

Investor Presentation

EUR 5 m Senior Unsecured Bond Issue

Hotrema

June 2025



Disclaimer

This presentation and any materials distributed or made available in connection herewith (collectively, the “presentation”) have been prepared by Hotrema, UAB (the “Company”) solely for your use and benefit for information purposes only and have not been verified, approved or endorsed by any third party. By accessing, downloading, reading or otherwise making available to yourself any content of the presentation, in whole or in part, you hereby agree to be bound by the following limitations and accept the terms and conditions as set out below.

You are only authorized to view, print and retain a copy of the presentation solely for your own use. No information contained in the presentation may be copied, photocopied, duplicated, reproduced, passed on, redistributed, published, exhibited or the contents otherwise divulged, released or disseminated, directly or indirectly, in whole or in part, in any form by any means and for any purpose to any other person than your directors, officers, employees or those persons retained to advise you, who agree to be bound by the limitations set out herein.

The presentation does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. If any such offer or invitation is made, it will be done pursuant to separate and distinct documentation in the form of an information document and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such information document and not this presentation. Any person considering the purchase of any securities of the Company must inform himself or herself independently before taking any investment decision. By accessing this presentation, the recipients will be deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the risks involved in any purchase or sale of any financial instrument or any other information contained herein. This presentation should not be construed as legal, tax, investment or other advice and any recipient is strongly advised to seek their own independent advice in respect of any related investment, financial, legal, tax, accounting or regulatory considerations.

The presentation has been provided to you solely for your information and background and is subject to amendment. Further, the information in this presentation has been compiled based on information from a number of sources and reflects prevailing conditions as of its date, which are subject to change. The information in this presentation is subject to verification, completion and change without notice and the Company is not under any obligation to update or keep current the information contained herein. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its respective members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation, and any reliance you place on such information or opinions will be at your sole risk. Neither the Company nor any of its respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

This presentation includes "forward-looking statements", which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "plans", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk. These forward-looking statements speak only as at the date as of which they are made. Past performance of the Company cannot be relied on as a guide to future performance. No statement in this presentation is intended to be a profit forecast.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Executive Summary

- Hotrema provides high-quality industrial insulation and scaffolding services to companies in energy, chemical, infrastructure and other industries: PKN Orlen, Hitachi Zosen, Borealis AG, Valmet group companies, etc.
- The company is on a stable and profitable growth path. Average annual revenue growth is 20% in 2023 and 2024.
- Environmental and geo-political trends drive the need for energy efficiency, thus for our services.
- Revenue source is well diversified having 76% from West and North Europe, and 24% from the Baltics.
- Company's management has strategic know-how in the operating industry together with extensive expertise from other sectors and proven competence in project management, governance, and advanced market practice.
- The proceeds of the issued Bonds will be used to diversify the Issuer's financing structure, including the refinancing of scaffolding and other equipment at a lower interest rate, and to support general working capital needs.

Key Financial Indicators

Issue size	Eur 8,000,000
First Tranche	Eur 5,000,000
Maturity	25/04/2028
Interest rate	9%; 30E/360; fixed rate
Coupon frequency	Quarterly
Call option	1st 6m locked / 6-12m 1% / After 12 months 0% 14 days notice
Type of placement	Public offering in Lithuania, Latvia and Estonia
Admission to trading	Nasdaq Vilnius First North in 3 months
Type of securities	Senior Unsecured Fixed Rate Bonds
Financial covenants	Equity ratio \geq 20%, ICR \geq 2.00
Legal advisor	Cobalt
Trustee	Audifina
Issuing agent	AB Artea Bankas

Eur'000	2023	2024
Revenue	44,256	53,396
EBITDA	2,778	3,378

Table of Contents

Hotrema Business Overview	5
Hotrema Group	11
Financials	16
Bond Issue	19
Risks	22
Contacts for Information	27

01

Hotrema Business Overview

Our Services & People

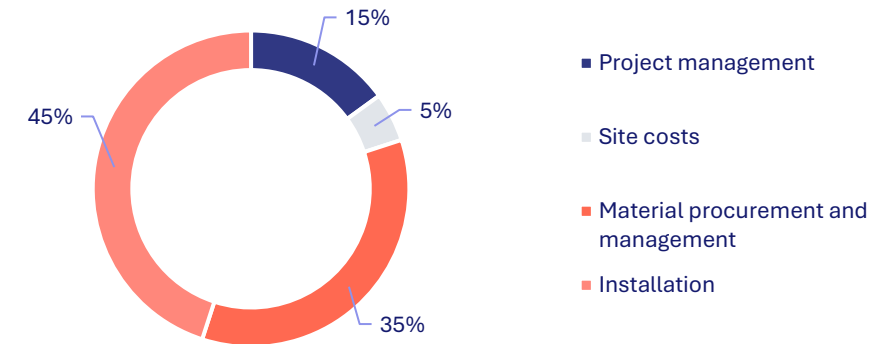
Technical insulation: is a smart service that helps industrial facilities save energy and reduce heat loss by using advanced insulation materials and expert installation. Rather than just supplying materials, we offer a full solution — from identifying where energy is being wasted, to installing the right insulation, and providing ongoing maintenance to ensure long-term efficiency.

Scaffolding: a temporary structure used to support workers, tools, and materials during the construction, maintenance, or repair of industrial sites like factories, refineries, power plants, and shipyards. Scaffolding is needed for all insulation related works.

