

UAB "ORKELA"

INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
PREPARED IN ACCORDANCE WITH LITHUANIAN FINANCIAL REPORTING STANDARDS

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Balance sheet

	Notes	30 September 2024	31 December 2023
ASSETS			
A. NON-CURRENT ASSETS		39 768 943	33 933 147
1. INTANGIBLE ASSETS		-	-
1.1. Development work		-	-
1.2. Goodwill		-	-
1.3. Software		-	-
1.4. Concessions, patents, licenses, trademarks and similar rights		-	-
1.5. Other intangible assets		-	-
1.6. Prepayments for intangible assets		-	-
2. TANGIBLE ASSETS	3.1.	39 768 943	33 933 147
2.1. Land		-	-
2.2. Buildings and structures		-	-
2.3. Plant and equipment		-	-
2.4. Vehicles		-	-
2.5. Other equipment, fittings and tools		-	-
2.6. Investment property		2 699 591	2 699 591
2.6.1. Land		2 699 591	2 699 591
2.6.2. Buildings		-	-
2.7. Prepayments for tangible assets and assets under construction		37 069 352	31 233 556
3. FINANCIAL ASSETS		-	-
3.1. Shares in group companies		-	-
3.2. Intercompany loans		-	-
3.3. Intercompany amounts receivable		-	-
3.4. Shares in associates		-	-
3.5. Loans to associates		-	-
3.6. Receivables from associates		-	-
3.7. Long-term investments		-	-
3.8. Amounts receivable after one year		-	-
3.9. Other financial assets		-	-
4. OTHER NON-CURRENT ASSETS		-	-
4.1. Deferred tax asset		-	-
4.2. Biological assets		-	-
4.3. Other assets		-	-
B. CURRENT ASSETS		1 221 520	123 561
1. INVENTORIES		382	109
1.1. Raw materials, materials and consumables		-	-
1.2. Production and work in progress		-	-
1.3. Finished goods		-	-
1.4. Goods for resale		-	-
1.5. Biological assets		-	-
1.6. Non-current tangible assets held for sale		-	-
1.7. Prepayments		382	109
2. AMOUNTS RECEIVABLE WITHIN ONE YEAR	3.2.	130 537	60 899
2.1. Trade receivables		-	-
2.2. Intercompany amounts receivable		-	-
2.3. Amounts receivable from associates		-	-
2.4. Other amounts receivable		130 537	60 899
3. SHORT-TERM INVESTMENTS		-	-
3.1. Shares in group companies		-	-
3.2. Other investments		-	-
4. CASH AND CASH EQUIVALENTS	3.3.	1 090 601	62 553
C. PREPAID EXPENSES AND ACCRUED INCOME	3.4.	6 437	7 090
TOTAL ASSETS		40 996 900	34 063 798

Balance Sheet (cont'd)

