

UAB "ORKELA"

INTERIM FINANCIAL STATEMENTS FOR 3 MONTHS PERIOD ENDED 31 MARCH 2025,
PREPARED IN ACCORDANCE WITH LITHUANIAN FINANCIAL REPORTING STANDARDS

Contents

Balance sheet	3
Income statement	5
Statement of Changes in Equity	6
Cash Flow Statement	8
Notes to the financial statements	10
1. General information	10
2. Accounting policy	10
3. Notes	14
3.1. Investment property	14
3.2. Amounts receivable within one year	15
3.3. Cash and cash equivalents	15
3.4. Prepaid expenses and accrued income	15
3.5. Structure of the authorised capital	16
3.6. Project of profit distribution	16
3.7. Rights and commitments not disclosed in the balance sheet	16
3.8. Amounts payable and other liabilities	16
3.9. Accrued expenses and deferred income	17
3.10. General and administrative expenses	17
3.11. Interest and other similar income and expenses	17
3.12. Income tax and deferred income tax	17
3.13. Financial relations with the Company's management and other related parties	17
3.14. Going concern	18
3.15. Subsequent events	18

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 31 March 2025

(all amounts presented in EUR unless otherwise indicated)

Balance sheet

	Notes	31 March 2025	31 December 2024
ASSETS			
A. NON-CURRENT ASSETS		60 449 543	50 695 184
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.	60 449 543	50 695 184
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		4 601 561	4 601 561
2.6.1. Land		4 601 561	4 601 561
2.6.2. Buildings		-	-
2.7. Prepayments for tangible assets and assets under construction		55 847 982	46 093 623
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		341 532	1 679 521
1. INVENTORIES		213 385	2 366
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		213 385	2 366
2. AMOUNTS RECEIVABLE WITHIN ONE YEAR	3.2.	5 461	242 514
2.1. Trade receivables		-	-
2.2. Intercompany amounts receivable		-	-
2.3. Amounts receivable from associates		-	-
2.4. Other amounts receivable		5 461	242 514
3. SHORT-TERM INVESTMENTS		-	-
3.1. Shares in group companies		-	-
3.2. Other investments		-	-
4. CASH AND CASH EQUIVALENTS	3.3.	122 686	1 434 641
C. PREPAID EXPENSES AND ACCRUED INCOME	3.4.	33 828	919
TOTAL ASSETS		60 824 903	52 375 624

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 31 March 2025

(all amounts presented in EUR unless otherwise indicated)

Balance Sheet (cont'd)

	Notes	31 March 2025	31 December 2023
EQUITY AND LIABILITIES			
D. EQUITY		3 925 487	3 926 237
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.	(9 510 013)	(9 509 263)
5.1. Profit (loss) of the reporting year		(750)	1 412 324
5.2. Profit (loss) of the previous years		(9 509 263)	(10 921 587)
E. GRANTS, SUBSIDIES		-	-
F. PROVISIONS		-	-
1. Pensions and similar provisions		-	-
2. Deferred tax liability		-	-
3. Other provisions		-	-
G. AMOUNTS PAYABLE AND OTHER LIABILITIES		56 849 659	48 355 051
1. NON-CURRENT AMOUNT PAYABLE AND LIABILITIES	3.8.	9 558 024	1 000 000
1.1. Financial debts		-	-
1.2. Amounts owed to credit institutions		-	-
1.3. Advances received		44 531	-
1.4. Trade payables		1 000 000	1 000 000
1.5. Payables under the bills and checks		-	-
1.6. Intercompany amounts payable	3.13.	8 513 493	-
1.7. Amounts payable to associates		-	-
1.8. Other amounts payable and non-current liabilities		-	-
2. CURRENT AMOUNTS PAYABLE AND LIABILITIES	3.8.	47 291 635	47 355 051
2.1. Current portion of financial debts		39 263 870	39 666 684
2.2. Amounts owed to credit institutions		-	-
2.3. Advances received		297 528	784 485
2.4. Trade Payables		7 524 598	2 429 365
2.5. Payables under the bills and checks		-	-
2.6. Intercompany amounts payable	3.13.	-	4 461 938
2.7. Amounts payable to associates		-	-
2.8. Corporate income tax liabilities		-	-
2.9. Employment related liabilities		51 258	3 003
2.10. Other amounts payable and current liabilities		154 381	9 576
H. ACCRUED EXPENSES AND DEFERRED INCOME	3.9.	49 757	94 336
TOTAL EQUITY AND LIABILITIES		60 824 903	52 375 624