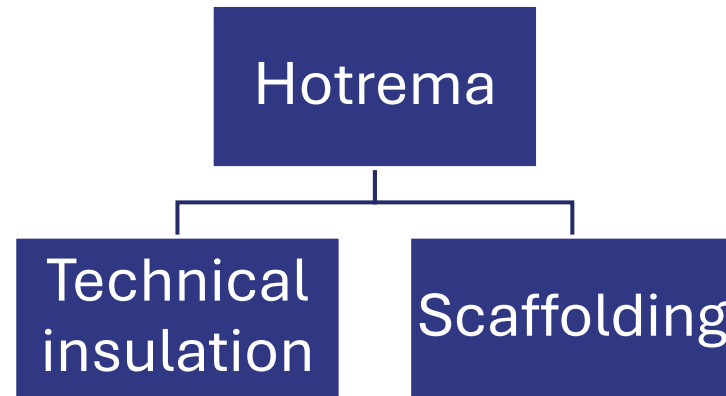
Our people



Project cost structure



What We Do



**Turn-Key
concept**

Design & Engineering
Procurement and management (Material and services)
Installation
Commissioning and after sales support

***HotremaPMS[®]**
Efficiency Quality Schedules

Our competitive advantage

Our Market Drivers

European Green Deal

Technical heat insulation is critical to the EU Green Deal because it drastically reduces energy waste in buildings and industry, enabling the bloc to meet its 2030 emissions targets and achieve climate neutrality by 2050.

Waste-to-Energy investments

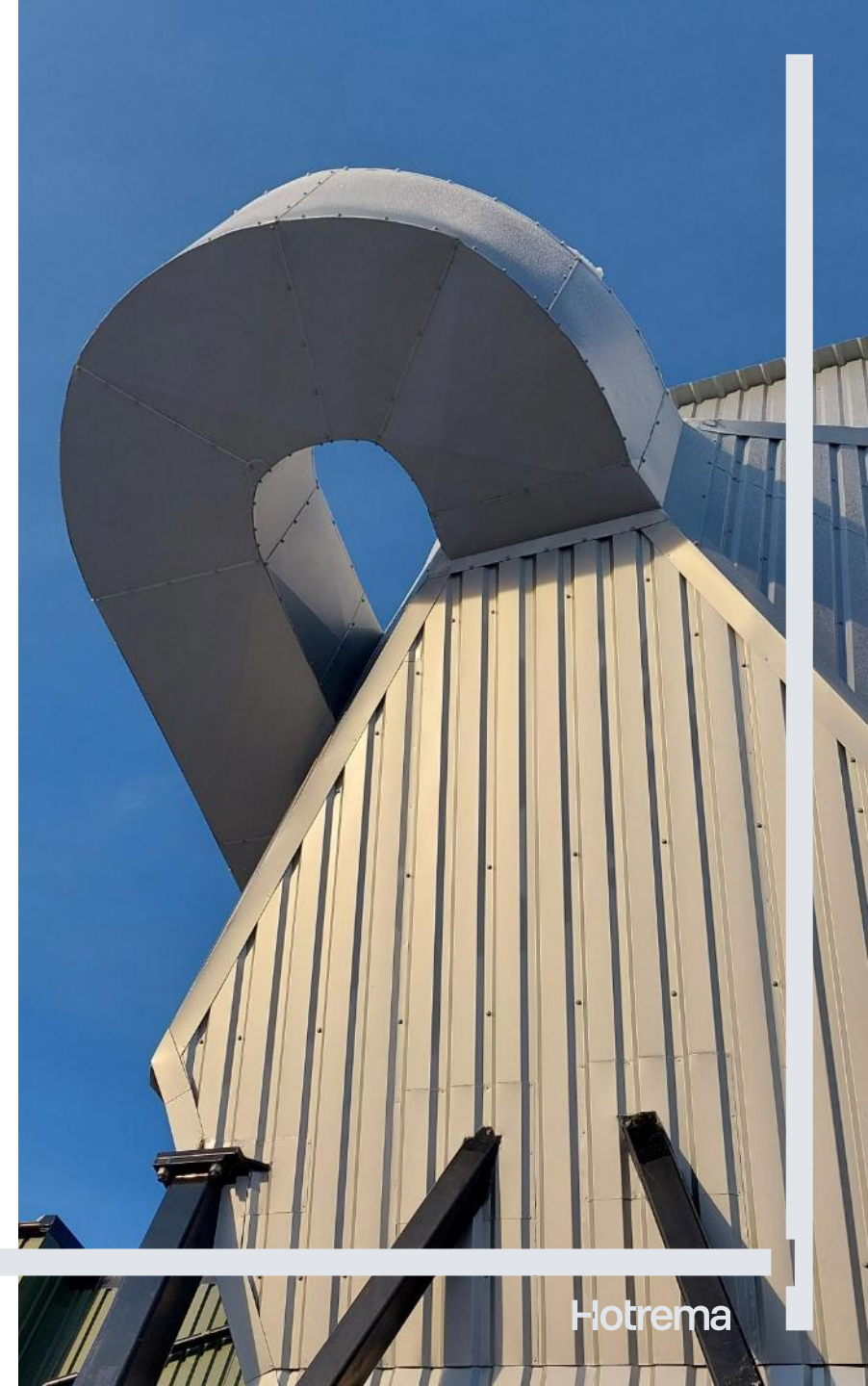
Up to 50 billion EUR will be invested into W-t-E during 2025-2030 due to EU Landfill Ban Expansion – Stricter waste directives (e.g., Landfill Directive 1999/31/EC).

Oil & Gas and Petrochemical investments

Up to 200 billion EUR will be invested into these industries between 2025-2030 to balance energy security needs, green transition, new hydro cracking units for better efficiency and green course policies.