	Notes	30 September 2024	31 December 2023
EQUITY AND LIABILITIES			
D. EQUITY		(91 941)	2 513 913
1. CAPITAL		1 050 000	1 050 000
1.1. Share capital	3.5.	1 050 000	1 050 000
1.2. Unpaid share capital (-)		-	-
1.3. Own shares, stock (-)		-	-
2. SHARE PREMIUM	3.5.	12 385 500	12 385 500
3. REVALUATION RESERVE		-	-
4. RESERVES		-	-
4.1. Legal reserve		-	-
4.2. Acquisition of own shares		-	-
4.3. Other reserves		-	-
5. RETAINED EARNINGS (LOSS)	3.6.	(13 527 441)	(10 921 587)
5.1. Profit (loss) of the reporting year		(2 605 854)	(110 256)
5.2. Profit (loss) of the previous years		(10 921 587)	(10 811 331)
E. GRANTS, SUBSIDIES		-	-
F. PROVISIONS		-	-
1. Pensions and similar provisions		-	-
2. Deferred tax liability		-	-
3. Other provisions		-	-
G. AMOUNTS PAYABLE AND OTHER LIABILITIES		41 071 516	31 527 595
1. NON-CURRENT AMOUNT PAYABLE AND LIABILITIES	3.8.	1 019 976	28 019 433
1.1. Financial debts		-	23 277 089
1.2. Amounts owed to credit institutions		-	-
1.3. Advances received		-	-
1.4. Trade payables		1 019 976	1 070 266
1.5. Payables under the bills and checks		-	-
1.6. Intercompany amounts payable		-	3 672 078
1.7. Amounts payable to associates		-	-
1.8. Other amounts payable and non-current liabilities		-	-
2. CURRENT AMOUNTS PAYABLE AND LIABILITIES	3.8.	40 051 540	3 508 162
2.1. Current portion of financial debts		34 780 068	652 601
2.2. Amounts owed to credit institutions		-	-
2.3. Advances received		-	-
2.4. Trade Payables		1 049 176	2 813 774
2.5. Payables under the bills and checks		-	-
2.6. Intercompany amounts payable	3.13.	4 194 888	-
2.7. Amounts payable to associates		-	-
2.8. Corporate income tax liabilities		-	-
2.9. Employment related liabilities		23 539	29 918
2.10. Other amounts payable and current liabilities		3 869	11 869
H. ACCRUED EXPENSES AND DEFERRED INCOME	3.9.	17 325	22 290
TOTAL EQUITY AND LIABILITIES		40 996 900	34 063 798

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Gintarė Naglė

Income statement

	Notes	2024.01.01- 2024.09.30	2023.01.01- 2023.09.30
1. Sales revenue		-	-
2. Cost of sales		-	-
3. Fair value adjustments of biological assets		-	-
4. GROSS PROFIT (LOSS)		-	-
5. Selling expenses		-	-
6. General and administrative expenses	3.10.	(298 559)	(303 213)
7. Other operating results		-	-
8. Income from investments into shares of parent, subsidiaries and associates		-	-
9. Income from other long-term investments and loans		-	-
10. Other interest and similar income		-	-
11. Impairment of the financial assets and short-term investments		-	-
12. Interest and other similar expenses	3.11.	(2 307 295)	(1 187 666)
13. PROFIT (LOSS) BEFORE TAXATION		(2 605 854)	(1 490 879)
14. Income tax	3.12.	-	-
15. NET PROFIT (LOSS)		(2 605 854)	(1 490 879)

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Gintarė Naglė

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 30 September 2024

(all amounts presented in EUR unless otherwise indicated)

Statement of Changes in Equity

	Share capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserve Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares	Other reserves	Retained earnings (losses)	Total
1. Balance at the end of the reporting (yearly) period before previous	1 000 000	8 935 500	-	-	-	-	-	-	(10 811 331)	(875 831)
2. Result of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
3. Result of correcting material errors	-	-	-	-	-	-	-	-	-	-
4. Recalculated balance at the end of the reporting (yearly) period before previous	1 000 000	8 935 500	-	-	-	-	-	-	(10 811 331)	(875 831)
5. Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
6. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
8. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
9. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(110 256)	(110 256)
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-
14. Increase (decrease) of share capital or shareholders' contributions (shares' repayment)	50 000	3 450 000	-	-	-	-	-	-	-	3 500 000
15. Other Increase (decrease) of share capital	-	-	-	-	-	-	-	-	-	-
16. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
17. Balance at the end of the previous reporting (yearly) period	1 050 000	12 385 500	-	-	-	-	-	-	(10 921 587)	2 513 913

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Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 30 September 2024

(all amounts presented in EUR unless otherwise indicated)

Statement of Changes in Equity (cont'd)

	Share capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserve Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares	Other reserves	Retained earnings (losses)	Total
18. Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
19. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
20. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
21. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
22. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(2 605 854)	(2 605 853)
23. Dividends	-	-	-	-	-	-	-	-	-	-
24. Other payments	-	-	-	-	-	-	-	-	-	-
25. Formed reserves	-	-	-	-	-	-	-	-	-	-
26. Used reserves	-	-	-	-	-	-	-	-	-	-
27. Increase (decrease) of authorised capital or shareholders' contributions (shares' repayment)	-	-	-	-	-	-	-	-	-	-
28. Other Increase (decrease) of share capital	-	-	-	-	-	-	-	-	-	-
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
30. Balance at the end of the reporting period	1 050 000	12 385 500	-	-	-	-	-	-	(13 527 441)	(91 941)

