

The logo consists of the letters 'INVL' in a bold, white, sans-serif font, enclosed within a white square border.

BALTIC REAL ESTATE

A photograph of a modern building facade with large, slanted glass windows. The INVL logo is mounted on the light-colored stone or concrete wall. The logo is a white square containing the letters 'INVL'. To the left of the logo, the letters 'DA' are partially visible. The image is taken from a low angle, looking up at the building.

Special Closed-End Type Real Estate Investment Company's „INVL Baltic Real Estate“

Consolidated Semi-Annual Management Report of 2024 and Consolidated Interim Condensed Not-audited Financial Statements for the six months ended 30 June 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Vytautas Bakšinskas,
Real estate fund manager of the Management Company of INVL Baltic Real Estate, signs the Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2024, also Consolidated Semi-Annual Management Report of 2024 and Statement of responsible persons with a qualified electronic signature.

Agnė Vainauskienė,
Head of Alternative Funds Accounting of the Management Company of INVL Baltic Real Estate, signs the Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2024, and Statement of responsible persons with a qualified electronic signature.

STATEMENT OF RESPONSIBLE PERSONS

20 August 2024

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (articles 13 and 15¹) of the Republic of Lithuania, management of INVL Baltic Real Estate hereby confirms that, to the best of our knowledge, the attached Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2024 are prepared in accordance with applicable reporting standards, give true and fair view of the assets, liabilities, financial position and profit or loss, cash flows of INVL Baltic Real Estate and Consolidated Group.

Presented Consolidated Semi-Annual Management Report of 2024 includes a fair review of the development and performance of the business and description of the position of INVL Baltic Real Estate and the consolidated group as a whole, along with the main risks and uncertainties faced thereby.

ENCLOSURE:

1. Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2024.
2. Consolidated Semi-Annual Management Report of 2024.

Real estate fund manager of the Management Company
INVL Asset Management

Vytautas Bakšinskas

Head of Alternative Funds Accounting of the Management Company
INVL Asset Management

Agnė Vainauskienė

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Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE
company code 152105644, Gynėjų str. 14, Vilnius, Lithuania

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2024**

(all amounts are in EUR thousand unless otherwise stated)

GENERAL INFORMATION

Management

Management Company

UAB INVL Asset Management

Investment Committee

Mr. Vytautas Bakšinskas
Mr. Andrius Daukšas

Address of registered office and company code

Gynėjų Str. 14,
Vilnius,
Lithuania

Company code 152105644

Banks

AB Šiaulių Bankas
AB SEB Bankas
AS "SEB banka"
AB Swedbank
OP Corporate Bank plc Latvian branch

The financial statements were authorised for issue by the Management Company on 20 August 2024.

The document is signed with a
qualified electronic signature

Mr. Vytautas Bakšinskas
Real estate fund manager at
UAB INVL Asset Management

The document is signed with a
qualified electronic signature

Ms. Agnė Vainauskienė
Chief financier at
UAB INVL Asset Management

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2024**

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of comprehensive income

	Notes	Group		Company	
		1 st Half Year 2024	1 st Half Year 2023	1 st Half Year 2024	1 st Half Year 2023
Revenue	4, 5	2,054	1,716	998	936
Interest income		4	5	3	5
Other income		20	5	13	-
Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss	3	-	-	309	143
Net profit from fair value adjustments on investment property		387	(219)	335	(133)
Premises rent costs	4, 5	(3)	(9)	(1)	(7)
Utilities	4	(247)	(176)	(1)	(1)
Repair and maintenance of premises	4	(241)	(253)	(9)	(65)
Management and Performance Fee	5, 16	(87)	36	(87)	36
Property management and brokerage costs	4	-	(23)	(115)	(75)
Taxes on property	4	(73)	(62)	(51)	(52)
Employee benefits expenses		(126)	(116)	-	-
Depreciation and amortisation		(58)	(58)	(14)	(14)
Other expenses		(170)	(205)	(64)	(131)
Operating profit		1,460	641	1,316	642
Finance costs	6	(625)	(368)	(493)	(368)
Profit before income tax		835	273	823	274
Income tax credit (expenses)	7	(12)	1	-	-
NET PROFIT FOR THE PERIOD		823	274	823	274
Other comprehensive income for the period, net of tax		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		823	274	823	274
Attributable to:					
Equity holders of the parent		823	274	823	274
Basic and diluted earnings per share (in EUR)	13	0.10	0.03		

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2024**

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of financial position

	Notes	Group		Company	
		As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
ASSETS					
Non-current assets					
Property, plant and equipment		220	267	43	57
Investment properties	8	44,033	42,058	29,417	27,553
Intangible assets		6	8	-	-
Investments into subsidiaries designated at fair value through profit or loss	3	-	-	10,520	11,319
Financial lease receivables-long term		101	200	101	200
Deferred tax asset		24	27	-	-
Total non-current assets		44,384	42,560	40,081	39,129
Current assets					
Inventories, prepayments and deferred charges		414	206	384	184
Trade and other receivables	9	154	326	55	807
Financial lease receivables – short term		198	197	198	196
Cash and cash equivalents		766	1,275	398	361
Total current assets		1,532	2,004	1,035	1,548
TOTAL ASSETS		45,916	44,564	41,116	40,677

(cont'd on the next page)

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of financial position (cont'd)

	Notes	Group		Company	
		As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of the parent					
Share capital	10	11,689	11,689	11,689	11,689
Own shares	10	-	-	-	-
Share premium	10	2,478	2,478	2,478	2,478
Reserves	10	3,429	3,430	3,669	3,669
Retained earnings	10	6,017	5,919	5,777	5,680
Total equity		23,613	23,516	23,613	23,516
Liabilities					
Non-current liabilities					
Non-current borrowings	12	17,826	17,700	13,998	14,283
Non-current lease liabilities		33	161	33	161
Provisions	5	691	690	691	690
Advances received		230	237	201	207
Other non-current liabilities		40	42	40	40
Total non-current liabilities		18,820	18,830	14,963	15,381
Current liabilities					
Current portion of non-current borrowings	12	936	944	649	657
Current portion of lease liabilities		254	251	254	251
Current borrowings		400	-	-	-
Trade payables		700	348	589	344
Income tax payable		6	13	-	-
Provisions	5	2	2	2	2
Advances received		68	45	25	21
Other current liabilities	15	1,117	615	1,021	505
Total current liabilities		3,483	2,218	2,540	1,780
Total liabilities		22,303	21,048	17,503	17,161
TOTAL EQUITY AND LIABILITIES		45,916	44,564	41,116	40,677

(the end)

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE
company code 152105644, Gynėjų str. 14, Vilnius, Lithuania

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024
(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of changes in equity

Group	Notes	Reserves					Retained earnings	Total
		Share capital	Share premium	Own Shares	Legal reserve	Reserve of purchase of own shares		
Balance as at 31 December 2023		11,689	2,478	-	930	2,500	5,919	23,516
Net profit for the six months ended 30 June 2024		-	-	-	-	-	823	823
Total comprehensive income for the six months ended 30 June 2024		-	-	-	-	-	823	823
Dividends approved	11	-	-	-	-	-	(726)	(726)
Transfer to reserves	10	-	-	-	(1)	-	1	-
Total transactions with owners of the Company, recognised directly in equity		-	-	-	(1)	-	(725)	(726)
Balance as at 30 June 2024		11,689	2,478	-	929	2,500	6,017	23,613

Group	Notes	Reserves					Retained earnings	Total
		Share capital	Share premium	Own Shares	Legal reserve	Reserve of purchase of own shares		
Balance as at 31 December 2022		11,689	2,478	-	931	2,500	5,945	23,543
Net profit for the six months ended 30 June 2023		-	-	-	-	-	274	274
Total comprehensive income for the six months ended 30 June 2023		-	-	-	-	-	274	274
Dividends approved	11	-	-	-	-	-	(726)	(726)
Transfer to reserves	10	-	-	-	(1)	-	1	-
Total transactions with owners of the Company, recognised directly in equity		-	-	-	(1)	-	(725)	(726)
Balance as at 30 June 2023		11,689	2,478	-	930	2,500	5,494	23,091

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE
company code 152105644, Gynėjų str. 14, Vilnius, Lithuania

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024
(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of changes in equity (cont'd)

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Share premium	Own shares	Legal reserve	Reserve of purchase of own shares		
Balance as at 31 December 2023		11,689	2,478	-	1,169	2,500	5,680	23,516
Net profit for the six months ended 30 June 2024		-	-	-	-	-	823	823
Total comprehensive income for the six months ended 30 June 2024		-	-	-	-	-	823	823
Dividends approved	11	-	-	-	-	-	(726)	(726)
Transfer to reserves	10	-	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(726)	(726)
Balance as at 30 June 2024		11,689	2,478	-	1,169	2,500	5,777	23,613

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Share premium	Own shares	Legal reserve	Reserve of purchase of own shares		
Balance as at 31 December 2022		11,689	2,478	-	1,169	2,500	5,707	23,543
Net profit for the six months ended 30 June 2023		-	-	-	-	-	274	274
Total comprehensive income for the six months ended 30 June 2023		-	-	-	-	-	274	274
Dividends approved	11	-	-	-	-	-	(726)	(726)
Transfer to reserves	10	-	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(726)	(726)
Balance as at 30 June 2023		11,689	2,478	-	1,169	2,500	5,255	23,091

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of cash flows

	Notes	Group		Company	
		1 st Half Year 2024	1 st Half Year 2023	1 st Half Year 2024	1 st Half Year 2023
Cash flows from (to) operating activities					
Net profit for the period		823	274	823	274
Adjustments for non-cash items and non-operating activities:					
Net gains from fair value adjustments on investment property		(387)	219	(335)	133
Depreciation and amortization		58	58	14	14
Net loss from sale of non-current assets		-	-	-	-
Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss	3	-	-	(309)	(143)
Interest income		(4)	(5)	(3)	(5)
Finance costs	6	625	368	493	368
Deferred taxes	7	3	(1)	-	-
Current income tax expenses	7	9	-	-	-
Provisions	5	1	(135)	1	(135)
Changes in working capital:					
Decrease (increase) in inventories		-	-	-	-
Decrease (increase) in trade and other receivables		172	47	170	29
Decrease (increase) in other current assets		(208)	(41)	(200)	(35)
(Decrease) increase in trade payables		(16)	28	(97)	64
(Decrease) increase in other current liabilities		(34)	(21)	(33)	(35)
Cash flows from(to) operating activities		1,042	791	524	529
Income tax paid		(13)	(15)	-	(12)
Net cash flows from (to) operating activities		1,029	776	524	517

(cont'd on the next page)

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2024**

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of cash flows (cont'd)

	Notes	Group		Company	
		1 st Half Year 2024	1 st Half Year 2023	1 st Half Year 2024	1 st Half Year 2023
Cash flows from (to) investing activities					
Acquisition of non-current assets (except investment properties)		(9)	(11)	-	-
Proceeds from sale of non-current assets (except for investment properties)		-	-	-	-
Acquisition of (investment in existing) investment properties	8	(1,220)	(487)	(1,187)	(487)
Proceeds from sale of investment properties	8	-	-	-	-
Acquisition of subsidiaries, net of cash acquired		-	(610)	(33)	(650)
Reduction of authorized capital of subsidiaries		-	-	-	-
Loans granted		-	-	-	-
Repayment of loans granted		-	-	1,723	193
Interest received		4	5	3	5
Proceeds from settlement of finance lease receivables		98	96	97	96
Net cash flows from (to) investing activities		(1,127)	(1,007)	603	(843)
Cash flows from (to) financing activities					
Cash flows related to Group owners:					
Dividends paid to equity holders of the parents		(179)	(710)	(179)	(710)
		(179)	(710)	(179)	(710)
Cash flows related to other sources of financing					
Proceeds from loans	12	950	1,865	-	1,865
Repayment of loans	12	(424)	(436)	(285)	(436)
Lease payments		(125)	(118)	(125)	(118)
Interest paid	12	(633)	(346)	(501)	(346)
		(232)	965	(911)	965
Net cash flows from (to) financing activities		(411)	255	(1,090)	255
Net increase (decrease) in cash and cash equivalents		(509)	24	37	(71)
Cash and cash equivalents at the beginning of the period		1,275	1,282	361	315
Cash and cash equivalents at the end of the period		766	1,306	398	244

(the end)

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE
company code 152105644, Gynėjų str. 14, Vilnius, Lithuania

**CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2024**
(all amounts are in EUR thousand unless otherwise stated)

Notes to the interim condensed financial statements

1 General information

Special Closed-Ended Type Real Estate Investment Company INVL Baltic Real Estate (hereinafter 'the Company', previous name AB Invaldos Nekilnojamojo Turto Fondas, code 152105644) is a joint stock company registered in the Republic of Lithuania. It was established on 28 January 1997.

On 22 December 2016 the Company was issued a closed-end investment company (UTIB) licence by the Bank of Lithuania. Under the Company's Articles of Association, the Company will operate until 22 December 2046, with an extension possibility for additional term of twenty years.

As the Company obtained the status of a closed-end investment company, its management was thereafter undertaken by UAB INVL Asset Management ('the Management Company'), which is entitled to the Management Fee and the Performance Fee. Rights and duties of the Board and the head of the Company was also transferred to the Management Company.

Based on the Articles of Association, for the sake of efficiency of the Company's activities and control over its investments, an Investment Committee shall be formed by a decision of the Board of the Management Company. The Investment Committee shall consist of 3 (three) members, to the positions of which the representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company) shall be appointed. Members of the Investment Committee shall be appointed and removed from office by the Board of the Management Company. An approval of the Investment Committee must be obtained for all investments of the Company and for their sale. At the moment of the release of the financial statements two 2 (members) of the Investment Committee was operating, the third member is not nominated.

The Company also signed an agreement on depository services with AB SEB Bankas, which acts as a depository of the Company's assets.

The Group consists of the Company and its directly and indirectly owned subsidiaries (hereinafter 'the Group', Note 5 of annual financial statements for year ended 31 December 2023).

The address of the office is Gynėjų str. 14, Vilnius, Lithuania.