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

These financial statements were signed electronically:

Director

Representative of accounting company

Anastasija Pocienė

Gintarė Naglė

UAB "ORKELA"**Company code: 304099538, Jogailos st. 4, Vilnius****The Company's Interim Financial Statements 31 March 2025**

(all amounts presented in EUR unless otherwise indicated)

Income statement

	Notes	2025.01.01- 2025.03.31	2024.01.01- 2024.03.31
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.	(269 878)	(55 112)
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	3.11.	1 161 884	-
11. Impairment of the financial assets and short-term investments		-	-
12. Interest and other similar expenses	3.11.	(892 756)	(808 045)
13. PROFIT (LOSS) BEFORE TAXATION		(750)	(863 157)
14. Income tax	3.12.	-	-
15. NET PROFIT (LOSS)		(750)	(863 157)

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

These financial statements were signed electronically:

Director

Representative of accounting company

*Anastasija Pocienė**Gintarė Naglė*

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 31 March 2025

(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	1 050 000	12 385 500	-	-	-	-	-	-	(10 921 587)	2 513 913
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	1 050 000	12 385 500	-	-	-	-	-	-	(10 921 587)	2 513 913
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	-	-	-	-	-	-	-	-	1 412 324	1 412 324
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-
14. Increase (decrease) of share capital or shareholders' contributions (shares' repayment)	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	(9 509 263)	3 926 237

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 31 March 2025

(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	-	-	-	-	-	-	-	-	(750)	(750)
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	-	-	-	-	-	-	(9 510 013)	3 925 487

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

These financial statements are electronically signed:

Director

Representative of accounting company

*Anastasija Pocienė**Gintarė Naglė*

Cash Flow Statement

	Notes	2025.01.01- 2025.03.31	2024.01.01- 2024.03.31
1. Cash flows from operating activities			
1.1. Net profit (loss)		(750)	(863 157)
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.	(269 128)	808 045
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		344	7
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		47 145	18 279
1.14. Decrease (increase) in short-term investments		-	-
1.15. Decrease (increase) in prepaid expenses and accrued income		(32 909)	(5 910)
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		(69 933)	(51 305)
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		48 255	(21 575)
1.25. Increase (decrease) in other amounts payable and liabilities		(77 801)	(8 123)
1.26. Increase (decrease) in accruals and deferred income		(75 891)	(11 140)
Net cash flows from operating activities		(430 668)	(134 879)
2. Cash flows from investing activities			
2.1. Acquisition of fixed assets (excluding investments)		(5 017 051)	(4 016 683)
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		1 351 792	-
2.9. Other decreases in cash flows from investing activities		-	-
Net cash flows from investing activities		(3 665 259)	(4 016 683)

Statement of Cash Flows (cont'd)

	Notes	2025.01.01- 2025.03.31	2024.01.01- 2024.03.31
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		2 783 972	10 070 427
3.2.1. Increase in financial debts		3 950 000	10 959 224
3.2.1.1. Loans received		-	-
3.2.1.2. Issue of bonds		3 950 000	10 959 224
3.2.2. Decrease in financial debts		(1 166 076)	(710 936)
3.2.2.1. Loans repaid		-	-
3.2.2.2. Redemption of bonds		-	-
3.2.2.3. Interest paid		(1 166 076)	(710 936)
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		48	(177 861)
Net cash flows from financing activities		2 783 972	10 070 427
4. Adjustments due to changes in exchange rates on the balance of cash and cash equivalents		-	-
5. Increase (decrease) of net's cash flows		(1 311 955)	5 918 865
6. Cash and cash equivalents at the beginning of the period		1 434 641	62 553
7. Cash and cash equivalents at the end of the period		122 686	5 981 418