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements are electronically signed:

Director

Company representative in charge of accounting

*Anastasija Pocienė**Gintarė Naglė*

Cash Flow Statement

	Notes	2024.01.01- 2024.09.30	2023.01.01- 2023.09.30
1. Cash flows from operating activities			
1.1. Net profit (loss)		(2 605 854)	(1 490 879)
1.2. Depreciation and amortisation expenses		-	-
1.3. Elimination of results of disposals of fixed tangible and intangible assets		-	-
1.4. Elimination of results of financing and investing activities	3.11.	2 307 295	1 187 666
1.5. Elimination of results of other non-cash transactions		-	-
1.6. Decrease (increase) in intercompany amounts receivable and receivables from associates		-	-
1.7. Decrease (increase) in other amounts receivable after one year		-	-
1.8. Decrease (increase) in deferred tax asset		-	-
1.9. Decrease (increase) in inventories, except prepayments		-	-
1.10. Decrease (increase) in prepayments		(273)	116
1.11. Decrease (increase) in trade receivables		-	-
1.12. Decrease (increase) in intercompany amounts owed and amounts owed by associates		-	-
1.13. Decrease (increase) in other receivables		16 100	22 702
1.14. Decrease (increase) in short-term investments		-	-
1.15. Decrease (increase) in prepaid expenses and accrued income		653	13 548
1.16. Increase (decrease) in provisions		-	-
1.17. Increase (decrease) in long-term trade payables and prepayments		-	-
1.18. Increase (decrease) in long-term amounts payable under the bills and checks		-	-
1.19. Increase (decrease) in long-term intercompany payables and payables to associates		-	-
1.20. Increase (decrease) in trade with short-term trade payables and advances received		(64 295)	12 635
1.21. Increase (decrease) in amounts payable under the bills and checks		-	-
1.22. Increase (decrease) in short-term intercompany payables and payables to associates		-	-
1.23. Increase (decrease) in corporate income tax liabilities		-	-
1.24. Increase (decrease) in employment related liabilities		(6 379)	5 607
1.25. Increase (decrease) in other amounts payable and liabilities		(8 000)	(5 773)
1.26. Increase (decrease) in accruals and deferred income		(4 965)	(3 400)
Net cash flows from operating activities		(365 718)	(257 778)
2. Cash flows from investing activities			
2.1. Acquisition of fixed assets (excluding investments)		(7 787 105)	(9 135 600)
2.2. Disposal of fixed assets (excluding investments)		-	-
2.3. Acquisition of long-term investments		-	-
2.4. Disposal of long-term investments		-	-
2.5. Loans granted		-	-
2.6. Loans recovered		-	-
2.7. Dividends and interest received		-	-
2.8. Other increases in cash flows from investing activities		-	-
2.9. Other decreases in cash flows from investing activities		-	-
Net cash flows from investing activities		(7 787 105)	(9 135 600)

Statement of Cash Flows (cont'd)