The Group was established on 29 April 2014 by spinning-off from AB Invalda INVL (code 121304349) the investments into entities, which business is investment into investment properties held for future development, into commercial real estate and renting thereof. On 17 August 2015 the parent entity AB INVL Baltic Real Estate (hereinafter 'the Former Parent Company', code 30329973) was merged to the Company, which continues its operations under the name INVL Baltic Real Estate and became the parent of the Group.

The Group has invested in commercial real estate: business centres and warehouse properties in Lithuania and Latvia. All the properties generate leasing income and most of them offer prospects for further development.

The Group seeks to earn profit from investments in commercial real estate by ensuring the growth of leasing income. When it makes business sense, the Company also considers investments in the reorganisation of its existing portfolio of properties, taking advantage of their good location.

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

1 General information (cont'd)

The Management Company shall manage the Company's portfolio of investment instruments following the principles of diversification (the conformity of the Company's portfolio of investment instruments to the diversification principles shall be achieved within four years after the Bank of Lithuania has issued a permission to certify the Company's incorporation documents and to choose the Depository) as set forth in the Articles of Association. The Company cannot invest directly or indirectly more than 30% of its net asset value into a single real estate object. The total amount of investments into real estate objects under construction cannot exceed 20% of net asset value of the Company. The total amount of investments into a real estate object and movable property and/or equipment necessary for its use cannot exceed 40% of net asset value of the Company. The Company cannot invest more than 30% of its net asset value into any single issuer of the instruments. More detailed requirements are set out in the Articles of Association of the Company.

As at 30 June 2024 the Company's share capital is divided into 8,061,414 ordinary registered shares with the nominal value of EUR 1.45 each (as at 31 December 2023 8,061,414 ordinary registered shares with the nominal value of EUR 1.45 each). All the shares of the Company were fully paid. Subsidiaries did not hold any shares of the Company. As at 30 June 2024 and 31 December 2023 the shareholders of the Company were:

	As at 30 June 2024		As at 31 December 2023	
	Number of shares held	Percentage	Number of shares held	Percentage
UAB „INVL Life“ (controlling shareholder AB „Invalda INVL“)	1,889,123	23.43	1,889,123	23.43
Mrs. Irena Ona Mišeikienė	1,308,596	16.23	1,308,596	16.23
UAB LJB property (controlling shareholder Mr. Alvydas Banys)	1,251,695	15.53	1,251,695	15.53
Mrs. Ilona Šulnienė	664,710	8.25	664,710	8.25
Mr. Alvydas Banys	663,640	8.23	663,640	8.23
Other minor shareholders	2,283,650	28.33	2,283,650	28.33
Total	8,061,414	100.00	8,061,414	100.00

The Company's shares are traded on the Baltic Secondary List of Nasdaq Vilnius from 16 September 2015. Before the merger the shares of the Former Parent Company were traded on the Baltic Secondary List of Nasdaq Vilnius from 4 June 2014 until 17 August 2015.

2 Accounting policies

Basis of preparation

The interim condensed financial statements for the 6 months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2023.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except adoption of new Standards and Interpretations as of 1 January 2024, noted below.

A number of new or amended standards became applicable for the current reporting period:

- Amendments to IAS 1: *Classification of liabilities as current or non-current* (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IFRS 16 Leases: *Lease Liability in a Sale and Leaseback* (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements* (effective for annual periods beginning on or after 1 January 2024).

The amendments to existing standards are not relevant to the Group and the Company.

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

3 Investments into subsidiaries

Fair value of investments into subsidiaries

Investments into subsidiaries together with loans granted to subsidiaries are measured at fair value through profit or loss in the Company's stand-alone financial statements for six months ended 30 June 2024 and for the year ended 31 December 2023. It is Level 3 fair value measurement. The fair value of investments is measured at the fair value of their net assets including loans granted by the Company. The main assets of dormant entities are cash. The main assets of active subsidiaries are investment properties, which are measured at fair value using the income approach. The main liabilities of subsidiaries are payables to external suppliers, whose carrying amount is approximated their fair value because they are short-term and the impact of discounting is immaterial.

The breakdown of the carrying amounts of investments in subsidiaries by legal form is presented below:

	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
Shares	2,773	2,726
Loans granted	7,747	8,593
	<u>10,520</u>	<u>11,319</u>

Key inputs to valuation on subsidiaries as at 30 June 2024:

<u>Significant unobservable inputs</u>	<u>Value of input or range</u>
Discount rate (%)	9.5 - 10.5
Capitalisation rate for terminal value (%)	7.5 - 9
Vacancy rate (%)	0 - 25
Increase of rents per year (%)	1.5-3.09
Inflation (%)	1.5 - 1.9
Office premises in city centre - Rent price EUR per sq. m. (without VAT)	3.5 - 26

Key inputs to valuation on subsidiaries as at 31 December 2023:

<u>Significant unobservable inputs</u>	<u>Value of input or range</u>
Discount rate (%)	9.5 - 10.5
Capitalisation rate for terminal value (%)	7.5 - 9
Vacancy rate (%)	0 - 25
Increase of rents per year (%)	2-3
Inflation (%)	2-3
Office premises in city centre - Rent price EUR per sq. m. (without VAT)	3.5-26

The sensitivity analysis of fair value of subsidiaries as at 30 June 2024 is as follows:

<u>Reasonable possible shift +/- (%)</u>	<u>Increase of estimates</u>	<u>Decrease of estimates</u>
Change in Increase of rents per year and inflation by 100 bps	102	(102)
Change in future rental rates 10%	500	(400)
Change in expected vacancy rates by 20%	(129)	129
Change in discount and capitalization rate by 50 bps	(503)	638

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

3 Investments into subsidiaries (cont'd)

The sensitivity analysis of fair value of subsidiaries as at 31 December 2023 is as follows:

Reasonable possible shift +/- (%)	Increase of estimates	Decrease of estimates
Change in Increase of rents per year and inflation by 100 bps	101	(101)
Change in future rental rates by 10 %	500	(500)
Change in expected vacancy rates by 20%	(129)	128
Change in discount and capitalization rate by 50 bps	(600)	634

During the first half of 2023 the Company acquired 100% of UAB "Pramogų bankas" for EUR 2,863 thousand (accounted as acquisition of the group of asset, at the acquisition date entity had EUR 40 thousand of cash), acquisition is described in more detail in note 8.

The table below shows changes in financial instruments in Level 3 during the 1st Half Year of 2023:

Fair value as at 31 December 2023	11,319
Gains recognized in profit or loss (within 'Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss')	322
Losses recognized in profit or loss (within 'Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss')	(13)
Additional investments	33
Repaid loan with interest	(1,141)
Fair value as at 30 June 2024	10,520

The table below shows changes in financial instruments in Level 3 during the 1st Half Year of 2022:

Fair value as at 31 December 2022	11,176
Gains and losses recognized in profit or loss (within 'Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss')	143
Acquisitions	2,863
Granted loan	-
Repaid loan with interest	(193)
Fair value as at 30 June 2023	13,989

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(all amounts are in EUR thousand unless otherwise stated)

4 Segment information

Management of the Company has determined the operating segments based on the reports reviewed by the Investment Committee that are used to make strategic decisions. The Investment Committee analyses performance of the Group on property-by-property basis of owned premises. Performance is evaluated based on net operating income. Net operating income is calculated by deducting from revenue premises rent costs (excluding provision for onerous contract), utilities expenses, repair and maintenance expenses, property management and brokerage costs, taxes on property and insurance costs. Segment assets and liabilities are not reported to the Investment Committee. Management of the Company has determined following reportable segments:

- Owned property in Lithuania. The reportable segment comprises four segments on a property-by-property basis, which are aggregated according to separate objects of own property. The operating segments have similar economic characteristics because all owned premises are located in Vilnius, Lithuania. These are office buildings. All of them have further development opportunities. Three out of four have multiple tenants. Corporate tenants dominate, but some premises are also leased to governmental tenants and restaurants.
- Owned property in Latvia. Revenue is earned from warehouse located in Riga, Latvia.

The following table presents performance of reportable segments of the Group for the six months ended 30 June 2024:

	Owned property in Lithuania	Owned property in Latvia	Total
Six months ended 30 June 2024			
Rent income	975	314	1,289
Other revenue (utilities and other service)	763	-	763
Revenue	1,738	314	2,052
Expenses			
Premises rent costs	(5)	(1)	(6)
Utilities	(247)	-	(247)
Repair and maintenance of premises	(245)	(23)	(268)
Property management and brokerage costs	-	-	-
Taxes on property	(63)	(10)	(73)
Insurance costs	(5)	(2)	(7)
Net operating income for the period	1,173	278	1,451

The following table presents performance of reportable segments of the Group for the six months ended 30 June 2023:

	Owned property in Lithuania	Owned property in Latvia	Total
Six months ended 30 June 2023			
Rent income	717	307	1,024
Other revenue (utilities and other service)	696	-	696
Revenue	1,413	307	1,720
Expenses			
Premises rent costs	(19)	-	(19)
Utilities	(176)	-	(176)
Repair and maintenance of premises	(304)	(24)	(328)
Property management and brokerage costs	-	(23)	(23)
Taxes on property	(52)	(10)	(62)
Insurance costs	(4)	(2)	(6)
Net operating income for the period	858	248	1,106

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4 Segment information (cont'd)

The following table presents reconciliation of the Group's operating profits from net operating income, rent costs and revenue.

	01.01.2024 – 30.06.2024				01.01.2023 – 30.06.2023			
	Net operating income to operating profit	Premises rent costs	Repair and maintenance of premises	Revenue	Net operating income to operating profit	Premises rent costs	Repair and maintenance of premises	Revenue
From reportable segment	1,451	(6)	(268)	2,053	1,106	(19)	(328)	1,720
Provision for onerous contracts	4	4	-	-	10	10	-	-
Other revenue not included in reportable segments	2	-	-	2	-	-	-	-
Rent revenue not included in reportable segment due to application of IFRS 16	-	-	-	-	(4)	-	-	(4)
Add back insurance costs and other expenses (included within 'other expenses')	33	(1)	27	-	81	-	75	-
Management and Performance Fee	(87)	-	-	-	36	-	-	-
Impairment of trade receivables (reversal of impairment)	-	-	-	-	-	-	-	-
Employee benefits expenses	(126)	-	-	-	(116)	-	-	-
Depreciation and amortisation	(58)	-	-	-	(58)	-	-	-
Other expenses	(170)	-	-	-	(205)	-	-	-
Other income	24	-	-	-	10	-	-	-
Net gains from fair value adjustments on investment	387	-	-	-	(219)	-	-	-
Total	1,460	(3)	(241)	2,054	641	(9)	(253)	1,716

The table below presents distribution of the Group non-current assets (other than financial instruments and deferred tax assets) by geographical area as at 30 June 2024 and 31 December 2023:

	Lithuania	Latvia	Total
As at 30 June 2024	33,843	10,416	44,259
As at 31 December 2023	32,027	10,306	42,333

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5 Revenue, lease expenses and provisions

Revenue

The Group, as a lessor, leases the Group's investment property in accordance with the lease agreements for commercial property. Most of the contracts have a maturity from 1 to 6 years.

Analysis of revenue by category:

	Group		Company	
	1 st Half Year 2024	1 st Half Year 2023	1 st Half Year 2024	1 st Half Year 2023
Rent income	1,289	1,020	992	930
Utilities revenue	158	127	-	-
Other services revenue	607	569	6	6
Total revenue	2,054	1,716	998	936

Analysis of revenue of the Group by geographical areas:

	Group	
	1 st Half Year 2024	1 st Half Year 2023
Lithuania	1,738	1,409
Latvia	316	307
Total	2,054	1,716

Expenses and provisions

The Company was leasing premises from an external party until August 2017 under the lease agreement of 10 August 2007, except for one property, which is leased until the expiry of the current sublease agreement (31 December 2025). The Company had a one off deposit in the amount of EUR 825 thousand corresponding to the 6 months rental fee amount which will be set-off against the last part of lease payment at the termination of the lease. The rent payments are subject to an indexation at the end of August each year on the basis of harmonised consumer price index, if the latter is more than 1%, but there is a cap for annual indexation of 3.8%. In November of 2016 the amendment to the lease agreement was signed. According to the amendment, EUR 275 thousand of prepayments was set off against lease payables in 2016, EUR 450 thousand of prepayments was set off in 2017, and EUR 100 thousand of prepayments has to be set off in 2025.

