

**SUPPLEMENT DATED 1 SEPTEMBER 2025 TO THE OFFERING CIRCULAR  
DATED 5 FEBRUARY 2024**



**THE REPUBLIC OF LITHUANIA**

**Euro Medium Term Note Programme**

This supplement (the **Supplement**) is supplemental to, and must be read in conjunction with the offering circular dated 5 February 2024 and the supplement dated 20 January 2025 (together, the **Offering Circular**) and is prepared in connection with the Euro Medium Term Note Programme (the **Programme**) established by the Republic of Lithuania (the **Issuer**).

Terms defined in the Offering Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular.

To the best of the knowledge of the Issuer, the information contained in this Supplement is true and accurate in every material respect and is not misleading, the opinions and intentions expressed in this Supplement are honestly held and there are no other facts the omission of which makes misleading any statement herein, whether of fact or opinion. The Issuer accepts responsibility for the information contained in this Supplement accordingly.

**PURPOSE OF THIS SUPPLEMENT**

The purpose of this Supplement is to update the section of the Offering Circular headed "Taxation".

**AMENDMENTS TO THE OFFERING CIRCULAR**

By virtue of this Supplement, the section titled "Taxation" on pages 64 to 66 of the Offering Circular shall be deemed updated and replaced with the following:

*“The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Lithuania or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.*”

## ***Republic of Lithuania***

The following is a summary of certain Lithuanian tax consequences of ownership and disposition of Notes to a resident individual or resident entity ("**Lithuanian Holder**") or a non-resident individual or non-resident entity which is not acting through a permanent establishment in Lithuania that holds such Notes ("**Non-Lithuanian Holder**").

As used in the preceding sentence, a "**resident individual**" means an individual whose permanent place of residence is in the Republic of Lithuania, or whose personal, social or economic interests are located in the Republic of Lithuania or who is present in the Republic of Lithuania for more than 183 days in the relevant tax period or more than 280 days in two consecutive tax periods and at least 90 days in any of these tax periods, and a "**resident entity**" means an entity which is legally established in the Republic of Lithuania, and a "**non-resident individual**" means an individual whose permanent place of residence is outside the Republic of Lithuania, whose personal, social or economic interests are located outside the Republic of Lithuania and who is present in the Republic of Lithuania for less than 183 days in the relevant tax period and less than 280 days in two consecutive tax periods or who is present in the Republic of Lithuania for more than 280 days in two consecutive tax periods, but less than 90 days in one of these tax periods, and a "**non-resident entity**" means an entity which is legally established outside the Republic of Lithuania.

Taxation of interest income and capital gains received by non-resident entities acting through a permanent establishment in Lithuania is the same as that of resident entities defined above, therefore, it is not separately outlined in the further sections of this Offering Circular. For relevant details on the taxation of Lithuanian permanent establishments as Noteholders, please refer to the taxation of resident entities.

## **Taxation of Interest**

### *Payments to Lithuanian Holders*

In 2025 payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to a resident individual will be subject to personal income tax at progressive tax rates of (i) 15 per cent., in respect of income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year which does not exceed the sum of 120 Lithuanian gross average salaries, which shall be determined on the basis of the gross average monthly salary as set forth in the Law on Approval of the State Social Funds Budgets Indicators for the relevant year (in 2025, the threshold amount would be EUR 253,065.60), and (ii) 20 per cent., which shall be applied to any income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by an individual during the calendar year, exceeding the aforementioned threshold.

Starting from 1 January 2026, payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to a resident individual will be subject to personal income tax rate at 15 per cent., in respect of total income (including interest, lease income, capital gains from disposal of the real estate / shares held for less than 5 years and certain other types of income) received by a resident individual during the calendar year which does not

exceed the sum of 12 Lithuanian gross average salaries, which shall be determined on the basis of the gross average monthly salary as set forth in the Law on Approval of the State Social Funds Budgets Indicators for the relevant year. The exceeding amount will be subject to progressive personal income tax rates of (i) 20 per cent., which shall be applied to total income (excluding dividends, capital gains from disposal of the real estate / shares held for more than 5 years, income from investment account and certain other types of income) received by an individual during the calendar year, not exceeding the threshold of 36 Lithuanian gross average salaries, (ii) 25 per cent., which shall be applied to total income (excluding dividends, capital gains from disposal of the real estate / shares held for more than 5 years, income from investment account and certain other types of income) received by an individual during the calendar year, exceeding the threshold of 36 Lithuanian gross average salaries but not exceeding the threshold of 60 Lithuanian gross average salaries, and (iii) 32 per cent., which shall be applied to total income (excluding dividends, capital gains from disposal of the real estate / shares held for more than 5 years, income from investment account and certain other types of income) received by an individual during the calendar year, exceeding the threshold of 60 Lithuanian gross average salaries.

