic of Latvia and internationally. In a slowdown, potential tenants may postpone expansion plans, reduce office space requirements or seek more favourable lease terms, which could decrease demand for new office premises. Changes in market conditions, including increases in interest rates and a reduction in the availability of financing, may negatively affect investment activity in real estate and contribute to lower transaction volumes and declining asset prices. This could adversely affect the Issuer's financial position.<br><br>Moreover, a decrease in the value and/or liquidity of the Group's real estate assets may adversely affect the Issuer's ability to meet its obligations under the Bonds. As a result, the Bondholders' ability to receive payments under the Bonds may be negatively impacted in the event of adverse real estate market developments. |
| **Risk of legal disputes** | Although the Group is not currently involved in any material legal proceedings and considers this risk to be remote, the Company cannot guarantee that disputes with tenants, contractors, lenders, service providers or other counterparties will not arise in the future. The outcomes of such disputes may be unpredictable and could result in, inter alia, early termination of key agreements, enforcement actions, contractual penalties, or restrictions on the Group's ability to carry out its business activities as planned. If a dispute were resolved unfavourably for the Group, it could adversely affect the Group's operations, financial condition, cash flows and reputation, and may contribute to the materialisation of the credit and default risk described above.<br><br>The Group may also be required to pay damages or compensation, including the opposing party's legal costs and its own legal expenses. In addition, disputes may lead to delays in project execution, interruptions in business operations, or reduced occupancy and/or rental income if tenants terminate leases or withhold payments. Such developments could adversely affect the Company's ability to meet its obligations to investors and may reduce the attractiveness and liquidity of the Bonds |

# RISKS ASSOCIATED TO THE ISSUER

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| **Geopolitical and regional risk** | The Group carries out its business activities primarily in Baltics. Consequently, the Group's operations and the development of the VERDE Complex may be affected by geopolitical tensions, regional instability, and changes in international trade, security conditions or regulatory frameworks. The ongoing war in Ukraine and the risk of escalation of geopolitical conflicts in Eastern Europe may contribute to disruptions in supply chains, higher prices for construction materials and energy, volatility in labour availability and costs, and increased uncertainty in investment and leasing decisions.<br><br>Geopolitical developments may also affect the availability and cost of financing for real estate development projects. A deterioration in regional security conditions, increased market volatility, or changes in investor sentiment may reduce access to funding, increase interest rates or credit margins, or lead to more restrictive financing terms, which could adversely affect the Issuer's ability to fund and complete phase C and phase D of the VERDE Complex on the planned terms. Additionally, changes in EU or national sanctions regimes, customs restrictions, or other trade-related measures could impact the procurement of certain construction materials or equipment or delay delivery schedules.<br><br>Such developments could negatively affect the Issuer's and Group's operational planning, cost structure and construction timelines, and may also weaken demand for office space if potential tenants delay expansion decisions or reduce their planned office footprint due to heightened uncertainty. Prolonged regional instability or a deterioration of economic and security conditions in the Republic of Latvia or the wider region could therefore have a material adverse effect on the Issuer's cash flows, financial position and ability to meet its obligations under the Bonds |
| **Governance risk** | The Issuer is managed by its Management Company under the fund management agreement, and the Issuer's performance depends materially on the Management Company's ability to manage the Issuer's investments, development activities and financing. A loss of Key Executives and Members, adverse changes in the Management Company's ownership or governance, conflicts of interest within the management structure, or termination/replacement of the Management Company could adversely affect the Issuer's strategy, operations, financial condition and ability to meet its obligations under the Bonds. |