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5 Revenue, lease expenses and provisions (cont'd)

The changes in the provision for onerous contract during the 1st Half Year of 2024 and 2023 are presented below:

	<u>1st Half Year 2024</u>	<u>1st Half Year 2023</u>
As at 1 January	8	21
Re-estimation of provision at the end of the reporting period	(4)	1
Amount used (recognised as a reduction of 'Premises rent costs')	-	-
The reversal of the discount effect and changes in the discount rate	-	-
As at 30 June	4	22
	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
Non-current	2	6
Current	2	2
Total	4	8

As at 30 June 2024 the Company recognised non-current provision for the Performance Fee of EUR 689 thousand (as at 31 December 2023 - EUR 684 thousand)

The changes in the provision for the Performance Fee is presented below:

	<u>1st Half Year 2023</u>	<u>1st Half Year 2022</u>
As at 1 January	684	900
Re-estimation of provision at the end of the reporting period	5	(125)
Reclassification of payable to "Other current liabilities"	-	-
As at 30 June	689	775

6 Finance costs

	Group		Company	
	<u>1st Half Year 2024</u>	<u>1st Half Year 2023</u>	<u>1st Half Year 2024</u>	<u>1st Half Year 2023</u>
Interest expenses of bank borrowings	(621)	(362)	(489)	(362)
Interest expenses arising from the lease liabilities	(4)	(6)	(4)	(6)
	(625)	(368)	(493)	(368)

7 Income tax

	Group		Company	
	<u>1st Half Year 2024</u>	<u>1st Half Year 2023</u>	<u>1st Half Year 2024</u>	<u>1st Half Year 2023</u>
Components of the income tax expenses				
Current income tax expense	(9)	-	-	-
Prior year current income tax correction	-	-	-	-
Deferred income tax expense	(3)	1	-	-
Income tax expense charged to profit or loss – total	(12)	1	-	-

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8 Investment properties

The movements of investment properties of the Group were:

Fair value hierarchy	Other investment properties valued using sales comparison method	Properties leased out by the entity	Investment properties held for future redevelopment	Total
	Level 2	Level 3	Level 3	
Balance as at 31 December 2022	8,292	26,595	1,540	36,427
Acquisitions through the purchase of a subsidiary	-	4,600	-	4,600
Subsequent expenditure	433	-	38	471
Gain from fair value adjustment	78	237	-	315
Loss from fair value adjustment	-	(496)	(38)	(534)
Balance as at 30 June 2023	8,803	30,936	1,540	41,279
Balance as at 31 December 2023	9,489	31,069	1,500	42,058
Subsequent expenditure	-	59	1,529	1,588
Transfer to other valuation level	(4,452)	(1,700)	6,152	-
Gain from fair value adjustment	45	365	174	584
Loss from fair value adjustment	-	(59)	(138)	(197)
Balance as at 30 June 2024	5,082	29,734	9,217	44,033
Unrealized gains or losses for the period, included within 'Net gain (losses) on fair value adjustments of investment property' in profit or loss	45	306	36	387

The movements of investment properties of the Company were:

Fair value hierarchy	Other investment properties valued using sales comparison method	Properties leased out by the entity	Investment properties held for future redevelopment	Total
	Level 2	Level 3	Level 3	
Balance as at 31 December 2022	3,358	21,546	1,540	26,444
Subsequent expenditure	433	-	38	471
Gain from fair value adjustment	1	-	-	1
Loss from fair value adjustment	-	(96)	(38)	(134)
Balance as at 30 June 2023	3,792	21,450	1,540	26,782
Balance as at 31 December 2023	4,452	21,601	1,500	27,553
Subsequent expenditure	-	-	1,529	1,529
Transfer to other valuation level	(4,452)	(1,700)	6,152	-
Gain from fair value adjustment	-	299	174	473
Loss from fair value adjustment	-	-	(138)	(138)
Balance as at 30 June 2024	-	20,200	9,217	29,417
Unrealized gains or losses for the period, included within 'Net gain (losses) on fair value adjustments of investment property' in profit or loss	-	299	36	335

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8 Investment properties (cont'd)

During 2023 a purchase and sale agreement was concluded with Nesė Group, UAB, regarding the acquisition of 100 percent of the shares of UAB "Pramogų bankas" and the ownership was taken over. This acquisition is accounted for as the acquisition of a group of assets, the cost of the acquired investment property was EUR 4,600 thousand. It is to be noted that UAB "Pramogų bankas" owns non-residential premises – entertainment center with guesthouse and non-residential premises – gambling house with bars – at the address A. Stulginskio str. 8, in Vilnius. UAB "OBER-HAUS Real Estate" valued the premises at EUR 4,200 thousand.

During first half of 2024 the reconstruction expenses of EUR 138 thousand and EUR 1,391 thousand were incurred additionally for the investment properties, located at Palangos 4, Vilnius and Vilniaus 37, Vilnius respectively.

During first half of 2023 the reconstruction expenses of EUR 38 thousand and EUR 433 thousand were incurred additionally for the investment properties, located at Palangos 4, Vilnius and Vilniaus 37, Vilnius respectively.

As at 30 June 2024 and 31 December 2023 outstanding payables for additions and subsequent expenditure (with VAT) from 2024 and 2023 for investment properties amounted to EUR 583 thousand and EUR 220 thousand respectively.

Investment properties are measured at fair value. During the 1st Half Year of 2024, properties leased out by the entity in Lithuania were valued as at 30 April 2024 and 31 October 2023, respectively, by an accredited valuer UAB OBER-HAUS Nekilnojamosis Turtas (hereinafter together with SIA OBER-HAUS Vertešanas Serviss referred to as 'Oberhaus') using the income and comparative approaches. During the 1st Half Year of 2024 and 2023 investment properties located in Latvia were valued as at 30 April 2024 and 31 October 2023, respectively, by an accredited valuer SIA OBER-HAUS Vertešanas Serviss using a market approach for land and using an income approach for warehouse. Investment properties were measured at fair value. There were no significant changes in the market during period from valuation date till end of reporting periods that could have an effect on the value of investment properties, therefore the updated valuation was not performed as at 30 June 2024 and as at 31 December 2023.

The split of carrying amounts of the properties leased out by the entity by type:

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
Offices premises in city centre – Lithuania	24,400	25,801	20,200	21,601
Warehouse – Latvia	5,334	5,268	-	-
	29,734	31,069	20,200	21,601

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8 Investment properties (cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties located in Lithuania as at 30 June 2024:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Properties leased out by the entity	Discounted cash flows	Discount rate (%)	9.5
		Capitalisation rate for terminal value (%)	7.25-7.5 (7.33)
		Vacancy rate (%)	0-25
		Office premises in city centre - Rent price EUR per sq. m. (without VAT)	4.93 - 26 (14.74)
Investment properties held for future redevelopment	Discounted cash flows with estimated costs to complete	Profit on cost ratio of the entire project (%)	25
		Discount rate (%)	7.5
		Capitalisation rate for terminal value (%)	5.5 - 6.25
		Cost to completion EUR per sq. m (without VAT)	1,541 – 1,776
		Sales price EUR per sq. m. (without VAT)	3,900 – 6,190

Description of valuation techniques used and key inputs to valuation on investment properties located in Lithuania as at 31 December 2023:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Properties leased out by the entity	Discounted cash flows	Discount rate (%)	8-9.75 (9.44)
		Capitalisation rate for terminal value (%)	6.5-7.75 (7.32)
		Vacancy rate (%)	0-33.3
		Office premises in city centre - Rent price EUR per sq. m. (without VAT)	3.5 – 38 (14.91)
Investment properties held for future redevelopment	Discounted cash flows with estimated costs to complete	Profit on cost ratio of the entire project (%)	25
		Capitalisation rate for terminal value (%)	6.25
		Cost to completion EUR per sq. m (without VAT)	1,520
		Sales price EUR per sq. m. (without VAT)	4,100

Description of valuation techniques used and key inputs to valuation on investment properties located in Latvia as at 30 June 2024:

	Valuation technique	Significant unobservable inputs	Value of input or range Oberhaus
Properties leased out by the entity	Discounted cash flows (three years estimated)	Discount rate (%)	10.5
		Capitalisation rate for terminal value (%)	9
		Vacancy rate (%)	2
		Increase of rents per year (%)	1.5-1.9
		Inflation (%)	1.5-1.9

Oberhaus is used for valuation of current contractual rent prices and has indexed these prices by input of increase of rents per year.

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8 Investment properties (cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties located in Latvia as at 31 December 2023:

	Valuation technique	Significant unobservable inputs	Value of input or range	Oberhaus
Properties leased out by the entity	Discounted cash flows (three years estimated)	Discount rate (%)	10.5	
		Capitalisation rate for terminal value (%)	9	
		Vacancy rate (%)	2	
		Increase of rents per year (%)	2-3	
		Inflation (%)	2-3	

The sensitivity analysis of investment properties located in Lithuania valued using income approach as at 30 June 2024 is as follows:

Group	Increase of estimates		Decrease of estimates	
	Properties leased out by the entity	Investment properties held for future redevelopment	Properties leased out by the entity	Investment properties held for future redevelopment
Reasonable possible shift +/-				
Change in future rental rates by 10 %	2,700	2,200	(2,500)	(2,300)
Change in construction costs by 10%	-	(1,700)	-	1,500
Change in expected vacancy rates by 20%	(500)	-	400	-
Change in discount and capitalization rate by 50 bps	(1,500)	(1,800)	1,800	2,100
Change in profit on cost ratio of the entire project by 200 bps	-	(400)	-	400

Company	Increase of estimates		Decrease of estimates	
	Properties leased out by the entity	Investment properties held for future redevelopment	Properties leased out by the entity	Investment properties held for future redevelopment
Reasonable possible shift +/-				
Change in future rental rates by 10 %	2,200	2,200	(2,100)	(2,300)
Change in construction costs by 10%	-	(1,700)	-	1,500
Change in expected vacancy rates by 20%	(400)	-	300	-
Change in discount and capitalization rate by 50 bps	(1,300)	(1,800)	1,500	2,100
Change in profit on cost ratio of the entire project by 200 bps	-	(400)	-	400

The sensitivity analysis of investment properties located in Latvia valued using income approach as at 30 June 2024 is as follows:

Reasonable possible shift +/- (%)	Increase of estimates	Decrease of estimates
Change in Increase of rents per year by 100 bps or change in future rental rates by 1%	102	(102)
Change in expected vacancy rates by 20%	(29)	29
Change in discount and capitalization rate by 50 bps	(303)	338

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8 Investment properties (cont'd)

The sensitivity analysis of investment properties located in Lithuania valued using income approach as at 31 December 2023 is as follows:

Group	Increase of estimates		Decrease of estimates	
	Properties leased out by the entity	Investment properties held for future redevelopment	Properties leased out by the entity	Investment properties held for future redevelopment
Reasonable possible shift +/-				
Change in future rental rates by 10 %	2,700	1,200	(2,700)	(1,100)
Change in construction costs by 10%	-	(1,000)	-	1,000
Change in expected vacancy rates by 20%	(500)	-	400	-
Change in discount and capitalization rate by 50 bps	(1,600)	(800)	1,900	1,100
Change in profit on cost ratio of the entire project by 200 bps	-	(100)	-	200

Company	Increase of estimates		Decrease of estimates	
	Properties leased out by the entity	Investment properties held for future redevelopment	Properties leased out by the entity	Investment properties held for future redevelopment
Reasonable possible shift +/-				
Change in future rental rates by 10 %	2,200	1,200	(2,200)	(1,100)
Change in construction costs by 10%	-	(1,000)	-	1,000
Change in expected vacancy rates by 20%	(400)	-	300	-
Change in discount and capitalization rate by 50 bps	(1,300)	(800)	1,600	1,100
Change in profit on cost ratio of the entire project by 200 bps	-	(100)	-	200

The sensitivity analysis of investment properties located in Latvia valued using income approach as at 31 December 2023 is as follows:

Reasonable possible shift +/- (%)	Increase of estimates	Decrease of estimates
Change in Increase of rents per year and inflation by 100 bps	101	(101)
Change in expected vacancy rates by 20%	(29)	28
Change in discount and capitalization rate by 50 bps	(300)	334

As at 30 June 2024 the Group's investment properties with carrying amount of EUR 38,161 thousand (EUR 36,194 thousand as at 31 December 2023) were pledged to the banks as collateral for the loans.

As at 30 June 2024 the Company's investment properties with carrying amount of EUR 28,187 thousand (EUR 26,292 thousand as at 31 December 2022) were pledged to the banks as collateral for the loans.

As at 31 December 2016 a written consent is required for sale of investment property from AB SEB bankas as a depository service provider. According to the Lithuanian Law on Collective Investment Undertakings, the sale price of investment properties may not be lower by more than 15% of the value determined by the independent qualified valuer. Having concluded a contract on sale of investment properties, when the above-described condition is not satisfied, the Management Company must, in exceptional cases and provided that interests of participants of the Company are not harmed, notify the supervisory authority thereof immediately.

There were no restrictions on the realisation of investment properties or the remittance of income and proceeds of disposals during the 1st Half Year of 2024 and 2023. No contractual obligations to purchase, construct, repair or enhance investment properties existed at the end of the period.

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9 Trade and other receivables

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
Trade receivables, gross	171	346	68	823
Accrued lease income, gross	-	4	-	4
Taxes receivable, gross	13	7	13	6
Total trade and other receivable, gross	184	357	81	833
Less: provision for impairment of trade and other receivables	(30)	(31)	(26)	(26)
Less: Write off still subject to enforcement activity	-	-	-	-
Trade and other receivable net of expected credit losses	154	326	55	807

Changes in provision for impairment of trade and other receivables for the year 2024 and 2023 have been included within 'Provision for impairment of trade receivables' in the statement of comprehensive income.

Trade and other receivables are non-interest bearing and are generally with a credit term of 30 days.

Movements in the accumulated impairment losses on credit impaired accounts receivable of the Group and in the write-off were as follows:

	Impairment losses
Balance as at 31 December 2022	40
Charge for the year	1
Write-offs charged against the provision	-
Enforcement activity ended	-
Recoveries of amounts previously impaired or written off	(1)
Balance as at 30 June 2023	40
Balance as at 31 December 2023	31
Charge for the year	-
Write-offs charged against the provision	-
Enforcement activity ended	(1)
Recoveries of amounts previously impaired or written off	-
Balance as at 30 June 2024	30

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9 Trade and other receivables (cont'd)

Movements in the accumulated impairment losses on credit impaired accounts receivable of the Company and in the write-off were as follows:

	Impairment losses
Balance as at 31 December 2022	26
Charge for the year	-
Write-offs charged against the provision	-
Enforcement activity ended	-
Recoveries of amounts previously impaired or written off	-
Balance as at 30 June 2023	26
Balance as at 31 December 2023	26
Charge for the year	-
Write-offs charged against the provision	-
Enforcement activity ended	-
Recoveries of amounts previously impaired or written off	-
Balance as at 30 June 2024	26

The credit quality of trade receivables of the Group as of 30 June 2024 and 31 December 2023 can be assessed on the ageing analysis disclosed below:

	Current	Less than 30 days	30–60 days	61–90 days	More than 90 days	Credit impaired	Total
As at 30 June 2024							
Trade receivables net of write off	52	81	8	-	-	30	171
Accrued lease income	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(30)	(30)
Trade and other receivable net of expected credit losses	52	81	8	-	-	-	141
As at 31 December 2023							
Trade receivables net of write off	240	72	2	-	1	31	346
Accrued lease income	4	-	-	-	-	-	4
Expected credit losses	-	-	-	-	-	(31)	(31)
Trade and other receivable net of expected credit losses	244	72	2	-	1	-	319

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9 Trade and other receivables (cont'd)

The credit quality of trade receivables of the Company as of 30 June 2024 and 31 December 2023 can be assessed on the ageing analysis disclosed below:

	Current	Less than 30 days	30–60 days	61–90 days	More than 90 days	Credit impaired	Total
As at 30 June 2024							
Trade receivables net of write off	7	35	-	-	-	26	68
Accrued lease income	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(26)	(26)
Trade and other receivable net of expected credit losses	7	35	-	-	-	-	42
As at 31 December 2023							
Trade receivables net of write off	772	25	-	-	-	26	823
Accrued lease income	4	-	-	-	-	-	4
Expected credit losses	-	-	-	-	-	(26)	(26)
Trade and other receivable net of expected credit losses	776	25	-	-	-	-	801

As at 30 June 2024 and 31 December 2023 most of trade receivables were secured by advances received from tenants.

