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Western 32 I: investment presentation

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Purpose of the Document

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Summary

Loan: the loan will be used to finance the construction and renovation works of the real estate project 'Western 32' which is being developed by UAB (JSC) 'Amika LT'.

The project: a former 5-story administrative building is being converted to a 7-story multifunctional building with commercial and loft-type facilities and apartments. The total planned useful floor area of the project is 4 451 m².

Location: the project is located at Viršuliškių g. 32, Vilnius. The building is in a very good location - next to the main streets of Vilnius (Laisvės ave., Vilnius Western bypass, Ozo str., T. Narbuto str.), thus it has a very convenient access to the rest of the city. Viršuliškės is a well-developed district with a growing business park and located close to the city center.

Progress: reconstruction works are currently underway. The project is expected to be completed by 2021 Q1. The total estimated cost of the construction is € 3.8 M (excl. VAT).

Sales value of the premises (expected): € 5.6 M (excl. VAT).

INVESTMENT'S KEY TERMS

Annual interest rate:	8-10%* , paid quarterly
Loan duration:	24 mos.
Maximum loan:	up to € 2 500 000
1 st stage loan:	€ 300 000
Collateral:	asset under development
Current asset value**:	€ 710 000 (excl. VAT)
1 st stage LTV***:	42 %
Maximum LTC**** :	67 %
Risk rating:	B+ (below average risk)



* The interest depends on the amount invested. See slide 21 for more.

** The value of the assets will increase with time as the loan funds will be used for the project's development. See slide 5 for more details on the cashflow control.

***LTV - loan to value of the assets pledged ratio.

**** LTC - loan to total project cost ratio (based on the maximum loan).

Loan information

The funds will be raised in several stages. This presentation covers the 1st stage of the loan. Investments at all funding stages are guaranteed by the same collateral (primary mortgage of the asset). The funds will be paid to the project owner in the following order:

- Up to 50% LTV* until the updated construction permit is obtained, but no more than € 500 000;
- Up to 70% LTV after the updated construction permit is obtained, but no more than a total of € 1 000 000;
- Subsequent payments (over € 1 000 000) will be made according to the accrued costs of the construction works carried out.

1st stage

Loan amount: € 300 000

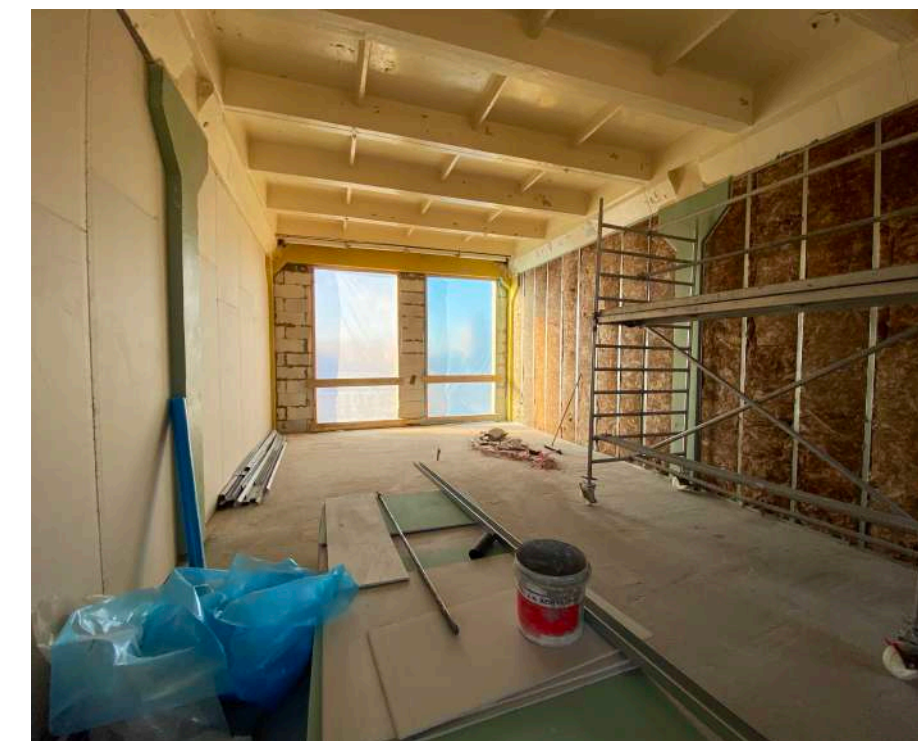
Annual interest: 8-10%

1st stage LTV: 42%

Maximum LTC: 67%

Status: reconstruction works are being carried out

Preliminary sales: not started



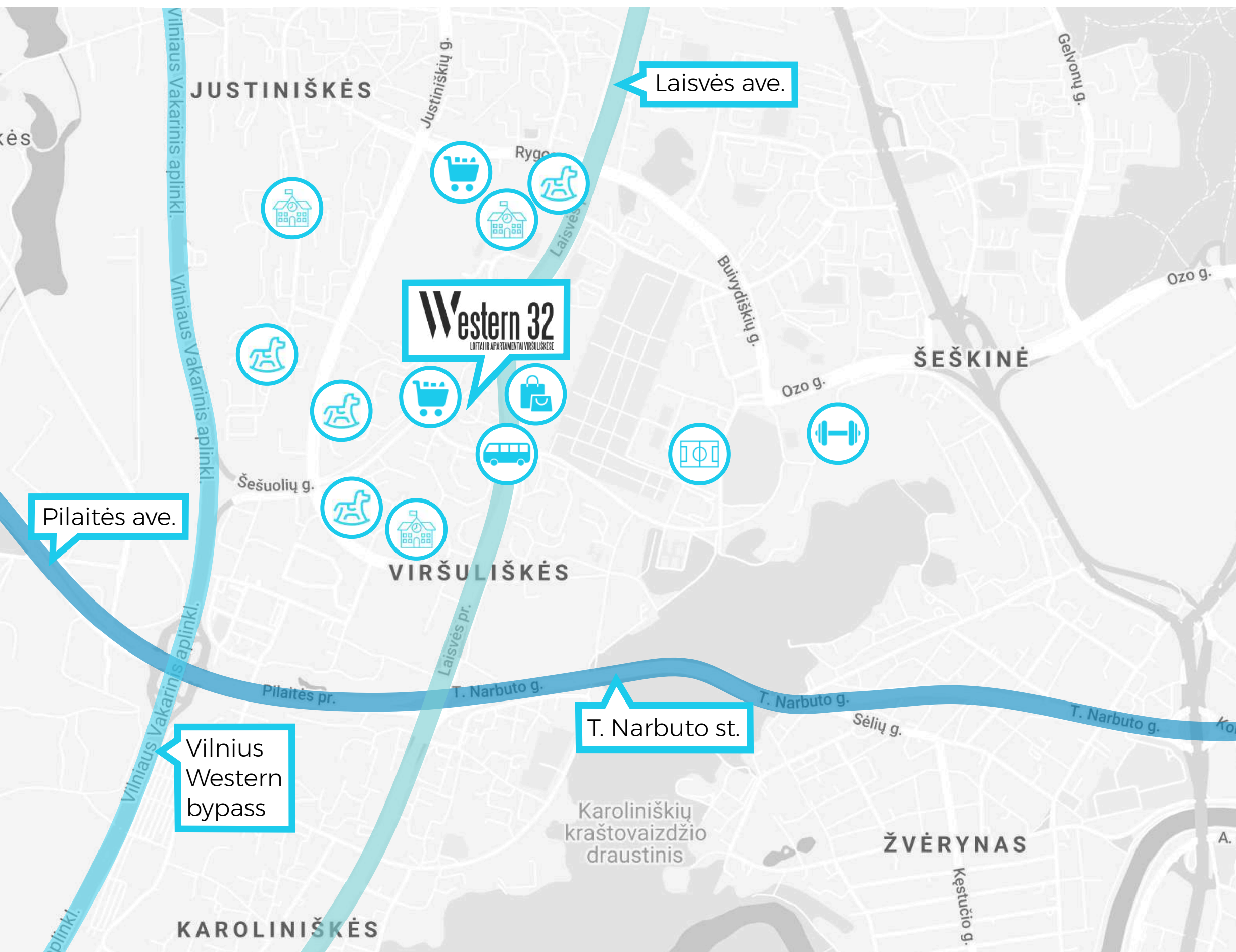
Project information

The loan will be used for the development of ‘Western 32’ - reconstruction of the existing 5-story administrative building to which two additional residential floors (6, 7) will be added and two commercial floors (1, 2) will be expanded. All assets under development are mortgaged to investors.

