FINAL TERMS OF THE BONDS

originally dated 27 December 2023 as amended on 4 January 2023 and further amended on 12 January 2024

UAB "Orkela"

Issue of EUR 15,000,000 Bonds

under the EUR 40,000,000 Bond Issue

This document constitutes the Final Terms for the Bonds described herein and must be read in conjunction with the Terms and Conditions which are provided in the Company's base prospectus drawn up by the Company, dated 14 November 2023 (the **Prospectus**), including first supplement to the Prospectus dated 24 November 2023. Full information on the Company and the offer of the Bonds is only available on the basis of the combination of these Final Terms, the Terms and Conditions and the Prospectus.

The Prospectus, including all its supplements, and these Final Terms are and will be available for acquaintance at the Company's website (https://lordslb.lt/orkela_bonds/). Terms used herein are defined in the Prospectus.

The Bonds are issued based on decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021.

These Final Terms have been amended for the purposes of increasing the Maximum Aggregate Nominal Value of the third Tranche from EUR 10,000,000 to EUR 15,000,000. An amended summary of this Tranche of Bonds has been appended to these Final Terms. The Final Terms have been filed with the Bank of Lithuania but are not subject to approval proceedings.

1.	Issuer	UAB "Orkela"
2.	Number of Tranche	Third
3.	Maximum Aggregate Nominal Value of the Issue	EUR 40,000,000
4.	Maximum Aggregate Nominal Value of the Tranche	EUR 15,000,000
5.	Maximum Aggregate Nominal Value of the Tranche for offering through the Auction	Not applicable.
6.	Issue currency	EUR
7.	Nominal Value	EUR 1,000
8.	Issue Price	EUR 962.8118
9.	Minimum Investment Amount	EUR 962.8118 (i.e. one Bond)
10.	Issue Date	19 January 2024
11.	Final Maturity Date	19 January 2025
12.	Redemption/Payment Basis	Redemption at par
13.	Interest	
	(i) Interest Payment	19 July 2024, 19 January 2025, or, if applicable, Early Redemption Date or Early Maturity Date

		Dates	
	(ii)	Interest Rate	6% (fixed) annually
	(iii)	Interest calculation method	Act/Act (ICMA) day count convention
14.	Yield		10% annually
15.	Offering jurisdictions		The Republic of Lithuania, Estonia and Latvia
16.	Subscription Period		28 December 2023 – 15 January 2024
17.	Payment Date		16 January 2024
18.	ISIN code		LT0000405961
19.	Expected listing and admission to trading on the Bond List of Nasdaq date		Within 6 months as from placement of the Bonds of the third Tranche the latest.
20.	Placing and underwriting		Not applicable.
21.	Subscription channels		**I. Regular Subscription where the Subscription Orders shall be accepted:** (i) by the Issuer at the office at Jogailos st. 4, Vilnius, the Republic of Lithuania or by e-mail info@lordslb.lt; (ii) by the Lead Manager at the office at Šeimyniškių st. 1A, Vilnius, the Republic of Lithuania or by e-mail broker@sb.lt; (iii) by the Manager: UAB FMĮ "Evernord", a Lithuanian investment firm, legal entity code. 303198227, at the office at Konstitucijos ave. 15-90, Vilnius, the Republic of Lithuania or by e-mail vismante.sepetiene@evernord.com.

Signed on behalf of UAB "Orkela"

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Anastasija Pocienė General Manager	Rūta Abromavičienė Procurist

Date: 12 January 2024

AMENDED SUMMARY

This Summary (the **Summary**) is a brief overview of the information disclosed in the base prospectus (the **Prospectus**), dated 14 November 2023, including its first supplement dated 24 November 2023 (the **Supplement**), in connection with the public offering, listing and admission to trading (the **Offering**) of up to EUR 19,049 bonds with the nominal value of EUR 1,000 each (the **Bonds**) (being a part of total EUR 40,000,000 issue (the **Issue**) of UAB "Orkela" (the **Company** or **Issuer**)) during the period of up to 12 months in separate series (the **Tranche**).

This Summary has been amended for the purposes of increasing the Maximum Aggregate Nominal Value of the third Tranche from EUR 10,000,000 to EUR 15,000,000 and appended to the final terms applicable to the Bonds issued in the third Tranche, as amended (the **Final Terms**) and is, therefore, specific to the Bonds of the third Tranche. Information given in this Summary has been presented by the Company as at the registration of the Prospectus or Supplement, unless otherwise stipulated. Terms used in this Summary shall have the meanings assigned under the Prospectus, unless stated otherwise.