The ageing analysis of the credit impaired trade receivables of the Group disclosed below:

	Current	Less than 30 days	30–60 days	61–90 days	91–180 days	More than 180 days	Total
Trade receivables net of write off as at 30 June 2024	-	-	-	-	-	30	30
Trade receivables net of write off as at 31 December 2023	-	-	-	-	3	28	31

The ageing analysis of the credit impaired trade receivables of the Company disclosed below:

	Current	Less than 30 days	30–60 days	61–90 days	91–180 days	More than 180 days	Total
Trade receivables net of write off as at 30 June 2024	-	-	-	-	-	26	26
Trade receivables net of write off as at 31 December 2023	-	-	-	-	-	26	26

10 Share capital and reserves, own shares

As at 30 June 2024 the Group's/Company's share capital is divided into 8,061,414 ordinary registered shares with the nominal value of EUR 1.45 each. All the shares of the Company were fully paid.

As at 30 June 2023 the Group's/Company's share capital is divided into 8,061,414 ordinary registered shares with the nominal value of EUR 1.45 each. All the shares of the Company were fully paid.

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11 Dividends

Payment of dividends of EUR 0.09 per share and total dividends of EUR 726 thousand in respect of the year ended 31 December 2023 was approved at the Annual General Meeting of Shareholders on 30 April 2024.

Payment of dividends of EUR 0.09 per share and total dividends of EUR 726 thousand in respect of the year ended 31 December 2022 was approved at the Annual General Meeting of Shareholders on 18 April 2023.

12 Borrowings

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
Non-current:				
Non-current bank borrowings	17,826	17,700	13,998	14,283
Non-current other borrowings	-	-	-	-
	<u>17,826</u>	<u>17,700</u>	<u>13,998</u>	<u>14,283</u>
Current:				
Current portion of non-current borrowings	936	944	649	657
Borrowings from third parties	400	-	-	-
	<u>1,336</u>	<u>944</u>	<u>649</u>	<u>657</u>
Total borrowings	<u>19,162</u>	<u>18,644</u>	<u>14,647</u>	<u>14,940</u>

All borrowings are expressed in EUR.

Borrowings with fixed or floating interest rate (with changes in 6 months period) were as follows:

Interest rate type:

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
Fixed	438	48	-	-
Floating	18,724	18,596	14,647	14,940
	<u>19,162</u>	<u>18,644</u>	<u>14,647</u>	<u>14,940</u>

As at 30 June 2024 and at 31 December 2023 all Group entities have complied with bank loan covenants.

On 23 June 2023 the Company has signed an amendment of to the borrowing agreement with AB Šiaulių bankas. According to the amendment the new credit limit of EUR 15,095 thousand is set. It consists of two parts. The first part amounts to EUR 14,095 thousand whose outstanding balance on the day of signing the contract was EUR 13,190 thousand and EUR 870 thousand an additional credit amount. The second part is a credit line of EUR 1,000 thousand, which could be disbursed until 26 June 2028. Furthermore, the settlement schedule and due date (27 June 2028) were changed. As at 30 June 2024 there was no unused portion of the Company's credit (including the credit line).

On 27 June 2024, the Group borrowed EUR 400 thousand from a subsidiary of AB Invalda INVL. The loan bears interest at an annual rate of 10%.

The Group and the Company received EUR 950 thousand and nil and repaid EUR 424 thousand and EUR 284 thousand, respectively, in the first half of 2024.

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

13 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for the six months ended 30 June 2024 and 30 June 2023 was 8,061 thousand.

The following table reflects the income and share data used in the basic earnings per share computations:

	Group	
	1st Half Year 2024	1st Half Year 2023
Net profit, attributable to the equity holders of the parent	823	274
Weighted average number of ordinary shares (thousand)	8,061	8,061
Basic earnings per share (EUR)	<u>0.10</u>	<u>0.03</u>

For the 1st Half Year of 2024 and 2023 the Group diluted earnings per share are the same as basic earnings per share.

14 Liquidity risk

The Group's liquidity ratio (total current assets including assets held for sale / total current liabilities) as at 30 June 2024 was approximately 0.44 (as at 31 December 2023 – 0.90). The Company liquidity ratio as at 30 June 2024 was approximately 0.41 (as at 31 December 2023 – 0.87). As at 30 June 2024 the current assets were lower than current liabilities by EUR 1,505 thousand in the Company. The Company's management seeks to secure the shortage in funding by borrowing from third parties (note 17).

The table below summarises the maturity profile of the Group's financial liabilities as at 30 June 2024 and at 31 December 2023 based on contractual undiscounted payments.

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Interest bearing borrowings	-	926	1,523	20,873	-	23,322
Lease liabilities	-	64	193	33	-	290
Trade and other payables	-	700	-	-	-	700
Provision for onerous contract	-	-	2	2	-	4
Other liabilities	1,000	28	-	40	-	1,068
Balance as at 30 June 2024	1,000	1,718	1,718	20,948	-	25,384
Interest bearing borrowings	-	525	1,559	21,438	-	23,522
Lease liabilities	-	64	193	162	-	419
Trade and other payables	-	348	-	-	-	348
Provision for onerous contract	-	-	2	6	-	8
Other liabilities	454	66	1	40	-	561
Balance as at 31 December 2023	454	1,003	1,755	21,646	-	24,858

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

14 Liquidity risk (cont'd)

The table below summarises the maturity profile of the Company financial liabilities as at 30 June 2024 and at 31 December 2023 based on contractual undiscounted payments.

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Interest bearing borrowings	-	383	1,128	16,656	-	18,167
Lease liabilities	-	64	193	33	-	290
Trade and other payables	-	589	-	-	-	589
Provision for onerous contract	-	-	2	2	-	4
Other liabilities	1,000	14	-	-	-	1,014
Balance as at 30 June 2024	1,000	1,050	1,323	16,691	-	20,064
Interest bearing borrowings	-	396	1,180	17,547	-	19,123
Lease liabilities	-	64	193	162	-	419
Trade and other payables	-	344	-	-	-	344
Provision for onerous contract	-	-	2	6	-	8
Other liabilities	454	32	-	-	-	486
Balance as at 31 December 2023	454	836	1,375	17,715	-	20,380

Provision for onerous contract is disclosed in the tables above because it is a financial liability arising from the unavoidable cost of meeting the obligation of contract. The amounts disclosed are undiscounted future loss amounts used to calculate provision.

15 Other current liabilities

Other current liabilities are presented in the table below:

	Group		Company	
	As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023
<u>Financial liabilities</u>				
Dividends payable	1,000	454	1,000	454
Performance Fee	-	-	-	-
Other amounts payable	28	67	14	32
	1,028	521	1,014	486
<u>Non – financial liabilities</u>				
Salaries and social security contributions payable	53	45	-	-
Tax payable	36	49	7	19
	89	94	7	19
Total other current liabilities	1,117	615	1,021	505

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

16 Related party transactions

The related parties of the Group were the shareholders of the Company, who have significance influence (note 1), key management personnel, including companies under control or joint control of key management and shareholders having significant influence. Under IAS 24, AB "Invalda INVL" and its controlled companies (hereinafter - Other related parties) are also classified as related parties.

The Group transactions with related parties during the six months ended 30 June 2024 and related balances as at 30 June 2024 were as follows:

1st Half Year 2024

Group

	Revenue and other income from related parties	Purchases (including provision) and interest from related parties	Receivables from related parties	Payables to related parties (excluding provision)
AB Invalda INVL (accounting services)	-	19	-	-
Other related parties (borrowings)	-	-	-	400
Other related parties (rent, utilities and other)	-	1	-	-
Other related parties (management services provided by the Management Company)	-	88	-	13
	<u>-</u>	<u>108</u>	<u>-</u>	<u>413</u>

The Group transactions with related parties during the six months ended 30 June 2023 and related balances as at 30 June 2023 were as follows:

1st Half Year 2023

Group

	Revenue and other income from related parties	Purchases (including provision) and interest from related parties	Receivables from related parties	Payables to related parties (excluding provision)
AB Invalda INVL (accounting services)	-	19	-	-
AB Invalda INVL (cost compensation - insurance)	-	3	-	3
Other related parties (management services provided by the Management Company)	-	(36)	-	15
	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>18</u>

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

(all amounts are in EUR thousand unless otherwise stated)

16 Related party transactions (cont'd)

The related parties of the Company are subsidiaries, shareholders who have significant influence (Note 1), key managers, key managers and shareholders with significant influence, controlled or jointly controlled entities. Under IAS 24, AB "Invalda INVL" and its controlled companies (hereinafter - Other related parties) are also classified as related parties.

The Company transactions with related parties during the six months ended 30 June 2024 and related balances as at 30 June 2024 were as follows:

1st Half Year 2024 Company	Revenue and other income from related parties	Purchases (including provision) and interest from related parties	Receivables from related parties	Payables to related parties (excluding provision)
Loans granted to subsidiaries	-	-	7.747	-
AB Invalda INVL (accounting services)	-	11	-	-
Subsidiary's rent	242	-	-	-
Transfer of loans within the group	400	-	-	-
Other related parties (management services provided by the Management Company)	-	88	-	13
Property administration and other services from subsidiaries	-	115	-	-
	<u>642</u>	<u>214</u>	<u>7.747</u>	<u>13</u>

The Company measured the loans granted to subsidiaries at fair value and did not recognise interest income separately.

The Company transactions with related parties during the six months ended 30 June 2023 and related balances as at 30 June 2023 were as follows:

1st Half Year 2023 Company	Revenue and other income from related parties	Purchases (including provision) and interest from related parties	Receivables from related parties	Payables to related parties (excluding provision)
Loans granted to subsidiaries	-	-	11.349	-
AB Invalda INVL (accounting services)	-	11	-	-
Subsidiary's rent	219	-	-	-
AB Invalda INVL (cost compensation - insurance)	-	3	-	3
Other related parties (management services provided by the Management Company)	-	(36)	-	15
Property administration and other services from subsidiaries	-	75	-	-
	<u>219</u>	<u>53</u>	<u>11.349</u>	<u>18</u>

As at 30 June 2024 the Company owed EUR 434 thousand of dividends, net of tax, to shareholders that have significant influence to the Company.

According to dividend distribution report, based on the shareholder list as at 3 May 2023 (the day of accounting of rights), the Company paid to "INVL Life" UAB EUR 170 thousand of dividends, net of tax, and paid to other shareholders, who have significance influence, EUR 264 thousand of dividends, net of tax.

17 Events after reporting period

On 29 July 2024 the Group obtained a loan of EUR 500 thousand from third parties. The loan bears interest at 10%. Repayment due on 31 July 2026.



INVL

BALTIC REAL ESTATE

THE SPECIAL CLOSED-ENDED TYPE REAL ESTATE INVESTMENT COMPANY

INVL BALTIC REAL ESTATE

CONSOLIDATED SEMI-ANNUAL MANAGEMENT REPORT OF 2024

Translation note:

This version of the Consolidated Semi-Annual Management Report of 2024 is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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I. GENERAL INFORMATION

1. Legal basis of preparation and content of information

The Consolidated Semi-Annual Management Report of the public joint-stock company Special closed-ended type real estate investment company "INVL Baltic Real Estate" (hereinafter – **the Company, INVL Baltic Real Estate or the Issuer**) has been prepared by the Company in accordance with the Lithuanian Law on Securities of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, the Law on Reporting of Companies and Groups of Companies of the Republic of Lithuania, the Rules on the Disclosure of Information and the Guidelines on the Disclosure of Information approved by the Board of the Bank of Lithuania.

The Company informs that after evaluating the Information Disclosure Rules approved by the Bank of Lithuania and Guidelines for Non-Financial Reporting (Methodology for Providing Non-Financial Information), the information disclosing information about the Company presented in this Semi-Annual Management Report is divided into five (V) sections. These sections disclose information on Company's securities, the Management of the Company, the Company's and the Group's activities and other information, that Company's Management values as important to disclose. The Company notes that the information presented in the Semi-Annual Management Report is relevant for understanding the Company's performance, condition and impact of operations.

2. Reporting period for which the management report is prepared

The Management report covers the financial period of INVL Baltic Real Estate, starting from 1 January 2024 and ending on 30 June 2024. The Management report includes significant events that occurred since the end of the reporting period.

3. General information about the Issuer and other companies comprising the Issuer's group

3.1. Information about the Issuer

Name	Special closed-ended type real estate investment company "INVL Baltic Real Estate"
Company code	152105644
Registration address	Gynėjų str. 14, 01109, Vilnius, Lithuania
Telephone	+370 5 279 0601
E-mail	breinfo@invl.com
Website	www.invlbalticrealestate.com
LEI code	529900GSTE0HKA0R1M59
Legal form	joint-stock company
Company type	special closed-ended type real estate investment company
Date and place of registration	28 January 1997; Register of Legal Entities
Date of the Supervisory authority approval of collective investment entity formation documents	22 December 2016
Register in which data about the Company are accumulated and stored	Register of Legal Entities
Management company	INVL Asset Management, UAB, code 126263073, license of a management company acting pursuant to the Law on the Managers of Alternative Collective Investment Undertakings No. 3
Depository	SEB bankas, AB, code 112021238, bank licence No. 2

3.2. Information about Company's goals and strategy

INVL Baltic Real Estate – real estate investment company that was founded on 28 January 1997, former name – Invaldos Nekilnojamo Turto Fondas, AB. On 17 August 2015 the Company was merged with its parent company, therefore, the Company took over all its rights and obligations.

On 22 December 2016 the Bank of Lithuania issued the closed-ended type investment company operating license enabling INVL Baltic Real Estate to engage in the closed-ended type investment company's activities under the Law of the Republic of Lithuania Collective Investment Undertakings. The special closed-ended type real estate investment company will operate 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 (hereinafter – **the Management company**). The rights and duties of the Board and the head of the Company were also transferred to the Management company.