	Notes	2024.01.01- 2024.09.30	2023.01.01- 2023.09.30
3. Cash flows from financing activities			
3.1. Cash flows related to entity's owners		-	-
3.1.1. Issue of shares		-	-
3.1.2. Owner's contributions to cover losses		-	-
3.1.3. Purchase of own shares		-	-
3.1.4. Dividends paid		-	-
3.2. Cash flows related to other financing sources		9 180 871	6 851 917
3.2.1. Increase in financial debts		10 959 223	8 011 918
3.2.1.1. Loans received		-	-
3.2.1.2. Issue of bonds		10 959 223	8 011 918
3.2.2. Decrease in financial debts		(1 742 310)	(1 062 785)
3.2.2.1. Loans repaid		-	-
3.2.2.2. Redemption of bonds		-	-
3.2.2.3. Interest paid		(1 742 310)	(1 062 785)
3.2.2.4. Finance leases payments		-	-
3.2.3. Increase in entity's other liabilities		-	-
3.2.4. Decrease in entity's other liabilities		-	-
3.2.5. Other increases in cash flows from financing activities		-	-
3.2.6. Other decreases in cash flows from financing activities		(36 042)	(97 216)
Net cash flows from financing activities		9 180 871	6 851 917
4. Adjustments due to changes in exchange rates on the balance of cash and cash equivalents		-	-
5. Increase (decrease) of net's cash flows		1 028 048	(2 541 461)
6. Cash and cash equivalents at the beginning of the period		62 553	2 582 585
7. Cash and cash equivalents at the end of the period		1 090 601	41 124

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Gintarė Naglė

Notes to the financial statements

1. General information

UAB Orkela, company code 304099538 (hereinafter referred to as the Company) is a private limited liability company registered with the State Enterprise Centre of Registers on 24 September 2015. Registered as the value-added taxpayer since 10 March 2016. The Company's data is collected and stored with the Register of Legal Entities of the Republic of Lithuania.

As at 30 September 2024 and 31 December 2023, the shareholder of the Company is closed-end investment fund intended for informed investors Lords LB Special Fund IV, managed by UAB Lords LB Asset Management (company code 301849625, registered address Jogailos st. 4, Vilnius).

	30 September 2024		31 December 2023	
	Number of shares	Share of the stock held	Number of shares	Share of the stock held
Lords LB Special Fund IV	42 000	100%	42 000	100%
Total:	42 000	100%	40 000	100%

As at 30 September 2024 the Company's authorised share capital amounted to EUR 1 050 000 (31 December 2023 – EUR 1 050 000), share capital is divided into 42 000 (31 December 2023 – 42 000) ordinary registered shares with the par value of EUR 25 each. As at 30 September 2024 the Company's share capital is fully paid. The Company does not have its own shares.

The Company's registered office address is Jogailos st. 4, Vilnius.

The main activity of the Company is real estate development and construction.

As at 30 September 2024 and 31 December 2023 the Company had no branches or representative offices.

As at 30 September 2024 the average number of employees was 3 (31 December 2023 – 2).

2. Accounting policy

The financial statements are prepared in accordance with the legal acts regulating financial accounting and preparation of financial statements in the Republic of Lithuania and Lithuanian Financial Reporting Standards.

The Company's financial year coincides with a calendar year.

The figures in these financial statements are presented in the currency of the Republic of Lithuania - Euro (EUR).

The company complies with the criteria of a public interest entity established in the Companies' Financial Reporting Law when preparing financial statements.

2.1. Investment property

Investment property is real estate held to earn income and / or capital gains.

The cost of acquired investment property consists of the purchase price and any directly attributable costs. Directly attributable costs may include legal fees, property transfer fees and other transaction costs. This accounting principle applies for the whole duration of construction of investment property. The Company classified the investment property under development as investment property in the balance sheet and accounts it at cost less any impairment losses.

Upon completion of investment property, the Company uses the fair value method to account for investment property. The fair value of investment property is determined based on valuation reports of an independent valuer. The valuation by an independent valuer is performed at least once a year (if there are significant changes that could lead to a significant change in the value of the assets, valuations are performed more frequently).

2.2. Financial assets and financial liabilities

Financial assets include cash and cash equivalents and amounts receivable.

Financial assets are recorded when the Company receives or obtains a contractual right to receive cash or any other financial assets. Amounts receivable are carried at cost less impairment losses. Cash and cash equivalents are stated at cost.

When it is probable that the Company will not be able to recover the amounts receivable, the impairment loss is recognised, which is determined as the difference between the carrying amount of the assets and the present value of future cash flows discounted using the effective interest rate.

Financial liabilities include amounts payable for goods and services received and liabilities under bond agreements issued, loans received.

Financial liabilities are recorded when the Company undertakes a commitment to pay cash or settle with any other financial assets. Amounts payable for goods and services are accounted for at cost.