Part of the total amount of interest (including interest on the Notes) received by a resident individual during the calendar year up to the amount of EUR 500 will be exempt from personal income tax. The tax exemption will not apply to the interest received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven, or interest received through the investment account. Personal income tax on the interest will be paid by the resident individual himself/herself.

Investment Account: Effective January 1, 2025, Lithuania has implemented an investment account regime applicable only to individuals - Lithuanian tax residents, if the investment in the Notes is made through an eligible investment account held by a resident of Lithuania with a financial institution or a payment service provider established in Lithuania or foreign countries (EEA or OECD Member States, as well as countries with which Lithuania has an effective double tax treaty), or a branch or permanent establishment of that institution or entity located in those countries. Under this regime, investment income (incl. interest from Notes and capital gains from disposal of Notes) within the investment account are taxed only upon withdrawal of funds. Noteholders (Lithuanian tax residents) must notify the State Tax Inspectorate of their investment account by the end of the reporting period (which is May 1, 2026, for the 2025 tax year). Income from investments through the investment account is taxed only when withdrawals exceed the deposited funds (no tax reliefs apply). Withdrawals made in 2025 are subject to the personal income tax at rates of 15 per cent. / 20 per cent. From 2026 onwards, income received through the investment account will be subject to a flat rate of 15 per cent.

Payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to corporate income tax at a general rate of 16 per cent (starting from 1 January 2026 – 17 per cent.) or an incentive rate applicable to the Noteholder. Banks and credit unions, including central credit unions and branches of foreign banks in Lithuania, shall pay additional 5 per cent. corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million. Banks and central credit unions' financial groups established and operating in Lithuania, including branches of foreign banks in

Lithuania, shall pay for the period from 16 May 2023 until the end of 2025 an additional 60 per cent. temporary solidarity contribution on the net interest income (subject to special calculation rules) which exceeds by 50 per cent. the average amount of net interest income for the four regular financial years 2019 – 2022 (conditions apply).

#### *Payments to Non-Lithuanian Holders*

Payments in respect of interest on the Notes (including, to the extent applicable, the difference between the redemption price and the issue price of the Notes) to a Non-Lithuanian Holder will not be subject to Lithuanian withholding tax.

#### ***Taxation on Disposition of Notes***

##### *Payments to Lithuanian Holders*

In 2025 capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident individual will be subject to personal income tax at progressive tax rates of (i) 15 per cent., in respect of income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year which does not exceed the sum of 120 Lithuanian gross average salaries which shall be determined on the basis of the gross average monthly salary as set forth in the Law on Approval of the State Social Funds Budgets Indicators for the relevant year (in 2025, the threshold amount would be EUR 253,065.60), and (ii) 20 per cent., which shall be applied to any income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year, exceeding the aforementioned threshold. Part of the capital gains received from the sale of securities (including the Notes) during the calendar year up to the amount of EUR 500 is exempt from personal income tax. The tax exemption will not apply if the sale proceeds are received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven, or through the investment account.

In 2026 and onwards the tax regime as in case of taxation of interest will apply, i.e. capital gains (the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident individual will be subject to personal income tax at progressive tax rates of 15 per cent. / 20 per cent. / 25 per cent. / 32 per cent. Investment account regime (as described above) could also be applicable to capital gains from the disposition of the Notes.

Capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to corporate income tax at a general rate of 15 per cent. (starting from 1 January 2026 – 17 per cent.) or an incentive rate applicable to the Noteholder. Banks and credit unions, including central credit unions and branches of foreign banks in Lithuania, shall pay additional 5 per cent. corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million.

##### *Payments to Non-Lithuanian Holders*

The disposition of Notes by a Non-Lithuanian Holder will not be subject to any Lithuanian income or capital gains tax.

### ***Registration and Stamp Duty***

Transfers of Notes will not be subject to any registration or stamp duty in Lithuania.

Prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall Lithuanian tax consequences of the ownership of Notes.

### **The Proposed Financial Transaction Tax ("FTT")**

On 14 February 2013, the Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Several Member States, such as France, Italy and Spain, have in the recent years implemented unilateral FTTs.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT."

### **Information**

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Offering Circular, the statements in (a) above will prevail.