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

These financial statements were signed electronically:

Director
Representative of accounting company

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 31 March 2025 and 31 December 2024, 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).

	31 March 2025		31 December 2024	
	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 31 March 2025 the Company's authorised share capital amounted to EUR 1 050 000 (31 December 2024 – EUR 1 050 000), share capital is divided into 42 000 (31 December 2024 – 42 000) ordinary registered shares with the par value of EUR 25 each. As at 31 March 2025 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 31 March 2025 and 31 December 2024 the Company had no branches or representative offices.

As at 31 March 2024 the average number of employees was 4 (31 December 2024 – 3).

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). The fair value of investment property is adjusted at each financial statement date, with any changes recognized as a gain or loss in the statement of profit or loss.

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 2025, the corporate income tax rate applied to companies in the Republic of Lithuania was 16% (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 provide additional information about the Group's position as of the balance sheet date (adjusting events) are reflected in the financial statements. 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.

Contingent assets are not recognized in the financial statements, but they are described in the financial statements.

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's policy is to maintain a sufficient level of cash and cash equivalents or secure financing from the parent fund and credit institutions in order to meet the commitments set out in its strategic plans. As of 31 December 2024, the Company's current liabilities exceed its current assets; therefore, the Company has performed a going concern risk assessment (Note 3.15).

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 bonds issued and loans granted by the Company carry fixed interest rates. The bonds acquired by a related party also bear a fixed interest rate, which is determined based on related-party pricing.

The Company does not use any financial instruments to manage interest rate fluctuation risk.

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

The Company's Interim Financial Statements 31 March 2025

(all amounts presented in EUR unless otherwise indicated)

3. Notes**3.1. Investment property**

	Žemė	Nebaigta statyba	Iš viso
a) Acquisition cost			
as at the end of the previous financial year	4 601 561	34 327 959	38 929 520
Changes in the previous financial year:			
- acquisitions	-	11 765 664	11 765 664
- disposals and written-off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the previous financial year	4 601 561	46 093 623	50 695 184
Changes in the financial year:			
- acquisitions	-	9 754 359	9 754 359
- disposals and written-off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the financial year	4 601 561	55 847 982	55 847 982
b) Revaluation			
At the end of the previous financial year	-	-	-
Changes in the previous financial year:			
- increase (decrease) in value +/(-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- increase (decrease) in value +/(-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the financial year	-	-	-
c) Depreciation			
At the end of the previous financial year	-	-	-
Changes in the previous financial year:			
- depreciation in financial year	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- depreciation in financial year	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the 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 (-)	1 901 970	3 094 403	4 996 373
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- increase (decrease) in value +/(-)	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/(-)	-	-	-
At the end of the financial year	-	-	-
e) The carrying amount at the beginning of the previous financial year	2 522 547	16 560 132	19 082 679
The carrying amount at the end of the previous financial year	4 601 561	46 093 623	50 695 184
The carrying amount at the end of the financial year	4 601 561	55 847 982	60 449 543

As at 31 March 2025 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.