According to the Articles of Association of the Company, the Management company formed an Investment Committee, which based on powers vested by the Management company, also participates in the management of the Company.

INVL Baltic Real Estate seeks to ensure the growth of rental income and earn from investments in commercial real estate. The companies owned by INVL Baltic Real Estate have invested in commercial real estate: business centres and warehouse properties at strategically attractive locations in Lithuania and Latvia. All the properties are characterized by high occupancy rates and generate stable financial flows. In addition, most of them has further development potential.

INVL Baltic Real Estate shares have been listed on Nasdaq Vilnius Baltic Secondary trading list since 4 June 2014. The Company has approved a Dividend Payment policy on 9 April 2019 which stipulates the annual payment of dividend per share of no less than EUR 0.09. It is noted that in accordance with the provisions of the dividend payment policy, the Company may allocate both lower and higher dividends per share than it is expected in the policy.

3.3. Information about the Issuer's group of companies

Companies of INVL Baltic Real Estate – the structure of the group companies is disclosed below – owned real estate properties in Vilnius and Riga during the reporting period.

3.3.1. Companies of INVL Baltic Real Estate (date as of 30 June 2024)

Company	Registration information	Shares (voting rights) directly or indirectly held by the Company	Type of activity	Contact details
Rovelija, UAB	Code 302575846 Address – Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 20.12.2010	100 percent	investments into commercial rental real estate	Tel. +370 5 2790601 breinfo@invl.com
Proprietas, UAB	Code 303252098 Address – Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 27.02.2014	100 percent	investments into commercial rental real estate	Tel. +370 5 2790601 breinfo@invl.com
Pramogų bankas, AB	Code 300044665 Address A. Stulginskio str. 8, Vilnius Legal form – joint stock company Registration date 30.07.2004	100 percent	investments into commercial rental real estate	Tel. (8 5) 279 0601 breinfo@invl.com
DOMMO grupa SIA	Code 40003733866 Address – Lapegles, Stūnīši, Olaines pag., Olaines nov., LV-2127 Latvia Legal form – private limited liability company Registration date 17.03.2005	100 percent	investments into commercial rental real estate	Tel. +370 5 2790601 breinfo@invl.com

DOMMO biznesa parks SIA

Code 40003865398
 Address – Lapegles, Stūniši, Olaines pag., Olaines nov., LV-2127 Latvia
 Legal form – private limited liability company
 Registration date 13.10.2006

100 percent

investments into commercial rental real estate

Tel. +370 5 2790601
 breinfo@invl.com

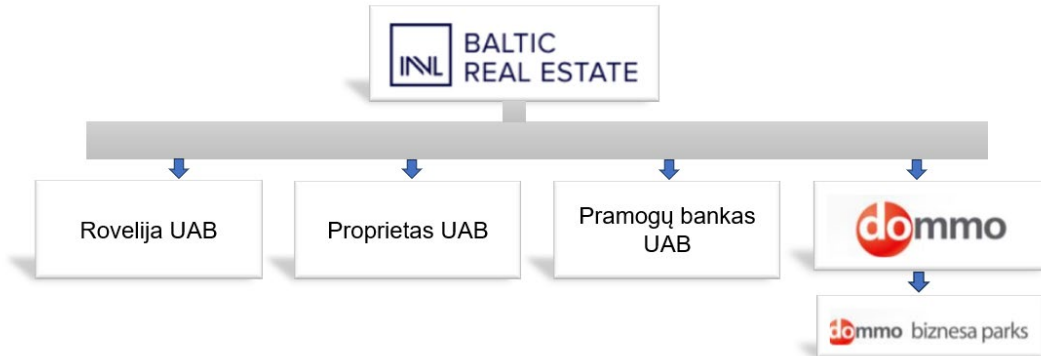


Fig. 3.3.1. Simplified group structure of INVL Baltic Real Estate as of 30 June 2024

3.3.2. Real estate objects owned by group companies in Vilnius (Lithuania)



Fig. 3.3.2. Real estate objects owned by group companies of INVL Baltic Real Estate in Vilnius (Lithuania)

OFFICE BUILDING IN THE CENTRE OF VILNIUS, PALANGOS STR. 4/ VILNIAUS STR. 33 AREA 10,000 SQ.M.

Business centre is in one of the busiest places in the Old Town of Vilnius, between Vilnius, Pamenkalnio, Islandijos and Palangos streets.

Vilnius Old Town - one of the most important components of the city and its centre, the oldest part of the city of Vilnius, situated on the left bank of the Neris River. Old Town area - protected and managed in accordance with the special heritage protection well, small business and residential function are being supported. There is a closed, guarded parking and underground garage in the area, convenient public transport access.

In the business center operates more than 2,000 square meters Talent Garden Vilnius cooperation space. In total, the space has more than 230 workplaces, more than half of which are in private offices, as well as a modern conference hall with 150 seats.

Radvilų Palace, Teacher's House, Lithuanian Technical Library, St. Catherine's Church and other cultural attractions, cafes, restaurants are located near the building.



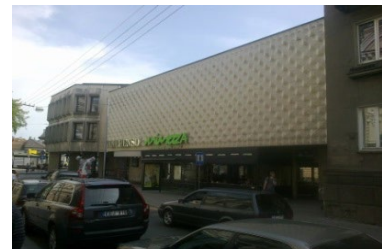
Block A basic information

Total area	5,100 sq. m
Leased area	4,000 sq. m
Land area	0.49 ha (total area of the complex)
Property market value at 30 of June 2024	EUR 8.6 million
Occupancy at 30 of June 2024	92 percent (total complex occupancy)



Block B basic information

Total area	4,900 sq. m
Leased area	2,900 sq. m
Land area	0.49 ha (total area of the complex)
Property market value at 30 of June 2024	EUR 9.1 million
Occupancy at 30 of June 2024	92 percent (total complex occupancy)



Address Palangos str. 4/ Vilniaus str. 33, Vilnius.

Main tenants Talent Garden Vilnius, TransferGo, Telia LT, Uncle Sam's.



Talent Garden Vilnius' opened on 12th December 2019 and was established on a campus of more than 2,000 sq. m. on Vilnius Street (Vilniaus g. 33). The space is also host to the first Startup Museum in the country, a creation of Vilnius's tourism and development agency Go Vilnius. The campus features a total of over 230 workplaces, more than half of which are in private offices, as well as a 150-seat modern conference hall.

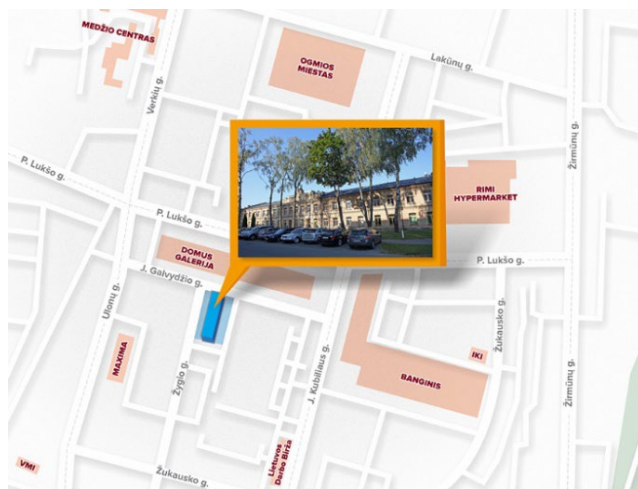
More about the project: <http://talentgardenvilnius.lt/>



ŽYGIS BUSSINESS CENTRE AREA 3,300 SQ.M.



Žygis business centre – the yellow brick, authentic nineteenth century architecture, renovated office building, perfectly adapted to modern office activities. The building stands in the Northern Town – in a strategically attractive, busy part of Vilnius, easily accessible by car and public transport. Other commercial and business centres, banks, the State Tax Inspectorate, Social Insurance, Employment Exchange, medical clinics and various business services companies, attracting large flows of people, are located nearby. Also, even four large shopping centres – Domus Gallery, Ogmios miestas, Hyper Rimi, Banginis-Senukai, are located near the business centre. Distance to the centre of Vilnius is about 3.5 km. 70 spots covered parking lot is installed next to the building.



Basic information

Total area	3,300 sq. m
Leased area	2,900 sq. m
Land area	0.4 ha
Property market value at 30 of June 2024	EUR 4.0 million
Occupancy at 30 of June 2024	100 percent
Address	Zygio str. 97A, Vilnius.

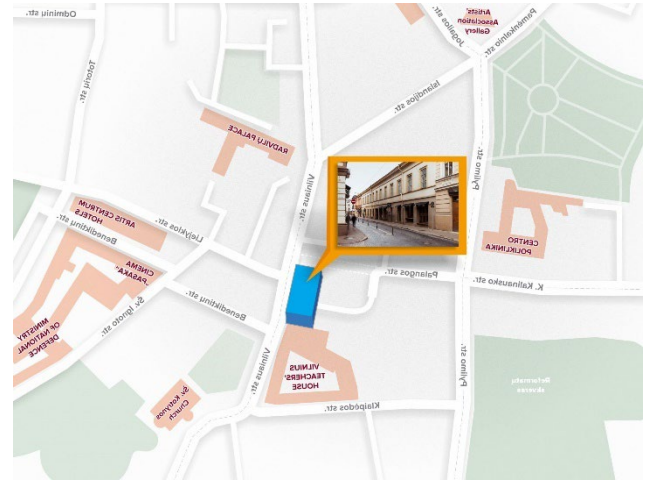


Main tenants School "Žiniukas", Innoforce, UAB



BUILDING IN THE CENTRE OF VILNIUS, VILNIAUS STR. 37 AREA 2,000 SQ.M.

The building is located in a prestigious part of Vilnius, in Old Town. It is one of the most important components of the city and its centre, located on the left bank of the Neris river. The property is positioned near Gediminas Avenue, which is considered the most prestigious street in Vilnius. The building's environment is dominated by older buildings of city centre-specific architecture, with various commercial premises, hotels, numerous cafes, restaurants, and other attractions. Currently, the café which is located in the building is rented, however other premises of the building are not rented and a reconstruction project is in the process of being prepared for it. Once this project is implemented, the building will be adapted to commercial and catering activities.



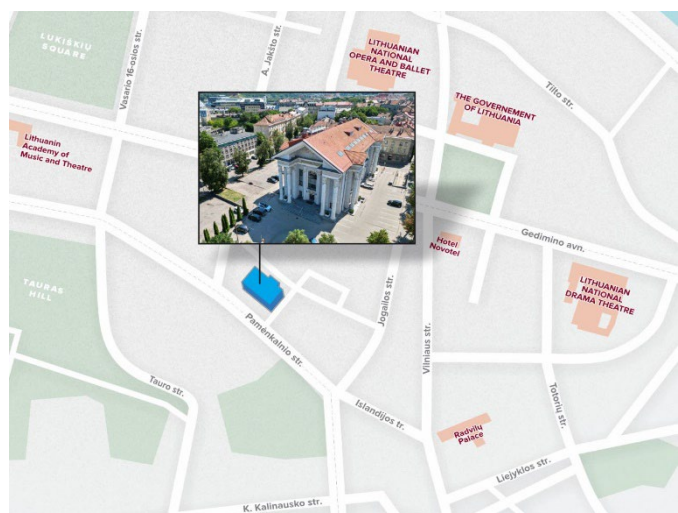
Basic information

Total area	2,000 sq. m.
Leased area	0 sq. m. ¹
Land area	0.16 ha
Property market value at 30 of June 2024 ²	7.7 mln. EUR
Occupancy at 30 of June 2024	0% ¹
Address:	Vilniaus str. 37, Vilnius.



BUILDING OF PRAMOGŲ BANKAS, A. STULGINSKIO STR. 8 AREA 4,100 SQ.M.

The building is located in a desirable and convenient location in Vilnius, i.e. at the crossroads of Naujamiestis (New Town) and Senamiestis (Old Town) districts. It is about 200 metres away from the commercially highly desirable Gediminas Avenue, which attracts large pedestrian traffic and is home to many commercial facilities. The building is a cultural heritage site and used to house the Pergalės Cinema. The cinema was built in 1951 to a standard design refined by Giovanni Ripa-Angioletto, with a spacious neo-classical interior. The underground parking and the adjacent car park have a total of 50 parking spaces, which is a significant number in the central part of Vilnius. The company acquired the building in June 2023. It is currently home to the Nesė Casino and other commercial activities. The company has started to prepare a renovation project for the building in order to best meet the needs of potential tenants in the future.



¹ The building is being reconstructed.

Basic information

Total area	4,100 sq. m.
Leased area	3,000 sq. m.
Land area	0.24 ha
Property market value at 30 of June 2024	4.2 mln. EUR
Occupancy at 30 of June 2024	85 percent
Address:	A.Stulginskio str. 8, Vilnius.