1. INTRODUCTION AND WARNINGS

1.1. Name and ISIN of the Bonds

Orkela bonds 19.01.2025 with ISIN LT0000405961.

1.2. Identity and contact details of the Issuer, including its LEI

UAB "Orkela" is a private limited liability company established and existing under the laws of the Republic of Lithuania (including, but not limited to the Law on Companies, Civil Code, etc.), legal entity code 304099538, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania.

Contact details: tel. No +370 5 261 9470, e-mail info@lordslb.lt.

Issuer's LEI is 9845002F4D0B3BB3CA85.

1.3. Identity and contact details of the competent authority approving the Prospectus

The Prospectus has been approved by the Bank of Lithuania, as competent authority under the Prospectus Regulation, with its head office at Gedimino ave. 6, LT-01103 Vilnius, the Republic of Lithuania and telephone number: +370 800 50 500.

1.4. Date of approval of the Prospectus

The Prospectus was approved on 14 November 2023.

1.5. Warning

(i) This Summary has been prepared in accordance with Articles 7 and 8 of the Prospectus Regulation and should be read as an introduction to the Prospectus.
(ii) Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the Investor.
(iii) Any Investor could lose all or part of their invested capital or incur other costs, related to disputes with regard to the Prospectus or Bonds.
(iv) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the Bonds.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

2.1.1. *Domicile, legal form, LEI, jurisdiction of incorporation and country of operation*

The Issuer is incorporated in the Republic of Lithuania with its registered office at Jogailos st. 4, LT-01116, Vilnius and its LEI is 9845002F4D0B3BB3CA85. The Issuer is incorporated and registered as a private limited liability company in the Register of Legal Entities of the Republic of Lithuania with legal entity code 304099538. The information about the Issuer and the Offering can be found under https://lordslb.lt/orkela_bonds/.

2.1.2. *Principal activities*

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 a real estate complex with approximately 27,000 m² gross floor area in the centre of Vilnius at Vasario 16 st. 1 (the **Project**).

It is anticipated that educational facilities (as kindergarten and/or primary, and/or secondary schools), office and retail facilities, as well as a couple of restaurants and coffee stores, underground parking will operate in the premises of the Project. Therefore, the complex preliminary will consist of three parts: historical part with newly built connections (Gross floor area: 6,290 m²), newly built buildings (Gross floor area: 11,792 m²) and parking space with technical facilities (Gross floor area: 5,820 m²). The completion of the Project is estimated around the Q4 of 2024. The estimated value of the Project at its completion shall amount up to EUR 76,000,000. After the Project is completed, the Issuer plans to apply for the long-term bank loan – proceeds from the bank loan would be used to redeem the Bonds.

Core business of the companies owned by the funds managed by the Management Company (as defined below) is focused on real estate development and private equity strategies. The companies indirectly managed by the Management Company (as defined below) operate in their home market – the Republic of Lithuania, the Republic of Estonia, the Republic of Latvia, and the Republic of Poland.

2.1.3. *Major shareholders*

The authorised capital of the Company is EUR 1,050,000 and is divided into 42,000 ordinary registered shares with a par value of EUR 25 each (the **Shares**), all of which are fully paid-up. The Company's sole shareholder owning 100% of the authorized capital of the Company is the Fund.

The Fund (and indirectly the Company) is being managed by one of the largest investment management companies in the Republic of Lithuania – UAB "Lords LB Asset Management" (legal entity code 301849625, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania) (the **Management Company**).

The major shareholders of the Management Company (holding more than 5% of the authorized capital of the Management Company) are the following persons:

- UAB "Glera", legal entity code 302576414, registered address at Jogailos st. 4, Vilnius, the Republic of Lithuania – owning 47 % of the authorized capital of the Management Company. The sole shareholder of UAB "Glera" is Mr. Mindaugas Marcinkevičius.
- UAB "Aemulus", legal entity code 302578408, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania – owning 26 % of the authorized capital of the Management Company. The sole shareholder of UAB "Aemulus" is Mr. Andrius Stonkus.
- UAB „Patralis", legal entity code 302831587, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania – owning 9,9 % of the authorized capital of the Management Company. The sole shareholder of UAB „Patralis" is Stichting Administratiekantoor Property Partners, fund code 72326182, registered address at Konstitucijos av. 21C Quadrum North, Vilnius, the Republic of Lithuania that is ultimately and solely controlled by Mrs. Dorota Stonkė.
- UAB „Serenus", legal entity code 300612833, registered address at Jogailos st. 9, Vilnius, the Republic of Lithuania – owning 9% of the authorized capital of the Management Company The sole shareholder of UAB „Serenus" is Mr. Antanas Vainauskas.
- Mr. Jonas Stonkus – owning 8% of the authorized capital of the Management Company.