Bonds issued are classified as financial liabilities redeemable in one lump sum or in instalments according to a fixed redemption schedule. Bonds issued and loans received are initially recognised at cost, which is equal to the amount of funds received. Transaction costs are recognised as financing expenses. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method. The Company has issued non-convertible bonds.

2.3. Effective interest rate method

Effective interest rate method is a method of calculation of amortised cost of financial assets and liabilities and distribution of interest income and expenses over a certain period. Effective interest rate is an interest rate that discounts the estimated future cash flows (including all paid or received taxes that are an integral part of the effective interest rate, transaction costs and other extras or discounts) to the net carrying amount of the initial recognition within the intended period of financial asset and liabilities or (if applicable) within a certain shorter period.

2.4. Foreign currencies

All currency items in the balance sheet are valued in euros using the exchange rate prevailing at the date of the balance sheet. Assets purchased in foreign currency and accounted for in the balance sheet at the cost are valued in euros using the exchange rate prevailing at the acquisition date. Assets whose fair value is determined in a foreign currency are valued in euros in the balance sheet using the exchange rates at the date when the fair value was determined. Foreign currency transactions are valued in euros using the exchange rate prevailing at the date of the transaction. Differences resulting from the settlement of amounts recorded in foreign currencies at different exchange rates are recognised as income or expenses of the reporting period.

2.5. Sales revenue

Revenue is recognised on an accrual basis. The amount of income is estimated at fair value, considering granted and expected discounts, returns and rebates.

When a service transaction is completed in the same period as it is initiated, revenue is recognised in the same period and measured at the amount specified in the contract. When services, according to the service transaction, are provided for more than one reporting period, revenue is allocated to the periods in which the services are rendered.

The Company's typical operating income consists of rental income. Where the Company operates as an intermediary rather than the main service provider, income and expenses are offset.

2.6. Cost of sales and operating expense

Expenses are recognised on an accrual and comparison basis in the accounting period the income related to the costs is generated. Expenses incurred during the reporting period, which cannot be attributed directly to specific revenue earned and will not generate any revenue in subsequent reporting periods, are recognised as expenses when incurred. Expenses are measured at fair value.

2.7. Borrowing costs

Interest on loans and bond agreements are recognised in the income statement on an accrual basis.

2.8. Income tax

Income tax calculations are based on profit for the year after assessing deferred income tax. Income tax is calculated in accordance with the requirements set forth in the Lithuanian legislation.

In 2024, the corporate income tax rate applied to companies in the Republic of Lithuania was 15% (in 2023 - 15%).

Taxable losses can be carried forward to other reporting periods for an unlimited number of periods, except for the losses incurred through transfer of securities and (or) derivative financial instruments. Such carryforward is cancelled if the Company ceases to carry on the activity giving rise to the loss, unless the Company ceases to carry on the activity for any reasons beyond its control. The losses from disposal of securities and (or) derivative financial instruments can be carried forward for 5 consecutive years and only be reduced by taxable income earned from the transactions of the same nature. With effect from 1 January 2014, tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%.

Deferred tax is calculated using the balance sheet liability method. Deferred income tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered based on tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax asset is recognised in the balance sheet to the extent the management believes it will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

2.9. Impairment

An impairment loss is recognised whenever events or changes in circumstances indicate that the carrying amount may not be recovered. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment is recognised in the income statement. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment loss recognised for the asset no longer exists or has decreased. The reversal is accounted for under the same article of the income statement as the impairment loss.

2.10. Recoverable amount

Recoverable amount is calculated as the higher of two values: the fair value less costs to sell and the asset's value in use. An asset's value in use is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects current market assumptions about the time value of money and the risks specific to the asset.

2.11. Offsetting

Offsetting of receivables and payables with the same third party shall take place when there is a sufficient legal basis for doing so.

2.12. Subsequent events

Subsequent events that are not adjusting events are disclosed in the notes when material.

2.13. Contingencies

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except those cases when the probability that resources generating economic benefit will be lost is very low.

