

**Activity:** operating since 1997, real estate investment company INVL Baltic Real Estate seeks to ensure the growth of leasing income and to profit on investments in commercial real estate.

**Shares:** listed on the Baltic Secondary List of Nasdaq Vilnius stock exchange since 2014.

**Assets under management:** about 57,000 sq. m. of real estate in Vilnius and Riga – mostly business centres, manufacturing, warehouse properties and other commercial premises. These properties generate stable cash flows and most of them have high occupancy rates. In addition, some of them have further development potential.

**Management of the Company:** On 22 December 2016 the Bank of Lithuania issued the closed-ended type investment company operating license for INVL Baltic Real Estate enabling to engage in the closed-ended type investment company's activities under the Republic of Lithuania Collective investment undertakings act. The special closed-ended type real estate investment company will work 30 years from receiving the special closed-ended real estate investment company license, the term of company's activity may be further extended for a period of no longer than 20 years. Upon receipt of the license, the company's management was transferred to the Management company INVL Asset Management.

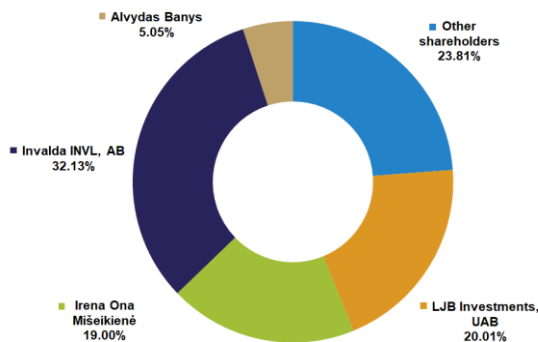
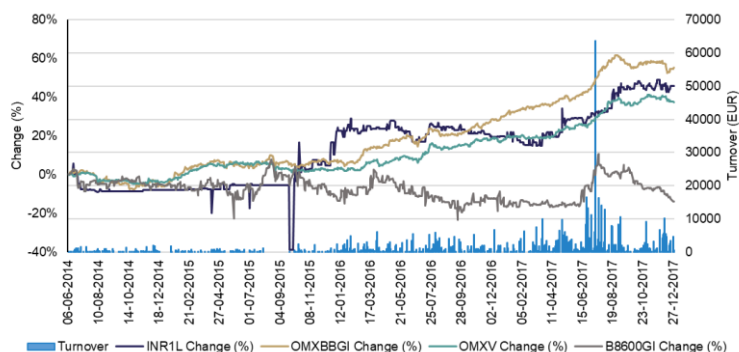
Main information about securities of the Company	
ISIN code	LT0000127151
Amount of shares, units (as of 31.12.2017)	65,750,000
Amount of shares, units (as of 15.01.2018)*	13,150,000
Nominal value per share, EUR (as of 31.12.2017)	0.29
Nominal value per share, EUR (as of 15.01.2018)*	1.45
Share price, EUR (as of 31.12.2017)	0.475
Last paid out dividends, EUR per share (when the nominal value per share - EUR 0.29)	0.012
Consolidated equity, thousand EUR	33,861
Net asset value per share, EUR	0.5150

**INR1L**  
Nasdaq Baltic Listed

**Votes as of 31 December 2017 and 15 January 2018\***

\* The new wording of the Articles of Association of INVL Baltic Real Estate was registered on 15 January 2018, stating the change of the nominal value per share and amount of ordinary registered shares

**INVL Baltic Real Estate change of share price and indexes**



**Comment made by INVL Asset Management real estate fund manager Vytautas Bakšinskas**



The consolidated net operating income of INVL Baltic Real Estate received from own property amounted to EUR 2.68 million in 2017, i.e. 14 percent more than in 2016 (EUR 2.35 million). The consolidated income of INVL Baltic Real Estate amounted to EUR 6.20 million in 2017, i.e. 1.4 percent less than in 2016 (EUR 6.29 million), of which the consolidated rental income received from own property increased by 10.6 percent up to EUR 3.98 million.