Nuclear power investments

Between 2025 and 2030, up to €150 billion will be allocated to the development of new nuclear power plants and the modernization of existing reactors. These investments aim to enhance energy security, comply with the EU Taxonomy for sustainable finance, and meet growing demand from sectors including data centers, hydrogen production, and heavy industry.

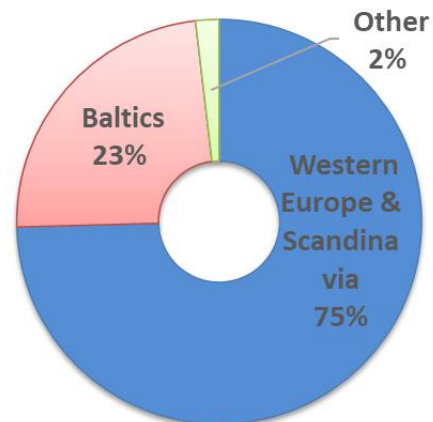


Our Markets

Revenue (mEur)	2024	2023
Western Europe	34.5	24.3
Scandinavia	5.4	5.6
Lithuania	9.4	12.2
Other Baltics	3.2	-
Uruguay	-	2.2
Other	1	-
	53.5	44.3

2024:

- Western Europe: United Kingdom 14.9, Germany 8.2, the Netherlands 5.3, France 4.3, Luxembourg 2.2, Belgium 0.5
- Scandinavia: Finland 4.9, Norway 0.4, Denmark 0.1



- Most of the revenue is generated outside Lithuania: Western Europe and Scandinavia, or from non-Lithuanian customers. Baltics amount to 24% of income in 2024 and is decreasing.
- **Insulation Europe (currently 68%)** is and will remain our core revenue. In addition to that, we explore other markets.
- **Insulation non-Europe (2%)** is a growing bit of our revenue. As we prove our quality to our customers, we are invited to their global projects. A few projects outside Europe are under consideration already.
- **Maintenance (16%)** projects provide a stable revenue. Every plant needs to be maintained, and maintenance works tend to be never-ending.
- **Scaffolding (7%)**: We renewed our strategy to primarily provide scaffolding together with our insulation works: Now we also aim to provide scaffolding independently of insulation.
- **Export of labour force (7%)** is a legacy segment that we used to operate and will continue to do so, though it will not be our priority

Key Clients and Projects

Oil & Gas



ORLEN Lithuania
More than 300 000 man-hours
200 staff at peak period
Value: 4 000 000Eur



Petrochemical



BOREALIS Finland
More than 40 000 man hours
40 staff at peak period
Value: 12 000 000Eur



INDORAMA Lithuania
More than 15 000 man hours
25 staff at peak period
Value: 800 000Eur



Energy From Waste



Project contract
More than 100 000 man-hours
85 staff at peak period
Value: 13 000 000Eur



LOSTOCK UK
More than 100 000 man-hours
70 staff at peak period
Value: 11 000 000Eur



Biofuel



SOLVAY Rheinberg
More than 20 000 man hours
25 staff at peak period
Value: 2 000 000Eur



KRONOSPAN Luxembourg
More than 35 000 man hours
35 staff at peak period
Value: 3 500 000Eur