Address	Viršuliškių g. 32, Vilnius
Area for sale	4 451 m²
Apartments and lofts area	2 647 m²
Apartments and lofts price	€ 1 600 (incl. VAT)
Commercial premises area	1 804 m²
Commercial premises price	€ 1 200 (incl. VAT)
Röntgen loan / m²	up to € 681
Level of finishing	partial
No. of floors	2 commercial + 5 residential
Current asset value*	€ 0.71 M (excl. VAT)
Development value (expected)	€ 5.6 M (excl. VAT)



Location (I)

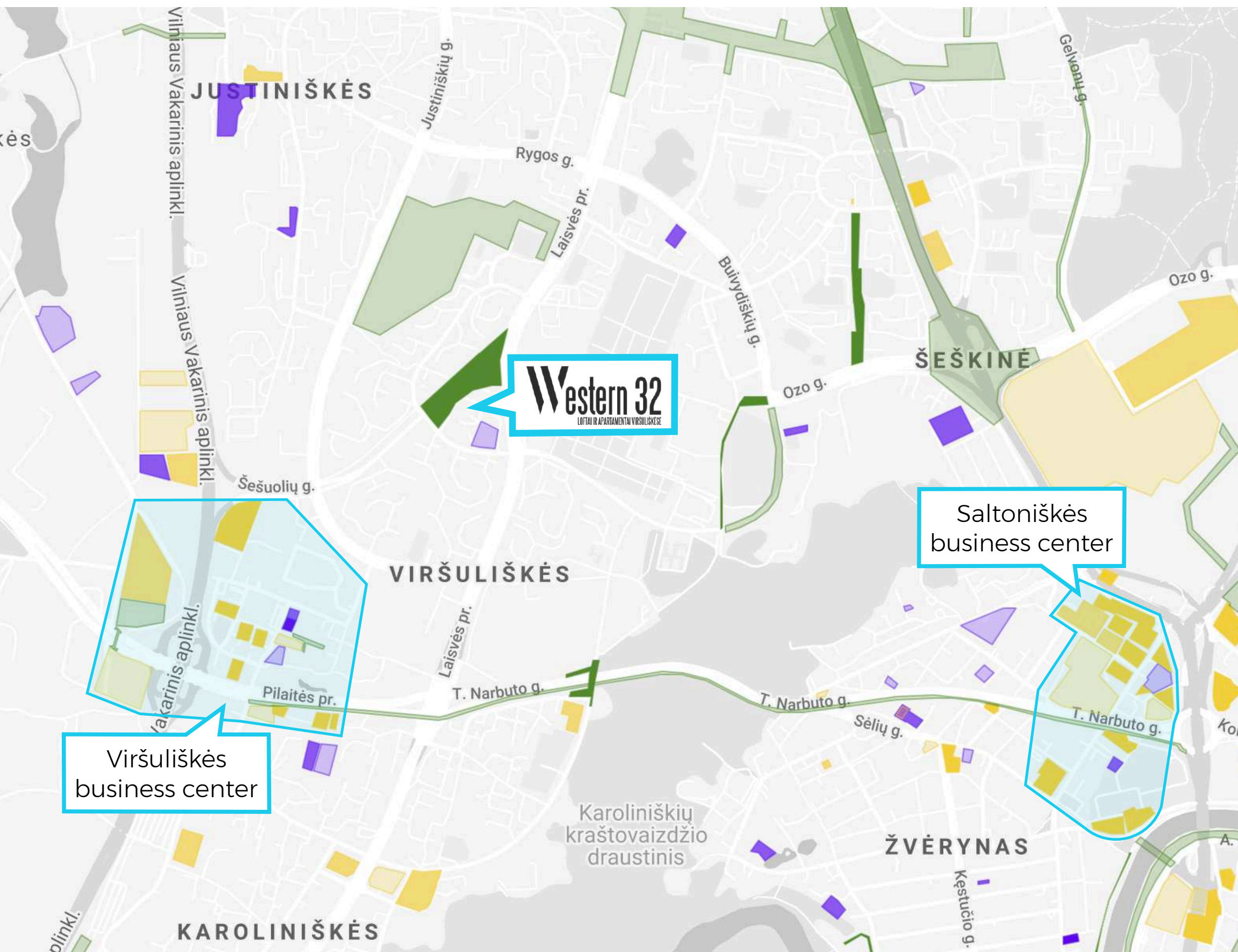


The project is located in Vilnius residential district - Viršuliškės. The area is well-developed - has excellent infrastructure and easy access to the city center. Next to the project are two major streets of the city - Laisvės ave. and Western Bypass. Also, Pilaitės ave., T. Narbuto st. and Ozo st. can be reached in few minutes by car.

All essential infrastructure can be found within one kilometer radius - grocery stores, public transport stops, kindergartens, schools, pharmacies, health centers, supermarkets and more.

-  Public transport stop (200 m.)
-  Shopping mall „Mada“ (200 m.)
-  Kindergartens (closest - 400 m.)
-  Schools (closest - 500 m.)
-  Sports complex: „Sportima“ & „SEB Arena“ (800 m.)
-  „Impuls“ sports club (1 000 m.)

Location (II)



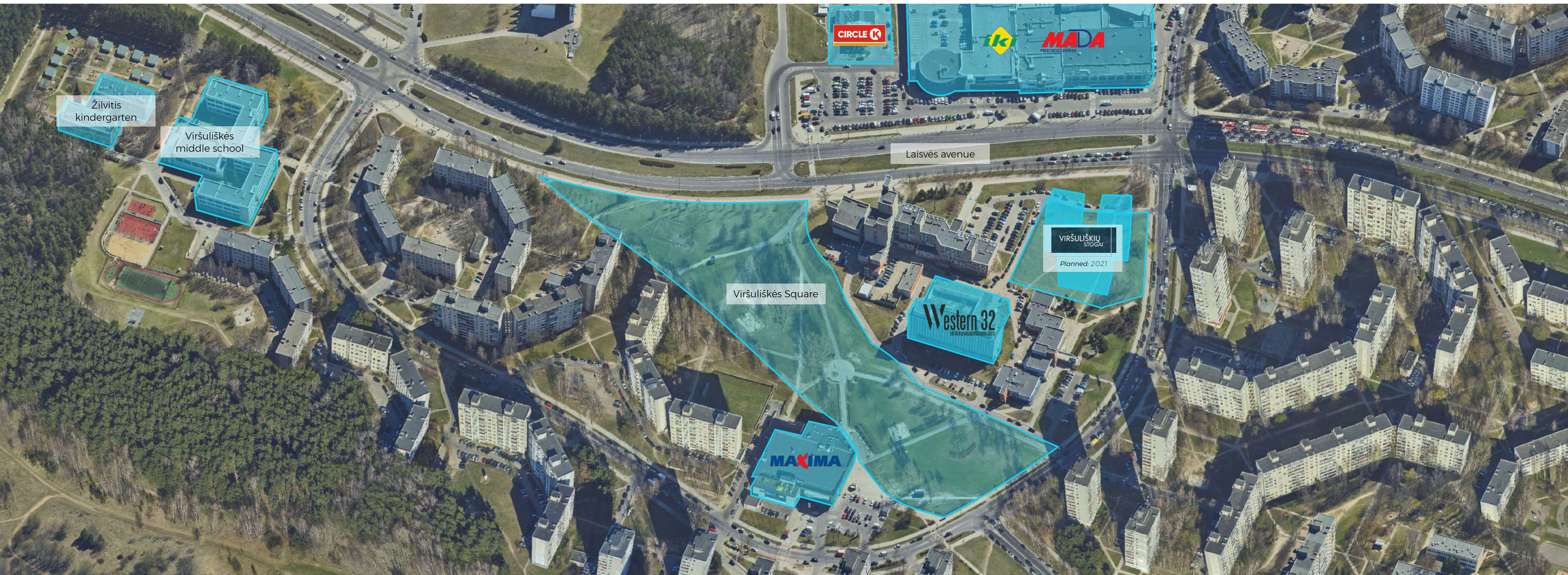
Due to convenient access, the Viršuliškės district is becoming an increasingly attractive location for business and shopping centers. Multiple business and shopping centers are planned or being developed on the intersection of Western bypass and Pilaitės ave. - Duetto I, Duetto II, Grand Office, Sky Office, Vilnius Outlet and more.