2.14. Significant accounting estimates and judgments

The preparation of financial statements in accordance with Lithuanian financial reporting standards requires from the management to make certain judgments and estimates, based on assumptions that have effect on the application of policies

and reported amounts of assets and liabilities, income and expenses and the disclosure of uncertainties. The significant estimates in these financial statements are the valuation assumptions of investment assets. Future events may change the assumptions used in the estimates. The effect of such changes in estimates will be accounted for in the financial statements when determined.

2.15. Financial risk management

The Company is exposed to a variety of financial risks in the course of its operations. Risk management is performed by management.

The following main financial risk management procedures are applied in the Company's operations:

Credit risk

The Company is not subject to significant credit risk concentration. Credit risks or the risks of counterparties defaulting, are controlled by the application of credit terms and monitoring procedures. Credit risk is controlled by the Company itself and, if necessary, assisted by credit risk management companies.

Foreign exchange risk

The Company has no significant concentration of foreign exchange risk, because the major portion of settlements are conducted in the euro (EUR).

Liquidity risk

The Company is a special purpose development company that does not earn income on its own in the short term. The Company's activities are financed by the shareholder, taking into account the progress of the project and the need for working capital.

The Company's policy is to maintain sufficient cash and cash equivalents or to secure funding from the parent fund and credit institutions to meet the obligations set out in its strategic plans.

Interest rate risk

The Company's income and operating cash flows are substantially independent from changes in market interest rate. The Company has no significant interest-bearing assets.

The most significant balance sheet items of the Company sensitive to changes in interest rates are issued bonds. Liabilities are with fixed interest rates, but the fixed interest rate is calculated based on related party transfer pricing, which is as close as possible to the arm's length principle. The Company does not use any financial instruments to manage interest rate risk.

Related parties

Parties are considered to be related when one party has the ability to control or influence the other party in making financial and operational decisions.

3. Notes

3.1. Investment property

	Land	Construction-in-progress	Total
Carrying amount as at the end of the previous financial year	2 699 591	31 233 556	33 933 147
a) Acquisition cost			
At the end of the previous financial year	4 601 561	34 327 959	38 929 520
Financial year changes:			
- acquisitions	-	5 835 796	5 835 796
- disposals and written-off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of financial year	4 601 561	40 163 755	44 765 316
b) Revaluation			
At the end of the previous financial year	-	-	-
Financial year changes:			
- increase (decrease) in value +/(-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of financial year	-	-	-
c) Depreciation			
At the end of the previous financial year	-	-	-
Financial year changes:			
- depreciation in financial year	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of financial year	-	-	-
d) Impairment			
At the end of the previous financial year	(1 901 970)	(3 094 403)	(4 996 373)
Financial year changes:			
- increase (decrease) in value +/(-)	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of financial year	(1 901 970)	(3 094 403)	(4 996 373)
e) Carrying amount at the end of financial year (a)+(b)-(c)-(d)	2 699 591	37 069 352	39 768 943

As at 30 September 2024 investment assets consist of a land plot and buildings under construction located on Vasario 16-osios st. 1, Vilnius. The investment property was purchased in March 2016. On 8 March 2021 the Company received a construction permit and in September 2021 has begun the construction works.

The recoverable value of investment property is assessed annually as the year-end approaches. As at 30 September 2024 in the Company's assessment, there are no indications that the impairment of assets is greater than already recognized.

As at 31 December 2023 the recoverable value of investment property has been determined based on a property valuation performed by the independent property valuer UAB "Newsec valuations" in December 2023, the asset was valued as at 30 November 2023. Investment property was valued using the discounted cash flow method, using a 16 percent discount rate (2022 – 16 percent) and a 5,75 percent capitalization rate (2022 – 6 percent). Cash flows are forecasted for a period of 2 years with the assumption that the average long-term vacancy rate will be 2-5 percent and the average income growth will be 2,9 percent. According to the report of an independent property valuer, the value of the company's total investment assets, calculated using the discounted cash flow method, amounted to EUR 33 100 000. As a result of the fair value of the asset being higher than its carrying amount, a reversal of impairment of the investment property was recognised for the year ended 31 December 2023 in the amount of EUR 1 927 949. The amount of the impairment reversal has been allocated to the individual groups of investment property in proportion to their carrying amounts.

