



# **SBA FURNITURE GROUP BOND ISSUE**

**Investment memorandum**

March 2024

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THE INFORMATION WITH RESPECT TO ANY PROJECTIONS PRESENTED HEREIN IS BASED ON A NUMBER OF ASSUMPTIONS ABOUT FUTURE EVENTS AND IS SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTY AND OTHER CONTINGENCIES, NONE OF WHICH CAN BE PREDICTED WITH ANY CERTAINTY AND SOME OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. THERE CAN BE NO ASSURANCES THAT THE PROJECTIONS WILL BE REALISED, AND ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN THOSE INDICATED. NONE OF THE COMPANY NOR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, LEAD MANAGER, ADVISORS OR AFFILIATES, OR ANY REPRESENTATIVES OR AFFILIATES OF THE FOREGOING, ASSUMES RESPONSIBILITY FOR THE ACCURACY OF THE PROJECTIONS PRESENTED HEREIN.

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# Executive summary



UAB SBA Furniture Group (the “Group”, “Company”), a subsidiary of UAB SBA Group, is looking to raise up to EUR 8m through a bond issue (the “Bonds”) to refinance existing debt liabilities. The Group aims to diversify its lending sources and gradually alter its debt financing structure.

SBA Furniture Group, the largest group of furniture companies in Lithuania, has been active in the sector for over 20 years. The Group operates in two furniture manufacturing businesses:

- 1. factories producing for IKEA under the brand “SBA Home”;
- 2. factory producing non-IKEA furniture.

In addition, the Group operates a logistics centre and a manufacturing industry robotisation company.

SBA Furniture Group places a strong emphasis on business development and enhancing production processes. Over the past few years, the Group has allocated more than EUR 100m towards investments in robotics, automation, and other cutting-edge manufacturing innovations, along with modernising its factories.

Over 95% of the Group’s production is exported to more than 50 countries.

REVENUE, 2023

EUR 334m

EBITDA, 2023

EUR 35m

YEARS OF EXPERIENCE

20+



Source: Company’s information

## Summary of the terms

|                         |                                                                       |
|-------------------------|-----------------------------------------------------------------------|
| Issuer                  | UAB SBA Furniture Group                                               |
| Type of security        | Unsecured bonds                                                       |
| Interest rate           | 8% p.a.                                                               |
| Interest payments       | Quarterly                                                             |
| Issue size              | Up to EUR 8,000,000                                                   |
| 1 <sup>st</sup> tranche | Up to EUR 5,000,000                                                   |
| Type of placement       | Public offering in Lithuania and Latvia, private placement in Estonia |
| Subscription period     | 18 March 2024 – 25 March 2024                                         |
| Issue date              | 29 March 2024                                                         |
| Maturity date           | 29 March 2026                                                         |
| Trustee                 | Audifina                                                              |
| Lead Manager            | Redgate Capital AS                                                    |
| Legal adviser           | Ellex Valiūnas                                                        |

# Key investment highlights



## Decades of industry expertise

SBA Furniture Group has **20+ years of experience** in the furniture manufacturing sector across different economic conditions. Having successfully managed both favourable and challenging periods, the Group has demonstrated its resilience and strength. SBA Home has formed a **lasting strategic partnership with IKEA**, the renowned Swedish furniture retailer.



## EUR 4 billion lifetime turnover

The Group has demonstrated strong and consistent growth, as evidenced by **CAGR of 7.8%** over 18 years. In 2023, the Group's revenue reached EUR 334 million and EBITDA EUR 35 million. The total revenue earned by the Group throughout its operational history exceeds **EUR 4 billion**.



## Investing in automation and modernisation

The Group continuously focuses on **innovative production solutions, robotisation and automation**. Today, there are **over 100 robots** in factories, with the majority installed by the intra-group robotics company Robotex. Recent investments include EUR 65m into the Inno Line factory (the most robotised and automated furniture factory in the region), and EUR 30m into the **modernisation** of the Kauno Baldai factory. In 2023, the Group invested over EUR 11m in robotics, automation and other manufacturing innovations.



## Well-known group operating in various sectors

The parent company of the Group, SBA Group ("SBA"), is a **trusted and well-known** Lithuanian-capital enterprise investing in state-of-the-art innovations. SBA unites over 50 enterprises operating in the furniture, textile, real estate and investment management sectors. Over 90% of group's production is exported to 50 countries worldwide. SBA's consolidated revenue exceeded **EUR 440m in 2022**.

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# SBA Furniture Group

SBA started operating in the furniture manufacturing sector as early as 1990. SBA Furniture Group connects five furniture factories, a logistics centre and a robotisation company Robotex. Additionally, they operate an Industry Innovation Valley.