Viršuliškės is a well-developed area; hence, not many new residential projects are planned here. As the district is located centrally and has excellent access, this is a positive indicator for the 'Western 32' project.

Adjacent to the building is the renovated Viršuliškės Square; renovation of the nearby Lūžiai Park is planned.

- Residential (under development)
- Residential (planned)
- Commercial (under development)
- Commercial (planned)
- Infrastructure (under development)
- Infrastructure (planned)

Location (III)



Premises

The building will consist of three types of premises: commercial, lofts and flats. Also, there will be two terraces (on the 3rd floor and 7th floors' roof) accessible exclusively to the residents. Part of the 3rd floor terrace will have a children's playground and a fitness area, while the remainder will be divided for lofts and apartments on the 3rd floor.

Commercial:

Floors: 1-2

Purpose: commercial premises

Units: may vary (flexible)

Useful area: 1 804 m²

Average unit area: -

Average unit price: 1 200 €/m²

Lofts:

Floors: 3-7

Purpose: creative workshop premises

Units: 28

Useful area: 1 095 m²

Average unit area: 39 m²

Average unit price: 1 600 €/m²

Apartments:

Floors: 3-7

Purpose: residential premises

Units: 32

Useful area: 1 552 m²

Average unit area: 49 m²

Average unit price: 1 600 €/m²



Apartment with terrace, 81 m² (3rd floor)



Loft, 40 m² (4th floor)

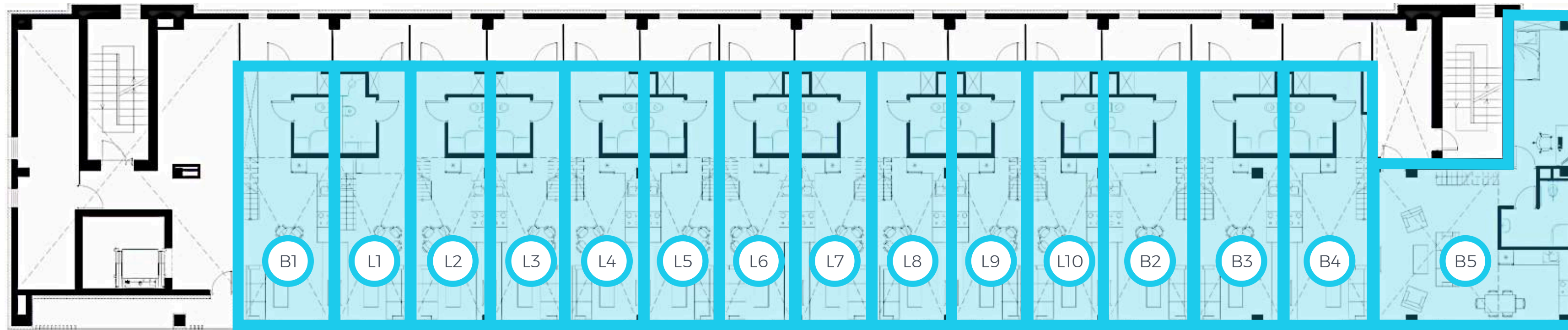


Apartment, 47 m² (7th floor)

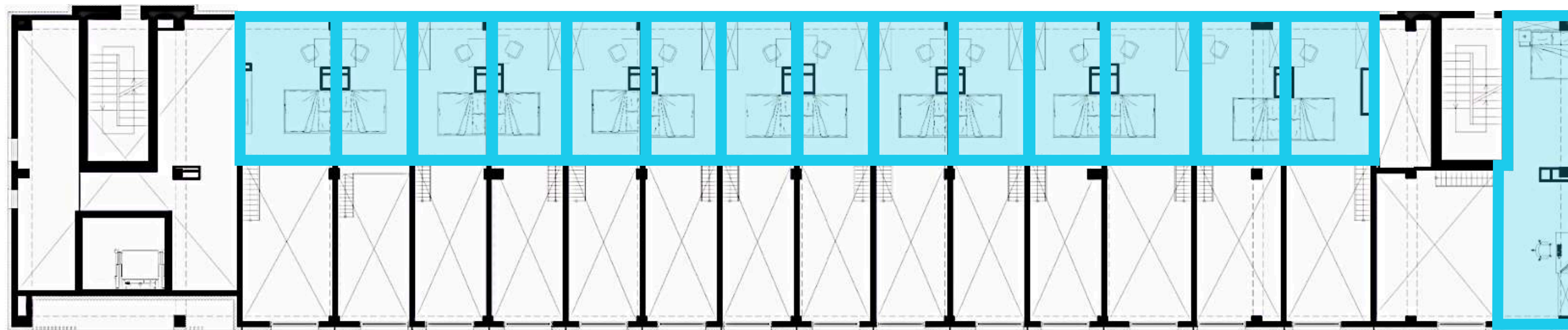
Floor plan

Below is a 4th floor sample plan. Each flat on the floors 3 to 5 is equipped with an entresol and has windows on the two opposite sides of the building. Some flats by purpose of the premises are residential (apartments, marked B in the plan) and the rest are workshops (lofts, marked L in the plan).

Main apartments' floor plan:



Apartments' entresol plan:



Uniqueness

Convenient location: it is one of the few new residential projects in a developed and well-located Viršuliškės residential district.

Private terrace: on the 3rd floor residents will have a modern terrace with a children's playground and a view of Viršuliškės Square. Here the children will spend time safely and adults will be able to relax after a long workday. The main roof of the building will also have a shared terrace.