# RISKS ASSOCIATED WITH THE BONDS

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| **No limitation on additional debt** | The Issuer is not restricted under this Document from taking on additional debt to finance the VERDE Complex or other projects of the Group. Any additional debt could increase the Issuer's financial obligations and reduce the cash available to make payments under the Bonds. If the Issuer faces financial difficulties, insolvency or enforcement proceedings, the existence of such debt may reduce the amounts available to Bondholders and could result in Bondholders receiving less than expected, or not being repaid in full. |
| **Refinancing risk** | Refinancing may be required to repay the Bonds at maturity and/or to refinance bank debt used in the VERDE Complex or other projects of the Group, as applicable. The Issuer's and Group's ability to refinance depends on completion, stabilised cashflows, valuation, and capital markets conditions.<br><br>The repayment of the Group's existing and future financial obligations at maturity is expected to be ensured through one or a combination of the following sources: (a) refinancing through a new bond issuance, (b) refinancing through new or extended bank financing and/or (c) internally generated cash flows.<br><br>However, there can be no assurance that such refinancing options will be available on acceptable terms or within the required timeframes. Adverse changes in market conditions, the Group's financial performance, or the general availability of financing could limit the Group's ability to refinance its obligations or increase the cost of financing. Any such circumstances could adversely affect the Group's liquidity position and, consequently, its ability to meet its debt service and other financial obligations when due. |
| **Risk related to unsecured Bond Issue** | The Bonds are issued as unsecured securities and are not supported by any form of collateral or guarantee. In the event that the Issuer experiences financial distress, including but not limited to insolvency or liquidation, Bondholders will rank equally (pari passu) with other unsecured creditors. As a result, Bondholders are exposed to the risk of receiving only a portion of their investment or no repayment at all.<br><br>The absence of collateral or guarantees therefore increases the credit risk associated with the Bonds, and potential Investors should carefully assess the Issuer's financial position and creditworthiness before making any investment decision. |

# RISKS ASSOCIATED WITH THE BONDS

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| **Interest rate risk** | The Bonds will offer a fixed annual interest rate of 8 % calculated on their outstanding Nominal Value. This interest rate will remain constant until the Final Maturity Date, regardless of changes in broader capital market conditions.<br><br>At the time of this Document, interest rates for similar unsecured instruments in the market are generally aligned with or below the indicated rate. However, the fixed rate feature may become less appealing in the event of rising interest rates in the wider market, which could be triggered by factors such as inflation trends or adjustments in monetary policy (e.g., increases in EURIBOR). In such a scenario, the Bonds may experience downward pricing pressure, as investors shift toward higher-yielding alternatives. This could reduce secondary market demand, impacting liquidity and potentially resulting in lower resale values for investors who choose to sell before maturity.<br><br>In addition, external influences such as competitive dynamics within the sectors in which the Issuer operates and global or domestic inflationary developments may influence market perception and demand for the Bonds. |
| **Inflation risk** | Inflation reduces the purchasing power of a Bond’s future interest and principal. Inflation may lead to higher interest rates which could negatively affect the Bond price in the secondary market. In addition to that, at the time of this Document 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. |
| **Early redemption, credit and default risks** | Under the terms set out in this Document, the Bonds may be subject to early redemption at the initiative of the Issuer. If such early redemption occurs, the actual return on investment may be lower than initially expected by the Investor.<br><br>In addition, there is no assurance that an Extraordinary Early Redemption Event will not occur. Should such an event take place, the Issuer will be required to redeem the Bonds in accordance with the procedures set out in this Document. An unplanned default under the Bonds could adversely affect the Issuer’s financial position and, as a result, its ability to redeem the Bonds in full or on time. Considering the above, the actual return on investment may be lower than initially expected by the Investor, or there may be no repayment at all. |

# RISKS ASSOCIATED WITH THE BONDS

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| **Transaction costs/charges** | No expenses or taxes will be charged to the Investors by the Issuer in respect to the Offering and admission of the Bonds to trading on the First North. However, 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, Bondholders 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 Document.<br><br>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. |
| **Lack of active trading market** | There is currently no active secondary market for the Bonds, and their circulation is limited. While it is possible that a trading market could develop in the future, there is no certainty regarding its depth or liquidity. As a result, Investors may find it difficult to dispose of the Bonds at the desired time or at a price that meets their expectations. Factors such as market volatility, general economic conditions, or broader disruptions in the financial system could negatively influence the market price of the Bonds regardless of the Issuer's financial performance or condition.<br><br>Admission to trading is expected to occur in connection with each Tranche. However, Nasdaq may delay or refuse admission. If admission does not occur by the expected timeline, the relevant Tranche may be cancelled pursuant to this Document and investors may receive a refund without interest or compensation, and investors may lose the opportunity to invest through structures requiring listed instruments (e.g., investment account rules applicable to the Investor).<br>Moreover, there is no assurance that the Bonds will not be subject to a De-Listing or Listing Failure Event, which may lead to the early redemption of the Bonds pursuant to this Document, resulting in a lower investment return than anticipated. |
| **Cancelation of the Offering** | This Offering is entirely at the discretion of the Issuer. The Issuer reserves the right to cancel the Offering of any Tranche under the relevant Final Terms at any time before the Issue Date, for any reason, and without the consent of the Investors or the Trustee. Potential Investors should be aware that the decision to cancel a Tranche Offering may be influenced by factors such as market conditions, regulatory issues, or other unforeseen circumstances. If a Tranche Offering is cancelled, any Subscription Orders placed will be disregarded, and any payments made will be refunded without interest or compensation. Additionally, the Issuer will not be liable for any costs, damages, or losses incurred by prospective Investors, including due diligence, legal, or other professional fees. |