2.1.4. *Key managing directors*

The General Manager of the Company is Mrs. Anastasija Pocienė. The Company does not have other management bodies. A joint representation rule in the Company under which the General Manager represents the Company together with a procurist is established in the Articles of Association of the Company

2.1.5. *Identity of the independent auditor*

UAB "KPMG Baltics", legal entity code 111494971, having its registered address at Lvovo st. 101, LT-08104 Vilnius, the Republic of Lithuania, represented by the auditor Ieva Voverienė is the independent auditor of the Issuer's BAS Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022.

2.2. <u>What is the key financial information regarding the Issuer?</u>

The Issuer is a limited liability company aimed at the Project development, and as the Project is at development and construction stage, at the moment of the approval of the Prospectus the Company does not have any revenue generated from the Project. The Company use its debt and equity financing exclusively strictly for the development and construction of the Project. The assets in the balance sheets account mostly for the purchased land and buildings. While the liabilities account for the shareholder loans that were supplied by the Fund.

The Company's audited financial statements for the years ended 31 December 2021 and 31 December 2022 (the **BAS Audited Financial Statements**) and the interim financial information of the Company for the half-year period ended 30 June 2023 (the **BAS Unaudited Interim Financial Statements** and together with the BAS Audited Financial Statements referred to as the **BAS Financial Statements**) were prepared in accordance with the Lithuanian Business Accounting Standards (the **BAS**).

The report of the auditor in respect to the BAS Audited Financial Statements for the year ended 31 December 2021 is unconditional, whereas the audit report in respect to the BAS Audited Financial Statements for the year ended 31 December 2022 contains a notice on the negative equity of the Company on 31 December 2022 and concerns regarding the business continuity of the Company. In October 2023 the negative equity situation in the Company has been rectified, Although solved, such change is not reflected in the available financial statements of the Issuer and has not been audited yet.

EUR in thousands	2022 (audited)	2021 (audited)	2023 H1 (not audited)
Sales revenues	**0**	**2.5**	**0**
Gross profit	**0**	**2.5**	**0**
Operating profit	**-239**	**-118**	**0**
Interest and other similar expenses	-4 012	-1 210	-765
Profit (Loss) before tax	**-4 251**	**-1 328**	**-1 010**
Net profit (loss)	**-4 251**	**-1 328**	**-1 010**
Total Assets	**21 884**	**9 456**	**27 394**
Non-current assets	19 083	9 341	26 487
Current assets	2 783	79	883
Cash and cash equivalents	2 583	31	824
Amounts payable and other liabilities	**22 746**	**16 214**	**29 273**

Amounts payable after one year and other long-term liabilities	**20 262**	**15 291**	**27 236**
Amounts payable to the entities of the entities group	4 238	15 291	4 310
Amounts payable within one year and other short-term liabilities	2 484	923	2 038
Equity	**-876**	**-6 761**	**-1 886**
Net cash flows from operating activities	**-221**	**-89**	**-362**
Net cash flows from investing activities	**-10 212**	**-1 782**	**-7 177**
Net cash flows from financing activities	**12 985**	**1 848**	**5 780**
Net financial debt	**17 679**	**15 260**	**26 412**
Working capital ratio	**1.12**	**0.09**	**0.43**
Debt/Equity ratio	**-25.97**	**-2.40**	**-15.52**
Interest coverage ratio	**-0.060**	**-0.10**	**0**

Source: the BAS Financial Statements

Optional information – indicators from the balance sheet:

1. Net financial debt – *Long term debt* + short term debt **– cash and cash equivalents*
2. Working capital ratio*** – $\frac{Current\ assets}{Amounts\ payable\ within\ one\ year\ and\ other\ short\text{-}term\ liabilities}$
3. Debt-to-equity ratio**** – $\frac{Amounts\ payable\ and\ other\ liabilities}{Equity}$
4. Interest coverage ratio***** – $\frac{Operating\ profit}{Interest\ and\ other\ similar\ expenses}$

Long term financial debt comprises of interest-bearing liabilities that include amounts payable to the entities of the entities group.