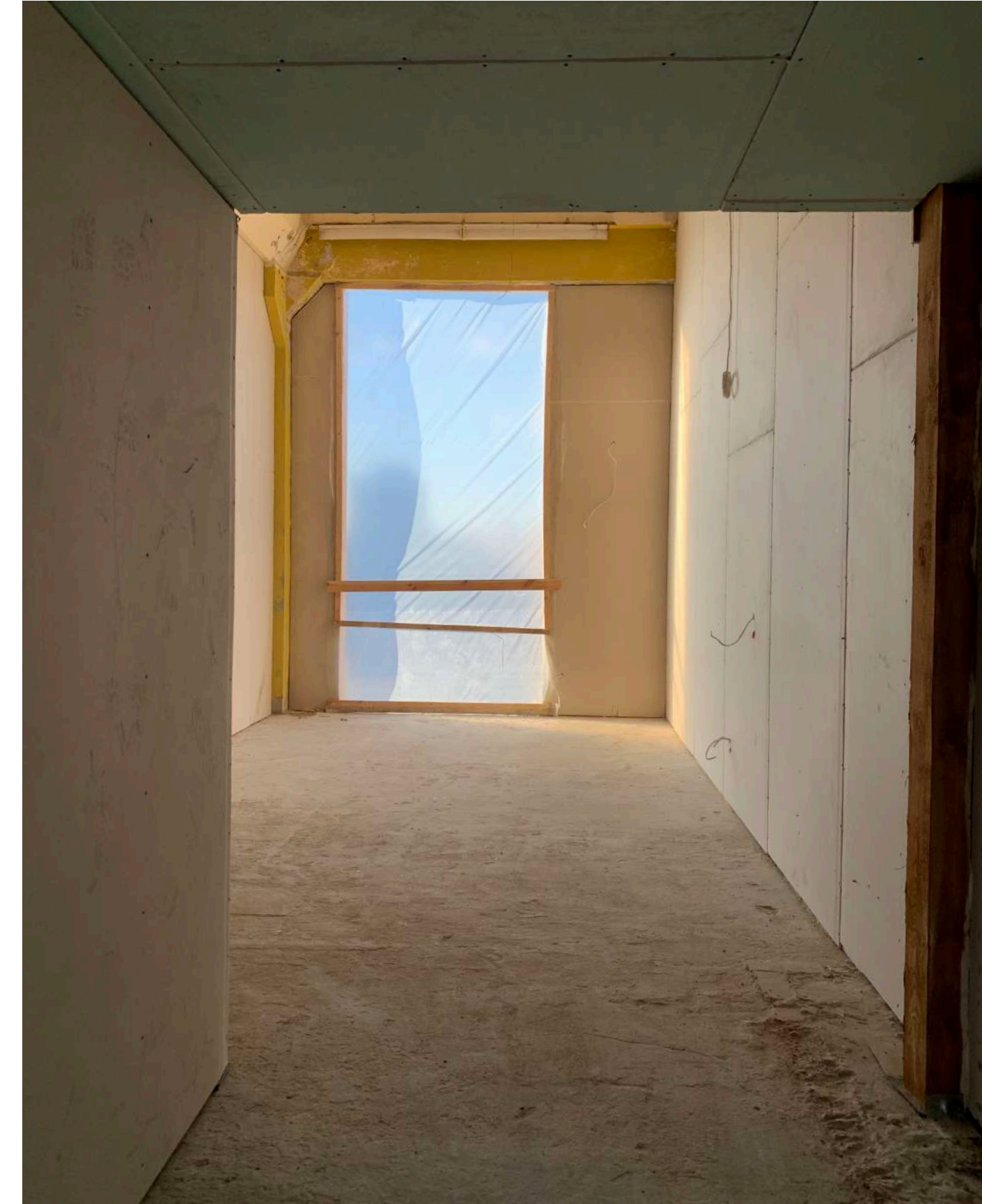
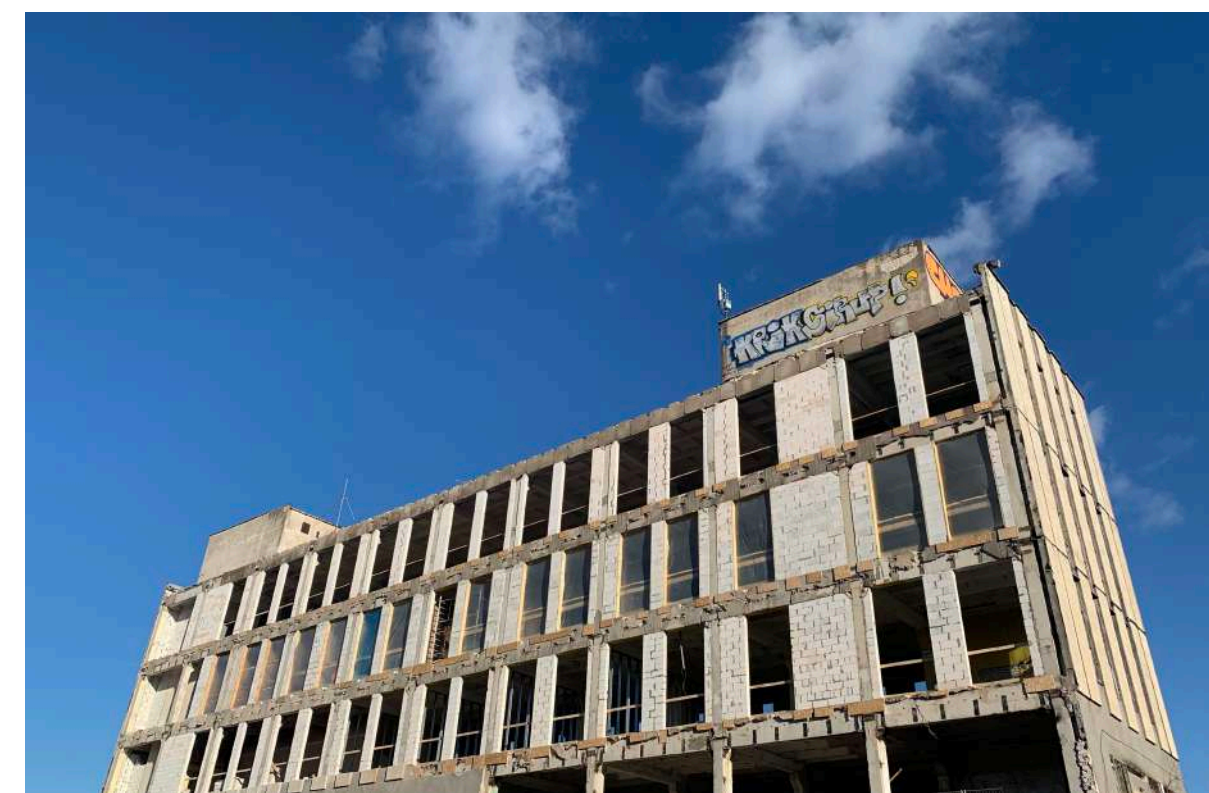
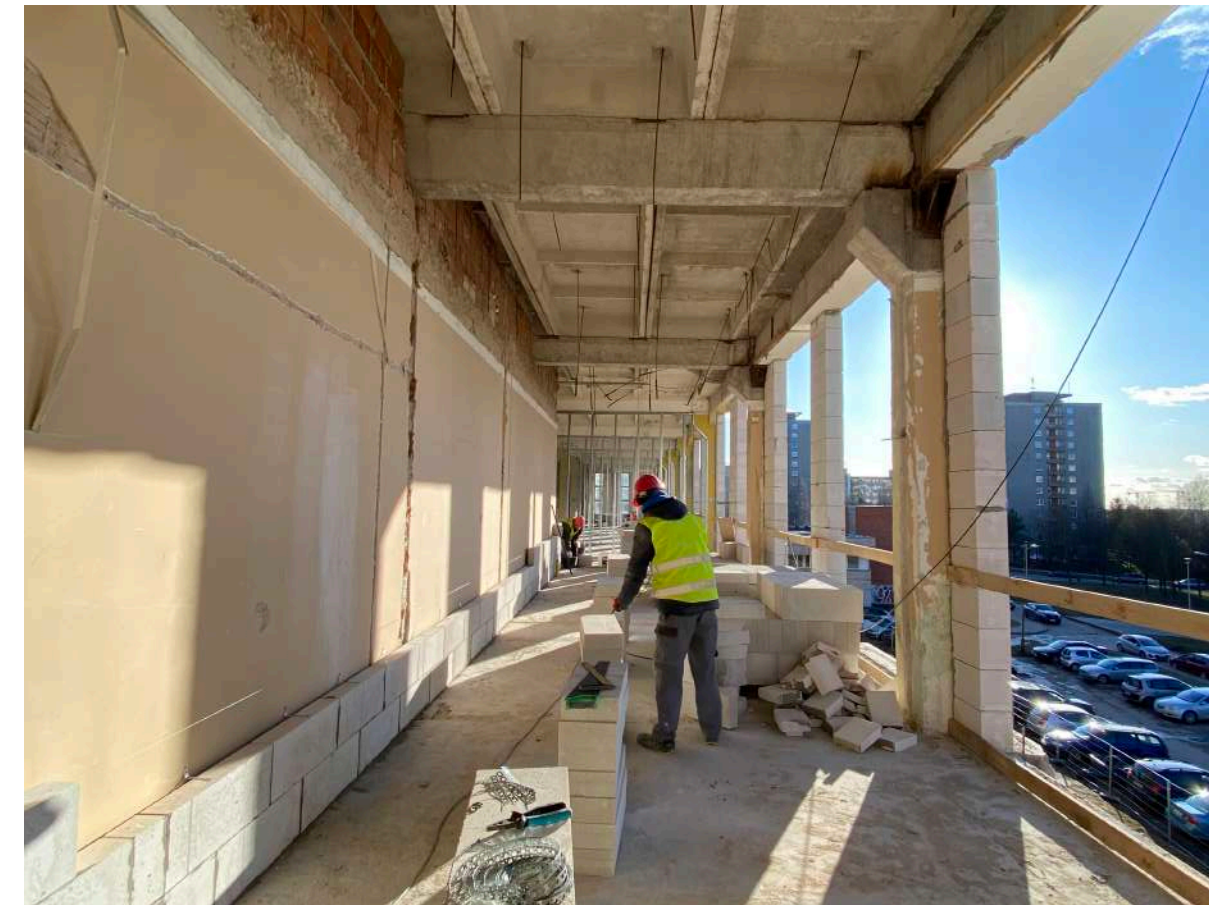
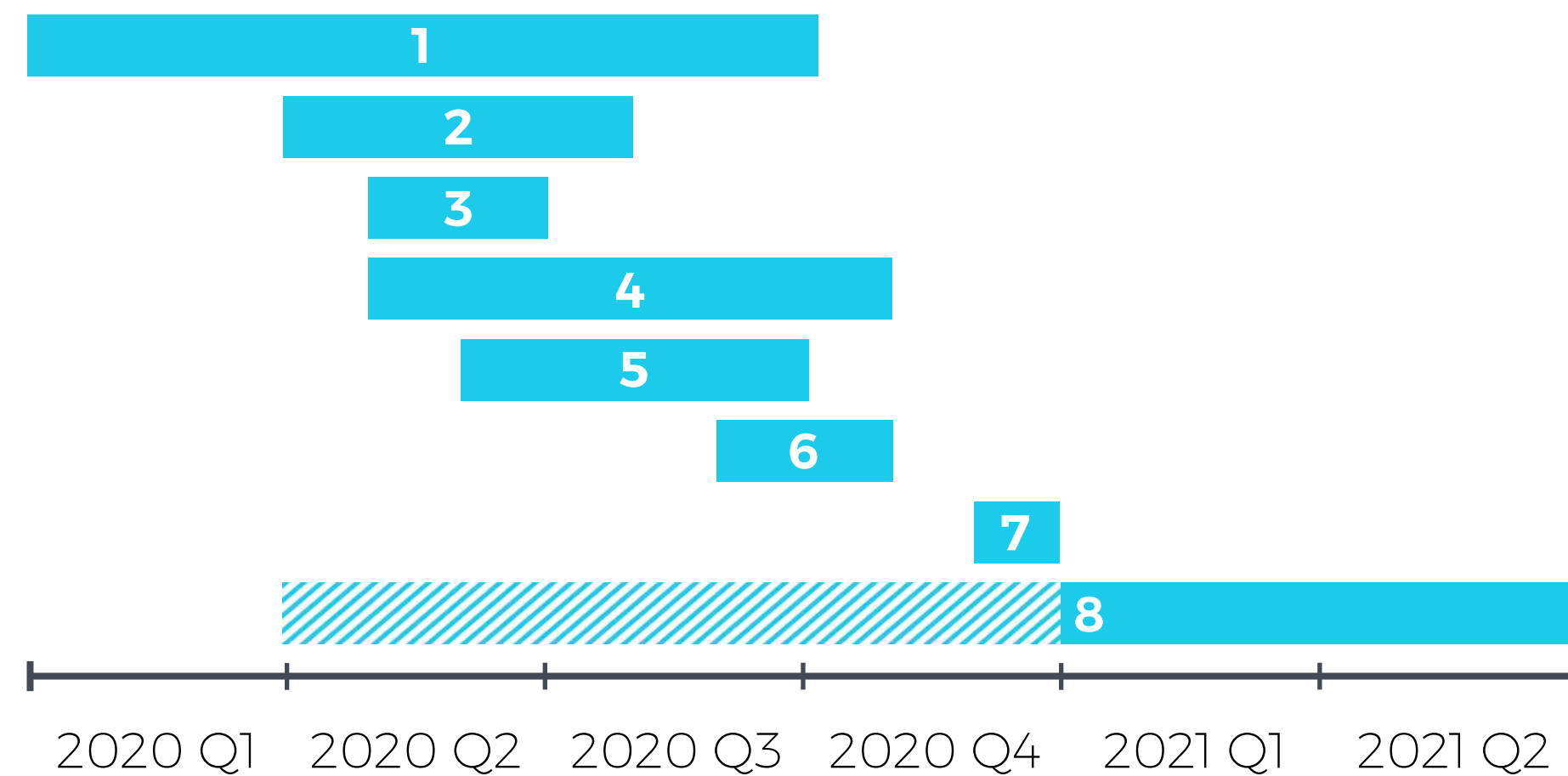
Closed parking: the project includes a two-story above-ground parking lot, so resident will not need to worry about the parking.