The furniture manufacturing business can be divided into two:

1. factories producing for IKEA under brand “SBA Home” (factories: Klaipedos baldai, Inno Line, Šilutės baldai, Visagino linija);
2. factory producing non-IKEA furniture (factory: Kauno baldai).

SBA Furniture Group lets its **20-years of work** speak for itself. The Group constantly improves production processes and finds new solutions. A large part of the investments are made into increasing efficiency and robotics solutions.

The Group exports over 95% of its production **worldwide, from America to ASIA and European countries**, and is a **priority partner of IKEA**.

| Key financials, EUR k | 2019    | 2020    | 2021    | 2022                | 2023 <sup>1</sup> |
|-----------------------|---------|---------|---------|---------------------|-------------------|
| Revenue               | 318,335 | 304,079 | 360,740 | 388,967             | 333,528           |
| Gross profit          | 40,946  | 44,823  | 27,425  | 25,908              | 37,072            |
| Gross margin, %       | 13%     | 15%     | 8%      | 7%                  | 11%               |
| EBITDA                | 33,183  | 39,469  | 22,123  | 26,733 <sup>2</sup> | 35,492            |
| EBITDA margin, %      | 10%     | 13%     | 6%      | 7%                  | 11%               |
| Net profit            | 16,230  | 19,395  | 322     | 6,568 <sup>2</sup>  | 8,064             |
| Net margin, %         | 5%      | 6%      | 0%      | 2%                  | 2%                |
| Total assets          | 182,281 | 235,838 | 280,955 | 286,383             | 264,761           |
| Total liabilities     | 118,369 | 152,634 | 209,660 | 234,288             | 206,104           |
| Total equity          | 63,912  | 83,204  | 71,295  | 52,095              | 58,657            |

Source: Company's information

<sup>1</sup> Unaudited

<sup>2</sup> At the end of 2022, the EUR 35m investment in the Belarusian manufacturing company MEBELAIN was fully written off. Since it is a non-monetary event, its impact on EBITDA and net profit is eliminated.