# RISKS ASSOCIATED WITH THE BONDS

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| **Bonds may not be appropriate to some Investors** | The suitability of the Bonds as an investment varies for each Investor. Before investing, potential Investors should assess their financial resources and liquidity to manage risks, including potential loss of capital. Investors need sufficient knowledge and experience to evaluate the Bonds and access to analytical tools. Understanding the Bond terms, market trends, and economic scenarios is essential.<br><br>Importantly, the Issuer will not conduct any assessment of appropriateness of the Bonds for Investors. Where required by applicable regulations, such an evaluation is the responsibility of Exchange Members or other intermediaries.<br><br>Prospective Investors are therefore strongly advised to ensure that they:<br>(i) have sufficient knowledge to understand and assess the risks involved;<br>(ii) are capable of evaluating how the Bonds fit within their broader investment strategy;<br>(iii) have the financial resilience to absorb losses, particularly if the Bonds are denominated in a foreign currency;<br>(iv) fully comprehend the terms of the Bonds and the dynamics of the relevant markets; and<br>(v) take into account broader macroeconomic developments, including potential interest rate movements. |
| **Increase of the Maximum Aggregate Nominal Value of the Issue** | If relevant legislation is adopted, the Maximum Aggregate Nominal Value of the Issue may be increased from EUR 8,000,000 to up to EUR 12,000,000 without amending this Document and/or obtaining the consent of the Bondholders. To the extent Bonds are issued up to the increased maximum amount, the Issuer's indebtedness will increase, and it could affect the Issuer's and Group's financial standing and financial ratios, including the LTV ratio, as covenanted under this Document.<br><br>A higher level of indebtedness may increase the Issuer's credit risk and, if the LTV ratio is breached and not remedied in accordance with this Document, could result in the early redemption of the Bonds, which may lead to a loss of part or all of the capital invested by the Bondholders. |

# 7. KEY FINANCIALS

VERDE

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# CONSOLIDATED FINANCIALS

## BALANCE SHEET, EUR TH.

| | 2023 | 2024 | 2025* |
|---|---|---|---|
| Investment property | 11 373 | 14 124 | 20 810 |
| Right-of-use assets | 19 | 19 | 19 |
| **Total non-current assets** | **11 392** | **14 143** | **20 829** |
| Other receivables | 59 | 143 | 248 |
| Cash and cash equivalents | 395 | 195 | 2 409 |
| **Total current assets** | **454** | **338** | **2 657** |
| **TOTAL ASSETS** | **11 846** | **14 481** | **23 486** |
| Capital | 3 177 | 5 568 | 12 307 |
| Retained earnings | 587 | 1 000 | 1 428 |
| **Total equity** | **3 764** | **6 568** | **13 735** |
| Non-current loans | 4 650 | 4 501 | 5 979 |
| Deferred tax liabilities | 606 | 737 | 876 |
| Other non-current liabilities | 1 297 | 1 864 | 206 |
| **Total non-current payables and liabilities** | **6 553** | **7 102** | **7 061** |
| Current portion of non-current loans | 244 | 156 | 180 |
| Issued bonds | 756 | | |
| Trade payables and other current liabilities | 529 | 655 | 2 510 |
| **Total current payables and liabilities** | **1 529** | **811** | **2 690** |
| **TOTAL EQUITY AND LIABILITIES** | **11 846** | **14 481** | **23 486** |

## INCOME STATEMENT, EUR TH

| | 2023 | 2024 | 2025* |
|---|---|---|---|
| Sales revenue | 660 | 916 | 943 |
| Cost of sales | -224 | -245 | -257 |
| **Gross profit** | **436** | **671** | **686** |
| Operating expenses | -212 | -274 | -521 |
| Gain on investments property at fair value | 1 018 | 490 | 662 |
| **Operating profit** | **1 242** | **887** | **827** |
| Financial income | - | 12 | 13 |
| Finance costs | -420 | -307 | -227 |
| **Profit before tax** | **822** | **592** | **613** |
| Income tax | -235 | -144 | -160 |
| **Net profit** | **587** | **448** | **453** |

*2025 financials are unaudited

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