Sensitivity analysis of the value of investment property

The recoverable amount of the investment property was determined using a yield rate of 5,75%. An increase in the yield rate of 0,5% would reduce the recoverable amount of the investment property by EUR 4 050 000 and a decrease in the yield rate of 0,5% would increase the recoverable amount of the investment property by EUR 4 810 000. Other assumptions remain unchanged as the yield rate changes.

3.2. Amounts receivable within one year

	30 September 2024	31 December 2023
VAT receivable	125 749	59 311
Other amounts receivable	4 788	1 588
Total:	130 537	60 899

3.3. Cash and cash equivalents

	30 September 2024	31 December 2023
Cash in investment account	970 522	-
Cash in bank account	120 079	62 553
Total:	1 090 601	62 553

3.4. Prepaid expenses and accrued income

	30 September 2024	31 December 2023
Prepaid insurance expenses	2 903	7 090
Prepaid municipal waste management expenses	1 836	-
Other prepaid expenses	1 698	-
Total:	6 437	7 090

3.5. Structure of the authorised capital

The Company's share capital as at 30 September 2024 is EUR 1 050 000 (31 December 2023 – EUR 1 050 000). The value of share premium as at 30 September 2024 is EUR 12 385 500 (31 December 2023 – EUR 12 385 500). All shares are paid.

3.6. Project of profit distribution

At the time of approval of these financial statements, the management has not prepared a draft profit (loss) distribution.

3.7. Rights and commitments not disclosed in the balance sheet

Taxes

The Tax Authorities have not performed a full-scope tax investigation at the Company. The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties.

On 4 January 2024 the State Tax Inspectorate initiated a tax investigation of the Company. The investigation targets include corporate income tax for years 2021-2022 and value-added tax for the period from 1 January 2021 to 31 October 2023. In March 2024, the tax investigation was finished, and no deficiencies were identified.

Management of the Company is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

3.8. Amounts payable and other liabilities

	Within one year	After one, but no later than five years	After five years
Financial debts:			
1. Financial debts	34 780 068	-	-
2. Intercompany amounts payable (note 3.13.)	4 194 888	-	-
Other debts:			
1. Trade payables	1 049 176	1 019 976	-
2. Employment related liabilities	23 539	-	-
3. Other payables and short-term liabilities	3 869	-	-
Total:	40 051 540	1 019 976	-

The Company has signed an agreement for the distribution of the Company's bonds worth EUR 40 million. During the first quarter of 2024 the Company issued 11 066 units of secured non-convertible bonds with a par value of EUR 1 000 each. As at 30 September 2024 the total amount of Company's issued secured non-convertible bonds was 34 568 units (31 December 2023 - 23 502 units). The interest rate is fixed and interest is payable semi-annually. The bonds mature on 19 January 2025.

After one year, but no later than five years, trade payables are retained amounts payable to contractors, which will be paid after construction is completed. These long-term liabilities are not interest bearing.

3.9. Accrued expenses and deferred income

	30 September 2024	31 December 2023
Accrued audit expenses	8 925	7 800
Accrued accounting services expenses	8 100	-
Accrued bond distribution expenses	-	12 874
Other accrued expenses	300	1 616
Total:	17 325	22 290

3.10. General and administrative expenses

	2024.01.01- 2024.09.30	2023.01.01- 2023.09.30
Remuneration and other related expenses	128 922	71 763
Legal services	42 110	59 482
Operating taxes	32 672	34 766
Accounting and audit	26 655	17 400
Mediation services	22 847	-
Business trips	10 041	-
Insurance	9 636	16 785
Advertising and marketing services	5 030	-
Donations	-	92 000
Other	19 436	11 017
Total:	298 559	303 213

3.11. Interest and other similar income and expenses

	2024.01.01- 2024.09.30	2023.01.01- 2023.09.30
Bond interest expenses	2 156 274	1 087 105
Other financial and investment expenses	151 021	100 561
Total:	2 307 295	1 187 666

3.12. Income tax and deferred income tax

Deferred income tax is calculated at the rate of 16%.

