

APPROVED

By the director of Northtown Vilnius, VšĮ
on 2024 m. June 25 by order No. 2.4-5

INVESTOR SELECTION PROCEDURE

1. General provisions

- 1.1. The Investor Selection Procedure (hereinafter, **Procedure**) regulates the selection criteria and procedures for entering into and terminating a lease agreement for entities that have a right to lease premises (hereinafter, **Premises**) at the Research Building (VCIIP Technology Development Centre) being built by the Vilnius City Innovation Industrial Park at the address Vismaliukų g. 34, Vilnius.
- 1.2. The Premises are leased in accordance with the law of the Republic of Lithuania and the present Procedure.
- 1.3. The provisions of the Procedure were approved by *Investicijų ir verslo garantijos*, UAB (hereinafter, **INVEGA**).
- 1.4. The provisions of the Procedure are applied by signing Premise lease agreements as well as letters of intent with Investors or other binding agreements with potential investors.

2. Definitions

2.1. This Procedure uses the following definitions:

- **Description:** The description of the incentive measure ‘Setting up model manufacturing buildings in free economic zones, industrial parks and other industrial territories’ (*‘Tipinių gamybos paskirties pastatų laisvosiose ekonominėse zonose, pramonės parkuose ir kitose pramoninėse teritorijose įrengimas’*): https://hubio.lt/wp-content/uploads/2024/10/LEZ-Aprasas_INVEGA.pdf. If the Description is amended, the Procedure uses the latest revised edition of the Description;
- **Investor:** A tenant of the Building funded by loan, which can be a legal entity registered in Lithuania or abroad;
- **Lessor:** Northtown Vilnius, VšĮ, legal entity registration number: 125967014, address: Vismaliukų g. 34, Vilnius, Republic of Lithuania;
- **Loan:** monetary funds that INVEGA undertakes to provide to Northtown Vilnius, VšĮ, under the terms of the Agreement, while Northtown Vilnius, VšĮ undertakes to return monetary funds to INVEGA under the terms of the Agreement;
- **Agreement:** Loan agreement No. 2022/19-23 signed on 21 December 2022 by Northtown Vilnius, VšĮ and *Viešųjų investicijų plėtros agentūra*, UAB, the rights and obligations of which have been taken over by INVEGA;
- **Building:** The Research Building (VCIIP Technology Development Centre) at Vismaliukų g. 34, Vilnius.
- **Associated Companies:** undertakings that are associated with one another in one of the following relationships:
 - a) one company shares shareholders with the other company or carries the majority of its voting rights;
 - b) one company has the right to appoint or fire the majority of the members on the other company’s administrative, managing or supervisory bodies;
 - c) one company has the right to have decisive influence on the other company on the basis of a contract, incorporation agreement or articles of association;
 - d) one company, which is the shareholder or member of another company, has sole control of the majority of the voting rights of the other company’s shareholders or members based on an agreement with the company’s shareholders or members.

3. Investor selection criteria

- 3.1. Investors will be selected in accordance with Part 3 of Article 56 of the General Block Exemption Regulation, i.e., the Lessor shall create the conditions for Investors to use the Premises at the Building openly, transparently and without discrimination. The lease price of the Premises at the Building shall not be lower than the market price.
- 3.2. Information about leased Premises will be presented on the Lessor's website.
- 3.3. Investor selection criteria:
 - 3.3.1. Up to 20 December 2027, the Investor must be such an Investor that personally, through controlled persons, as described in the Republic of Lithuania Law on Competition, or through a group of the Investor's undertakings, has not previously conducted economic activity, as defined by the Republic of Lithuania Law on Small and Medium-Size Business Development, in the Republic of Lithuania, or an Investor already conducting economic activity in the Republic of Lithuania, if they are beginning to conduct a new economic activity that entails the creation of new jobs, and (or) are implementing expansion projects for the economic activity they are already conducting that entail the creation of new jobs. The Investor shall provide evidence to confirm this upon the Lessor's request. From 21 December 2027, the limitations stipulated in this item will no longer apply.
 - 3.3.2. An Investor that wishes to lease no less than 70 (seventy) percent of the total floor area of the building, shall undertake to conduct manufacturing and (or) research and experimental development on biotechnology (only on medical (red) biotechnology), as stipulated in Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains, with all amendments to Section C and class 72.11 of Section M in NACE REV. 2 of ANNEX I, in the Building.
 - 3.3.3. The Investor shall undertake to lease Premises for a minimum of 1.5 years (1 year and 6 months);
 - 3.3.4. The Investor is not an Associated Company of the Investor;
 - 3.3.5. International sanctions do not apply to the Investor;
 - 3.3.6. The Investor is not linked to money laundering and (or) the funding of terrorism. If the Investor is a legal entity, they are also considered linked to money laundering and (or) the funding of terrorism if this criterion is met by any person directly associated with this legal entity or any representative of the legal entity;
 - 3.3.7. The Investor is not undergoing liquidation, restructurisation or reorganisation, has not filed for bankruptcy or is not going through the bankruptcy process out of court, there are no circumstances that would provide grounds to believe that the Investor might become insolvent, file for bankruptcy, be restructured, etc.;
 - 3.3.8. The Investor is not registered in a territory that is on the EU list of non-cooperative jurisdictions for tax purposes or in a target territory (on the list of target territories approved by the Minister of Finance of the Republic of Lithuania on 22 December 2001 by Order No. 344 on the Approval of the Target Territories List);
 - 3.3.9. At the time of the submission of their application, the Investor is not on a list of unreliable tax payers (there is no information pointing to the fact that the Investor does not meet minimal reliable tax payer criteria, as stipulated in Article 40¹ of the Law on Tax Administration of the Republic of Lithuania) and has fulfilled their tax obligations, including the payment of social insurance payments. The Investor is deemed to have fulfilled their tax obligations, including the payment of social insurance payments, if the total amount of their debt does not exceed 50 euros, or if the payment of their debt has been deferred and (or) when offsets of value added tax (hereinafter, VAT) payable against VAT receivable from another company have been arranged.
- 3.4. The Lessor shall undertake the following:
 - 3.4.1. In 10 (ten) calendar days from the day of receiving the documents indicated in clause 4.1. of the Procedure, submit information to INVEGA about (an) interested Investor(s). The information is

