

RATING ACTION COMMENTARY

Fitch Affirms Lithuanian UAB Valstybes investicinis kapitalas' EMTN Programme at 'A'

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Fitch Ratings - Warsaw - 29 Aug 2025: Fitch Ratings has affirmed UAB Valstybes investicinis kapitalas' (VIK) euro-denominated European medium-term note (EMTN) programme's and the notes issued under it at senior unsecured 'A'. The notes are unconditionally and irrevocably guaranteed by the Republic of Lithuania (A/Stable).

Since inception, net proceeds of the programme notes have supported medium-sized and large Lithuanian enterprises affected by the Covid-19 pandemic, as part of the European Commission's (EC) state aid for business. The investment period for this objective ended on 30 June 2023, following the expiry of the EC's pandemic state aid approval.

Since the end of 2024, VIK's strategic objectives have been expanded to focus on investments in Lithuania's defence and security industry, the Green Deal, energy decarbonisation, and other areas of national strategic importance, subject to government and regulatory decisions. Consequently, the scope of the EMTN programme will be adjusted to support the defence and security projects.

KEY RATING DRIVERS

Fitch rates VIK's EMTN programme under its Government-Related Entities (GRE) Criteria. The ratings of the programme and the notes are fully equalised with the sovereign rating of Lithuania due to state guarantee, which is the overriding factor in the rating determination. The guarantee constitutes the state's direct, unsubordinated senior unsecured obligations and ranks pari passu with all its other senior unsecured debt.

The EMTN programme has a total value of up to EUR400 million, targeting funding from domestic and international capital markets, primarily in the Baltic States and Nordic countries, and is listed on the Nasdaq Baltic Stock Exchange. Bonds issued under the programme may have maturities of up to 10 years, with each series redeemed at its

specified maturity date. Interest is paid annually at a fixed rate, minimising interest rate risk. All notes are denominated in euros, eliminating FX risk. The programme is governed by the laws of Lithuania.

Under the current state guarantee limit of EUR150 million, VIK issued three tranches of notes totalling EUR100 million. The first tranche, with a nominal value of EUR25 million, was redeemed in March 2025. Two further tranches remain outstanding: EUR50 million maturing on 22 September 2025 and EUR25 million maturing on 30 June 2027. Each series is fully guaranteed by the state on an unsecured and unsubordinated basis. The guarantee covers principal, interest, and all other financial liabilities arising from the issuance and remains valid until all liabilities under the EMTN programme are settled, with the full guaranteed amount included in the state budget.

An upcoming new issue totaling EUR54.5 million for the financing of the defence and security industry is expected to be launched in tranches in 2025. The new issuance will also be backed by a state guarantee. VIK's formal request was approved by the Lithuanian government on 27 August 2025.

DERIVATION SUMMARY

VIK's EMTN programme's and notes' ratings are equalised with Lithuania's Long-Term Issuer Default Ratings due to the government guarantee covering all financial liabilities under the EMTN programme.

ISSUER PROFILE

VIK is a state-owned financing vehicle established by the Republic of Lithuania, represented by the Ministry of Finance, as the sole shareholder.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Negative rating action on Lithuania will be reflected on the EMTN programme's and notes' ratings. Dilution of support from the guarantor and adverse changes to or termination of the guarantee provided will result in a review of the programme's and notes' ratings

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

ESG CONSIDERATIONS

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RATING ACTIONS

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APPLICABLE CRITERIA

[Public Policy Revenue-Supported Entities Rating Criteria \(pub. 12 Jan 2024\) \(including rating assumption sensitivity\)](#)

[Government-Related Entities Rating Criteria \(pub. 18 Jul 2025\)](#)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

UAB Valstybes investicinis kapitalas

EU Issued, UK Endorsed

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