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Debt Capital Market to finance national security projects

How Valstybės Investicinis kapitalas uses the Capital Market

26 of November 2025

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Valstybės investicinis kapitalas (VIK)

Contacts

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UAB „Valstybės investicinis kapitalas“ at a glance

- fully state-owned private limited liability company
- established to support Lithuania’s economic recovery from the COVID-19 pandemic
- has an established EMTN Programme (rated “A” by Fitch)
- with share capital of EUR 101 million raised EUR 100 million in capital markets and invested EUR 200 million in limited partnership “Aid Fund for Business”
- on a new mission - mobilize financial resources for high-impact national initiatives

Establishment and key milestones of VIK

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VIK was established to support Lithuania's economic recovery from the COVID-19 pandemic by channeling funds raised through state and capital market instruments into business aid and capital market development

VIK's Role in Project Financing Frameworks

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Capital Raising

- Investment-grade ("A") securities Programme of up to EUR 400m
- State-guaranteed debt securities issuance
- EUR 89.5m Borrowing limit approved by the Government for VIK in 2025

Development of Lithuania's Capital Markets

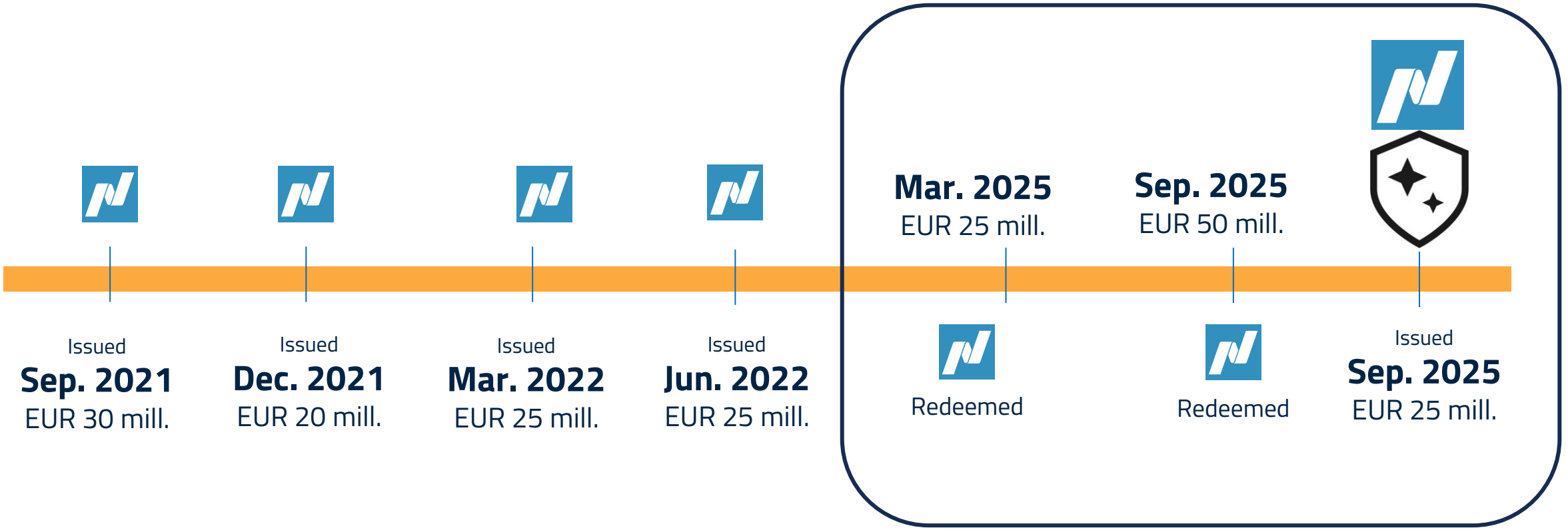
- Successful placement of five bond issues totaling EUR 125m
- VIK bonds listed on NASDAQ Bond List
- EUR 75m bond issue already redeemed

Investments

- EUR 200m invested in State aid fund for business (COVID-19)
- Capital investment of EUR 36m in Rheinmetall Defence Lietuva via EPSO-G Invest, with total commitments of EUR 71m