As at 31 March 2025 the recoverable value of investment property has been determined based on a property valuation performed by the independent property valuer UAB "Newsec valuations", the asset was valued as at 31 October 2024. Investment property was valued using the discounted cash flow method, using a 7,9 percent discount rate (2023 – 16 percent) and a 6,25 percent capitalization rate (2023 – 5,75 percent). Cash flows are forecasted for a period of 10 years (2023 – 2 years) with the assumption that the average long-term vacancy rate will be 2-5 percent (2023 – 2-5 percent) and the average income growth will be 2 percent (2023 – 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, as of 31 October 2024 amounted to EUR 46 640 000 (2023 – EUR 33 100 00). 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 recognized as of 31 October 2024, amounting to EUR 4 996 373 (2023 – EUR 1 927 949), bringing its value back to the acquisition cost of EUR 46 336 845. Accordingly, as of 31 December 2024, the impairment of the investment property was fully reversed. The reversal of the impairment was allocated to the individual groups of investment properties proportionally based on their carrying amounts. The change in additional construction works during the period from January to March 2025 amounted to EUR 7 670 029 (during the period from November to December 2024 amounted to EUR 4 358 339). According to management's assessment, there is no impairment of the additional construction works, as the value of the remaining construction works as of 31 October 2024 is not expected to exceed the construction cost by the completion of the project. Therefore, as of 31 March 2025, there is no impairment of the investment property.

Sensitivity analysis of the value of investment property

The recoverable amount of the investment property was determined using a yield rate of 6,25%. 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

	31 March 2025	31 December 2024
VAT receivable	-	238 800
Other amounts receivable	5 461	3 714
Total:	5 461	242 514

3.3. Cash and cash equivalents

	31 March 2025	31 December 2024
Cash in bank account	122 331	236 869
Cash in investment account	355	1 197 772
Total:	122 686	1 434 641

The company has opened an investment account, from which money can be transferred to a current bank account only after submitting a request to the bank.

3.4. Prepaid expenses and accrued income

	31 March 2025	31 December 2024
Prepaid insurance expenses	22 022	648
Other prepaid expenses	11 826	271
Total:	33 828	919

3.5. Structure of the authorised capital

The Company's share capital as at 31 March 2025 is EUR 1 050 000 (31 December 2024 – EUR 1 050 000). The value of share premium as at 31 March 2025 is EUR 12 385 500 (31 December 2024 – 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.

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

31 March 2025	Within one year	After one, but no later than five years	After five years
Financial debts:			
1. Financial debts	39 263 870	-	-
2. Intercompany amounts payable (note 3.13.)	-	8 513 493	-
Other debts:			
1. Trade payables	7 524 598	1 000 000	-
2. Advances received	297 528	44 531	-
3. Employment related liabilities	51 258	-	-
4. Other payables and short-term liabilities	154 381	-	-
Total:	47 291 635	9 558 024	-

31 December 2024	Within one year	After one, but no later than five years	After five years
Financial debts:			
1. Financial debts	39 666 684	-	-
2. Intercompany amounts payable (note 3.13.)	4 461 938	-	-
Other debts:			
1. Trade payables	2 429 365	1 000 000	-
3. Employment related liabilities	784 485	-	-
4. Other payables and short-term liabilities	3 003	-	-
Total:	47 355 051	1 000 000	-

The Company has signed an agreement for the distribution of the Company's bonds worth EUR 40 million. The public bonds are listed on Nasdaq Vilnius AB. As at 31 March 2025 the total amount of Company's issued secured non-convertible bonds was 38 658 units (31 December 2024 – 38 658 units). The interest rate is fixed and interest is payable semi-annually. The bond redemption date is 19 July 2025.

UAB "ORKELA"**Company code: 304099538, Jogailos st. 4, Vilnius****The Company's Interim Financial Statements 31 March 2025**

(all amounts presented in EUR unless otherwise indicated)

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

	31 March 2025	31 December 2024
Accrued construction expenses	16 800	82 401
Accrued heating expenses	14 513	-
Accrued accounting services expenses	12 080	4 125
Accrued audit expenses	4 165	5 950
Other accrued expenses	2 199	1 860
Total:	49 757	94 336