As at 30 September 2024 the Company had EUR 1 320 615 (31 December 2023 – EUR 903 645) of unrecognized deferred tax asset from accumulated tax losses and EUR 799 420 (31 December 2023 – EUR 749 456) of unrecognized deferred tax asset from impairment of investment property. Deferred tax asset has not been recognized due to uncertainties related to generation of sufficient taxable profit in the foreseeable future. Accumulated tax losses are carried forward for an indefinite time.

3.13. Financial relations with the Company's management and other related parties

The average number of executives in 2024 is 1. The Company's management is considered to be a director with whom there were no transactions other than salaries in 2024 and 2023. In 2024, the management's total remuneration amounted to EUR 53 032.

Transactions with other related parties

The transactions with other related parties and their balance as at the end of the reporting period were as follows:

Title of article	Revenue from intercompany transactions	Intercompany transaction costs	Amounts receivable	Amounts payable
30 September 2024	-	172 810	-	4 194 888
Related party 1	-	172 810	-	4 194 888
31 December 2023	-	108 176¹	-	3 672 078
Related party 1	-	108 176 ¹	-	3 672 078

The Company has entered into two Bond Subscription Agreements with Related Party 1, with maturities on 19 May 2025 and 19 April 2025 respectively, and a fixed interest rate. As at 30 September 2024, the outstanding balance of the bonds was EUR 3 567 710 (31 December 2023 - EUR 3 217 710), and the accrued interest payable was EUR 627 178 (31 December 2023 - EUR 454 368).

3.14. Subsequent events

In November 2024, the Company issued 4 090 secured non-convertible bonds with a nominal value of EUR 1 000 each.

There were no other subsequent events.

3.15. Going concern

As at 30 September 2024 the Company's current assets exceed current liabilities by EUR 38 840 908 (as at 31 December 2023 the Company's current liabilities exceed current assets by EUR 3 399 801). The primary current liabilities consisted of payables for issued non-convertible bonds and payables to suppliers for construction works.

The Company's shareholder Lords LB Special Fund IV considers the Company's project under development to be a going concern and plans to attract additional financing from either new or existing investors necessary to ensure the Company's ability to meet its legal and financial obligations and to ensure the continuity of the project under development.

The Company is a special purpose development entity that does not earn income on its own in the short term. The Company's activities are financed by the shareholder and by the funds attracted through external bonds, considering the progress of the project and the need for working capital. The Company has signed an agreement for the external distribution of Company's bonds

¹ 2023 intercompany transaction costs are presented for the period from 1 January 2023 until 30 September 2023.

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amounting to EUR 40 million and until 30 September 2024 distributed bonds with par value of EUR 34,6 million. The Company issued an additional EUR 4 million tranche of external financing through bonds issuance in November 2024.

The entire amount of long-term external bonds (EUR 34,8 million as at 30 September 2024) of the Company matures in January 2025. It is expected that by January 2025 the construction of the substantial part of the buildings will be completed, lease contracts with tenants signed and external financing obtained for redemption of bonds emission that is due on 19 January 2025. However, as at the date of approval of these financial statements, no financing agreements were signed for settlement of Company's liabilities as they fall due. The negotiations with potential tenants are still in progress.

The financial statements for the year ended 30 September 2024 have been prepared on the assumption that the Company will be able to continue as a going concern in the foreseeable future. The going concern assessment is based on the following assumptions:

- the Company will successfully raise EUR 7,5 million financing from bond issuance and equity contribution for completing of a substantial portion of construction works during 2024;
- in the beginning of year 2025 the Company will successfully raise EUR 40 million of external financing for the redemption of existing bonds that will be due on 19 January 2025.

The above events and conditions indicate, however, that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Gintarė Naglė