

**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.

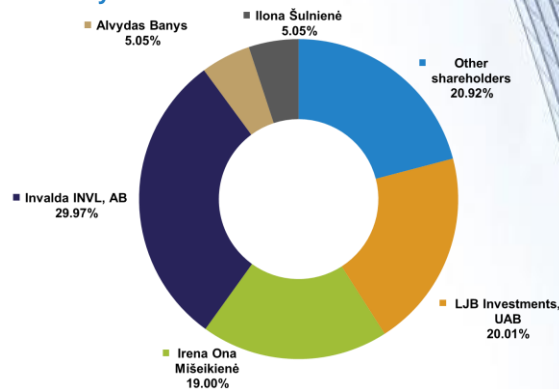
**Shares:** listed on the Baltic Secondary List of Nasdaq Vilnius stock exchange since 2014.

**Assets under management:** about 34,000\* 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	13,150,000
Nominal value per share, EUR	1.45
Share price, EUR (as of 30.09.2020)	2.08
Last approved dividends, EUR per share	1.55
Consolidated equity, thousand EUR	23,602**
Net asset value per share, EUR	2.2270**

Votes hold by INVL Baltic Real Estate shareholders



Transactions on a real estate of INVL Baltic Real Estate

In 2020, until the end of the reporting period, INVL Baltic Real Estate completed two transactions for the sale of managed commercial real estate.

01.01.2020-30.09.2020 INVL Baltic Real Estate the completed transactions on a real estate		
Date	6 March 2020	30 September 2020
Object	IBC Business Centre on A. Juozapavičiaus and Šeimyniškių streets in Vilnius	Part of Business Centre Vilniaus Vartai on Gyneju str. 14, A. Tumeno str. 4 and A. Tumeno str. 6 in Vilnius
Buyer	The subsidiary companies Juozapavičiaus 6 UAB and Ateira UAB of the closed-end investment fund for informed investors Lords LB Baltic Green Fund (V), which is managed by Lords LB Asset Management UAB	UAB Tvarus projektas, a company owned by UAB Eastnine Lithuania
The value of the transaction	EUR 33 million	EUR 20 million
Impact on profit	EUR 7.6 million (recognised in year of 2019)	EUR 4.4 million
Impact on NAV per share	EUR 0.58	EUR 0.335
Use of proceeds of the transaction	The proceeds of the transaction were used for pay-outs to shareholders and to reduce outstanding loans of the Company. Dividends were paid to shareholders: EUR 1.55 EUR dividends per share for 2019	The proceeds of the transaction will be used for Company's investing activities, pay-outs to shareholders and to reduce outstanding loans of the Company



IBC Business Centre



Business Centre Vilniaus Vartai

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



INVL Baltic Real Estate's consolidated net profit for the first three quarters of this year was EUR 4.687 million or nearly 2.2 times the amount for the same period last year. The company's consolidated equity at the end of September this year, including a share buy-back liability required by accounting standards, was EUR 23.6 million, or EUR 2.23 per share not being bought back. In the management's opinion, it is most likely that shareholders will not take advantage of the share buy-back offering, as currently 598 shares have been presented for buy-back of the 2,551,838 which are eligible and the share price on the market is bigger than the buy-back price. Thus, the company's consolidated equity at the end of September this year not including the share buy-back liability required by accounting standards would be EUR 28.3 million, or EUR 2.15 per issued share.

INVL Baltic Real Estate's consolidated net operating income from its properties in the first three quarters of this year was EUR 1.84 million, or 35.7% more than in the same period last year. The company's consolidated revenue was EUR 3.2 million, or 26% less than in three quarters of 2019. Of that amount, the consolidated operating income from property holdings decreased 31.5% to EUR 2.368 million. That result was influenced by the sale of the IBC Business Centre completed in March.

We finished the third quarter of this year with the successful sale of part of the Vilnius Gates business centre, which brought investors a gain of EUR 11 million. In terms of the future outlook, we continue work on developing our existing assets and increasing their value. We're ready to invest in non-standard, creative solutions that would help earn a big return for investors and expand the real estate management business.

Also noteworthy in the period was the Talent Garden Vilnius coworking space's successful start of operations. Talent Garden Vilnius is not only maintaining a high rate of occupancy – the level was 82% at the end of the third quarter – but is at the same time successfully competing on the market for coworking space.