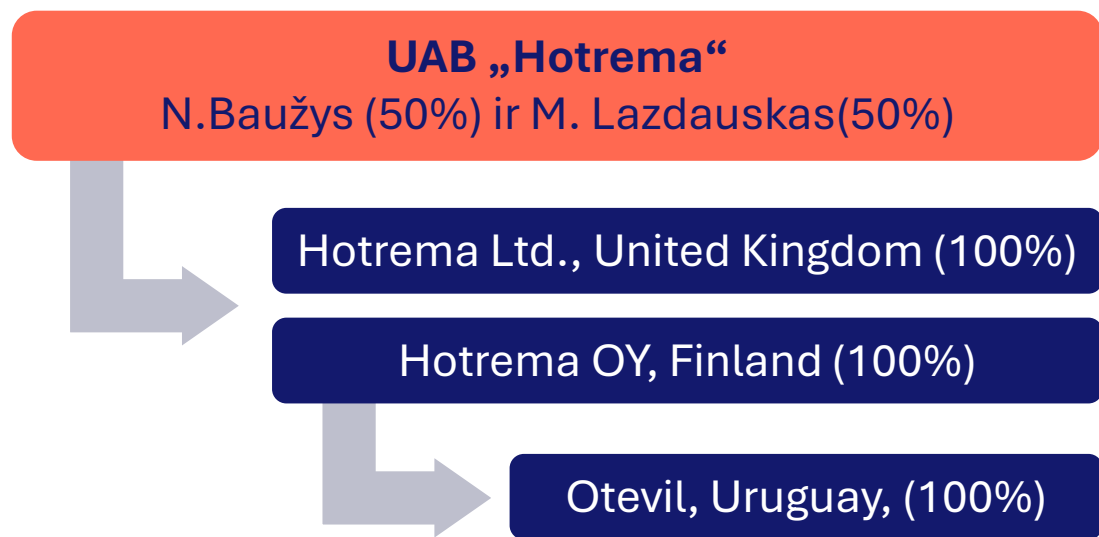
02

Hotrema Group Overview

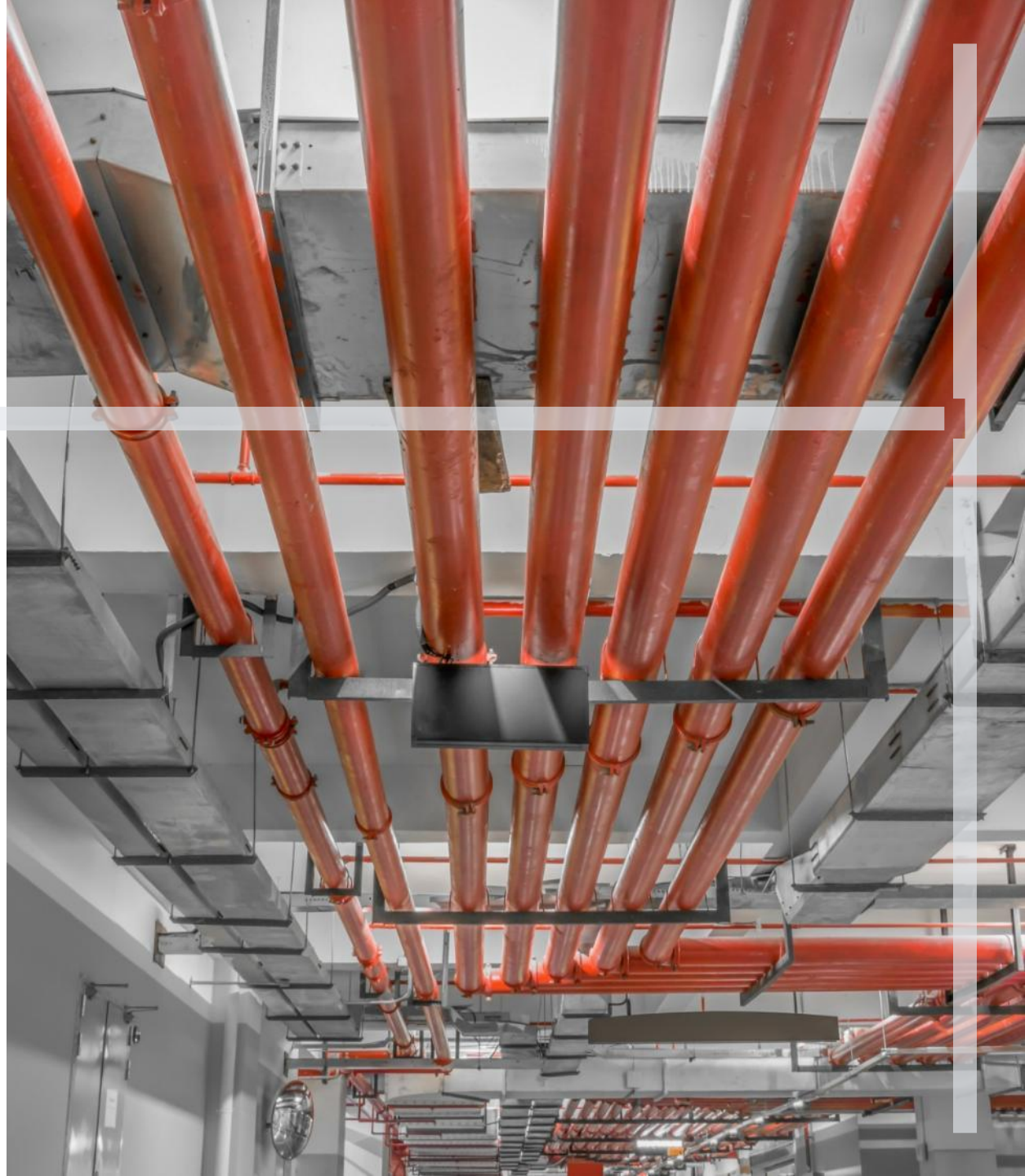
Hotrema Group

Hotrema UAB was established in 2012.

The Group structure as at 31 May 2025 is as follows:

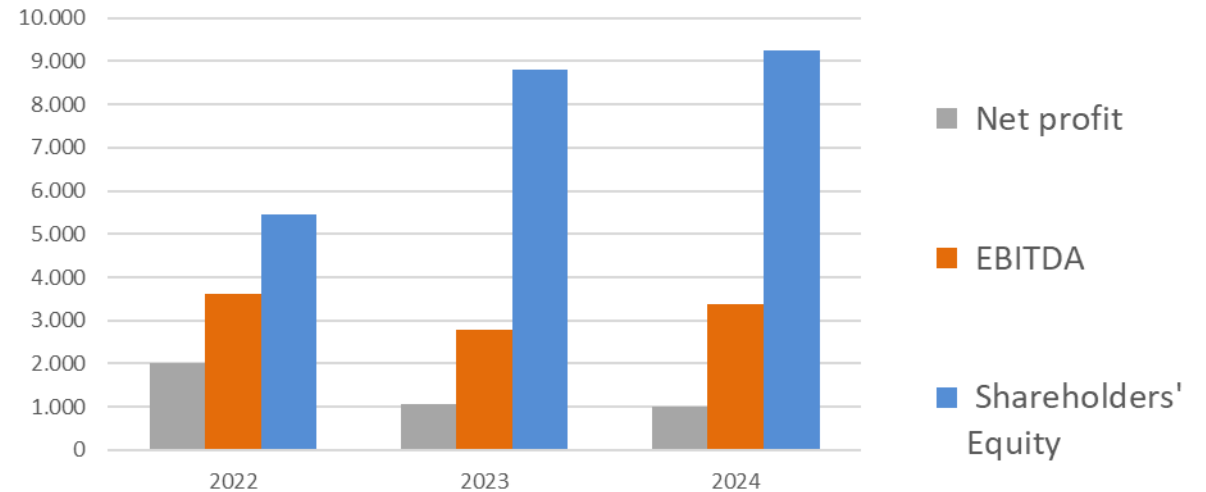


As the geography of our projects expands, subsidiaries are established if running projects in the country is more effective via a subsidiary.