3.10. General and administrative expenses

	2025.01.01- 2025.03.31	2024.01.01- 2024.03.31
Remuneration and other related expenses	91 118	20 746
Mediation services	42 126	-
Donations	41 258	-
Legal services	15 288	3 921
Advertising and marketing services	14 332	2 630
Insurance	13 835	2 227
Sale of expenses incurred	11 628	-
Accounting and audit	11 010	5 800
Operating taxes	10 313	10 878
Office expenses	5 433	-
Transport expenses	2 797	-
Business trips	696	5 206
Other	10 044	3 704
Total:	269 878	55 112

3.11. Interest and other similar income and expenses

	2025.01.01- 2025.03.31	2024.01.01- 2024.03.31
Other financial and investment activity income	1 161 884	-
Interest expenses on bonds	(864 816)	(666 436)
Other financial and investment activity expenses	(27 940)	(141 609)
Total:	269 128	(808 045)

3.12. Income tax and deferred income tax

A 16% corporate income tax rate was applied for deferred income tax calculation (2024 – 15%).

As at 31 March 2025 the Company had EUR 1 537 489 (31 December 2024 – EUR 1 537 369) of unrecognized deferred tax asset from accumulated tax losses. 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 2025 is 1. The Company's management is considered to be a director with whom there were no transactions other than salaries in 2025 and 2024. In 2026, the management's total remuneration amounted to EUR 29 645.

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
31 March 2025	-	101 555	-	8 513 493
Shareholder	-	101 555	-	8 513 493
31 December 2024	-	239 860	-	4 461 938
Shareholder	-	239 860	-	4 461 938

The Company has entered into two bond subscription agreements with the Shareholder, with maturities on 19 May 2025 and 19 April 2025 respectively, and a fixed interest rate. As at 31 March 2025, the outstanding balance of the bonds was EUR 7 717 710 (31 December 2024 - EUR 3 767 710), and the accrued interest payable was EUR 795 783 (31 December 2023 - EUR 694 228). The bond agreements signed with the Shareholder, which were scheduled to mature on 19 April 2025 and 19 May 2025, have been extended until 19 May 2026.

3.14. Going concern

As of 31 March 2025, the Company's current liabilities exceed its current assets by EUR 46 950 103 (31 December 2024, the Company's current liabilities exceeded its current assets by EUR 45 675 530). The main current liabilities include amounts payable for issued secured non-convertible bonds, debts to suppliers for construction works carried out, and amounts payable to related parties

The Company's shareholder, Lords LB Special Fund IV, considers the project developed by the Company to be ongoing and plans to attract additional funds from new or existing investors in order to ensure the Company's ability to meet its financial obligations and ensure the continuity of the ongoing project.

The Company is a special purpose development entity that does not generate independent revenue in the short term. The Company's activities are financed by shareholder funds and funds raised through the issuance of external bonds, depending on the progress of the project and the working capital needs. All of the Company's external bonds (EUR 38,7 million as of 31 March 2025) are due for redemption in July 2025.

The Company plans to attract external bank financing to redeem the existing bond issue, which matures on 19 July 2025. As of the approval date of these financial statements, the Company has a binding bank financing offer to cover its existing liabilities upon their maturity. The bank's credit committee in Lithuania has approved permission to submit the bank's financing proposal to the higher level credit committee in Sweden, which will adopt the final approval for the granting of the loan. The bank's financing offer is valid until 31 May 2025, and the company's management plans to receive bank financing before the deadline. The bond agreements signed with the shareholder (Note 3.13), which were scheduled to mature on 19 April 2025 and 19 May 2025, have been extended until 19 May 2026.

The financial statements for the period ended 31 March 2025 have been prepared on the assumption that the Company will be able to continue its operations in the foreseeable future.

3.15. Subsequent events

After 31 March 2025 until the date of signing these financial statements, there were no subsequent events.

These financial statements were signed electronically:

Director
Representative of accounting company

Anastasija Pocienė
Gintarė Naglė