VIK's objective is to attract private funds through the issuance of bonds on the capital market and channel them into selected national projects

Strong track record since 2020



Unchanged, constantly high credit rating 'A' (by Fitch)

The EMTN Program: Future Outlook

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- **Issued (Tranche1): €25m**
- **Rheinmetall (plans up to €46m)**
- **Remaining Capacity: €329m**

Timely

Full Coverage

Valid Through Maturity

Pari Passu

VIK's €400 million EMTN programme is **backed by independent, unconditional State guarantee**

Defence Bond Issuance Results

35
EUR million
Total demand

#16
of Orders

25
EUR million raised

First defence bonds under NDRI

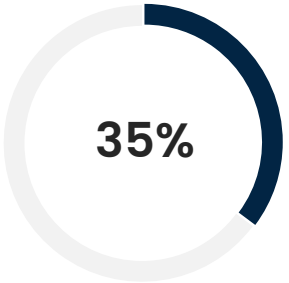
4-years bonds with a yield of 3,119 %

The bonds were distributed to institutional investors through a public offering in Baltic and Nordic States

Use of Proceeds

Immediate Priority:
Proceeds will finance the formation of equity capital in **EPSO-G Invest**.
Target Project: Development and construction of a **Rheinmetall Artillery Ammunition Factory**.

Future Initiatives:
Development of broader national defence capabilities.



Share of investment from the Tranche1

Project Financing Structure

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MINISTRY OF NATIONAL DEFENCE
REPUBLIC OF LITHUANIA

Long term Framework Agreement **(10Y)**

RHEINMETALL DEFENCE LIETUVA

Equity Investments

51% — RHEINMETALL

48% — EPSO-G Invest

1% — GGG GIRAITĖS GINKLUOTĖS GAMYKLA PASSION. PERFORMANCE. PRECISION.