Competitive prices: 'Western 32' apartments price starts at 1 400 €/m² (incl. VAT) with an average price of 1 600 €/m² (incl. VAT). This is almost 20% cheaper than the recently started project 'Viršuliškių stogai', in which as many as 46% of the apartments have already been sold.



Construction progress (I)

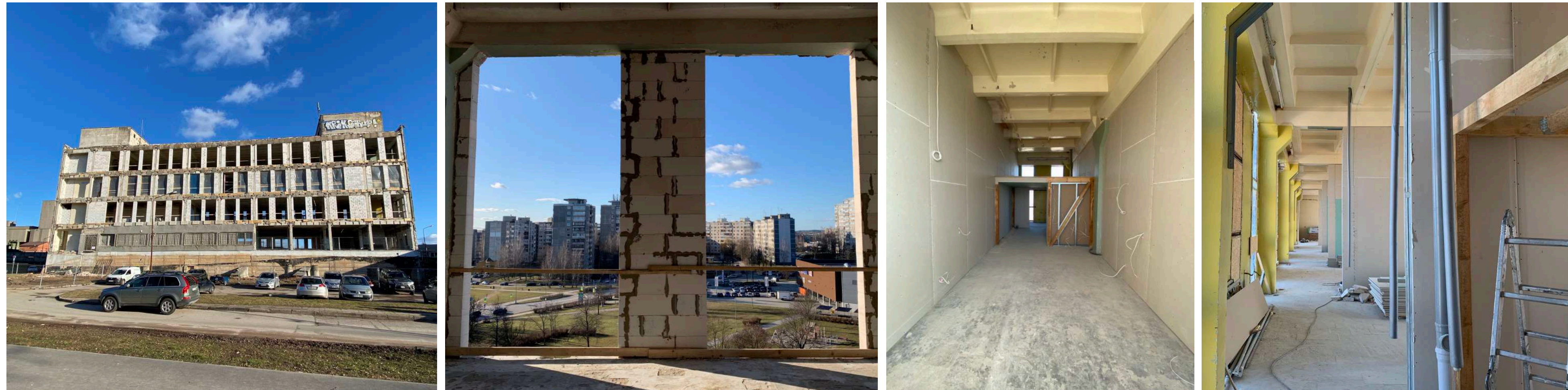
1. Inside renovation works
2. Construction works of the additional premises and interior works
3. Parking lot construction
4. Common area interior works
5. Building's exterior works (façade)
6. Landscaping, laying new asphalt, etc.
7. Building's completion
8. Preliminary sales and signing of notary contracts