\*The number also includes BC Vilniaus Vartai, which were sold on 30.09.2020

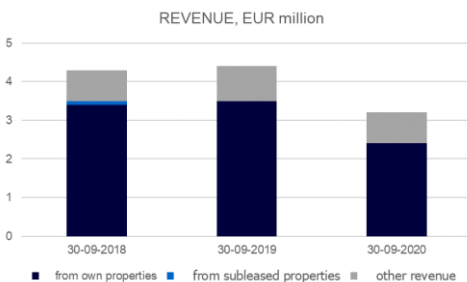
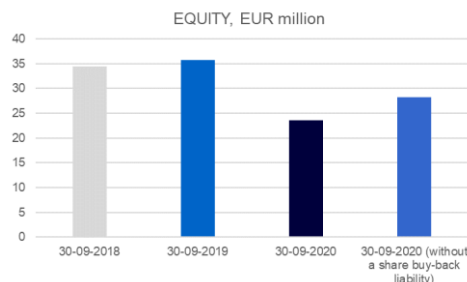
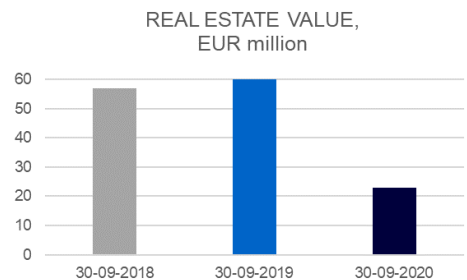
\*\* The number includes share buy-back liabilities. Not including liabilities, equity is EUR 28,329 thousand and NAV per share is EUR 2.1543

Portfolio, thousand EUR	30.09.2018	30.09.2019	30.09.2020
Operational Property investments	52,945	55,264	19,964
Property Investment redevelopment	350	350	-
Other investment properties	4,376	4,890	3,517
<b>TOTAL PROPERTY VALUE</b>	<b>57,671</b>	<b>60,504</b>	<b>23,481</b>
Rent Income from own properties during 9 months period	3,376	3,455	2,368
NOI (Net Operating Income) from own properties during 9 months period	2,272	1,356	1,840
NLA (Net Leasable Area), sq.m.	46,876	47,176	29,700*

Balance sheet, million EUR	30.09.2018	30.09.2019	30.09.2020
Investment properties	57.7	60.5	23.5
Cash	0.6	0.7	16.3
Other assets	0.9	2.2	6.0
<b>TOTAL ASSETS</b>	<b>59.2</b>	<b>63.4</b>	<b>45.8</b>
Borrowings from credit institutions	22.8	24.6	9.6
Other liabilities	2.0	3.1	7.9
Liability to buy-back shares	-	-	4.7
<b>TOTAL LIABILITIES</b>	<b>24.8</b>	<b>27.7</b>	<b>22.2</b>
<b>EQUITY</b>	<b>34.4</b>	<b>35.7</b>	<b>23.6**</b>
Equity per share	EUR 2.61	EUR 2.72	EUR 2.23**

Profit (loss) statement, million EUR	01.01.2018-30.09.2018	01.01.2019-30.09.2019	01.01.2020-30.09.2020
Revenue	4.3	4.4	3.2
<i>from own properties</i>	3.4	3.5	2.4
<i>from subleased properties</i>	0.1	-	-
<i>other revenue</i>	0.8	0.9	0.8
Investment property revaluation	0.85	1.7	4.3
Net profit	2.2	2.1	4.7
Earnings per share*	EUR 0.17	EUR 0.16	EUR 0.36

Borrowings	30.09.2018	30.09.2019	30.09.2020
Borrowings, thousand EUR	22,828	24,578	9,592
Borrowings to value of investment properties***	39.6	40.6	40.9
Gearing ratio***	0.39	0.40	-0.40
Interest coverage ratio***	5.01	2.42	3.00
Bank's Debt Service Coverage Ratio***	1.63	0.86	0.07



Changes in financial indicators for 30 September 2020, compared to the same period in 2018 and 2019, was affected by the decrease in the Company's managed real estate portfolio. More information: **Transactions on a real estate of INVL Baltic Real Estate** (1 page of the document).



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



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



**„Dommo business park“**  
Rīga  
Latvia

Acquired	2006	2006	2015
Net leasable area	6,800 sq.m	2,900 sq.m	12,800 sq.m
Property value	EUR 12.1 million	EUR 3.0 million	EUR 8.4 million
Occupancy	93%	69%	100%

\*The number also includes BC Vilnius Vartai, which were sold on 30.09.2020

\*\* The number includes share buy-back liabilities. Not including liabilities, equity is EUR 28,329 thousand and NAV per share is EUR 2.1543

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