Key Financial Indicators

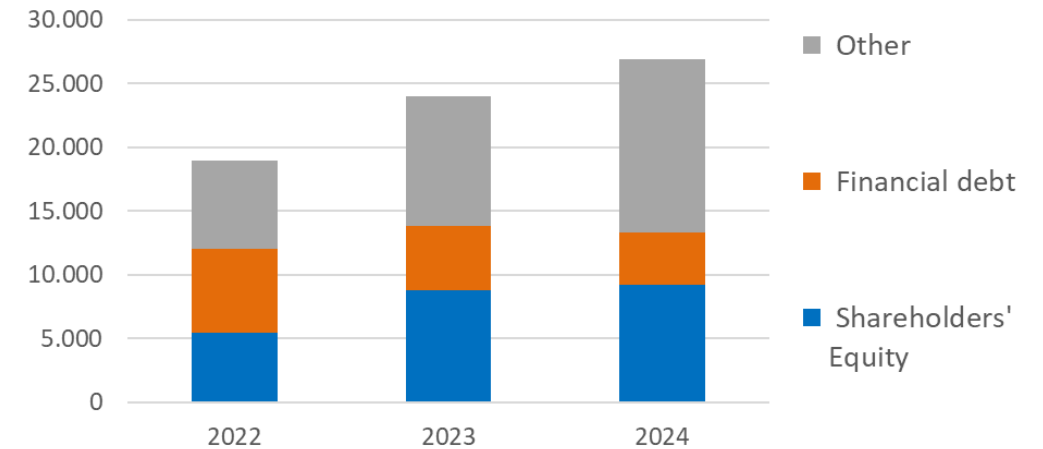
EUR'000	2022 Stand-alone	2023 Stand-alone	2024 Stand-alone
Revenue	36,202	44,256	53,396
Gross profit margin	24.0%	18.5%	15.5%
OPEX	5,702	6,390	7,318
Net profit	2,340	1,069	1,008
EBITDA	3,932	2,778	3,378
Shareholders' Equity	5,981	8,808	9,246
Financial debt	6,565	5,051	4,087
Total assets	18,848	24,016	26,911
Financial debt/EBITDA	1.7	1.8	1.1
Equity/Assets	32%	37%	34%



- We maintain a steady revenue growth in our core business.
- A steady Gross profit margin is ensured by Hotrema Project Management System, the way how we plan, execute and control projects.
- OPEX growth is very moderate. Current organization is sufficient to maintain the growth of the business.
- Most of the earnings are retained in the company to ensure a sound financing structure.

Financing Structure

<i>EUR'000</i>	2022	2023	2024
	<u>Stand-alone</u>	<u>Stand-alone</u>	<u>Stand-alone</u>
Trade liabilities	6,155	9,059	13,160
<i>Of which:</i>			
<i>Prepayments or up-front invoicing</i>	1,057	1,972	4,678
<i>Salaries and related</i>	2,507	3,155	2,963
<i>Other</i>	2,591	3,932	5,519
Financial debt	6,565	5,051	4,087
<i>Of which:</i>			
<i>Scaffolding equipment lease</i>	5,352	3,760	2,091
<i>Vehicle leasing</i>	661	945	1,148
<i>Other</i>	552	346	848
Shareholders' Equity	5,981	8,807	9,246
Total assets	18,848	24,416	26,911
EBITDA	3,932	2,778	3,378
Financial debt/EBITDA	1,7	1,8	1,1
Equity/Assets	32%	37%	34%



The proceeds of the Bonds issue will be used to diversify the Issuer's financing structure, including the refinancing of scaffolding and other equipment at a lower interest rate, and to support general working capital needs.

Management



CEO
Marius
Lazdauskas

Mr. Lazdauskas has 20 years of experience in the insulation and scaffolding business, starting as a project administrator and progressing through roles as a foreman, supervisor, site manager, and project manager in the world's leading organization at that time. Since 2013, he became a co-owner of Hotrema, further expanding his expertise by managing the company.



COO
Donatas
Zykus

Extensive experience in leadership positions at Maxima Group and MV Group.



**Chief Project
Management
Officer**
Darius Šokaitis

A long track record from Caverion Lietuva, FIMA.



**Chief Sales
Officer**
Tomas
Malčius

Long term experience in meeting the client needs in industrial project management services. Track record in the same sector.



**Chief
Process
Officer**
Valius
Čybas

Leader with a strong background in business process optimization, quality management, and IT. BOD Group.



**Chief People
and Culture
Officer**
Aušra
Antanavičienė

HR pro with the focus on leadership development and personal growth. Peikko, Kitron



**Chief Finance
Officer**
Sigitas
Žutautas

Long term experience in audit, banking, financing, corporate governance: PwC, Luminor Bank, AmberGrid.