** Long term financial debt - Amounts payable to the entities of the entities group*
*** Company has no short-term financial debt.*
**** A working capital ratio of less than one is taken as indicative of potential future liquidity problems.*
***** The debt-to-equity ratio shows how much of a company is owned by creditors compared with how much shareholder equity is held by the company.*
****** A bad interest coverage ratio is any number below 1, as this translates to the company's current earnings being insufficient to service its outstanding debt.*

Source: the BAS Financial Statements

2.3. What are the key risks that are specific to the Issuer?

Financial risks

(i) **Construction costs and Project's success risk.** The completion of the Project initially was projected by the end of 2023, but changed Project's development scenario (from hotel / school complex to educational with integrated hospitality services complex) caused the postponement of the construction works and the constructions' schedule had to be revised. Further delay in completion of the Project is expected due to termination of two main material contracts in relation to the lease and sub-lease of the Project's premises by the Issuer as lessor and UAB "Orkelos valdymas" as sublessor. Because of these recent events, the Issuer had to revise the Project's development scenario and construction schedule. It is anticipated that under the revised Project's development scenario, educational facilities (as kindergarten and (or) primary and (or) secondary schools), office and retail facilities, including a couple of restaurants and coffee stores, underground parking will operate in the premises of the Project. Under the revised construction schedule the completion of the Project is projected around the end of 2024. However, considering that the Project's premises will be subject to additional design works that might affect the final timeline of the construction of the Project, additional delays in the Project's completion might be expected. Moreover, as the Issuer is switching to multitenant structure, the Issuer's success in finding tenants and fit out of the Project's premises for separate tenants might also have an impact on the final date of completion of the whole Project and generation of expected return for the Issuer. Even though the Project's development scenario has changed several times, by November 2023 the Project is 69% completed under initially estimated costs' structure. The Issuer is expecting to complete the construction of the Project without material deviations from the initially estimated costs' structure considering that most of the major construction works are already completed, several initial construction solutions will be abandoned due to the changed Project's development scenario and new solutions will be adapted to the new scenario instead. Additionally, it is important to note that fit-out of the Project's premises for individual tenants will not require additional (above the budgeted) Issuer's financial contributions as each tenant will be responsible for the individual adaptation of the premises to its needs. Nevertheless, please take into account that as the situation in global markets and building materials supply chain is changing frequently due to Russian – Ukraine war and related economic and geopolitical situation in the region, including related instability in energy market (even though that the Project is being built as energy efficient and therefore, the Project is more resistant to fluctuations in energy prices), also because of existing uncertainty regarding completion of the Project by the end of 2024 as described above, these factors pose a risk of unexpected increase in construction costs or inability to secure construction material required to complete the Project that may reduce the overall profitability of the Project, delay the completion of the Project and as a result adversely affect the Issuer's activities, financial situation, and ability to redeem the Bonds. Moreover, the Company cannot provide any assurance that there will not be any disputes with its suppliers or that it will be able to maintain business relationships with its existing suppliers. Any disruption to the Company's supply chain as a result of an issue with a supplier, or any damage to such supplier's integrity could cause the Company significant time and expense in remediation of any deficiencies and could impact its reputation, which could adversely affect its reputation and profitability. Nevertheless, the Issuer's and the Management Company's employees are monitoring the development of the Project, overall market conditions and financial condition of invoked suppliers and plan various scenarios to mitigate risk of unexpected increase in construction costs or inability to secure construction material required to complete the Project.

(ii) **Economic environment and insolvency risk.** The Issuer's activities and results depend on the economic processes in Lithuania and internationally. At the moment economies in the region and globally are disbalanced due to ongoing Ukraine-Russia war, sharp growth of interest rates, energy prices volatility and prolonged post Covid-19 recovery. Lithuania is experiencing unprecedented inflation rates, in this way reducing overall investment market attractiveness and in turn limiting the economic outlook. It can be assumed that these factors contribute to currently experienced slowdown of the real estate market in Lithuania. Even if currently there is no material economic downturn domestically, in the event of its occurrence, the demand for the Issuer's services may decrease, the risk of insolvency of the Company's tenants and/or other contractors may increase, which may have a negative impact on the implementation and results of the Issuer's business strategy and the Project may not generate expected positive returns. Please note that the Issuer is expecting to start receiving rental income once the Project is completed (currently, the completion is scheduled around the end of 2024) and the handover deeds are signed with tenants. In a multi-tenant scenario, the initial rental income might deviate significantly from the expectations set by a single-tenant lease structure that was initially implemented by the Issuer. Despite the potential for higher revenues from a multipurpose property, it is important to acknowledge the low likelihood of achieving full occupancy at the outset. Consequently, the income generated in the initial year or so may fall below anticipated levels. These factors individually, or in combination might cause the insolvency of the Issuer. The Issuer is subject to the Law on Insolvency on Legal Entities of the Republic of Lithuania and Issuer's insolvency may affect the Investors' ability to recover their investments.