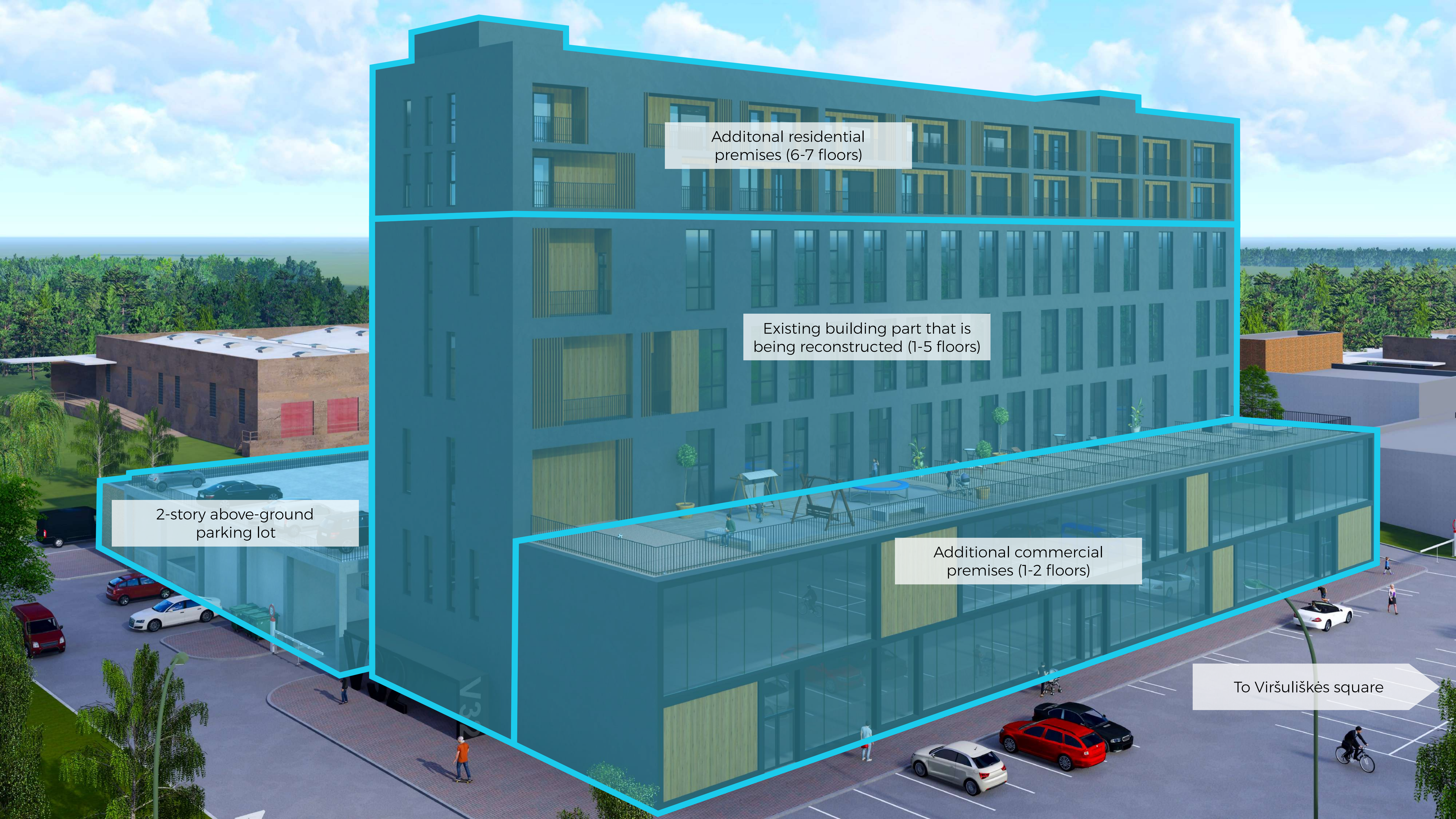


Construction progress (II)

Construction works that are in line with the existing construction permit are currently being carried out. However, **the project is being revised in order to simplify the superstructure construction works.** The updated construction permit is planned to be obtained in April-May.

Although there are no known circumstances that might prevent from obtaining a renewed construction permit, there is an additional construction permit risk which is controlled by a payout limit - the funds paid out prior to obtaining a renewed building permit may not exceed 50% of the mortgage value. During the 1st stage loan the loan to pledged asset ratio is only 42%.





Additional residential
premises (6-7 floors)

Existing building part that is
being reconstructed (1-5 floors)

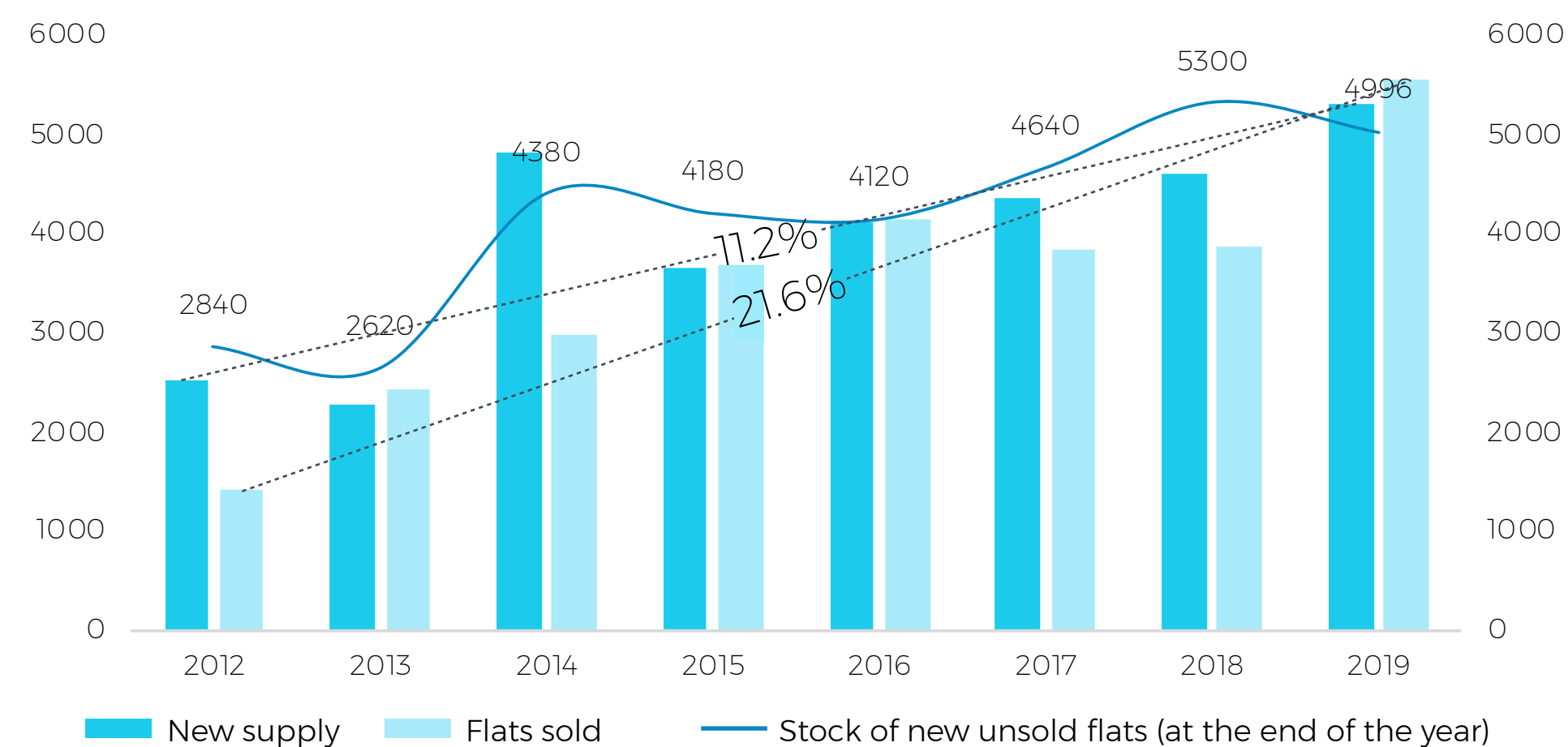
2-story above-ground
parking lot

Additional commercial
premises (1-2 floors)