- submitted in free-form writing, indicating the activity conducted by the Investor, the floor area of the Building it intends to lease, lease term, price and other important information;
- 3.4.2. During the 1.5-year period from the day of the submission of the Final Payment request to INVEGA, to lease or sell the Building to only one Investor. Once the deadlines indicated in this clause have passed, the limitation regarding one Investor will no longer apply;
- 3.4.3. To lease no less than 70 (seventy) percent of the total floor area of the Building to Investors who will use the premises to conduct manufacturing and (or) research and experimental development of biotechnology (only medical (red) biotechnology), as stipulated in subclause 3.3.2 of this Procedure;
- 3.4.4. To ensure that the Investor interested in signing a Premise lease agreement with the Lessor meets the requirements stipulated in clause 3.3 of the Procedure.
- 3.5. Reception of applications. The call to submit applications (hereinafter, **Call**) is announced on the Lessor's website, www.northtownvilnius.lt, and on the website of the Vilnius City Innovation Industrial Park, www.vciip.com. The Call indicates the window during which potential Investors can submit applications. Once the deadline of 1.5 years stipulated in subclause 3.4.2 of this Procedure passes, the Lessor may decide to open up the submission window as long as it takes to achieve 100% occupancy of the building.
- 3.6. Submission of applications.
- 3.6.1. The potential investor, who wishes their candidacy as tenant of Premises in the Research Building (VCIIP Technology Development Centre) to be considered, shall prepare and submit an Investor application (Procedure Annex No. 1) to the Lessor. The following documents must be submitted by the potential investor along with the application:
- 3.6.1.1. The potential investor's articles of association;
- 3.6.1.2. A digitally certified extract or expanded extract no older than 3 (three) months from the Register of Legal Entities of the Republic of Lithuania (if the potential investor is already a registered legal entity in Lithuania);
- 3.6.1.3. An extract of a foreign legal entity no older than 3 (three) months, legalised or confirmed by an apostille (if the potential investor is a legal entity registered abroad);
- 3.6.1.4. The structure of the Investor's Associate Companies, including the final beneficiary;
- 3.6.1.5. A joint certificate issued by the State Enterprise Centre of Registers no later than 30 days before the date of submission of the application (if the potential investor is a legal entity registered in Lithuania).
- 3.6.2. The potential investor shall submit all the necessary documents, signed by the head of the company or an authorised person with a certified digital signature, as one attachment by email to info@northtownvilnius.lt.
- 3.7. Selection of applications.
- 3.7.1. Applications will be assessed in the shortest possible time once they are received on the first in first out principle. Each application is assessed by order of submission date;
- 3.7.2. Investor applications are evaluated based on cost-effectiveness by deducting the net present value of the application's cash flows. The net present value of the proposal's flows will be evaluated on the basis of projected cash flows;
- 3.7.3. Investor applications will be ranked according to the net present value of the application flows; the higher the net present value of the application flows, the higher the application's position in the list of applications;
- 3.7.4. Applications will be considered and Investors will be selected according to their evaluated competitive rank by the Lessor. The Lessor shall enter into negotiations (hereinafter, **Negotiations**) with the Investor with the highest competitive rank for the lease of the Premises;
- 3.7.5. Negotiations shall not be opened with the Investor if it becomes clear from the information contained in the application submitted by the Investor that the Investor will not meet the Investor Selection Criteria set out in Clause 3.3 of the Procedure and/or the Lessor fails to ensure its obligations under Clause 3.4 of the Procedure;

- 3.7.6. The Lessor reserves the right not to enter into an agreement with selected Investors in order to safeguard the interests and investments of current and potential investors of the Vilnius City Innovation Industrial Park;
- 3.7.7. If the Lessor and the potential investor achieve agreement on all the terms and conditions of the lease of the Premises through the Negotiations, then the Lessor shall submit all the documents received from the potential investor, as well as the material terms and conditions of the lease of the Premises (the area of the Premises within the Building, the lease term, the price, and any other relevant information), to the Lessor's board of directors for consideration.

4. Procedure for concluding and terminating lease agreements

- 4.1. The Lessor shall only sign lease agreements with the Investor after obtaining the approval of the Lessor's board of directors and the Lessor's shareholders' decision on the lease of the Premises in the Building.
- 4.2. The lease agreement of the Premises in the Building shall terminate in accordance with the procedure set out by the law of the Republic of Lithuania and the lease agreement itself.

5. Final provisions

- 5.1. The Procedure shall enter into force on the date of its approval and shall remain in force throughout the term of the Agreement.
- 5.2. The Procedure shall be approved, amended or suspended by order of the Lessor's director with the approval of INVEGA.
- 5.3. Anything not covered by the Procedure shall be dealt with in accordance with the legislation of the European Union, the Republic of Lithuania, the Description and the Agreement.