(iii) **Negative equity risk**. According to the BAS Audited Financial Statements for the year ended 31 December 2022, the Issuer had a negative equity amounting to -EUR 875,831 during the financial year 2022, i.e. the Issuer's liabilities exceeded the amount of the Issuer's equity. The negative equity situation has been rectified in October 2023 by issuing and subscribing by the Fund 50 new Shares of the Issuer with EUR 25 par value each. The subscription price of the new Shares was EUR 3,500,000, which has been paid by the Fund by setting of the obligations for partial redemption of bonds issued under the bond subscription agreement of 15 November 2018, full redemption of the bond subscription agreements of 9 August 2023, 25 August 2023, 7 September 2023, 14 September 2023 and payment of subscription price for the new Shares. As of 16 October 2023, the Company's equity is positive and reaches EUR 1,118,716. Although solved, such change is not reflected in the available financial statements of the Issuer and has not been audited yet. Moreover, there is a risk that negative equity situation may repeat or reemerge until the day the Project starts generating income. The described situation may negatively impact the Issuer's ability to get financing/refinancing for the Project's development and/or to redeem the Bonds in a timely manner. Additionally, the auditor's report in respect to the BAS Audited Financial Statements for the year ended 31 December 2022 expresses a concern on the ability of the Company to ensure its business continuity. The ground for such auditor's concern was negative equity situation and the Company's ability to ensure needed financing to complete the Project. If the Company does not succeed in raising the required funds through the issue of the Bonds under the Prospectus and/or does not receive scheduled contributions by the sole shareholder, there is a risk that the business continuity of the Company may not be ensured.

Business activities and industry risks

(i) **Multiple tenants' risk and risk of finding suitable tenants.** The success of the Project will depend on the success of its tenants. The Project's cashflow risk will be diversified between multiple tenants. Under such structure, having multiple solvent tenants should minimize the risk or impact on the Issuer's cash flow if one tenant's financial situation changes significantly. It shall be noted that although a multi-tenant property may only periodically achieve 100% occupancy (though it is a primary goal of the Issuer), the risk of having close to zero occupancy is almost non-existent as could be the case when a single-tenant property experiences vacancy. Despite the benefits of implementing a multitenant structure, there are several risks associated with it. First of all, the Issuer is in the beginning of the process of finding new tenants for the Project's premises and currently no lease agreements are concluded by the Issuer. In the face of a potential market slowdown where vacancies in commercial buildings are increasing and competitive pressures are driving lower prices, there is a significant risk that the Issuer will not succeed in finding suitable tenants within a short period of time and therefore, a major vacancy might be experienced that in turn will result in less than expected income from lease of the Project's premises. Secondly, to overcome competitors and to attract new tenants, the Issuer might need to offer significant discounts or other contractual benefits for tenants to minimize vacancies and ensure cash flow. If these risks materialize, they could significantly affect the Issuer's financial condition, results of operation of the Project, as well as ability to redeem the Bonds at their maturity. Nevertheless, the Issuer's and the Management Company's employees are invoking all possible resources to attract new tenants on terms and timeline acceptable to the Issuer.

(ii) **Education market risk.** A part of the Project is dedicated for educational services where one or several educational institutions will operate a kindergarten and/or primary, and/or secondary schools. The demand for educational services can be influenced by various factors, including economic conditions, changes in population demographics, and regulatory developments. A decline in student enrolment or changes in educational preferences could impact the financial performance of the educational institution leasing Project's space, thereby posing a risk that the Issuer's tenant will face financial difficulties in paying rent to the Issuer and the Issuer will not generate expected return.

