

UAB “Orkela”
**(a private limited liability company established and existing under the laws of the Republic of Lithuania,
legal entity code 304099538)**

**FIRST SUPPLEMENT TO THE PROSPECTUS FOR THE PUBLIC OFFERING OF BONDS OF UAB “ORKELA”
IN THE AMOUNT OF EUR 18,000,000 (BEING A PART OF TOTAL EUR 40,000,000 ISSUE) AND ADMISSION
OF BONDS IN THE AMOUNT OF UP TO EUR 23,000,000 TO TRADING ON THE BOND LIST OF NASDAQ
VILNIUS AB**

This document constitutes the first supplement (the **Supplement**) to the prospectus for the public offering of bonds of UAB “Orkela” (the **Company** or **Issuer**) (the **Prospectus**), approved by the Bank of Lithuania on 24 May 2022 (the decision regarding the approval of the Prospectus No. V 2022/(1.160.E-9004)-441-108) and published on the website of the Company (https://lordslb.lt/orkela_bonds/).

This Supplement was prepared in accordance with Article 23 of the Prospectus Regulation following the Issuer’s decision to change and update the Offering schedule provided in the Prospectus and introduce a new alternative Project’s development scenario. Each amendment to the Prospectus introduced under this Supplement is briefly explained below the relevant amendment.

This Supplement forms an integral part of the Prospectus and must be read in conjunction with the Prospectus (as supplemented and amended by this Supplement). The terms with the first capital letter used in the Supplement shall have the meanings given to them in the Prospectus, unless stated otherwise in the Supplement.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in the Prospectus, the statements in this Supplement shall prevail.

The Bank of Lithuania in its capacity as the competent authority in the Republic of Lithuania under the Prospectus Regulation on 4 October 2022 has approved this document as a Supplement and has notified the approval of the Supplement to the EFSA (i.e. Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksioon*;) and to the FCMC (i.e. Financial and Capital Market Commission (in Latvian: *Finanšu un kapitāla tirgus komisija*).

The person responsible for the information provided in this Supplement is the Issuer. To the best of the knowledge of the Issuer and its General Manager Mrs. Anastasija Pocienė the information contained in this Supplement is in accordance with the facts and the Supplement makes no omission likely to affect its import.

Anastasija Pocienė
General Manager

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus since the publication of the Prospectus.

The date of this Supplement
4 October 2022

The following amendments to the Prospectus are made by this Supplement:

1. Taking into consideration the below listed amendments of the main parts of the Prospectus, described in this Supplement, the first paragraph of Section 2.1.2 *Principal activities* of the Summary of the Prospectus is amended and restated as follows:

UAB “Orkela” is a real estate development company that is owned by the closed-end real estate investment fund intended for informed investors Lords LB Special Fund IV (fund code No I032, registered by the Director of the Supervision Service of the Bank of Lithuania on 20 June 2016) (the **Fund**). From 8 March 2021 (when the construction permit was granted) the Issuer is developing and constructing the educational (administrative) and hospitality real estate complex in the centre of Vilnius at Vasario 16 st. 1 (the **Project**). The complex preliminary will consist of three parts: hotel and other hospitality facilities (Gross floor area: 17,612 m²), educational (office) facilities (Gross floor area: 6,290 m²) and parking space (Gross floor area: 2,891 m²). The completion of the Project is estimated around the Q4 of 2023. The Project will be financed from the proceeds of the Issue, including the proceeds generated from the Offering under this Prospectus. The estimated value of the Project at its completion shall amount up to EUR 75,000,000. After the Project is completed and rented out to tenants, the Issuer plans to apply for the long-term bank loan – proceeds from the bank loan would be used to redeem the Bonds.

Explanation: the above (first) paragraph of Section 2.1.2 *Principal activities* of the Summary of the Prospectus has been amended to reflect that the real estate complex facilities might consist of the hospitality and not only of the educational, but also administrative (office) facilities due to the universal design of the building complex under construction. The alternative development scenarios of the Project are presented in paragraph (sub-Section) “Alternative development scenarios of the Project” of Section VI (*Project Description*) of the Prospectus that was also amended and restated under point 7 of the Supplement below.