03

Financials

Balance sheet

<i>EUR'000</i>	31/12/2024	31/12/2023	31/12/2022
	<u>Stand-alone</u>	<u>Stand-alone</u>	<u>Stand-alone</u>
ASSETS			
FIXED ASSETS	13.244	13.730	10.994
<i>INTANGIBLE ASSETS</i>	427	523	303
<i>TANGIBLE ASSETS</i>	12.811	13.178	10.608
<i>FINANCIAL ASSETS</i>	6	29	38
<i>OTHER LONG TERM ASSETS</i>	-	-	44
CURRENT ASSETS	11.017	8.241	7.097
<i>STOCKS</i>	1.943	1.412	1.036
<i>AMOUNTS RECEIVABLE WITHIN ONE YEAR</i>	8.802	5.936	5.280
<i>CASH AND CASH EQUIVALENTS</i>	273	892	780
PREPAYMENTS AND ACCRUED INCOME	<u>2.649</u>	<u>2.045</u>	<u>757</u>
TOTAL ASSETS	<u>26.910</u>	<u>24.016</u>	<u>18.848</u>
EQUITY AND LIABILITIES			
EQUITY	9.246	8.808	5.981
<i>CAPITAL</i>	500	500	500
<i>REVALUATION RESERVE</i>	2.722	2.918	162
<i>RESERVES</i>	50	50	50
<i>RETAINED PROFIT (LOSS)</i>	5.974	5.340	5.270
GRANTS, SUBSIDIES	19	30	41
PROVISIONS	399	499	12
AMOUNTS PAYABLE AND OTHER LIABILITIES	12.449	13.843	12.721
<i>AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES</i>	1.433	2.967	3.980
<i>AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES</i>	11.016	10.876	8.741
ACCRUALS AND DEFERRED INCOME	<u>4.797</u>	<u>835</u>	<u>92</u>
TOTAL EQUITY AND LIABILITIES	<u>26.910</u>	<u>24.016</u>	<u>18.848</u>

Income statement

EUR'000

	31/12/2024 <u>Stand-alone</u>	31/12/2023 <u>Stand-alone</u>	31/12/2022 <u>Stand-alone</u>
Net turnover	53.396	44.256	36.202
Cost of sales	<u>(44.133)</u>	<u>(36.061)</u>	<u>(2.745)</u>
GROSS PROFIT (LOSS)	9.262	8.195	8.748
Selling expenses	(211)	(129)	(47)
General and administrative expenses	(7.210)	(5.979)	(5.654)
Other operating results	102	(282)	(1)
Other interest and similar income	255	40	177
Interest and other similar expenses	<u>(908)</u>	<u>(690)</u>	<u>(815)</u>
PROFIT (LOSS) BEFORE TAXATION	1.291	1.154	2.408
Tax on profit	<u>(283)</u>	<u>(86)</u>	<u>(67)</u>
NET PROFIT (LOSS)	<u>1.008</u>	<u>1.069</u>	<u>2.340</u>

04

Bond Issue

Bond Terms Summary

Issuer:	UAB Hotrema
ISIN:	LT0000134553
Aggregate principal amount of the first Tranche:	EUR 5,000,000
Nominal amount of the Bond:	EUR 1,000
Issue Price of the Bond:	EUR 1,000
Issue Date:	25 June 2025
Maturity Date:	25 April 2028
Early Redemption by the Issuer	No early redemption option first 6 months 1% premium if redeemed between 6 and 12 months No premium if redeemed after 12 months With 14-day notice
Early Redemption by the Bondholders	De-listing event or Listing failure
Annual Interest Rate:	9%
Interest Payment Dates:	25 September, 25 December, 25 March, 25 June

Yield:	9% The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
Minimum Investment Amount:	EUR 1,000
Subscription Period:	12 June 2025 9:00 am – 20 June 2025 04:00 pm
Undertakings:	Restrictions on lending, disposal of assets; and information disclosure
Financial covenants:	Equity ratio \geq 20%, ICR \geq 2.00
Lead Manager:	AB Artea bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348, Šiauliai, Lithuania.
Settlement Agent:	AB Artea bankas, legal entity code 112025254, having its address at Tilžės g. 149, LT-76348, Šiauliai, Lithuania.
Trustee:	UAB AUDIFINA, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus g. 6, LT-09310, Vilnius, Lithuania.

Subscription and allocation

Procedure for submission of Subscription Orders:

The Subscription Orders may be submitted through any credit institution or an investment brokerage firm that is licensed to provide such services in Lithuania, Latvia or Estonia and which are members of Nasdaq Vilnius or have relevant arrangements with a member of Nasdaq Vilnius.

The total amount of the Bonds to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount.

Procedure for allocation of Bonds and settlement:

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

In case the subscription amount for the Tranche is equal to or exceeds the aggregate principal amount of the relevant Tranche, the Issuer shall decide which Investors shall be allotted with the Bonds and to what amount, and which Investors shall not be allotted with the Bonds. The Bonds shall be allocated to the Investors participating in the offering in accordance with the following main principles: (a) the division of Bonds between the retail and institutional investors has not been predetermined. The Issuer shall determine the exact allocation in its sole discretion, considering the overall demand from different Investor categories; (b) under the same circumstances, all Investors shall be treated equally, whereas dependent on the number of Investors and interest towards the Offering, the Issuer may set minimum and maximum number of the Bonds allocated to one Investor; (c) the allocation shall be aimed to create a solid and reliable Investor base for the Issuer; (d) possible multiple Subscription Orders submitted by the Investor shall be merged for the purpose of allocation; (e) Subscription Orders via a nominee accounts (incl. if made on the account of pension investment accounts) shall be treated as Subscription Orders from separate independent Investors only if this was disclosed to the Issuer. Although each Investor subscribing via a nominee account is

Procedure for allocation of Bonds and settlement (cont'd):

considered as an independent Investor during the allocation process, the nominee account holder is responsible for the allocation of the Bonds to the Investor; and (f) each Investor entitled to receive the Bonds shall be allocated a whole number of the Bonds and, if necessary, the number of Bonds to be allocated shall be rounded down to the closest whole number. Any remaining Bonds which cannot be allocated using the above-described process shall be allocated to the Investors on a random basis. Accordingly, the Investors who subscribe the Bonds of the relevant Tranche may not receive all of the Bonds they have subscribed for and it is possible they may not receive any.