3.3.2. Real estate objects owned by group companies of INVL Baltic Real Estate in Riga (Latvia)

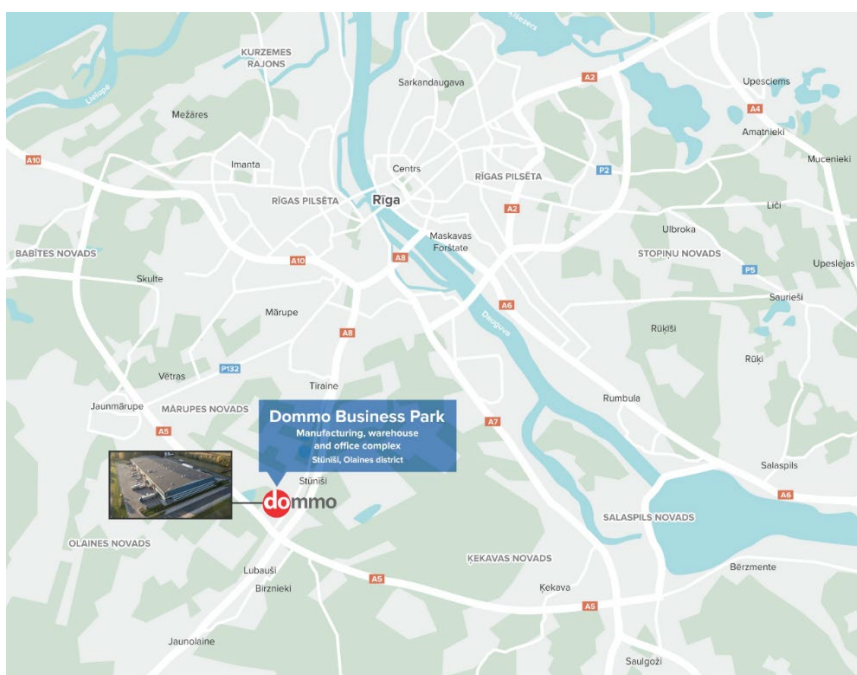
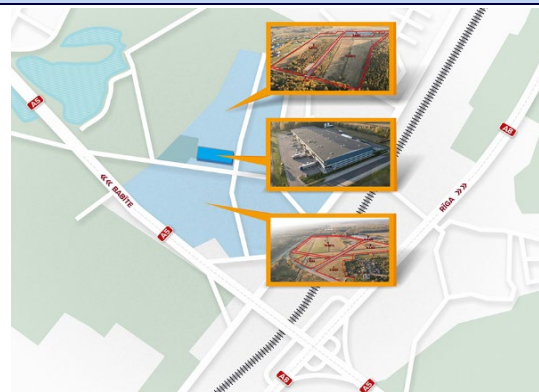


Fig. 3.3.3. Real estate objects owned by group companies of INVL Baltic Real Estate in Riga (Latvia)

DOMMO BUSINESS PARK WAREHOUSE AND OFFICE COMPLEX AREA 12,800 SQ.M.

Dommo Business Park warehouse and office premises complex in Latvia. The area is strategically well-located, to the right of Jelgava Road, in front of the intersection with Jurmala - Tallinn bypass. Distance to the centre of Riga and the airport is 13 km, the port - 16 km. The area is suitable for the development of logistics centres.



Basic information

Total area and lease area	12,800 sq. m
Leased area	12,800 sq. m
Land area	54.80 ha
Property market value at 30 of June 2024	EUR 10.4 million
Occupancy at 30 of June 2024	100 percent
Address	Stūnyši, Olainės region.



Main tenants	Bohnenkamp, Tente, Rewico Baltikum, Inservis.
--------------	-----------------------------------------------

Bohnenkamp
Moving Professionals

TENTE



REWICO Baltikum

II. FINANCIAL INFORMATION AND SIGNIFICANT EVENTS

4. Overview of the Issuer and its group activity

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



INVL Baltic Real Estate's consolidated net operating income from its own properties amounted to 1.45 million euros in the first half of 2024, which is 31.2 percent more than in the corresponding period in 2023 (1.11 million euros). The company's consolidated income in the first half of 2024 was 2.05 million euros, 19.7 percent higher than in the corresponding period of 2023 (1.71 million euros), including an increase in consolidated rent income from owned properties by 26.4 percent to 1.29 million euros. INVL Baltic Real Estate-managed properties continued to maintain high occupancy rates and increased their rent income. The net profit for the first half of the year was 0.82 million euros, three times as much compared to the corresponding period in 2023.

The net operating income of the largest property managed by INVL Baltic Real Estate — the office building at Palangos str. 4, home to the co-working space Talent Garden Vilnius which the company operates — was 0.84 million euros in the first half of the year, or 13.6 percent higher than in the same period of the previous year (0.74 million euros). At the end of the half-year, Talent Garden Vilnius continued to maintain a very high occupancy rate of 99 percent.

The rent income from Žygis Business Centre in the first half of 2024 was 0.2 million euros, an increase of 7.7 percent compared to the corresponding period in 2023 (0.18 million euros). At the end of the half-year, its occupancy rate was 100%.

The value of real estate assets managed by INVL Baltic Real Estate was 44.03 million euros at the end of June 2024, or 6.7 percent higher than a year earlier (41.28 million euros).

In the first half of this year, together with the contractor Sivysta we continued the reconstruction of the building at Vilniaus str. 37, which is expected to be completed in the last quarter of this year. In collaboration with the designers Viltekta, we continued the design work for the planned reconstruction of the buildings located at Vilniaus str. 37 and Palangos str. 4/Vilnius str. 33 in the Old Town of the capital city, which is rapidly moving towards completion. We have also been actively working with design firms Senojo miesto architektai and Plazma on the redevelopment of the Pramogų bankas building acquired last year.

4.2. Operational environment

In the first half of 2024, the supply of office space in Vilnius increased by 20,400 sq. m. The Teltonika Headquarters project of 11,000 sq. m., the Vestum Business Centre of 6,000 sq. m. and the Sporto str. 16 project of 3,400 sq. m. were completed.

In the last 12 months, the overall market has grown by 6.7 percent to 1.15 million sq. m. In 2024, the remaining office projects are at different stages of development. The highlights include Yellowstone, scheduled to open in summer 2024, and Sand Offices, due for completion at the end of this year. This will increase the new supply to 37,850 sq. m. in 2024, and more new supply is expected in the following years.

In 2025, more than 104,000 sq. m. of office space will be developed in the Vilnius Central Business District. This includes large-scale projects such as HERO Business Centre (31,500 sq. m.), Business Stadium Central (23,000 sq. m.) and Konstitucijos 14A (19,000 sq. m.). New office space will also be built at Švitrigailos str. 19 (8,900 sq. m.), Jasinskio str. 2 (7,300 sq. m.), Šv. Jokūbas Quarter (2,400 sq. m. in the office part) and Tech Zity Vilnius (about 15,500 sq. m. in the first phase). All of these projects are currently in the active rent phase.

At the beginning of the year, the level of activity was similar in the Class A and Class B segments, although the second quarter saw a higher number of rent transactions for Class A properties. In the first half of the year, there were large rent transactions in the Central Business District and other attractive locations, concluded by Šiaulių bankas, law firm Ellex Valiūnas, Lithuanian furniture company Narbutas, co-working operator Workland and other large companies that did not disclose their transactions to the public.

Although office rent decisions are taking longer, the rent activity is expected to pick up given the positive economic outlook for the next few years.

The overall vacancy rate in the market remains stable. The main reason for this is the limited supply of new office space, as most of the new projects are still in the construction phase and are expected to be completed by the end of 2024 or 2025. Moreover, some of the rent transactions are concluded before the official entry into the market or are on a sublease basis, so they do not impact the vacancy statistics. The overall market vacancy rate remained at 8.1 percent after the first half of the year. The vacancy rate for Class A space was lower at 6.5 percent and the vacancy rate for Class B space increased from the beginning of the year to 9.4 percent. By the end of the year, the average vacancy rate on the market should remain fairly stable at around 8-9 percent.

In the first quarter of 2024, Piche completed the fourth phase of Green Park with almost 16,000 sq.m. of lettable area. Most of the space was pre-rented during the planning and construction of the project. Due to strong demand for high-quality, energy-efficient industrial space, the average vacancy rate in the modern industrial space market has fallen to 2.6 percent.

The prospects for industrial development are quite high, with around 200,000 sq. m. expected in the next few years. Developers are ready for development, and the market is demanding high-quality modern premises, but the supply of suitable land plots at the right price and size is very limited. Meanwhile, in Riga, the City Council cancelled the sale of 22 plots of land with a total area of almost 39 ha. Sirin acquired these plots in April 2022 with plans to develop an industrial park of 180,000 sq.m. The absence of this project will reduce the supply of new space on the Riga logistics market.

Resources:

https://newsec.lt/wp-content/uploads/2024/07/Vilnius_2024_H1_HQ_compressed

https://newsec.lt/wp-content/uploads/2024/05/Baltic-Logistics-Industrial-Outlook_2024Q1

4.3. Key figures of INVL Baltic Real Estate

EUR million	Group		
	30.06.2022	30.06.2023	30.06.2024
Managed common area	28,100 sq. m.	32,100 sq. m.	32,100 sq. m.
Managed rental area	22,850 sq. m.	25,800 sq. m.	25,500 sq. m.
The real estate value	33.8	41.3	44.0
Cash	1.6	1.3	0.8
Other assets	1.4	1.2	1.1
Assets	36.8	43.8	45.9
Equity	21.2	23.1	23.6
Borrowings from credit institutions	13.4	15.4	18.8
Other payables	2.2	5.3	3.5
Total equity and liabilities	36.8	43.8	45.9
Total equity for one share	EUR 2.63	EUR 2.86	EUR 2.93

4.4. Results of INVL Baltic Real Estate

EUR million	Group		
	01.01.2022 – 30.06.2022	01.01.2023 – 30.06.2023	01.01.2024 – 30.06.2024
Revenue	1.6	1.7	2.1
<i>rental income from owned premises</i>	0.9	1.0	1.3
<i>other revenue</i>	0.7	0.7	0.8
Investment property revaluation	1.7	(0.2)	0.4
Net operating income from owned properties	1.0	1.1	1.5
Profit before tax	1.9	0.3	0.8
Net profit	1.9	0.3	0.8
Earnings per share	EUR 0.23	EUR 0.03	EUR 0.10

Net asset value of the Company amounted to EUR 23,612,882 or EUR 2.9291 per share on 30 June 2024. At the same period in 2023, the net asset value amounted to EUR 23,089,203 or EUR 2.8642 per share.

More detail information on the net asset value of the Company as well as change of the net asset value per share is stated in the website of the Company (the Company's web site section "For investors" → "Financial information and reports" → "Net asset value"). Link <https://bre.invl.com/en/for-investors/financial-information-and-reports/>

4.5. Significant Issuer's and its group events during the reporting period, effect on the financial statement

4.5.1. Significant Issuer's events

The Company conducted its business as usual during the reporting period, with no significant events recorded.

The Company publishes all publicly available information on the Nasdaq Vilnius website ([link](#)), on the Central Regulatory Information Base ([link](#)), as well as on the Company's website (For investors → Regulated information). Link: <https://bre.invl.com/en/news/>

4.5.2. Significant group's events

There were no important events in the activities of the real estate companies in the first half of 2024. The companies performed usual activity during the reporting period.

5. Significant events of the Issuer and its group since the end of the reporting period

On 1 August 2024, the Company announced on convocation of the General Extraordinary Shareholders Meeting of the Company during which the Company's shareholders are proposed to decide regarding the amending of the decision of the General Ordinary Shareholders Meeting of INVL Baltic Real Estate of 30 April 2024 on the approval of participation of the Company in the reorganisation and preparation of the terms of reorganisation. More detailed information is [here](#).

No other important events of the Issuer or the group companies were noted since the end of the reporting period. The Issuer and the group companies performed usual activity.

6. Estimation of Issuer's and Group's activity last year and activity plans and forecasts

6.1. Evaluation of implementation of goals

INVL Baltic Real Estate has succeeded in achieving the essential goals of improving the Company's performance, as well as to successfully continue operations of the Talent Garden Vilnius cooperation space.

6.2. Activity plans and forecast

INVL Baltic Real Estate will seek to continue to earn from investment in commercial real estate, ensuring rental income growth, cost optimization. Investments managed by INVL Baltic Real Estate allows us to expect a constant increase in the value of the property.

III. INFORMATION ABOUT SECURITIES

7. The order of amendment of Issuer's Articles of Association

According to the Articles of Association of the Company, the Articles of Association of INVL Baltic Real Estate may be amended by the decision of the General Shareholders' Meeting, passed by more than 3/4 of votes (except in cases stated in the Law on Companies of the Republic of Lithuania and in cases stated in Company's Articles of Association).

During the reporting period, Company's Articles of Association were not amended. Currently actual wording of the Articles of Association of INVL Baltic Real Estate is dated as of 11 May 2023. The Articles of Association is available on the Company's website (Section on the website "For investors" → "Legal documents" → "Articles of Association". Link: <https://bre.invl.com/en/for-investors/legal-documents/>)

8. Structure of the authorized capital

Table 8.1. Structure of INVL Baltic Real Estate authorized capital as of 30 June 2023.

Type of shares	Number of shares and total voting rights granted by the issued shares, units	Nominal value, EUR	Total nominal Value and authorised capital, EUR	Portion of the authorised capital, %
Ordinary registered shares	8,061,414	1.45	11,689,050.30	100

All shares are fully paid-up, and no restrictions apply on their transfer.

8.2. Information about the Issuer's treasury shares

8.2.1. Purchase of own shares

The General Ordinary Shareholders Meeting of the Company that was held on 12 April 2022 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – the last announced net asset value per share, the minimal one share acquisition price – EUR 1.45.

The General Ordinary Shareholders Meeting of the Company that was held on 18 April 2023 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – the last announced net asset value per share, the minimal one share acquisition price – EUR 1.45.

The General Ordinary Shareholders Meeting of the Company that was held on 30 April 2024 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – the last announced net asset value per share, the minimal one share acquisition price – EUR 1.45.

During the reporting period the Company not initiated acquisition of own shares.