COMPANIES

8

COUNTRIES OF EXPORT

50+

ROBOTS

100+

PRODUCT RANGE

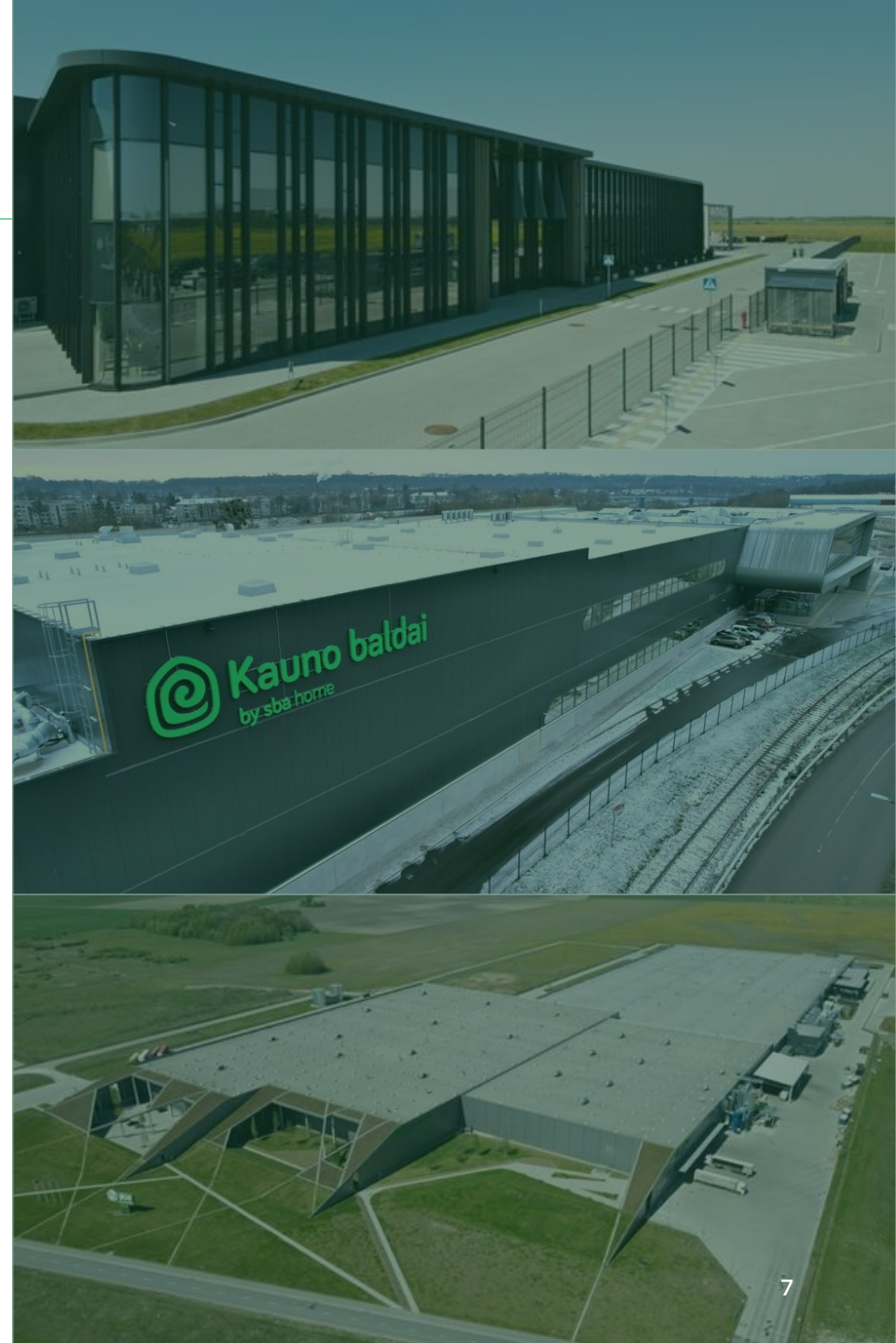
800+

EMPLOYEES

2,000+

MANUFACTURING AREA, m<sup>2</sup>

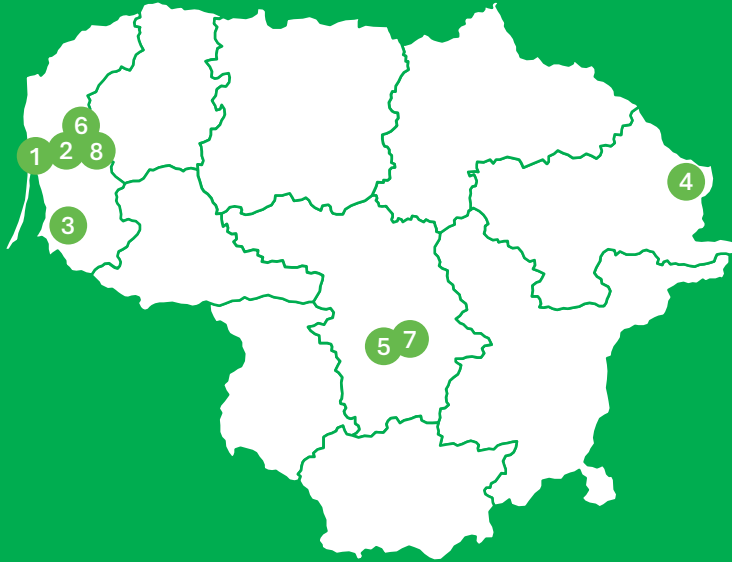
140,000+



# Overview of operations



## Facilities of SBA Furniture Group



- 1 Klaipėdos baldai
- 2 Inno Line
- 3 Šilutės baldai
- 4 Visagino linija
- 5 Kauno baldai
- 6 Innovo logistika
- 7 Robotex
- 8 Industry Innovation Valley

The Group unites five furniture factories, a logistics centre, a robotisation company and an industry innovation valley.

UAB SBA Home is responsible for the strategic management, procurement, sales, production efficiency, development, expansion, and investment of the four IKEA-related furniture factories and the logistics operating under SBA Home brand. Meanwhile, each furniture factory has its own independent local manager responsible for day-to-day operations.

Kauno baldai and Robotex are non-IKEA companies and direct subsidiaries of SBA Furniture Group.

| Furniture factory                                                                                                                         | Est. | Type of furniture                                                        | Main products                               | Prod. area            | Staff | Sales 2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------------------------------------------------|---------------------------------------------|-----------------------|-------|------------|
|  <b>Klaipėdos baldai</b><br><small>by sba home</small> | 1954 | Natural wood veneer-covered plywood furniture                            | Chest of drawers                            | 20,600 m <sup>2</sup> | 500+  | EUR 98.8m  |
|  <b>Inno Line</b><br><small>by sba home</small>        | 2022 | Foil wrapped furniture                                                   | Beds, wardrobes, chest of drawers, cabinets | 49,900 m <sup>2</sup> | 400+  | EUR 133.2m |
|  <b>Šilutės baldai</b><br><small>by sba home</small>   | 1890 | Corpus furniture made from solid wood or plywood                         | Tables, shelves, cupboards, beds            | 29,000 m <sup>2</sup> | 350+  | EUR 35.2m  |
|  <b>Visagino linija</b><br><small>by sba home</small>  | 2006 | Panel furniture made from veneer and pigment finishing wooden chipboards | Tables, cupboards, chest of drawers         | 24,500 m <sup>2</sup> | 500+  | EUR 66.5m  |
|  <b>Kauno baldai</b><br><small>by sba home</small>     | 1880 | Upholstered furniture                                                    | Sofas, armchairs, beds                      | 18,000 m <sup>2</sup> | 400+  | EUR 26.1m  |