(iii) **Office market risk.** Until now, the office market has shown relative stability. However, it is noteworthy that the median leased office space is on a declining trend. The decrease in the median leased office space suggests a potential shift in market dynamics, which can be attributed to several known reasons. Firstly, there are existing vacancies in the market, indicating a surplus of available office spaces. Secondly, geopolitical factors have contributed to a slowdown in decision-making processes among tenants, leading to a more cautious approach in committing to new leases. Lastly, the economic outlook has introduced uncertainties that are influencing tenant behaviour, resulting in a tendency to shorten lease periods and reduce the leased area as a risk-mitigation strategy. These factors collectively contribute to the observed decline in the median leased office space, highlighting the complexity of the current market conditions and the challenges in securing full occupancy for the project within the expected timeframe. Investors should carefully consider these factors when assessing the potential impact on the project's leasing strategy and overall performance, as these conditions could significantly influence the project's success and the issuer's ability to redeem bonds.

Legal risks

(i) **Risk of legal disputes.** The Issuer may be involved in legal disputes due to its activities or due to termination of two main material contracts in relation to the lease and sub-lease of the Project's premises by the Issuer as lessor and UAB "Orkelos valdymas" as sublessor (as plaintiff or defendant or third party), the outcome and the costs of which cannot be predicted in advance. If a dispute is resolved in the manner unfavourable to the Issuer, this could adversely affect its operations, financial condition, and reputation as the Issuer may be required to pay damages awarded, including the legal costs of the opponent (the Issuer itself would also incur legal costs). All of this can have an impact on the Issuer's ability to properly perform its obligations to the Bondholders, and on the attractiveness and liquidity of the Bonds.

Governance and internal control risks

(i) **Ownership risk.** The Issuer is a company 100% owned by the Fund that is controlled by the Management Company, having prominent expertise, management team, professional staff and resources to outsource professional advisers. The Fund's operational term was extended until June 2025 after which it shall be closed, unless the operational term will be extended for an additional period in accordance with applicable law and internal documents of the Fund. Change in ownership of the Issuer (in case of the closure of the Fund at its maturity or sale of the Issuer's Shares before Fund's maturity) could result in reduction of attractiveness and liquidity of the Bonds, as well as early redemption of Bonds.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

3.1.1. *Type, class and ISIN*

A fixed-term non-equity non-convertible non-subordinated (debt) security instrument with ISIN LT0000405961.

3.1.2. *Currency, denomination, par value, number of securities issued and duration*

The currency of the Bonds is euros. The Nominal Value of Bond is EUR 1,000. The Maximum Aggregate Nominal Value of the Offering under the Prospectus amounts to EUR 19,049,000. The Final Maturity Date of the Bonds is 19 January 2025.

3.1.3. *The rights attached to the securities*

The Bonds grant the Bondholders the following main rights (i) receive the interest accrued; (ii) to receive the Nominal Value and the interest accrued on the Final Maturity Date, or if applicable, on the Early Maturity Date or Early Redemption Date; (iii) to participate in the Bondholders' Meetings; (iv) to vote in the Bondholders' Meetings.

On 8 December 2021 the Issuer has concluded the Agreement on Bondholders' Protection with UAB „AUDIFINA", a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, LT-09310 Vilnius, the Republic of Lithuania (the **Trustee**).

The Issue, including the Offering is secured by a first ranking mortgage over the real estate (the **Collateral**) under the Collateral Agreement concluded between the Issuer and Trustee on 17 December 2021.

3.1.4. *Rank of securities in the Issuer's capital structure in the event of insolvency*

In case of the Issuer's insolvency, the Investors shall have a right to receive payment of the outstanding principal amount of the Bonds and the interest accrued on the Bonds according to the laws of the Republic of Lithuania governing the insolvency of the Issuer.

3.1.5. *Restrictions on the free transferability of the securities*

The Bonds are freely transferable, subject to certain transfer restrictions under the relevant laws in certain jurisdictions, as may be applicable to the transferor or the transferee.

3.2. Where will the securities be traded?

The Issuer will seek Admission of the Bonds to be issued under the Prospectus to trading on the Bond List of Nasdaq of Nasdaq Vilnius AB (the **Bond List of Nasdaq** or **Nasdaq**). The Bonds will be publicly offered in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia.

3.3. What are the key risks that are specific to the securities?

General Bonds' risks

(i) **Inflation risk.** Inflation reduces the purchasing power of a Bond's future interest and Nominal Value. Inflation may lead to higher interest rates which could negatively affect the Bond price in the secondary market. In addition to that, at the time of the Prospectus high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities.