9. Trading in Issuer's securities as well as securities, which are deemed to be a significant financial investment to the Issuer on a regulated market

9.1. table. Main characteristics of INVL Baltic Real Estate shares admitted to trading

Shares issued, units	8,061,414
Shares with voting rights, units	8,061,414
Number of votes for the quorum of the General Shareholders Meeting, units	8,061,414
Nominal value, EUR	1.45
Total nominal value, EUR	11,689,050,30
ISIN code	LT0000127151
LEI code	529900GSTE0HKA0R1M59
Ticker	INR1L
Exchange	Nasdaq Vilnius

List	Baltic Secondary list
Listing date	04.06.2014
Included into indexes	<p>OMX VILNIUS INDEX (VILSE) STOXX Global Total Market Price Index (TW1P) STOXX All Europe Total Market Price Index (TE1P) OMX Baltic Benchmark Gross Index (OMXBGGI) STOXX EU Enlarged TMI (Price) EUR (EUETMP) OMX Baltic Benchmark Price Index (OMXBBPI) OMX Baltic Benchmark Capped Price Index (OMXBBCPP) OMX Baltic All Share Gross Index (OMXBGI) OMX Baltic All Share Price Index (OMXBPI) OMX Baltic Real Estate PI (B8600PI) OMX Baltic Real Estate GI (B8600GI) OMX Baltic Benchmark Capped Gross Index (OMXBBCPG)</p>

Table 9.2. Trading in INVL Baltic Real Estate shares

	6 months of 2022	6 months of 2023	6 months of 2024
Share price, EUR:			
- open	2.330	2.12	2.1
- high	2.380	2.28	2.1
- low	1.630	2.08	1.98
- average	2.240	2.19	2.04
- last	2.160	2.1	2.08
Turnover, units	85,729	48,639	30,134
Turnover, EUR	192,055.01	106,626.58	61,492.06
Traded volume, units	1,233	758	601

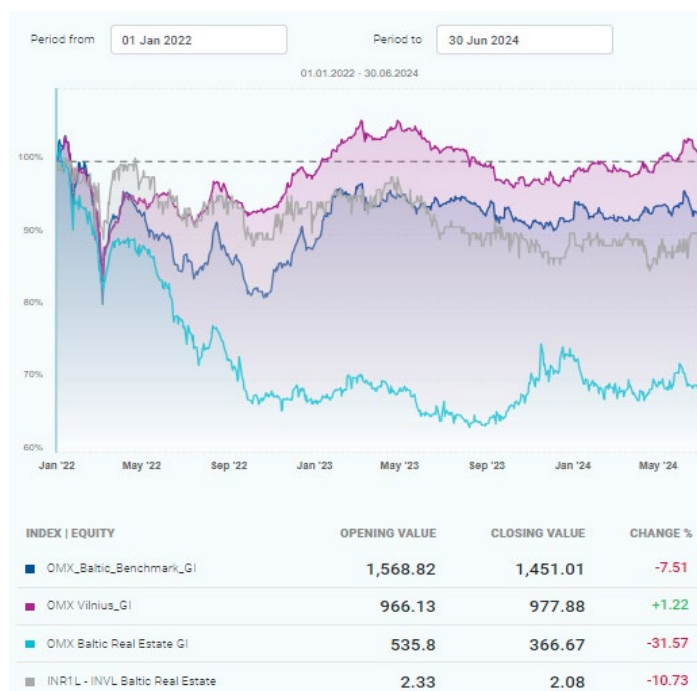


Fig 9.1. INVL Baltic Real Estate change of share price and indexes ³ (source Nasdaq indexes)

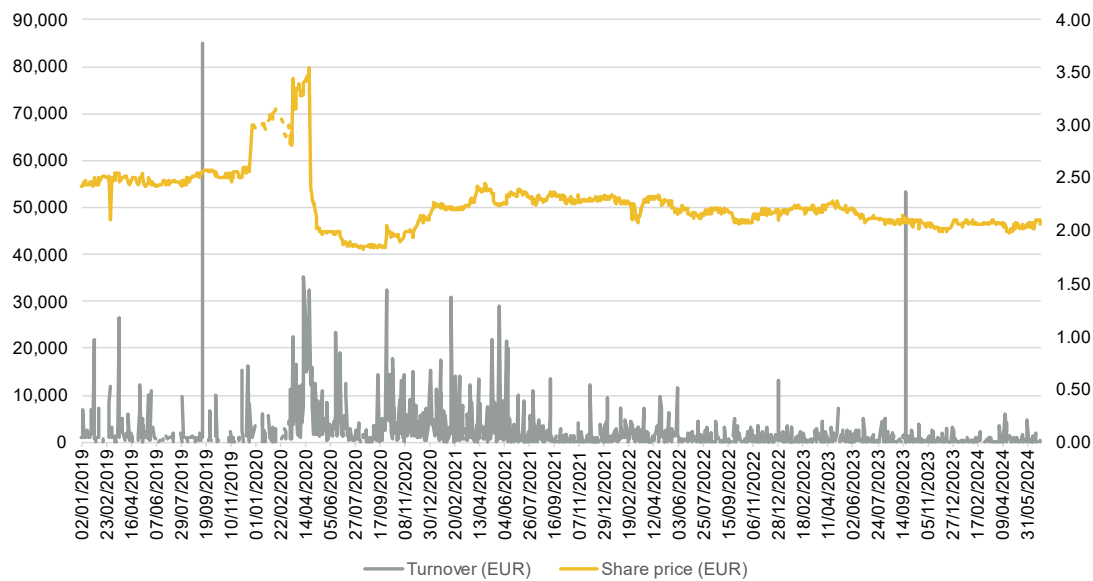


Fig. 9.2. Change of share price of INVL Baltic Real Estate and turnover

10. Shareholders

10.1. Information about Company's shareholders

The total number of shareholders in INVL Baltic Real Estate was 4,004 on 30 June 2024. There are no shareholders entitled to special rights of control.

10.1.1. table. Shareholders who held title to more than 5% of INVL Baltic Real Estate authorised capital and/or votes as of 30 June 2024.

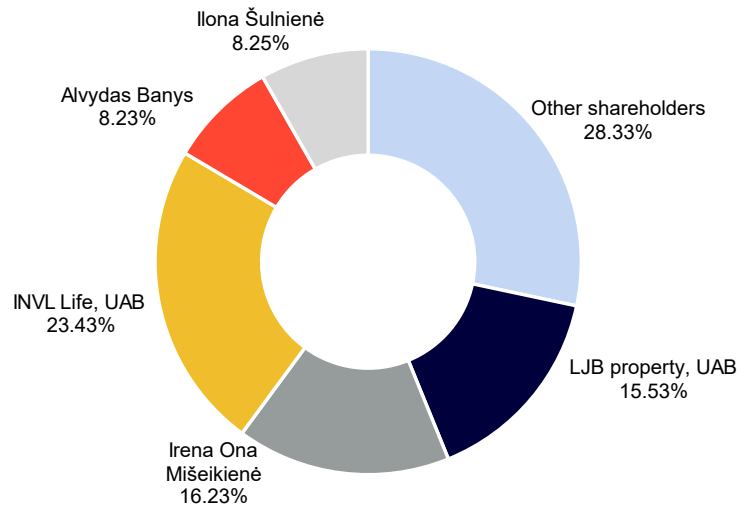
Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held and share of votes given by the shares held by the right of ownership, %	Indirectly held votes, %	Total votes, %
LJB property, UAB, code 300822529	1,251,695	15.53	0	15.53
Alvydas Banys	663,640	8.23	15.53 ⁴	23.76
Irena Ona Mišeikienė	1,308,596	16.23	0	16.23
INVL Life, UAB, code 305859887 ⁵	1,889,123	23.43	0	23.43
Invalda INVL, AB, code 121304349,	0	0	23.43 ⁶	23.43
Ilona Šulnienė	664,710	8.25	0	8.25

³ OMX index is an all-share index which includes all the shares listed on the Main and Secondary lists on the NASDAQ Vilnius with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares. The OMX Baltic Real Estate GI index is based on the Industry Classification Benchmark (ICB) developed by FTSE Group (FTSE).

⁴ According to section 1 of article 16 of the Law on Securities of the Republic of Lithuania, Alvydas Banys is considered to hold the voting rights of the controlled company UAB LJB property

⁵ 100% of shares of INVL Life, UAB are held by Invalda INVL, AB, code 121304349

⁶ 100% of shares of INVL Life, UAB are held by Invalda INVL, AB, code 121304349



10.1.1. Fig. Votes as of 30 June 2024

10.2. Rights and obligations carried by the shares

Property, non-property rights and obligations to shareholder granted by the Company's shares in the first half of 2024 are not different from the description of the rights and obligations carried by the shares presented in the Company's consolidated annual report for 2023.

11. Dividends

The General Shareholders' Meeting decides upon dividend payment and sets the number of dividends. The Company pays out the dividends within 1 month after the day of adoption of the resolution on profit distribution.

Persons have the right to receive dividends if they were shareholders of the Company at the end of the tenth working day after the day of the General Shareholders' Meeting which issued the resolution to pay dividends.

According to the Lithuanian Law on Personal Income Tax and the Lithuanian Law on Corporate Income Tax, 15 % tax is applied to the dividends since 2014. The Company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes⁷.

The General Shareholders Meeting of the Company held on 9 April 2020 approved the new wording of the Dividend payment policy which stipulates the yearly payment of dividends per share of no less than EUR 0.09.

On 30 April 2024, the General Ordinary Shareholders Meeting of INVL Baltic Real Estate decided to allocate EUR 0.09 dividend per share.

Dividends were allocated to the shareholders, who at the end of the tenth business day following the day of the General Shareholders Meeting that adopted a decision on dividend payment, i.e., on 15 May 2024 were shareholders of the Company.

The Company started to allocate dividends for the year 2024 from 30 May 2024. Dividends were allocated to those shareholders of the Company, who have provided existing bank accounts.

Information relevant to the dividends paid by the Company, as well as matter of dividend payments and valid Dividend payment policy is published on Company's web page.

11.1. Table. Indexes related with shares⁸

Company's	30 June 2022	30 June 2023	30 June 2024
Net Asset Value per share, EUR	2.63	2.86	2.93
Price to book value (P/Bv)	0.82	0.73	0.71
Dividend yield	5.6	4.3	4.3

⁷ This information should not be treated as tax advice.

⁸ The Company publishes Alternative performance measures (AVR), that are in use of the Company, provides indicators definitions and calculation formulas. All the information is disclosed in the Company's web site section "For Investors" → "Financial information and reports". The link is provided <https://bre.invl.com/en/for-investors/financial-information-and-reports/>

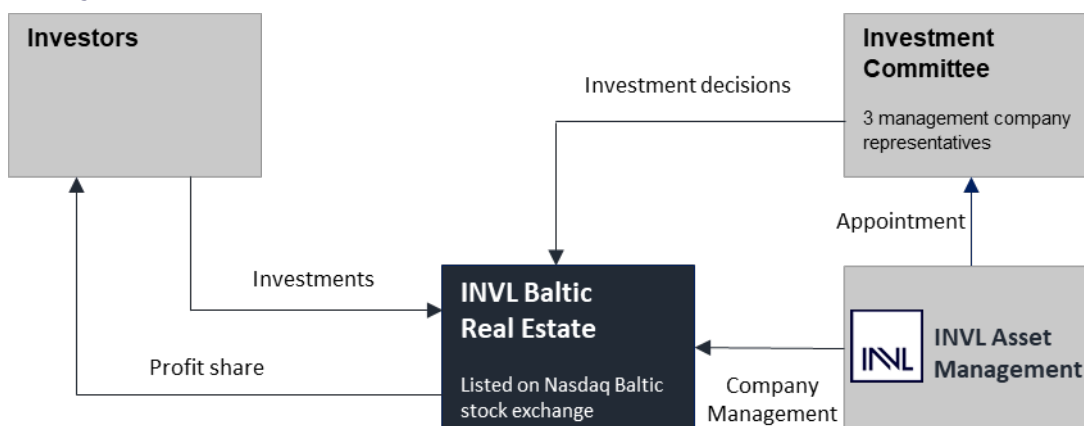
IV. ISSUER'S MANAGING BODIES

12. Issuer's managing bodies

The management of INVL Baltic Real Estate was transferred to the Management company INVL Asset Management on 22 December 2016 as the Bank of the Republic of Lithuania granted INVL Baltic Real Estate with the license of the closed-ended type investment company. The rights and duties of the Board and the Manager of the Company were also transferred to the Management Company. The Company's management bodies are not formed.

To ensure management efficiency and control of investments, the Management company formed an Investment Committee of INVL Baltic Real Estate.

The Management company is responsible for convening and organizing the highest management body of the Company - the General Shareholders Meeting.



12.1. Structure of the Management of the Company

Detailed information on the structure of the management of the Company before the CEF license was granted is published in the consolidated annual report for the year 2016 of INVL Baltic Real Estate. The report is published on the Company's website section "For Investors".

Head of Management company – CEO of INVL Asset Management Paulius Žurauskas.

Darius Šulnis (the chairman), Nerijus Drobavičius and Vytautas Plunksnis were members of the Board of the Management Company until 29 April 2024. On 29 April 2024 Asta Jovaišienė has been appointed to the board of the Management Company, with the approval of the Bank of Lithuania, from 30 April 2024 by the decision of the sole shareholder of the Management Company. Asta Jovaišienė replaced the Management Company's board member Nerijus Drobavičius. From 30 April 2024 the Management Company's Board members are Darius Šulnis (the Chairman), Vytautas Plunksnis and Asta Jovaišienė.

Currently there are 2 members in the Investment Committee: Vytautas Bakšinskas and Andrius Daukšas.



Darius Šulnis – Chairman of the Board of the Management company
Main workplace – Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) - CEO

Educational background and qualifications

In 2012 Duke University (USA). Business Administration. Global Executive MBA.
In 1993 Vilnius University. Faculty of Economics. Master's in accounting and Audit.
In 1993 Financial broker's license (General) No. A109.

Work experience

2015 – October 2017 General manager of INVL Asset Management, UAB
Since May 2013 reselected as Invalda INVL, AB CEO
2011 – 2013 Invalda, AB – Advisor
2006 – 2011 Invalda, AB – President
2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – Director
1994 – 2002 FBC Finasta, AB – Director

Owned amount of shares in INVL Baltic Real Estate

-

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) - CEO
 Šiaulių bankas, AB (code 112025254, Tilžės str. 149, Šiauliai) – Member of the Supervisory Board
 Litagra, UAB (code 304564478, Savanorių ave. 173, Vilnius) – Member of the Board
 INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Private Equity Fund II – Investment Committee Member
 INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member, Managing partner
 FERN Group, UAB (code 306110392, Granito str. 3-101, Vilnius) – Chairman of the Supervisory Board



Nerijus Drobavičius – Member of the Board of the Management company until 29 April 2024
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius)
 Private Equity Partner

Educational background and qualifications

In 1998 graduated Vytautas Magnus University and gained his Bachelor's degree in Business management. Graduated Vytautas Magnus University in 2000 and gained his Master's degree in banking and finance.