The last year was a year of development for the company; after the successful attraction of tenants to the Vilnius Vartai, its actual occupancy reached 92 percent at the end of the year, which would result in a significant increase in rental income in 2018. Moreover, we are successfully developing other objects managed by the company, among which the contract, regarding the rent of premises of nearly 1000 square meters of floor area in the center of Vilnius, on Palanga Street, concluded last year with TransferGo, i.e. one of the greatest Lithuanian startups, stands out. We believe in the future prospect of our managed real estate portfolio which is based on good location – according to the value of the property, 80 percent of the managed objects are located in the central part of Vilnius.

Last year, the IBC Business Centre, which is the largest property managed by INVL Baltic Real Estate, continued not only to maintain a high level of occupancy but also to produce rental income, which increased by 1.3 percent compared to 2016 and amounted to EUR 1.88 million.

At the end of September 2017, the transaction on the sale of 3,000 square metres of office and warehouse premises on Kirtimų Street in Vilnius. The value of the transaction amounted to EUR 1 million. The property on Kirtimų Street was valued at EUR 0.8

million at the end of 2016, therefore, the impact of the transaction for the results of 2017 amounts to EUR 0.2 million.

Other property managed by INVL Baltic Real Estate was also characterized by a high level of occupancy of the premises and improved performance in 2017. We are pleased that our customers continue to be loyal and trust INVL Baltic Real Estate as a reliable and long-term partner, and we will make every effort to maintain our customers' confidence.

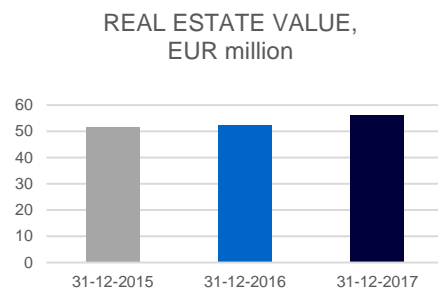
At the Extraordinary General Shareholders' Meeting, held at the end of 2017, it was decided to increase the dividends, indicated in the Dividend Payment policy of INVL Baltic Real Estate, more than twice, i.e. from EUR 0.012 to EUR 0.026 per share. This was done seeking to boost the attractiveness of INVL Baltic Real Estate's shares. It was also decided to increase the nominal value of the company's shares by five times, i.e. up to EUR 1.45. Following the resolutions of the General Shareholders Meeting, due to the change of the nominal value per share, EUR 0.13 per share was allocated to dividend payment.

The shareholders' meeting approved the decision to reduce the management fee paid by INVL Baltic Real Estate to the management company INVL Asset Management from 1.5 to 1 percent. The possibility of reducing the management fee resulted from the fact that from the beginning of 2018, the company UAB Proprietas, managed by INVL Baltic Real Estate, took over the management of real estate owned by INVL Baltic Real Estate. Thus, the volume of services, for which INVL Baltic Real Estate was paying the management fee to the management company, has decreased.

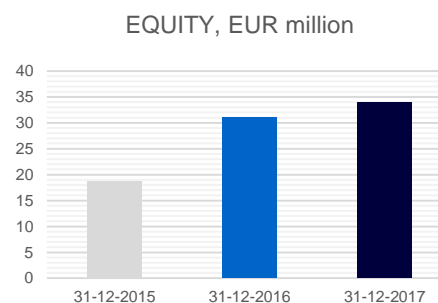
It is also planned that in 2018 the share liquidity of INVL Baltic Real Estate will increase; at the end of 2017, Invalda INVL announced an intention to transfer up to 22 percent of the company's shares in 2018.

Thereby increasing the percentage of free float shares from 16 to 38 percent.