To Viršuliškės square

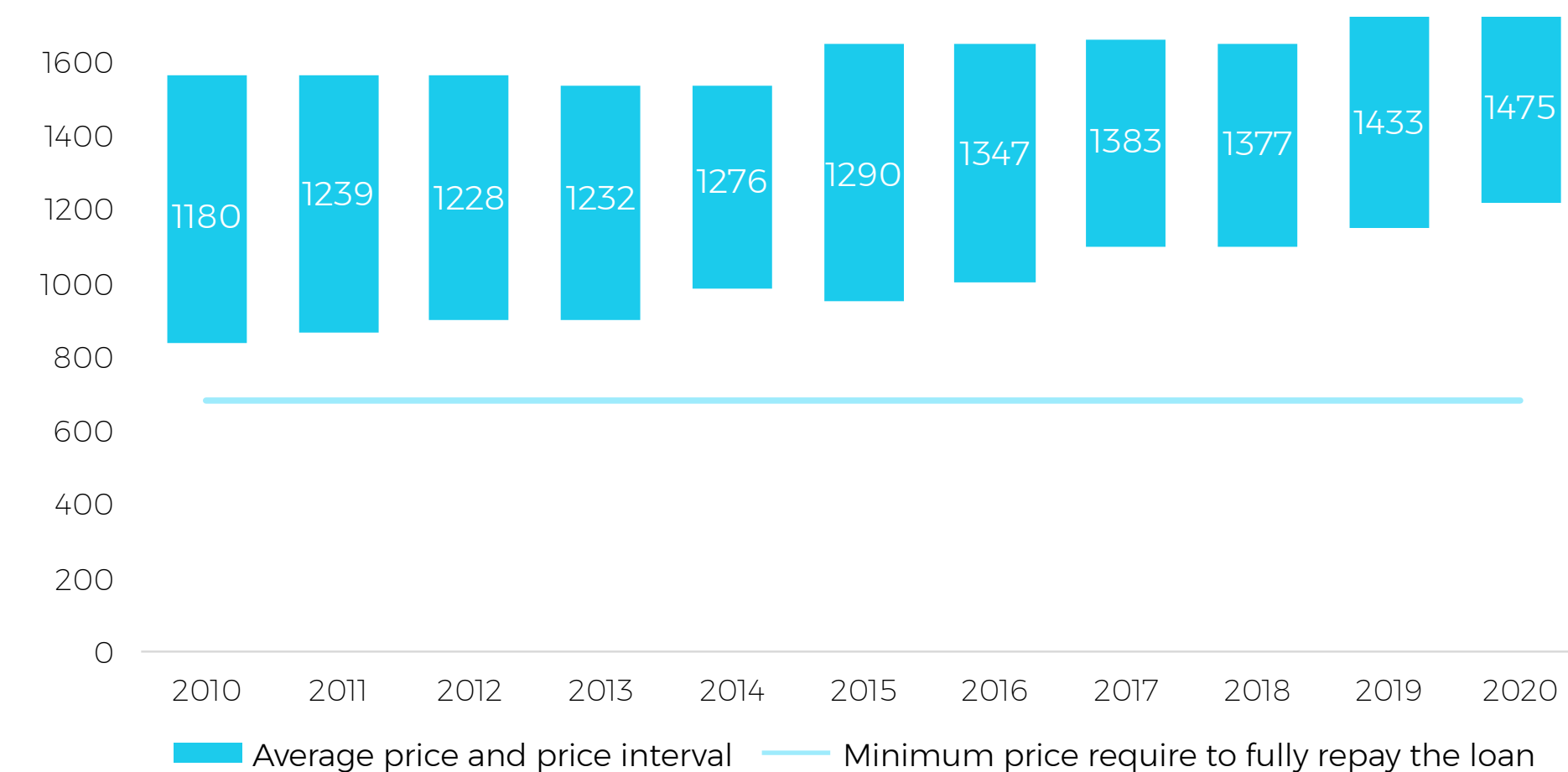
Market overview (I)

Supply and demand of Vilnius new apartment market



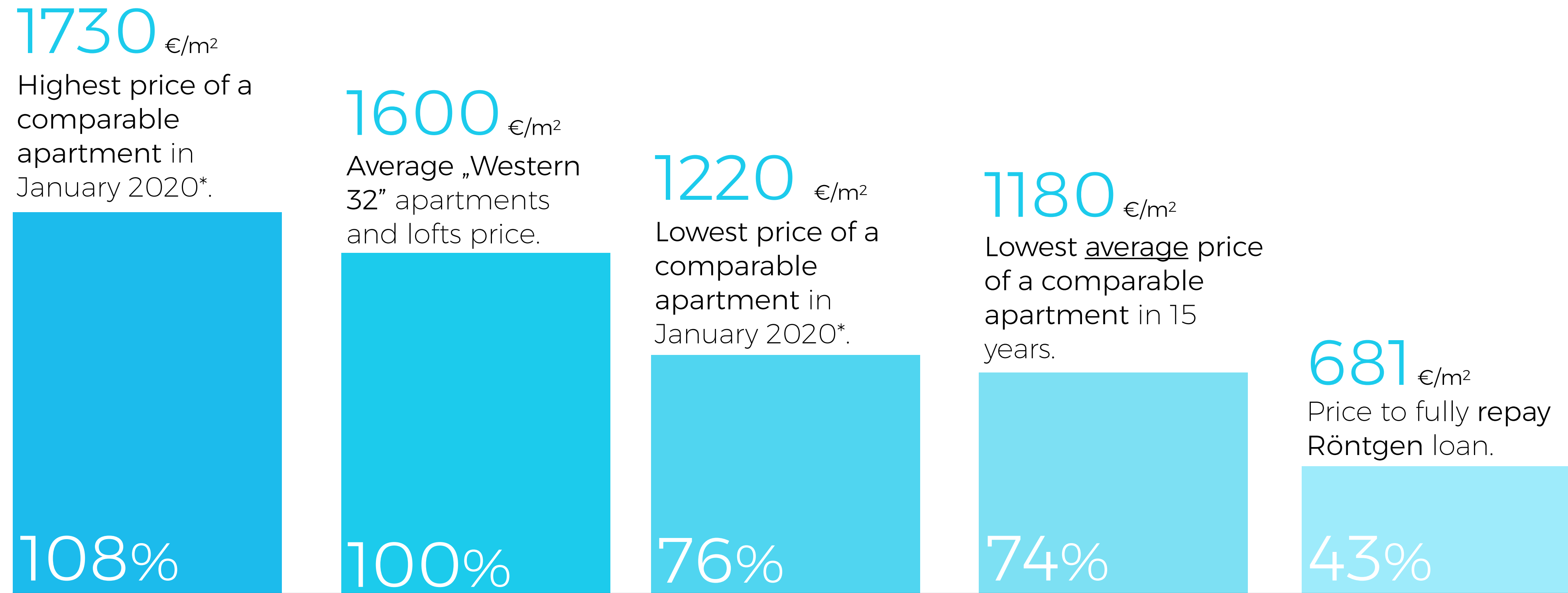
- Between 2011 and 2019, the supply of new apartments grew at an average rate of 11.2% p.a., whereas the demand grew at a greater rate of 21.6% p.a.
- Stock of unsold apartments can be sold out in less than 1 year - an indicator of liquid market.