**Innovo logistika** is a full service 3PL provider, offering a digital flat-line furniture storage, assembly, cargo-handling and customs brokerage services.



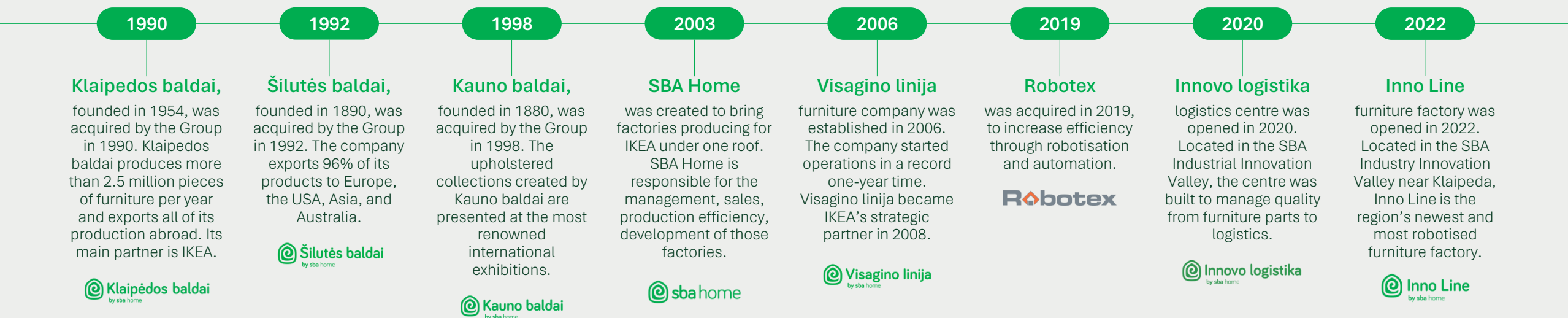
**Robotex** develops and implements innovative robotics and automation solutions to simplify daily routines. Robotex offers its services both within the Group and externally.



**SBA Industry Innovation Valley**, consists of Inno Line and Innovo logistika. The valley will become a hub for developing innovative, sustainable wood products and exclusive, patentable technologies.



# Key milestones



Source: Company's information



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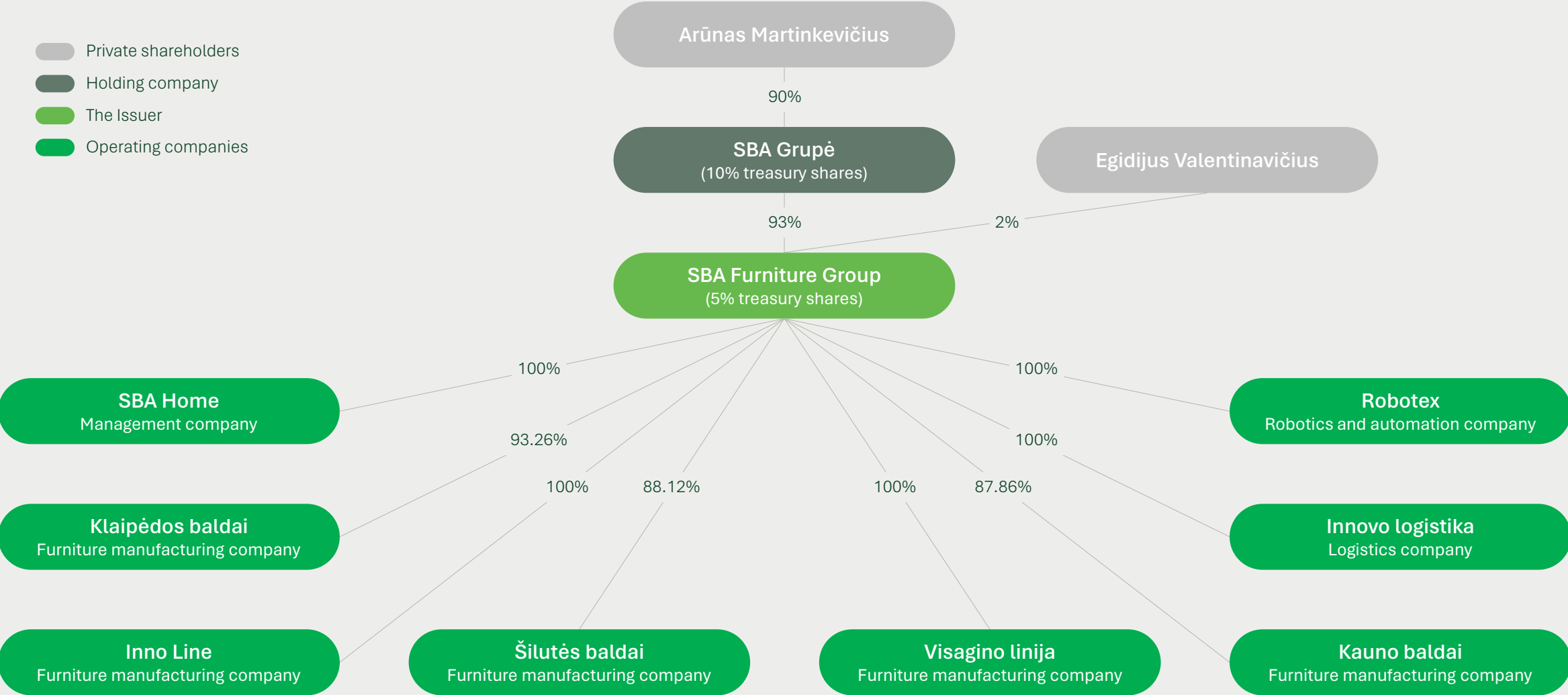
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# Legal structure