(ii) **Interest rate risk**. The Bonds bear interest on their outstanding Nominal Value at a fixed interest rate. While the interest rate of the Bond is fixed until redemption, the prevailing capital market rates change on a daily basis. At the date of the Prospectus, the prevailing capital market rates are higher than the fixed interest rate for the Bonds. Therefore, considering the high competition in the capital markets it might be difficult for the Issuer to attract required external financing to complete the Project. If the market interest rates continue to increase, the market value of the Bonds may fall, the potential Investors may lose interest in the Bonds and it might be difficult to sell the Bonds in a secondary market.

(iii) **Refinancing risk.** The Issuer plans to use bank loan as the main source for the redemption of the Bonds. The Issuer's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. The Issuer´s inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Issuer's operations, financial condition, earnings and on the Bondholders' recovery under the Bonds. The Issuer's preventative actions and/or anticipated plans on refinancing of the Bonds described above does not guarantee that the Issuer will be able to redeem the Bonds as anticipated on the day of the Prospectus and that Bondholders will recover their planned investments.

Offering and Admission to trading on the Bond List of Nasdaq related risks

(i) **Liquidity risk.** The Bonds of the first and second parts of the Issue in the total amount of EUR 20,951,000 are already admitted to trading on the Bond List of Nasdaq and the public market for the Bonds of the Issuer is developing. The Bonds to be issued under the Prospectus in Tranches will also be applied for Admission to trading on the Bond List of Nasdaq. However, neither the Issuer nor the Lead Manager can guarantee that the secondary market for the Bonds of the Issuer will develop (or will be maintained) as an active market, especially taking into account that the Bond List of Nasdaq, compared to other international debt securities markets, is characterised by relatively low liquidity and limited secondary trading volume. The historical trading volumes of the already admitted Bonds on the Bond List of Nasdaq for the years 2022 and 2023 (until the date of the Prospectus) are relatively low. Moreover, the liquidity and the market prices of the Bonds can be expected to vary with changes in market and economic conditions, the financial position and prospects of the Issuer and many other factors that generally influence the market prices of securities. As a result, the Bondholders might bear a loss due to not being able to sell the Bond or having to sell them at an unfavourable price.

(ii) **Bonds may not be appropriate to some Investors.** The Bonds may not be an appropriate investment to some Investors. Each potential Investor into the Bonds should assess appropriateness of the investment taking into account all relevant personal circumstances. The potential Investor shall be aware, that the Issuer itself is not obliged and will not carry out the assessment whether the Bonds are an appropriate financial product for the Investor (although such assessment(s) will be performed by the Lead Manager/Manager(s) in accordance with their internal rules, in any case such assessment(s) may have a different scope and produce a different result). Prospective Investor should not invest into the Bonds unless the Investor has sufficient personal experience himself/herself or with the advice of professional financial advisors, can evaluate the impact on the value of the Bonds upon changes in market and economic conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential Investor's overall investment portfolio.

Collateral related risks

(i) **Risk of insufficient value of the Collateral**. The Issue is secured by a first ranking mortgage over the Collateral under the Collateral Agreement. Apart from the Collateral, there are no other securities of third parties securing the Issue under the Prospectus. Collateral consists of real estate property currently developed and constructed by the Issuer as a part of the Project. As a result, the value of the Collateral directly depends on the construction progress and successful completion of the Project and in case of Issuer's default before the end of construction stage the value of the Collateral could be not high enough to cover Issuer's obligations to the Bondholders. In addition to that, in case of negative development of Lithuanian real estate market and resulting significant drop in the value of the Collateral even after completion of the Project, the value of Collateral could be not high enough that all claims of the Bondholders could be satisfied.

4. KEY INFORMATION ON THE OFFERING AND ADMISSION TO TRADING ON A REGULATED MARKET

4.1. Under which conditions and timetable can I invest in this security?

In the course of the Offering, the Company offers up to 15,000 Bonds to be issued under the third Tranche (the **Offer Bonds**). The Bonds are offered for the price of EUR 962.8118 per one Offer Bond (the **Issue Price**). The Offering may be decreased by the amount unsubscribed.

Subscription period. The subscription period is the period during which the persons who have the right to participate in the Offering (the **Subscription Period**) may submit the subscription orders for the Offer Bonds (the **Subscription Order**). The Subscription Period commences on 28 December 2023 and ends on 15 January 2024, unless the Offering is cancelled pursuant to the Prospectus.