Comparable apartments price*



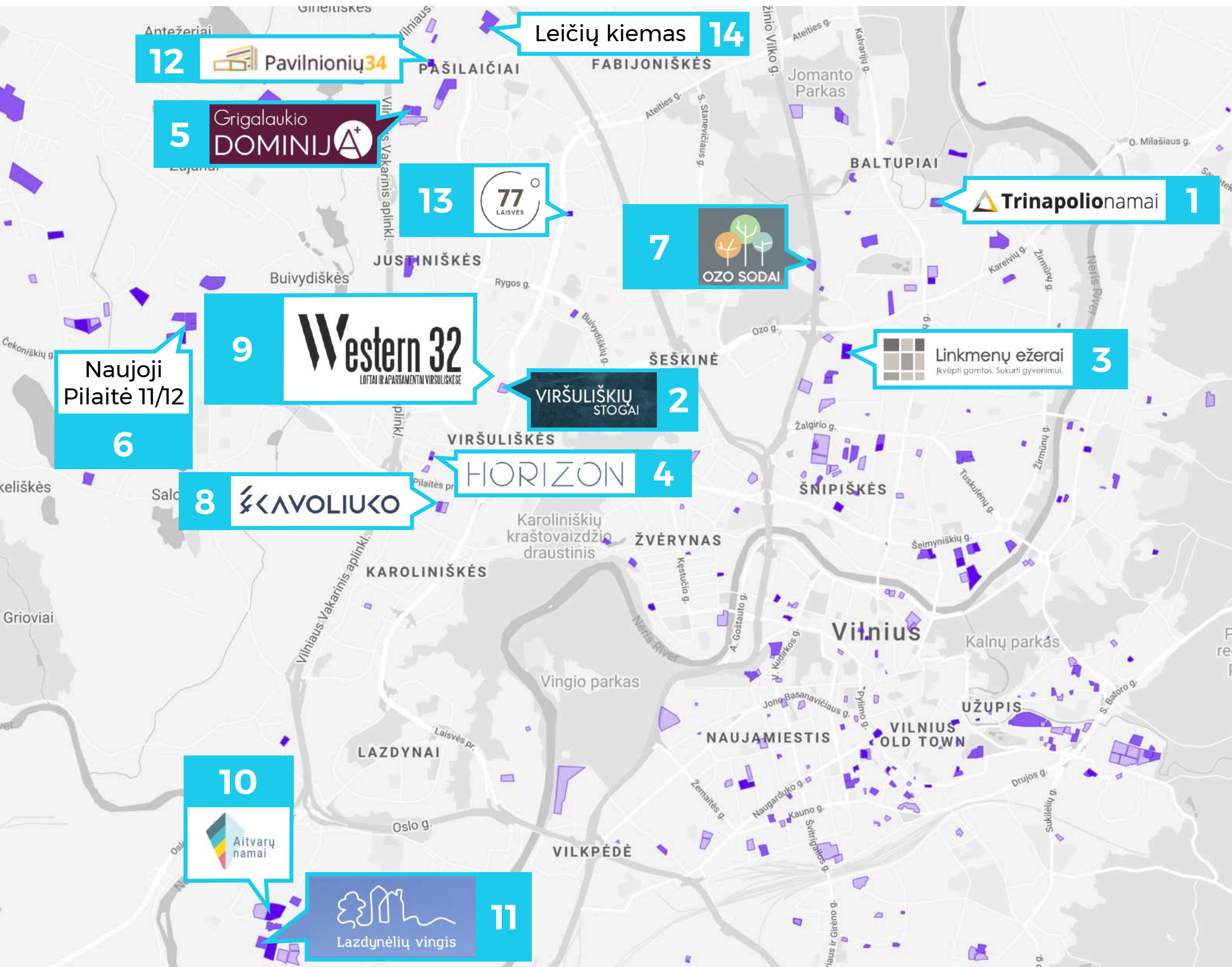
- Since the recession, the average annual increase of the price of apartments comparable to 'Western 32' was 2.0%. It suggests a sustainable price growth.
- The lowest average price of a comparable apartment in 15 years - € 1180 (year 2010) - is just 15% lower than the starting sale price of 'Western 32'.

Market overview (II)



Up to 57% - such discount can be applied to the sale price of the asset to fully cover Röntgen's loan (including accrued interest). Röntgen investors have primary mortgage - they are the first to recover funds in the event of a failure.

Konkurentai



‘Western 32’ is an economy class project located in Viršuliškės, one of the most central residential districts. The main competitors are the projects in other residential areas of Vilnius. Most newly developed comparable projects have higher average price per square meter or are located further from the city center.

No.	Project	Avg. m² price	Avg. unit price ↓	Units sold
1	Trinapolio namai	€1 800	€107 000	85 %
2	Viršuliškių stogai	€1 950	€103 000	46 %
3	Linkmenų ežerai	€1 700	€94 000	98 %
4	Horizon II	€1 900	€89 000	3 %
5	Grigalaukio dominija IV	€1 600	€88 000	62 %
6	Naujoji Pilaitė 11, 12	€1 500	€83 000	73 %
7	Ozo sodai	€1 800	€81 000	13 %
8	Kavoliuko 14	€1 700	€77 000	76 %
9	Western 32	€1 600	€71 000	not started
10	Aitvarų namai I, II	€1 400	€70 000	46 %
11	Lazdynėlių vingis II, III	€1 500	€68 000	72 %
12	Pavilnionių 34	€1 400	€66 000	75 %
13	Laisvės 77	€1 600	€64 000	93 %
14	Leičių kiemas III	€1 200	€60 000	29 %

Business case summary

Capital structure	+ 4 240 000
Equity (owner's capital)	+ 1 200 000
Advance payments (10% of total)	+ 540 000
Röntgen loan	+ 2 500 000
Expenses	- 4 240 000
Purchase of the asset	- 900 000
Construction works	- 2 800 000
Financing expenses	- 410 000
Sales expenses	- 100 000
Administrative expenses	- 30 000
Project revenue (without advance payments)	+ 5 060 000
Sales of premises (90% of total)	+ 4 810 000
Sales of parking spots	+ 250 000
Röntgen loan repayment	- 2 500 000
Owner's remainder	2 560 000
Equity repayment	- 1 200 000
Owner's profit	+ 1 360 000



Project owner



Rafal Andževski

- developer / project owner.

100%

Andzejevksi Holding OÜ

- investment company;
- manages a variety of businesses ranging from vegetable oil refinery to logistics or financial services;
- read more: www.andzejevski.com.

Mihail Martynov

- strategic partner, passive investor.

100%

ShipOil OÜ

- international trade in petroleum products;
- invests in business projects in Europe (IT, RE, trade, etc.).

'PayAlly' Ltd.

- online payments system;
- read more: www.payally.eu.

50% →

UAB 'Arotera'

- forwarding of goods;
- wholesale trade.

100% →

50%

UAB 'Amika LT'*

- owns 'E34' office center;
- real estate development and rental company.

50%



This loan is not directly related to another UAB 'Amika LT' project 'E34', which is also funded on the platform. Both loans are secured by a primary pledge of unrelated assets, thus one project does not affect the other.

Loan terms: 1st stage

Loan terms	
Loan duration	24 mos.
1 st stage loan	€ 300 000
Maximum loan	up to € 2 500 000
Interest payment	quarterly
Borrower	UAB 'Amika LT'
Current collateral value*	€ 710 000
Collateral seniority	primary mortgage
LTC	up to 67 %
Early repayment	Not sooner than after 6 mos.
Risk rating	B+ (below average risk)

Annual interest	Investment amount, €
8.0 %	1 000 - 4 999
8.5 %	5 000 - 19 999
9.0 %	20 000 - 49 999
9.5 %	50 000 - 99 999
10.0 %	from 100 000

Interested in the project? Got any questions?

Continue the investment process at Röntgen webpage or contact us!

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or

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Professional investment tool becomes an open platform

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