Source: Company's information

# Key personnel



**Egidijus Valentinavičius**  
SBA Group Vice President

E. Valentinavičius has been working in the SBA group for almost 30 years. He started as marketing director in energy department and currently CEO and board member of SBA Home and SBA Group. Egidijus makes significant contributions to SBA Furniture Group by developing manufacturing facilities and factories, as well as developing new products.

Master's degree in science, Energy management, Norwegian School of Management (BI).



**Jolanta Grašienė**  
SBA Group Vice President

J. Grašienė has been working in the SBA group for 20 years. For a long time, she headed the finance and business control departments, and since 2018 she is the vice president of the SBA Group. She also works on the boards of SBA Group, SBA Home, real estate development, investment management and other SBA businesses, and since 2019 chairs the board of the SBA Competence and Service Center.

EMBA in Baltic Management Institute, MBA in Vytautas Magnus University.



**Nerijus Aukščiusas**  
SBA Group Head of Treasury

20+ years of experience in debt financing and structuring, corporate relationship management, and executive management in Baltic and Nordic banking sector. Previously Head of Branch Lithuania and Latvia at Nordea Sweden, and Member of the Credit Committee at Nordea Lithuania. Early career experience in DNB bank.

MBA in Vilnius University International Business School.



**Jurgita Radzevičė**  
SBA Home CEO

20+ years of experience in corporate governance, strategy building, HR management and development, process improvement and project management. Successfully leading enterprise-wide business transformation projects both domestically and internationally – Scandagra Eesti (owned by Lantmannen and DLG) and Vikonda corporatives.

MBA in finance and economy, Vilnius University; PhD in social sciences, Kaunas University of Technology.



**Mindaugas Norkus**  
SBA Home CFO

Before joining SBA in the spring of 2016, Mindaugas worked for a large international corporation. In SBA, he started as SBA Home financial analyst and soon joined the SBA Young Leaders Development Program. Demonstrating his value, he was entrusted with the position of SBA Home financial control manager and finally, the position of SBA Home CFO.

B.Sc. in economics and business, Stockholm School of Economics in Riga.