Right to participate in the Offering. The Offer Bonds are publicly offered to Retail and Institutional Investors in the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia.

In order to participate in the Offering and place Subscription Orders through the Issuer, Lead Manager or Manager indicated in the Final Terms, the Investors shall have securities accounts (or have the securities accounts opened by their nominee) with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania and/or the Republic of Estonia and/or the Republic of Latvia.

Subscription channels. The Subscription Orders as to acquisition of the Bonds of the third Tranche shall be submitted by the Investors to the Issuer, Lead Manager or Manager at their offices or via e-mail indicated in the Final Terms.

Allocation and Confirmations. After expiry of the Subscription Period, the Issuer shall decide according to the time priority principle (first come-first served) on which Investors, which have provided their Subscription Orders, shall be allotted with the Bonds and to what amount, and which Investors shall not be allotted with the Bonds. After allocation, the Investors shall receive a confirmation stating whether the Subscription Order was accepted, partially accepted or rejected (the **Confirmation**).

Payment. Not later than 16 January 2024 (the **Payment Date**) the Investors whose Subscription Orders were partially or completely satisfied are obliged to transfer the Issue Price payable for the Offer Bonds to the Settlement Account indicated in the Confirmation.

Issue Date. The Offer Bonds shall be registered with Nasdaq CSD and distributed to the Investors on 19 January 2024 (the **Issue Date**).

Admission to trading. It is expected that the Offer Bonds will be listed and admitted to trading on the Bond List of Nasdaq not later than within 6 months as from placement of the Bonds of the third Tranche.

Return of funds. The Investors who have not been allotted any Bonds or whose Subscriptions Orders have been reduced will receive reimbursements of the payment made upon placing the Subscription Order. The reimbursement will take place within 10 Business Days as from the end of the Subscription Period. The payments shall be returned without any reimbursement for costs incurred by the Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

Changes to the Offering. The Company has the right to cancel, postpone or suspend the Offering in full or in part in its sole discretion, at any time until the end of the Subscription Period. All relevant information related to the Offering will be published on the Issuer's website at https://lordslb.lt/orkela_bonds/ and on the website of Nasdaq at www.nasdaqbaltic.com, and/or sent to the Investors via e-mail indicated by each Investor in its Subscription Order.

4.2. Why is this Prospectus being produced?

The Prospectus has been prepared in connection with the (i) Offering in the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia and (ii) Admission to trading on the Bond List of Nasdaq.

Assuming 19,049 Bonds are sold in the Offering, it is expected that the Issuer will raise proceeds of around EUR 19,049,000. The Company will bear approximately up to EUR 192,368 of fees and expenses in connection with the Offering (including the maximum amount of any discretionary commission): up to EUR 157,868 payable for the Bonds placement services, and up to EUR 15,000 for the legal services, expenses up to EUR 8,500 for the Admission of the Bonds to the Bond List of Nasdaq and fees payable to the Trustee up to EUR 8,000 (within the validity of the Prospectus). In addition to that and during the validity term of the Prospectus the Issuer also expects to pay approximately up to EUR 3,000 of Nasdaq fees in connection with an Auction, if any. These costs of the Offering will be covered from proceeds of the Offering.

The Issuer intends to use the proceeds raised from the Offering to (i) finance construction and fit-out of the Project in the amount of up to EUR 15,271,632; (ii) repayment of the outstanding subordinated debt to the direct shareholder of the Issuer (i.e. Fund) arising out of the bond subscription agreement concluded by the Issuer and the Fund dated 15 November 2018, but not more than EUR 300,000.96 which is the amount not repaid from the permitted repayment of EUR 1,500,000 debt to the Fund under the decision of the sole shareholder of the Issuer (i.e. the Fund) dated 2 December 2021, with clarifying decisions of the sole shareholder (i.e. the Fund) adopted on 7 December 2021 and on 13 December 2021; and (iii) to finance working capital of the Issuer in the amount of up to EUR 485,000; (iv) interest payments up to EUR 2,800,000; (v) payment of the fees and expenses incurred in connection with the Offering in the amount of up to EUR 192,368 as indicated above.

No underwriting agreement has been signed for the purposes of the Offering. Also, to the best knowledge of the Issuer there is no conflicts of interest pertaining to the Offering and/or the Admission to trading on the Bond List of Nasdaq.