In case the subscription amount for the Tranche is below the aggregate principal amount of the relevant Tranche, the Issuer may decide to cancel the issuance of the Tranche or, subject to supplements or amendments to the Final Terms, to adjust the aggregate principal amount of the relevant Tranche corresponding to the subscription amount of the Tranche.

The Issuer shall not be obliged to allocate any Bonds to any Investors participating in the offering of the Bonds. Furthermore, there will be no target minimum individual allocation of the Bonds to the Investors.

After completion of the allocation of the Bonds, announcement about allotment of the Bonds shall be made to the Investors pursuant to internal documents and procedures of a respective credit institution or investment brokerage firm where an Investor has submitted his/her/its Subscription Order.

The Bonds allocated to the Investors shall be transferred to their securities accounts in accordance with the DVP (*Delivery vs Payment*) principle pursuant to the Auction Rules simultaneously with the transfer of payment for such Bonds.

05

Risks

Risks related to the Issuer

Economic environment risk The activities and results of the Group depend on economic processes both in Lithuania and internationally. During an economic downturn, demand for the Issuer's services may decrease, which may negatively affect the implementation of the business strategy and results of the Issuer.

Environmental regulation / sustainability risk The Group operates in an environmentally sensitive sector and may be affected by stricter environmental or sustainability rules introduced by Lithuanian or EU authorities. Such regulations could increase costs, limit access to raw materials, or require changes in how the Issuer operates. Failure to meet environmental expectations may also harm the Issuer's reputation with customers and partners.

Legal and regulatory compliance risk The Issuer and Group operate across multiple jurisdictions and must comply with technical regulations, project licensing requirements, labour law, and certification standards in each country of operation. Failure to meet these legal obligations may lead to fines, work stoppages, or bans on participation in future projects.

Health and safety regulation risk The introduction of stricter health and safety regulations by Lithuanian, EU or national authorities of the countries where most of the Issuer's clients are located may lead to an increase of raw material prices and/or production costs. Consequently, the pace and amount of production may reduce, resulting in potential financial losses and a decrease in market share.

Additionally, violations of workplace safety rules on-site may result in penalties, legal liability, or project delays.

Seasonality risk Demand for technical insulation and scaffolding is typically tied to construction and industrial sectors which are cyclical and vulnerable to downturns (especially during the winter season, and to a certain extent, in summer). This cyclical nature of demand may lead to fluctuations in revenue and cash flow throughout the year. Additionally, it may require the Issuer to manage significant inventory levels during low-demand periods, which could impact working capital and operational efficiency.

Commodity markets related risk The Group's costs and pricing are affected by fluctuations in commodity market prices (for instance, steel, aluminium and other metals, insulation materials, and petrochemicals). Since the Issuer cannot affect the future commodity market price fluctuations, they may result in Issuer's group incurring additional costs, reduced profitability, a decrease in market share and outputs and lost cash flows.

Competition risk Industrial insulation and scaffolding services market is considered to be quite competitive in Europe. Competitors' actions to increase their market share may negatively impact the profitability of the Issuer. Delayed or inadequate responses to competitors' actions by the Issuer could lead to losses. This may restrict the Issuer's ability to meet its obligations to Bondholders.

Operating cost risk Due to changing circumstances, the operating expenses of the Issuer may increase, which would reduce their profitability. These expenses may increase due to the need for external specialists, advertising, additional services, or employees. The Issuer expects such expenses to be moderate and controlled; however, their increase may negatively affect the financial position of the Issuer.

Risks related to the Issuer (cont'd)

Operating cost risk Due to changing circumstances, the operating expenses of the Issuer may increase, which would reduce their profitability. These expenses may increase due to the need for external specialists, advertising, additional services, or employees. The Issuer expects such expenses to be moderate and controlled; however, their increase may negatively affect the financial position of the Issuer.

Counterparty risk Counterparty risk is inherent in all activities carried out by the Issuer. Due to counterparty risk, the Issuer may incur financial losses. A counterparty's failure to fulfil obligations may affect the completion of projects carried out by the Issuer, the quality of services provided, or damage their reputation. Although the Issuer monitors and manages counterparty risk, the occurrence of any mentioned counterparty risk may negatively impact its business and financial position. Due to this risk, the Issuer may become insolvent, bankrupt, its operations may be suspended or terminated, making it impossible to redeem the Bonds and/or pay accrued interest to Bondholders.

Project execution risk If a project is mismanaged or improperly scoped, the Issuer may incur cost overruns, schedule delays, or loss-making outcomes. Poor execution may reduce profitability or eliminate expected margins entirely, especially under fixed-price contracts.

Operational risk The Issuer may incur losses due to inadequate or failed internal control processes of the Issuer, employee errors and illegal actions, software or equipment malfunctions.

Management and human resources risk The Issuer's results heavily depend on the Issuer's employees and their decisions, as well as team members' competence and experience. The loss of key team members, their potential employment with the Issuer's competitors, and inability to attract other qualified specialists may have a significant negative impact on the Issuer's management, operations, results, and financial position.