2. Taking into consideration the below listed amendments of the main parts of the Prospectus, described in this Supplement, Section 4.1.1 *Expected Timeline and Principal Events of the Offering under this Prospectus* of the Summary of the Prospectus is amended and restated as follows:

Tranche Event	First Tranche (completed)	Second Tranche (completed)	Third Tranche	Fourth Tranche	Fifth Tranche	Sixth Tranche
Issued under	Terms of Issue (exemption provided in Article 1(4(b)) of the Prospectus Regulation)	Prospectus approved by the Bank of Lithuania and published on 24 May 2022.				
Maximum Aggregate Nominal Value of the Tranche	EUR 5,000,000	EUR 6,500,000 (EUR 5,000,000 worth of Bonds were issued and distributed to the Investors on the Issue Date)	EUR 1,500,000	EUR 2,500,000	EUR 4,000,000	EUR 5,000,000
Subscription Period	13 December 2021 – 14 January 2022	25 May 2022 – 20 June 2022	7 October 2022 – 27 October 2022	17 November 2022 – 9 December 2022	9 January 2023 – 27 January 2023	6 March 2023 – 24 March 2023
Payment Date	18 January 2022	22 June 2022	31 October 2022	12 December 2022	30 January 2023	27 March 2023
Issue Date (registration)	19 January 2022	23 June 2022	3 November 2022	13 December 2022	31 January 2023	28 March 2023

with Nasdaq CSD)					
Issue Price and Yield	EUR 1,000, 6%	EUR 1,025.691, 6%	EUR 1,017.446, 6%	To be determined before opening of the Subscription Period and published on the Issuer's website.	
First Interest Payment Date	19 July 2022				
Second Interest Payment Date	19 January 2023				
Third Interest Payment Date	19 July 2023				
Fourth Interest Payment Date	19 January 2024				
Fifth Interest Payment Date	19 July 2024				
Sixth Interest Payment Date (Final Maturity Date)	19 January 2025				
Admission and commencement of the Bonds on the Bond List of Nasdaq	Bonds listed on the Bond List of Nasdaq as of 30 June 2022.		Within 6 months as from placement of the Bonds of the respective Tranche to the Investors at the latest.		

The Bonds will be offered and issued in Tranches under this Prospectus, therefore all details about the respective Tranche (Issue Price and Yield, inclusion of a Manager, if any, and updated above conditions, if any) will be disclosed to the Investors by publishing the conditions of the respective Tranche on the website of the Issuer at https://lordslb.lt/orkela_bonds/ before opening of the Subscription Period of each Tranche. Due to developments in macroeconomical and geopolitical situation, including the interest in the previous Tranches, the Issue Price and Yield of the Bonds of the fourth, fifth and sixth Tranches will be determined before opening of the respective Subscription Period and published on the Issuer's website. Nevertheless, all the other terms of the Bonds issued under this Prospectus irrespective in which Tranche they were/are issued will remain unaffected and unchanged. Any changes to the conditions described above will be subject to publication of supplement to the Prospectus.

Explanation: Section 4.1.1 *Expected Timeline and Principal Events of the Offering under this Prospectus* has been amended to introduce additional Tranches (fifth and sixth) and clarify the main events of the Offering (its schedule). The additional Tranches had to be introduced and main events of the Offering (its schedule) had to be amended considering the outcome of the completed Offering of the second Tranche, the current situation in the global and local bonds market and the financing needs of the Issuer for the development of the Project.

3. On **page 18** in Section 3.6 *Definitions used in the Prospectus* of the Prospectus, the following definitions are amended and restated:

Issue Price	The price indicated in the conditions of the respective Tranche payable by an Investor latest on the relevant Payment Date for acquisition of Bond(s), determined considering the Nominal Value of the Bonds, the Yield and adding the interest accrued on the Bonds from the last Interest Payment Date (in case it was before the Issue Date of the relevant Tranche). The Issue Price for the second (<u>already completed</u>) and third Tranches is disclosed in the Prospectus, but the Issue Price for the fourth, fifth and sixth Tranches may vary and will be indicated in the announcement of the conditions of the respective Tranche before opening of the Subscription Period as disclosed in the Prospectus.
Yield	A return measure for an investment over a set period of time, expressed as a percentage and determined taking into account the credit risk of the Issuer, interest payment and redemption structure of Bonds and considering current yields of alternative debt instruments present in the Lithuanian capital market. The Yield for the second (<u>already completed</u>) and third Tranches is disclosed in the Prospectus, but the Yield for the fourth, fifth and sixth Tranches may vary and will be indicated in the

	announcement of the conditions of the respective Tranche before opening of the Subscription Period as disclosed in the Prospectus.
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Explanation: the above definitions provided in Section 3.6 *Definitions used in the Prospectus* of the Prospectus have been amended to reflect the completion of the second Tranche and to introduce additional Tranches in order to unify the information throughout the Prospectus considering that the Offering schedule has been changed.

4. On **page 29** in Section 5.3 *Business Overview and Principal Activities* of the Prospectus, the third and sixth paragraphs are amended and restated as follows:

Since 8 March 2021 when the construction permit was granted the Issuer is constructing the educational (administrative) and hospitality real estate complex in the centre of Vilnius at Vasario 16-osios g. 1. The complex preliminary will consist of three parts: hotel and other hospitality facilities (Gross floor area: 17,612 m²), educational (administrative) facilities (Gross floor area: 6,290 m²) and parking space (Gross floor area: 2,891 m²). The completion of the Project is estimated around the Q4 of 2023. The estimated value of the Project at its completion shall amount up to EUR 75,000,000.