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# Main terms and conditions



## General information

|                                     |                                                                                                                                                                                                     |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer                              | UAB SBA Furniture Group                                                                                                                                                                             |
| Incorporation country, co. reg. no. | Lithuania, 300103836                                                                                                                                                                                |
| Webpage                             | <a href="https://www.sba.lt/en/industries/furniture-group">https://www.sba.lt/en/industries/furniture-group</a>                                                                                     |
| Type of security                    | Unsecured bonds                                                                                                                                                                                     |
| Type of placement                   | Public offering in Lithuania and Latvia, private placement in Estonia                                                                                                                               |
| Nominal                             | EUR 1,000                                                                                                                                                                                           |
| Minimum investment                  | EUR 20,000 (20 bonds)                                                                                                                                                                               |
| Issue size                          | Up to EUR 8,000,000 (multiple tranches)                                                                                                                                                             |
| Interest rate                       | 8.00% p.a., 30E/360                                                                                                                                                                                 |
| Interest payments                   | Quarterly                                                                                                                                                                                           |
| Maturity date                       | 29 March 2026                                                                                                                                                                                       |
| Early redemption                    | Full or partial call: <ul style="list-style-type: none"><li>• Before 29 March 2025: 0.75% premium</li><li>• On or after 29 March 2025: no premium</li></ul>                                         |
| Covenants                           | <ul style="list-style-type: none"><li>• Corporate status</li><li>• Change of control</li><li>• Limited dividend payments</li><li>• Disposal of the assets</li><li>• Reporting obligations</li></ul> |
| Use of proceeds                     | To refinance existing debt liabilities                                                                                                                                                              |

## Main terms of the 1<sup>st</sup> tranche

|                                     |                                                      |
|-------------------------------------|------------------------------------------------------|
| Size of the 1 <sup>st</sup> tranche | Up to EUR 5,000,000                                  |
| Subscription period                 | 18 March 2024 – 25 March 2024, 16:00 Lithuanian time |
| Issue yield                         | 8.00% p.a., 30E/360                                  |
| Issue price of 1 Bond               | EUR 1,000                                            |
| Issue date                          | 29 March 2024                                        |

## Legal & administrative

|               |                                 |
|---------------|---------------------------------|
| Lead Manager  | AS Redgate Capital              |
| Legal adviser | Ellex Valiūnas                  |
| Trustee       | Audifina                        |
| Registrar     | Nasdaq CSD SE Lithuanian branch |

## Target market description

Manufacturer target market (MIFID II product governance), for whom the product is intended for is eligible counterparties, professional clients and retail clients (execution with appropriateness). All distribution channels can be used. Investors should: have at least average understanding of relevant financial instruments (have several investment holdings, frequent investment/trading activity); be able to bear high losses on the capital invested; have a moderate risk tolerance; have a time horizon and an investment objective that meets the terms of the bonds.

No negative target market has been assigned for this product.

No PRIIPs key information document (KID) has been prepared.

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# Overview of the risks (1/2)



## Liquidity risk

Liquidity risk is the risk that the Issuer is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due and to redeem the Bonds. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Issuer to meet its payment obligations in cash, whether scheduled or unscheduled. Although the Issuer and the main shareholder monitor their liquidity position and follows procedures to manage liquidity risk, a reduction in the shareholders' and consequently in the Issuer's liquidity position could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects, as well as ability to redeem the Bonds at their maturity.

## Interest rate risk

The operations of the Group/Issuer are inherently exposed to interest rate risk. Considerable increases in interest rates (including EURIBOR) at which funding is available to the Group/Issuer may negatively impact the profitability of the Group. Interest rates are affected by numerous factors beyond the control of the Group companies/Issuer, which may not be estimated adequately. Such factors include the changes in the overall economic environment, level of inflation, monetary policies of the central banks, etc. Further, the ongoing war in Ukraine may also further increase the inflationary pressure and market volatility and therefore also contribute to rising interest rate levels. Therefore, interest rate risk may have a material adverse effect on the Group's and Issuer's business, financial condition, and results of operations.

## Inflation

Lithuania and other European economies have faced an excessive inflation in year 2023. Though expected to subside in the upcoming years, in 2024 inflation still could be significantly higher than historic average levels. Relevant expenses of the Group, e. g., investment to equipment and workforce, are closely related to the general price level. Though historically the Group has successfully managed inflation related risks, growing inflation in the future may prevent the Group from changing the

prices of its services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Group's expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless the Issuer manages to increase its prices. Thus, strong inflation may have a considerable adverse influence on the Issuer's financial situation and business results.

## Sub-holding company risk

The Issuer is the sub-holding company of the Group. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries and loan balances receivable from Group entities. As a result, the Issuer is largely dependent on loans, interest, dividends, and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of interest and principal to its creditors, including the holders of the Bonds. The ability of the Issuer's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. Consequently, if amounts that the Issuer receives from its subsidiaries are not sufficient, the Issuer may not be able to service its obligations under the Bonds.

## Single customer risk

The success of the Group depends on its customers. The Group has formed a lasting strategic partnership with IKEA, the renowned Swedish furniture retailer, ensuring the vast majority of the cashflow, meaning that cashflow risk is not sufficiently diversified between multiple large customers, and the profits of the Group highly depend on the purchases that this single customer decides to make. In case the single customer terminates the contract or fails to meet its financial obligations to the Group, the Issuer's ability to redeem the bonds could be adversely affected. Additionally, any contractual default by either side of the contract may result in litigation the outcome of which cannot be predicted. Failure to find new customers with the same contractually agreed production levels in a short time period may be difficult, therefore the loss of the single customer could have significant negative effect on the Issuer's ability to redeem bonds at their maturity.