Unpredictable events Events such as pandemics, geopolitical conflict, civil unrest, or extreme weather may reduce the number of working days, preventing the Issuer, their employees, or contractors from conducting operations and providing services. These events and actions may also create economic and political uncertainty, which may negatively impact the economic conditions of such countries or reduce the demand for the Issuer's services or increase their costs. Unforeseen events may also decrease the revenues of the Issuer or result in additional operating expenses. Insurance coverage against certain unforeseen risks may also be unavailable. The materialisation of these risks may have a significant negative impact on the business, operational results, or financial position of the Issuer.

Refinancing risk The Issuer may need to refinance its debts, including the Bonds. The Issuer's ability to successfully refinance its debts depends on debt capital market conditions and its financial position at that time. The Issuer's inability to refinance its debts or refinance them on favourable terms may negatively affect the Company's financial position and Bondholders' ability to recover funds under the Bonds.

Risk of litigation At the moment the Issuer is not involved in any judicial or out of court disputes. However, in case such arise in the future and they are resolved unfavourably for the Issuer, it may negatively affect its operations, financial position, and reputation. All of this may impact the Issuer's ability to properly fulfil its obligations to Bondholders and affect the Bonds' attractiveness and liquidity.

Tax risk The introduction of new taxes relating to the Issuer's activities or changes in applicable taxes may adversely affect the Issuer's performance. This risk also applies to the Group if tax changes impact cross-border operations or international revenue streams.

Risks related to Bonds

Inflation risk There is a risk that, in the event of inflation, the depreciation of money might exceed the yield on the Bonds.

Listing risk. The Bonds constitute a new issue of securities by the Issuer.

Risk of inactive secondary market Prior to admission to trading on alternative market First North of Nasdaq Vilnius, there is no public market for the Bonds and other securities of the Issuer. Although application(s) will be made for the Bonds to be admitted to trading on alternative market First North of Nasdaq Vilnius, there is no assurance that such application(s) will be accepted, and the Bonds will be admitted to trading.

In addition, admission to trading the Bonds on an alternative market will not guarantee that a liquid public market for the Bonds will develop or, if such market develops, that it will be maintained, and neither the Issuer, nor the Lead Manager is under any obligation to maintain such market. If an active market for the Bonds does not develop or is not maintained, it may result in a material decline in the market price of the Bonds, and the liquidity of the Bonds may be adversely affected. In addition, the liquidity and the market price of the Bonds can be expected to vary with changes in market and economic conditions, the financial condition and the prospects of the Issuer, as well as many other factors that generally influence the market price for securities. Accordingly, due to such factors the Bonds may trade at a discount to the price at which the Bondholders purchased/subscribed the Bonds. Therefore, Investors may be not able to sell their Bonds at all or at a price that will provide them with a yield comparable to similar financial instruments that are traded on a developed and

Listing risk. functioning secondary market. Further, if additional and competing financial instruments are introduced on the markets, this may also result in a material decline in the market price and value of the Bonds.

Risk of inactive secondary market (cont'd)

Unsuitability of the Bonds for some Investors Each potential Investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential Investor should:

- 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 Information Document;
- 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;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds; and

Risks related to Bonds (cont'd)

Unsuitability of the Bonds for some Investors (cont'd) - 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.

A potential Investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential Investor's overall investment portfolio.

Changes in the Issuer's financial position Any adverse change in the Issuer's financial condition or prospects may have a significant adverse effect on the liquidity of the Bonds and may result in a material decrease in the market price of the Bonds.

Potentially unfavourable decisions of Bondholders' Meetings The laws applicable to the issue of the Bonds provide for the possibility of resolving certain matters at Bondholders' Meetings. Attendance of all Bondholders at the Meeting or unanimous approval from all Bondholders is not necessary for the decision to be adopted at the Bondholders' Meeting. Accordingly, the decisions made at the Bondholders' Meeting will be binding and effective for all Bondholders, including those who abstained or opposed the decision.

No voting rights Only shareholders of the Issuer have the right to vote at the Issuer's General Meetings. The Bonds do not confer such voting rights. Therefore, the Bondholders may not influence any decisions of the Issuer's shareholders relating, for example, to the Issuer's capital structure, commitments, or other transactions.

Risk of early redemption of the Bonds Under the terms of the issue, the Bonds may be redeemed prior to the specified maturity date at the discretion of the Issuer. If the Issuer exercises the early redemption right, the return on investment in the Bonds may be lower than originally expected.

Changes in the legal and tax environment The legal and tax environment relevant to the Bond issue may change. Bondholders may face additional expenses, procedural requirements, and diminished returns on their investment in the Bonds.

Interest rate risk If interest rates in general or particularly with regard to obligations of corporate debtors or corporate debtors with activities in the industries sector for durations equal to the remaining term of the Bonds increase, the market value of the Bonds may decrease. The longer the remaining term of a debt instrument, the stronger is its market value affected by changes of the interest rate level. There are further factors which may affect the market value of the Bonds, including, but not limited to global or national economic factors and crises in the global or national financial or corporate sector. Bondholders should be aware that movements of the market interest rate can adversely affect the market price of the Bonds and can lead to losses for the Bondholders if they sell their Bonds

Transaction costs/charges When the Bonds are purchased/subscribed or sold, several types of incidental costs (including transaction fees and commissions) 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 (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Bonds.

Contacts for Information



Eglė Džiugytė

Head of Markets at Artea Bankas

Email: broker@artea.lt

Artea Bankas broker phone number:

+370 5 21 03354



Sigitas Žutautas

Chief Financial Officer at Hotrema

Email: s.zutautas@hotrema.lt

Phone number:

+370 686 55026