The historic building of educational (administrative) complex would provide classrooms and workspaces, while the courtyard wing would house a library.

Explanation: the above paragraphs (third and sixth) of Section 5.3 *Business Overview and Principal Activities* of the Prospectus have been amended to reflect that the real estate complex facilities might consist of the hospitality and not only of the educational, but also administrative (office) facilities due to the universal design of the building complex under construction. The alternative development scenarios of the Project are presented in page 48 in Section VI (*Project Description*) of the Prospectus that were also amended under point 7 of the Supplement.

5. On **page 29** in Section 5.4 *Trend Information* of the Prospectus, the first paragraph is amended and restated as follows:

The real estate Project that is being developed by the Issuer will consist of educational (administrative) and hospitality complex, therefore the trends in the hospitality market and private education market have an important role on the financial performance and risk of Issuer's activities.

Explanation: the above paragraph (first) of Section 5.4 *Trend Information* of the Prospectus has been amended due to the same reasons as provided in point 4 of the Supplement above.

6. On **page 45** in Section VI (*Project Description*) of the Prospectus, the first and seventh paragraphs are amended and restated as follows:

The Issuer is developing and constructing the Project (i.e. educational (administrative) and hospitality real estate complex in the centre of Vilnius at Vasario 16 st. 1). The complex will preliminarily consist of three parts. The Project is located in the city centre, between the Neris river and Lukiškių square. The urban tradition of the place will be developed, and a coherent and vibrant quarter will be formed, which will be attractive to citizens and tourists alike.

Under current market conditions the developed Project would generate annually EUR 4,150,000 of net operating income as the hotel (hospitality) part of the business would bring EUR 2,820,000, educational (administrative) complex – EUR 1,030,000 and parking would generate EUR 300,000.

Explanation: the above paragraphs (first and seventh) of Section VI (*Project Description*) of the Prospectus have been amended due to the same reasons as provided in point 4 of the Supplement above.

7. On **page 48** in Section VI (*Project Description*) of the Prospectus, the following paragraph (sub-Section) is amended and restated as follows:

Alternative development scenarios of the Project

Though at the date of the Prospectus the primary plan is to develop hotel and educational facilities in the Project's property, however, the Issuer considers options to develop short term accommodation and/or office type of premises instead of the hotel and/or educational facilities if it is seen as a more profitable alternative. In case the Issuer decides to change the hotel and/or educational part of the Project to another short term accommodation and/or office type of premises (i.e. the Issuer will conclude

a material contract with any third-party in respect to the Project's property), the Issuer will publish a supplement to the Prospectus, if required under the applicable legal acts, and/or an announcement through Nasdaq and on its website at https://lordslb.lt/orkela_bonds/ as required under the applicable legal acts.

Explanation: the above paragraph (sub-Section) of Section VI (*Project Description*) of the Prospectus, has been amended to reflect the additional possible Project's development scenario – to construct and develop office type of premises instead of hotel and/or educational type of premises as permitted under the construction documents of the Project and applicable legal acts.

8. On **page 55** under the **Description of the Bonds of the Company to be Offered and Admitted to Trading on the Bond List of Nasdaq** of Section 7.3 *Information Concerning the Securities to be Offered and Admitted to Trading* of the Prospectus, the following terms and conditions are amended and restated:

Issue Date of the Bonds	The Issue Date of the respective Tranche shall be specified in the conditions of each such Tranche to be reconfirmed by the Issuer publicly on the website of the Issuer. The Issue Dates are the following: Second Tranche – 23 June 2022 (<u>completed</u>); Third Tranche – 3 November 2022; Fourth Tranche – 13 December 2022; Fifth Tranche – 31 January 2023; Sixth Tranche – 28 March 2023.
Issue Price of the Bonds	The Issue Price of the respective Tranche shall be specified in the conditions of each such Tranche to be reconfirmed by the Issuer publicly on the website of the Issuer. The Issue Price of the Bonds of the second Tranche was EUR 1,025.691. The Issue Price of the Bonds of the third Tranche is EUR 1,017.446. The Issue Price of the fourth, fifth and sixth Tranches of Bonds to be determined before opening of the Subscription Period of the respective Tranche, considering the Nominal Value per Bond, Yield and the interest accrued from the last Interest Payment Date. The Issue Price is planned to increase with every subsequent Tranche following the third Tranche if the macroeconomical and geopolitical situation remains unchanged.
Subscription Period	To be reconfirmed in the conditions of the respective Tranche to be published on the Issuer's website before opening of the respective Subscription Period: Second Tranche – 25 May 2022 – 20 June 2022 (<u>completed</u>); Third Tranche – 7 October 2022 – 27 October 2022; Fourth Tranche – 17 November 2022 – 9 December 2022; Fifth Tranche – 9 January 2023 – 27 January 2023; Sixth Tranche – 6 March 2023 – 24 March 2023.
Payment Dates	To be reconfirmed in the conditions of the respective Tranche to be published on the Issuer's website before opening of the respective Subscription Period: Second Tranche – 22 June 2022 (<u>completed</u>); Third Tranche – 31 October 2022; Fourth Tranche – 12 December 2022; Fifth Tranche – 30 January 2023; Sixth Tranche – 27 March 2023.
Yield	The Yield of the respective Tranche shall be specified in the conditions of each such Tranche to be reconfirmed by the Issuer publicly on the website of the Issuer. The Yield of the Bonds of the second Tranche was 6%. The Yield of the Bonds of the third Tranche is 6%. The Yield of the fourth, fifth and sixth Tranches of Bonds to be determined before opening of the Subscription Period of the respective Tranche after taking into account the credit risk of the Issuer, interest payment and redemption structure of Bonds and considering current yields of alternative debt instruments present in the Lithuanian capital market.

Explanation: the above terms and conditions under the **Description of the Bonds of the Company to be Offered and Admitted to Trading on the Bond List of Nasdaq** of Section 7.3 *Information Concerning the Securities to be Offered and Admitted to Trading* of the Prospectus have been amended

to reflect completion of the Offering of the second Tranche and to renew information of the Tranches considering that the Offering schedule has been changed under this Supplement.

9. On **page 76** in Section 7.6 *Terms and Conditions of the Offer* of the Prospectus, the schedule on the upcoming Tranches and other conditions are amended and restated as follows:

The conditions of each Tranche will be reconfirmed on the Issuer's website before opening the Subscription Period for each subsequent Tranche. Thus, all Bonds of each of the Tranches will generally be subject to same terms as described in this Prospectus, except that the following will be specified in the respective conditions of the fourth, fifth and sixth Tranches:

- (a) the Issue Price of the Bonds;
- (b) the Yield.

Tranche	Maximum Aggregate Nominal Value	Subscription Period	Payment Date	Issue Date	Issue Price and Yield
Second Tranche (completed)	EUR 6,500,000 (EUR 5,000,000 worth of Bonds were issued and distributed to the Investors on the Issue Date)	25 May 2022 – 20 June 2022	22 June 2022	23 June 2022	EUR 1,025.691, 6%
Third Tranche	EUR 1,500,000	7 October 2022 – 27 October 2022	31 October 2022	3 November 2022	EUR 1,017.446, 6%
Fourth Tranche	EUR 2,500,000	17 November 2022 – 9 December 2022	12 December 2022	13 December 2022	To be determined before opening of the respective Subscription Period and published on the Issuer's website
Fifth Tranche	EUR 4,000,000	9 January 2023 – 27 January 2023	30 January 2023	31 January 2023	
Sixth Tranche	EUR 5,000,000	6 March 2023 – 24 March 2023	27 March 2023	28 March 2023	

Explanation: the schedule on the upcoming Tranches and other conditions provided in Section 7.6 *Terms and Conditions of the Offer* of the Prospectus have been amended to introduce additional Tranches (fifth and sixth) and clarify the Offering schedule. The additional Tranches had to be introduced and the Offering schedule had to be amended considering the outcome of the completed Offering of the second Tranche, the current situation in the global and local bonds market and the financing needs of the Issuer for the development of the Project.

10. On **page 79** in part "**Pricing**" of Section 7.6 *Terms and Conditions of the Offer* of the Prospectus, the second paragraph is amended and restated as follows:

The Issue Price of the second Tranche which is already completed was provided in the Prospectus. The Issue Price of the third Tranche of Bonds is provided in the Prospectus and will be reconfirmed in the conditions of the third Tranche published on the Issuer's website before opening the Subscription Period of the third Tranche. The Issue Price for the fourth, fifth and sixth Tranches will be determined taking into account the Nominal Value per Bond, Yield and the interest accrued from the last Interest Payment Date and published on the Issuer's website before opening of the respective Subscription Period. The Issue Price is planned to increase with every subsequent Tranche following the third Tranche if the macroeconomical and geopolitical situation remains unchanged.

Explanation: the above (second) paragraph of part "**Pricing**" of Section 7.6 *Terms and Conditions of the Offer* of the Prospectus has been amended to reflect passed events of the Offering and changes in the Offering concerning the Issue Price of the third, fourth, fifth and sixth Tranches.