51% — EPSO-G

49% (€71m) — VALSTYBĖS INVESTICINIS KAPITALAS

Bonds Issuer
under NDRI framework

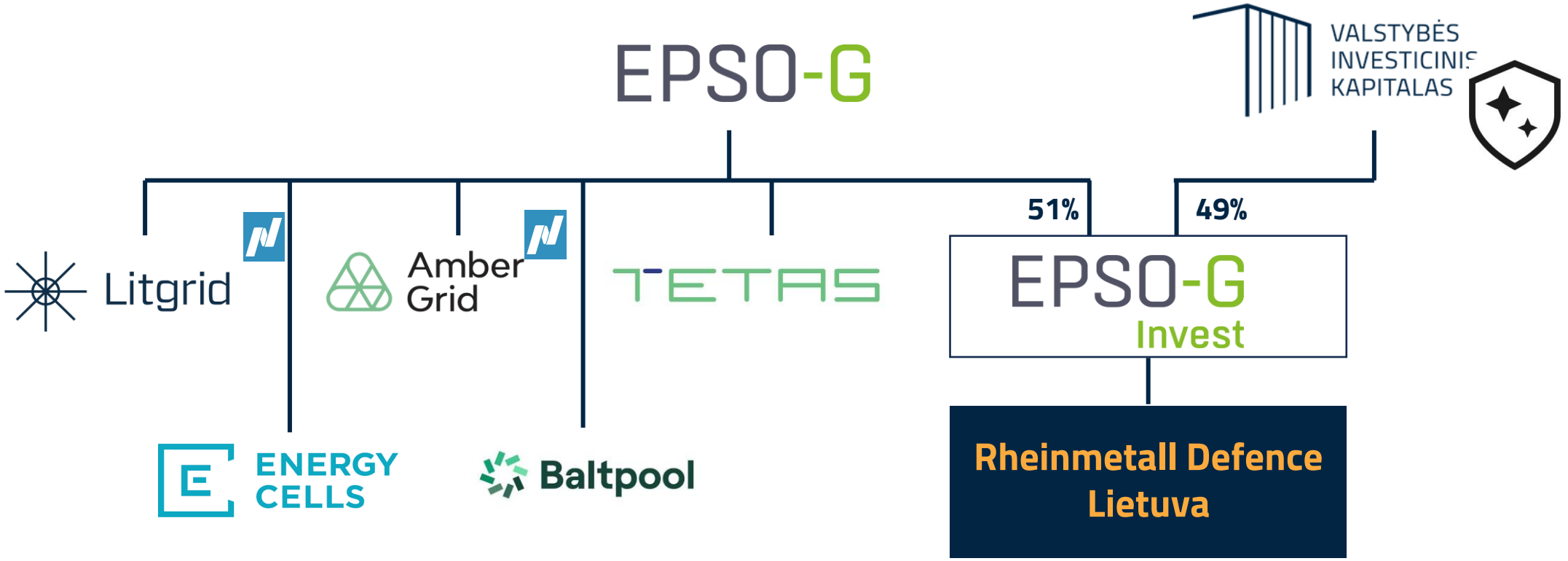
Unconditional Guarantee

GOVERNMENT OF THE REPUBLIC OF LITHUANIA

CAPEX €300m

Defense and Security Industry - Joint Venture EPSO-G Invest

Formation of strategic joint venture with international partners, facilitated through a dedicated Special Purpose Vehicle (SPV) for targeted capital investments



Project's Key Highlights

Lithuania–Germany Strategic Ammunition Manufacturing Partnership

UAB "RHEINMETALL DEFENCE LIETUVA"

Project – the development of defence industrial capabilities (155 mm ammunition production plant) in Lithuania jointly with Rheinmetall. The project was granted the status of 'state significance'

The expected investment is up to EUR 300 million.
This includes approximately EUR 158 million for equipment, EUR 100 million for infrastructure, and EUR 2 million for others.

The expected duration for construction is 2 years. The start of operations is expected in 2027 Q1.
Will be able to produce tens of thousands of artillery shells per year

150-250 mEUR Average annual sales for 1/3 capacity (2029-2038)
The joint venture Rheinmetall Defence Lietuva will be financed via equity, so SPV will not have any creditors.

Projected the annualized rate of return of an investment ranges from 1.4% to 25%, with maximum dividend payouts available to shareholders.

Investment exit by VIK is planed after 6 years through market-priced optional sale of shares.

Key Takeaways

Local Strength:

The strong Baltic and Nordic demand proves our region's capital market is mature to support its own strategic interests.

Scalable Model:

This €25m issuance is a blueprint for the remaining €375m program and for others to follow.

Framework Matters:

The Nasdaq European Defence Bond Framework increases transparency to unlock investor confidence.

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Thank You

Transaction Terms and Conditions

ISSUER	Valstybės investicinis kapitalas, UAB
STATUS	Guaranteed Notes*
GUARANTOR	Republic of Lithuania
AMOUNT	Up to EUR 25 million under EUR 400 million EMTN Programme
TENOR	4NC3
AMORTIZATION	Full principal repayment at maturity (bullet structure)
ISSUER CALL OPTION	1 year prior to the Maturity Date @101%
USE OF PROCEEDS	Will be directed to toward the formation of equity capital in EPSO-G Invest, which, together with Rheinmetall and Giraitės ginkluotės gamykla, will finance the Artillery Ammunition Factory to be developed and constructed by their jointly owned company Rheinmetall Defence LT.
TARGET MARKET	Professional clients and Eligible counterparties
DENOMINATIONS	EUR 100 000 + EUR 1 000 minimum increment
COUPON	Fixed rate of 3,119 % per annum
DOCUMENTATION	EMTN Programme under the Lithuanian law
RATING	'A' by Fitch Ratings
KEY UNDERTAKINGS	▪ Change of Control – Put option at par if ownership changes. ▪ Cross Default – Put option at par if issuer defaults elsewhere. ▪ Listing Failure – Put option at par if bonds are not listed within 4 months.
LISTING	To be listed on Nasdaq Vilnius Baltic Bond List
ARRANGER	Luminor Bank AS, represented within the Republic of Lithuania by Luminor Bank AS Lithuanian Branch

Note: As of this date, the Government of the Republic of Lithuania guarantees up to EUR 150 million of the Issuer's liabilities under the initial phases of the Programme, which aims to support the economy during emergencies and enhance business financial liquidity. Additionally, the Government has issued a further EUR 54,5 million guarantee to reinforce national defence and security initiatives. These guarantees remain valid until all initial obligations are fully met.