## Counterparty risk

Counterparty risk is inherent to all business activities the Group is engaged in. Counterparty risk may result in financial losses (including, but not limited to, revenues not being received from customers, funds deposited at banks, money not being received under the Group's commercial agreements, partners in long term projects failing to perform their obligations etc.) to the Group. Default of a Group counterparty may affect the completion of the Group's commenced investment projects, the quality of services provided by the Group or harm the Group's reputation. Although, the Group monitors and manages its counterparty risk, the occurrence of any of the mentioned counterparty risks may have an adverse impact on the Group's business and financial position.

## Management and human resources risk

The Issuer's results largely depend on the Issuer's and Group's employees, including the key executives, and their decisions, and on the competence and experience of the team members.

The Issuer success and its ability to manage growth initiatives depend on qualified key executives and other employees having special expertise in the Issuer's and Group's operations, development, financing, operation and maintenance of investment and/or other projects. Given their expertise in the industry, their knowledge of the Issuer's and Group's business processes and their relationships with the business partners, the loss of one or more of these individuals could have a material adverse effect on the Issuer's (Group's) business, financial condition, results of operations or prospects.

Additionally, from time to time, the key executives and/or other employees with technical or industry expertise may leave the Issuer. The Issuer's failure to promptly appoint qualified and effective successors for such individuals or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

# Overview of the risks (2/2)



## 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, currently 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.

## Credit and default risk

Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds.

The worse the creditworthiness of the Issuer, the higher the risk of loss. A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

The Issuer is not guaranteeing that no default will occur until the final maturity date, therefore the investors shall independently assess the Issuer's creditworthiness before investing into the Bonds.

## Early redemption risk

According to the terms of the offering, the Bonds may be redeemed prematurely on the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor. Moreover, there is no guarantee by the Issuer that extraordinary early redemption event will not occur, therefore in case of the occurrence of the extraordinary early redemption event the Bonds have to be redeemed by the Issuer in accordance with the procedure established in the information document and the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor.

## Refinancing risk

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its

debt is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Issuer's operations, financial condition, earnings and on the bondholders' recovery under the Bonds.

## Liquidity, listing and inactive secondary market risk

The Bonds constitute a new issue of securities by the Issuer. There is no public market for the Bonds and other securities of the Issuer. The bondholders might bear a loss due to not being able to sell the Bond or having to sell them at an unfavourable price.

## Bonds may not be appropriate to some investors

The Bonds may be not an appropriate investment to some investors. Each potential investor should assess appropriateness of the investment taking into account all relevant personal circumstances, reserve of sufficient financial resources and liquidity to bear all the risks of investing in the Bonds or holding the Bonds to maturity, including losing all or a substantial amount of the capital invested. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in the information document or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. The potential investor shall be aware, that the Issuer itself is not obliged and will not

carry out the assessment, whether the Bonds are a suitable financial product for the investor (although such assessments will be performed by the Lead Manager, in any case such assessment(s) may have a different scope and produce a different result), therefore subscription of the Bonds through the Issuer directly may lead to the fact that lack of knowledge or assessment of the appropriateness by the investor itself will lead into not appropriate investment.

## Cancellation of the offering

This offering is subject to the sole discretion of the Issuer. The Issuer reserves the right to cancel the offering of any tranche carried out under the respective final terms at any time prior to the issue date of that tranche, for any reason, and without any permissions of the investors and/or trustee. Prospective investors should be aware that the decision to cancel the offering of any tranche conducted under the respective final terms may be influenced by various factors, including market conditions, regulatory considerations, or other unforeseen circumstances. In the event of the cancellation of the offering of a particular tranche, placed subscription orders will be disregarded, and any payments made in respect of the submitted subscription orders will be returned without interest or any other compensation to the investors. Moreover, if the offering of a tranche is cancelled, the Issuer shall not be liable for any costs, damages, or losses incurred by prospective investors, including but not limited to expenses related to due diligence, legal, or other professional fees.



Executive summary

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**Contact information**



# Contact information



**For additional information about the offering please contact Redgate Capital, Lead Manager for the offering**

Redgate Capital AS, started its operations in 2008, is the leading investment banking company in the Baltics having advised more than 3 billion euros worth of debt, real estate, M&A, and equity raising transactions.