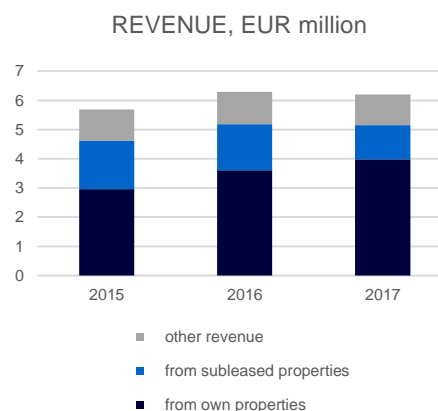
Portfolio, thousand EUR	31.12.2015	31.12.2016	31.12.2017
Operational Property investments	46,292	48,043	51,918
Property Investment redevelopment	1,720	350	350
Other investment properties	3,735	4,017	4,073
<b>TOTAL PROPERTY VALUE</b>	<b>51,747</b>	<b>52,410</b>	<b>56,341</b>
Rent Income from own properties during 12 months period	2,960	3,595	3,978
NOI (Net Operating Income) from own properties during 12 months period	2,023	2,349	2,678
NLA (Net Leasable Area), sq.m.	48,476	48,476	46,276



Balance sheet, million EUR	31.12.2015	31.12.2016	31.12.2017
Investment properties	51.75	52.41	56.34
Cash	0.39	0.75	0.41
Other assets	2.37	2.05	1.24
<b>TOTAL ASSETS</b>	<b>54.51</b>	<b>55.21</b>	<b>57.99</b>
Borrowings from credit institutions	17.75	21.60	20.88
Borrowings from Invalda INVL group	6.86	-	0.80
Other liabilities	11.31	2.54	2.45
<b>TOTAL LIABILITIES</b>	<b>35.92</b>	<b>24.14</b>	<b>24.13</b>
<b>EQUITY</b>	<b>18.59</b>	<b>31.07</b>	<b>33.86</b>
Equity per share*	EUR 0.43	EUR 0.47	EUR 0.51



Profit (loss) statement, million EUR	01.01.2015-31.12.2015	01.01.2016-31.12.2016	01.01.2017-31.12.2017
Revenue	5.69	6.29	6.20
<i>from own properties</i>	2.96	3.60	3.98
<i>from subleased properties</i>	1.65	1.59	1.17
<i>other revenue</i>	1.08	1.10	1.05
Net profit	4.10	4.51	3.58
Earnings per share*	EUR 0.09	EUR 0.07	EUR 0.05



Borrowings	31.12.2015	31.12.2016	31.12.2017
Borrowings, thousand EUR	24,616	21,607	21,681
Borrowings to value of investment properties**	47.6	41.2	38.5
Gearing ratio**	0.57	0.40	0.39
Interest coverage ratio**	2.64	3.11	4.34
Bank's Debt Service Coverage Ratio**	1.50	1.83	1.71



**IBC Class A Business centre**  
Šeimyniškių str. 1,  
Šeimyniškių str. 3  
Vilnius

Acquired – 2003  
NLA 7,100 sq.m.  
Property value –  
EUR 12.1 million  
Occupancy – 100%



**IBC Class B Business centre**  
A. Juozapavičiaus  
str. 6, Vilnius

Acquired – 2003  
NLA 10,300 sq.m.  
Property value –  
EUR 10.5 million  
Occupancy – 90%



**Office building**  
Palangos str. 4/  
Vilnius str. 33  
Vilnius

Acquired – 2006  
NLA 6,200 sq.m.  
Property value –  
EUR 8.5 million  
Occupancy – 78%



**Business centre Vilnius Gates**  
Gynėjų str. 14  
Vilnius

Acquired 2015  
NLA 7,000 sq.m.  
Property value –  
EUR 14.1 million  
Occupancy – 92%



**Žygis Business centre**  
Žygio str. 97  
Vilnius

Acquired – 2006  
NLA 2,600 sq.m.  
Property value –  
EUR 2.6 million  
Occupancy – 100%



**„Dommo business park“**  
Riga  
Latvia

Acquired – 2015  
NLA 12,800 sq.m.  
Property value –  
EUR 8.1 million  
Occupancy – 88%

NLA – Net Leasable Area

\*The nominal value per share amounted to EUR 0.29

\*\*<https://bre.invl.com/lit/en/for-investors/reports/formulas-of-performance-indicators>

More information: [www.invlbalticrealestate.com](http://www.invlbalticrealestate.com)