Redgate Capital holds investment company licenses No. 4.1-1/32 and 4.1-1/7 issued by the Estonian Financial Supervision Authority, which allows Redgate Capital to arrange public and non-public securities' issues in Estonia, Latvia, and Lithuania as well as to accept and forward clients' orders.



**Dinas Petrikas**

Manager of client relations



+370 6824 3474



dinas.petrikas@redgategroup.eu





[www.sbahome.lt](http://www.sbahome.lt)  
[info@sbahome.lt](mailto:info@sbahome.lt)

# Appendix 1. SBA Furniture Group financials



| Consolidated balance sheet, EUR k       | 2021           | 2022           | 2023 <sup>1</sup> |
|-----------------------------------------|----------------|----------------|-------------------|
| Intangible assets                       | 1,033          | 1,785          | 2,116             |
| Tangible assets                         | 163,769        | 171,494        | 162,577           |
| Other long-term assets                  | 27,549         | 28,376         | 26,563            |
| <b>Long-term assets</b>                 | <b>192,351</b> | <b>201,655</b> | <b>191,256</b>    |
| Inventories                             | 65,863         | 61,920         | 44,371            |
| Trade receivables                       | 9,282          | 4,987          | 8,353             |
| Other short-term assets                 | 10,505         | 13,434         | 15,448            |
| Cash and cash equivalents               | 2,954          | 4,387          | 5,333             |
| <b>Short-term assets</b>                | <b>88,604</b>  | <b>84,728</b>  | <b>73,505</b>     |
| <b>ASSETS</b>                           | <b>280,955</b> | <b>286,383</b> | <b>264,761</b>    |
| Share capital                           | 11,002         | 11,002         | 11,002            |
| Own shares                              | -1,547         | -1,547         | -1,547            |
| Reserves                                | 8,073          | 8,151          | 8,327             |
| Retained earnings                       | 48,391         | 29,046         | 35,520            |
| Non-controlling interest                | 5,376          | 5,443          | 5,355             |
| <b>EQUITY</b>                           | <b>71,295</b>  | <b>52,095</b>  | <b>58,657</b>     |
| Long-term interest-bearing liabilities  | 81,779         | 124,918        | 115,310           |
| Other long-term liabilities             | 5,743          | 7,125          | 6,415             |
| <b>Long-term liabilities</b>            | <b>87,522</b>  | <b>132,043</b> | <b>121,725</b>    |
| Short-term interest-bearing liabilities | 59,466         | 53,048         | 43,778            |
| Trade payables                          | 45,592         | 34,506         | 26,179            |
| Other short-term liabilities            | 17,080         | 14,691         | 14,422            |
| <b>Short-term liabilities</b>           | <b>122,138</b> | <b>102,245</b> | <b>84,379</b>     |
| <b>EQUITY AND LIABILITIES</b>           | <b>280,955</b> | <b>286,383</b> | <b>264,761</b>    |

| Consolidated income statement, EUR k                | 2021          | 2022           | 2023 <sup>1</sup> |
|-----------------------------------------------------|---------------|----------------|-------------------|
| Revenue from contracts with customers               | 360,740       | 388,967        | 333,528           |
| Cost of sales                                       | -333,315      | -363,059       | -296,456          |
| <b>Gross profit</b>                                 | <b>27,425</b> | <b>25,908</b>  | <b>37,072</b>     |
| Operating expenses                                  | -25,616       | -51,316        | -23,200           |
| Reversal of impairment loss on financial assets     | 22            | -15            | 0                 |
| Other operating income                              | 900           | 458            | 2,957             |
| Other operating expenses                            | -200          | -317           | -246              |
| <b>Operating profit (loss)</b>                      | <b>2,531</b>  | <b>-25,282</b> | <b>16,583</b>     |
| Financial income                                    | 353           | 9,298          | 135               |
| Financial expenses                                  | -3,071        | -4,503         | -8,590            |
| <b>Profit (loss) before tax</b>                     | <b>-187</b>   | <b>-20,487</b> | <b>8,128</b>      |
| Income tax                                          | 509           | 1,291          | 112               |
| <b>Net profit (loss) from continuing operations</b> | <b>322</b>    | <b>-19,196</b> | <b>8,240</b>      |
| Net loss from discontinued operations               | 0             | 0              | -176              |
| <b>Net profit (loss)</b>                            | <b>322</b>    | <b>-19,196</b> | <b>8,064</b>      |

## Comment on the net profit of 2022

At the end of the year, the EUR 35m investment in the Belarusian manufacturing company MEBELAIN was fully written off. Since it is a non-monetary event, its influence on the result should be eliminated to see the real picture.

Source: Company's information

<sup>1</sup> Unaudited