Work experience

Since 2015 till August 2018 Head of Finance unit of INVL Asset Management, UAB. From August 2018 – Private Equity Partner of INVL Asset Management, UAB
 Since 2014 works at Invalda INVL, AB group
 2012 – 2014 Independent financial expert
 2007 – 2011 CFO in Sanitas Group
 2001 – 2007 Sampo Bank. Head of Accounting and Reporting unit, later – CFO of the bank

Owned amount of shares in INVL Baltic Real Estate

8,000 units of shares

Participation in other companies

INVL Technology, CEF (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee
 BSGF Sanus, UAB (code 304924481, Gynėjų str. 14, Vilnius) – Director
 InMedica, UAB (codas 300011170, L. Asanavičiūtės str. 20-201, Vilnius) – Chairman of the Board
 INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member
 MBL A/S (CVR-no 12825242) – Member of the Board
 MBL Poland Sp. z.o.o. (ul. Sulejowskiej 45d, 97-300 Piotrków Trybunalski, Polska, KRS 0000065219) – Member of the Supervisory Board
 Reneso, UAB (code 302941941, Gynėjų str. 14, Vilnius) – Director
 Sugrasta, MB (code 305287386, Pranapolio str. 11, Vilnius) – Director
 Eglės sanatorija, UAB (code 301026531, Eglės str. 1, Druskininkai) – Chairman of the Board
 MiniVet Holding, UAB (code 306127331, Gynėjų str. 14, Vilnius) – Member of the Board
 UTIB BSGF Salt Invest (code 306193648, Gynėjų str. 14, Vilnius) – fund manager
 BSGF Salt, UAB (code 306193153, Gynėjų str. 14, Vilnius) – Director
 Bališkių individualių gyvenamųjų namų statybos bendrija (code 300027032, Pranapolio str. 11, Vilnius) – Chairman of the association



Asta Jovaišienė – Member of the Board of the Management Company since 30 April 2024
Main workplace – FMI INVL Financial Advisors, UAB (code 304049332, Gynėjų str. 14, Vilnius)
 Head of INVL Family Office, Member of the Board

Educational background and qualifications

In 2007 Vilnius university, Bachelor's degree in Economics
 In 2009 Vilnius university, Master's degree in Economics

Work experience

2013 – 2015 Bank of Finasta, AB - Head of Welfare Management Department, Welfare Manager
 2011 – 2015 Bank of Finasta, AB – Welfare Manager
 2006 – 2011 FMI Finasta (currently FMI INVL Financial Advisors, UAB) – investment consultant

Owned amount of shares in INVL Baltic Real Estate

500 units of shares

Participation in other companies

IPAS INVL Asset Management (code 40003605043, Elizabetes iela 10B-1, Riga, Latvia) – Member of the Supervisory Board
 AS INVL atklātais pensiju fonds (code 40003377918, Elizabetes iela 10B-1, Riga, Latvia) – Member of the Supervisory Board
 Lithuanian Association of Family Asset Managers (code 306720940, Palangos str. 4-101, Vilnius) - Chairman of the Board



Vytautas Plunksnis – Member of the Board of the Management company
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius)
 Head of Private Equity

Educational background and qualifications

In 2001 Graduated the studies in economics at Kaunas University of Technology, gained Bachelor's degree in Management.
 Financial broker's licence (General) No. G091.

Work experience

Since 2016 - INVL Asset Management, UAB, Head of Private Equity Funds
 2009 – 2015 Fund Manager at Invalda INVL, AB
 2006 – 2009 Finasta Asset Management, UAB – analyst, fund manager, strategic analyst
 2004 ELTA redactor (business news)
 2002 – 2004 Baltic News Service business journalist

Owned amount of shares in INVL Baltic Real Estate

1,000 units of shares

Participation in other companies

INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member, Partner
 INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Private Equity Fund II – Investment Committee Member
 Eco Baltia AS (Maskavas str. 240-3, Rīga, Latvia 40103435432) – Chairman of the Supervisory Board
 Eco Baltic vide, SIA (code 40003309841, Ropažu nov., Stopiņu pag., Rumbula, Getliņu iela 5) – Member of the Supervisory Board
 Ecoservice, UAB (code 123044722, Dunojaus str. 29, Vilnius) – Chairman of the Board

B2Y, SIA (code 40103243404, Maskavas iela 322A, Rīga) – Chairman of the Board
 INVL Technology (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee
 Norway Registers Development AS (code 985 221 405 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board
 NRD Systems, UAB (code 111647812, Gynėjų str. 14, Vilnius) – Member of the Board
 NRD CS, UAB (code 303115085, Gynėjų str. 14, Vilnius) – Member of the Board
 Novian Systems, UAB (code 125774645, Gynėjų str. 14, Vilnius) – Chairman of the Board
 NRD Companies AS (code 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board
 BC Moldova-Agroindbank SA (MAIB) (code 1002600003778, Constantin Tănase str. 9/1, Chisinau, Moldova) – Chairman of the Supervisory Board
 Investuotoju Asociacija (code 302351517, Konstitucijos av. 23, Vilnius) – Chairman of the Board
 Metal-Plast Sp. z o.o. (code 0001007622, Brzozie Lubawskie 95b, 13-306 Kurzężnik, Warmińsko-Mazurskie, Poland) – Member of the Supervisory Board



Paulius Žurauskas – General Manager of the Management Company since 1 December 2023

Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius)
 General Manager

Educational background and qualifications

In 2006 Vilnius University, Master's degree in Banking (Economist qualification), Faculty of Economics
 In 2004 Vilnius University, Bachelor's degree in Economics

Work experience

2019 – 2023 Luminor Bank AS Lithuanian branch – Head of Markets in the Baltics
 2012 – 2014 AB SEB Banka – Head of Markets
 2005 – 2019 SEB Bankas, AB – dealer, Head of sales department of financial instruments, Head of the capital markets department in the Baltics
 2004 – 2005 FMI Finasta, AB – Financial broker

Owned amount of shares in INVL Baltic Real Estate

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Participation in other companies

IPAS INVL Asset Management (code 40003605043, Elizabetes iela 10B-1, Rīga, Latvia) – Member of the Supervisory Board
 AS INVL atklātais pensiju fonds (code 40003377918, Elizabetes iela 10B-1, Rīga, Latvia) – Member of the Supervisory Board
 FMI INVL Financial Advisors, UAB (code 304049332, Gynėjų str. 14, Vilnius) – Member of the Board



Vytautas Bakšinskas – Chairman of the Investment Committee

Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Real estate fund manager

Work experience

Since 2 January 2017 – Real Estate Fund Manager at INVL Asset Management
 2016 – December 2016 – director at Dizaino institutas, UAB
 2016 – December 2016 – director at Variagis, UAB
 2014 – December 2016 – director at Riešės investicija, UAB
 2013 – December 2016 – director at Dipolio valda, UAB

2013 – December 2016 – director at Tripolio valda, UAB
 2013 – December 2016 – director at Paralelių valda, UAB
 2013 – December 2016 – director at Etanija, UAB
 2012 – December 2016 – director at Justiniškių valda, UAB
 2011 – December 2016 – head of Lease department at Inreal valdymas, UAB
 June 2015 – January 2016 – director at Elniakampio namai, UAB
 March 2014 – June 2016 – director at Akvilas, UAB
 March 2014 – July 2015 – director at Aikstentis, UAB
 March 2014 – July 2015 – director at Trakų kelias, UAB
 January 2013 – February 2013 – project manager at Naujoji švara, UAB
 April 2010 – February 2013 – project manager at Sago, UAB
 November 2008 – August 2011 – project manager at Inreal valdymas, UAB
 January 2007 – October 2009 – assistant project manager at at Inreal valdymas, UAB

Owned amount of shares in INVL Baltic Real Estate

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Participation in other companies

Proprietas, UAB (code 303252098, Gynėjų str. 14, Vilnius) – director
 Rovelija, UAB (code 302575846, Gynėjų str. 14, Vilnius) – director
 Pramogų bankas, AB (code 300044665, A. Stulginskio str. 8, Vilnius) – director, Chairman of the Board



Andrius Daukšas – Member of the Investment Committee

Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius)
 Investment manager

Educational background and qualifications

Master's degree in banking at the Faculty of Economics of Vilnius University.
 Financial broker's license (general) No. G311

Work experience

Since December 2016 – Investment Manager at INVL Asset Management
 January 2016 – December 2016 – deputy director at INVL Baltic Real Estate
 December 2014 - January 2016 – director at INVL Baltic Real Estate
 March 2010 – December 2016 - investment manager at Invalda INVL
 2008 – 2010 - director of the Treasury Department of the bank Finasta
 2004 – 2008 - an accountant, later - the department manager of securities accounting at FBC Finasta

Owned amount of shares in INVL Baltic Real Estate

29,219 units of shares

Participation in other companies

IPPG, UAB (code 301673796, Gynėjų str. 14, Vilnius) - Director
 Vernitas, AB (code 193052526, Stoties str. 16, Marijampolė) - Member of the Supervisory Board
 Pramogų bankas, AB (code 300044665, A. Stulginskio str. 8, Vilnius) – Member of the Board

Power of the General Shareholders Meeting and convocation procedure of the General Shareholders Meetings of the Company, also the description of rights and obligations of the Management Company of INVL Baltic Real Estate and objectives and functions of the Investment Committee during the reporting period wasn't any different than disclosed in the Consolidated Annual Report of INVL Baltic Real Estate for the year 2023 (IV chapter 13 section „Structure, authorities, the procedure for appointment and replacement”).

A During the reporting period (starting - 1 January 2024, ending – 30 June 2024) 21 (twenty-one) Investment Committee meetings were held. The Board of the Management Company is familiarized with the agenda and related material of the Investment Committee meetings.

During the reporting period 1 (one) General Shareholders Meetings was held.

On 30 April 2024 during the General Ordinary Shareholders Meeting of the Company, the shareholders of the Company were introduced with (i) the consolidated annual report for 2023; (ii) the independent auditor's report on the financial statements and consolidated annual report of the Company; (iii) the Company's investment committee's recommendation on the draft of the profit (loss) distribution (including the formation of the reserve), participation of the Company in the reorganisation and the draft of the remuneration report. Moreover, the shareholders of the Company decided on: (i) the assent to the remuneration report of the Company, as a part of the consolidated annual report of the Company for the year 2023; (ii) approval of the consolidated and stand-alone financial statements for 2023 of the Company; (iii) profit distribution of the Company. Shareholders were also introduced with the Company's Management Company's statement on the share purchase price. The shareholders of the Company also decided on (i) the purchase of own shares of the Company; (ii) the approval of participation of the Company in the reorganisation and preparation of the terms of reorganisation; (iii) the determination of the remuneration of the Audit Committee members of the Company and were also introduced to the Report of the Audit Committee of the Company..

13. Information about the Audit Committee of the Company

The Audit Committee consists of 2 (two) independent members. The members of the Audit Committee are elected by the decision of the General Shareholders' Meeting. The members of the Audit Committee are proposed by the Management company and the shareholders of the company. The Audit Committee is elected for a four-year term of office.

The main functions of the Audit Committee are the following:

- to monitor the financial reporting process of the Company and submit recommendations on ensuring the liability of it;
- to monitor if the Management Company properly response to the audit firm's recommendations and comments;
- to monitor the effectiveness of Company's internal quality control and risk management systems, having impact on Company's financial statement, and internal audit, without prejudice to the independence of the internal audit;
- to provide opinion regarding the transactions with Company related party, according to the clause 37(2), parts 1 and 5 of the Law on Companies, provide evaluation regarding transactions, indicated in clause 37 (2), parts 11 and 12 of the Law on Companies, and perform other duties, if any, according to the procedures and conditions, approved by the Management Company of the Company, which shall be prepared by the Management Company, according to the clause 37(2), part 11 of the Law on Companies;
- to review and monitor the independence of auditors and auditors companies seeking to avoid conflict of interests;
- to submit recommendations to the General Meeting of Shareholders related to selection, appointment, repeated appointment and revocation of external audit company and terms of agreement with external audit company;
- to monitor the process of external audit.

The Audit Committee reports its activities to the Company's ordinary General Shareholders Meeting by submitting a written report on Audit Committee activities during the last financial year.

Any member of the Audit Committee should have the right to resign upon submitting 14 (fourteen) days written notice to the Management company. When the Management company receives the notice of resignation of a member of the Audit Committee and considers all circumstances related to the resignation, it may decide - either to convene an Extraordinary General Shareholders Meeting to elect new member of the Audit Committee, or to postpone the question on the election of the new member of the Audit Committee till the next General Shareholders Meeting of the Company. The new member is elected till the end of term of office of the operating Audit Committee.

During the General Shareholders Meeting of the Company, held on 29 April 2021, Danute Pranckeniene and Tomas Bubinas were re-elected to the audit committee of the Company for the term of 4 years. Both members are independent, submitted notification proving their independency.



Tomas Bubinas –
Independent Member of the Audit Committee

The term of office	Since 2021 till 2025
Educational background and qualifications	In 2005 Baltic Management Institute (BMI), Executive MBA In 2000 Association of Chartered Certified Accountants. ACCA. Fellow Member In 1997 Lithuanian Sworn Registered Auditor In 1993 Vilnius University, Msc. in Economics
Work experience	2013 – 2022 Chief Operating Officer at Biotechpharma, UAB 2010 – 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA) 2004 – 2010 CFO for Baltic countries, Teva Pharmaceuticals

2001 – 2004 m. CFO, Sicor Biotech
 1999 – 2001 Senior Manager, PricewaterhouseCoopers
 1994 – 1999 Senior Auditor, Manager, Coopers & Lybrand.

**Owned amount of shares
 in INVL Baltic Real
 Estate**

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Dangutė Pranckėnienė –
 Independent Member of the Audit Committee

The term of office

Since 2021 till 2025

**Educational
 background and
 qualifications**

In 1996 Vilnius Gediminas Technical University, Master of Business Administration.
 In 1981 Vilnius University, Master of Economics.
 The International Coach Union (ICU), professional coacher name, license No. E-51.
 Lithuanian Ministry of Finance, the auditor's name, license No. 000345.

Work experience

since 1997 the Partner at Moore Mackonis, UAB
 1996 – 1997 Audit Manager, Deloitte & Touche
 1995 – 1996 Lecturer, Vilnius Gediminas Technical University
 1982 – 1983 Lecturer, Vilnius University

**Owned amount of
 shares in INVL Baltic
 Real Estate**

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14. Information on the Issuer's payable management fee, the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Managing bodies and company providing accounting services

After the Bank of Lithuania issued the closed-ended type investment company operating license for INVL Baltic Real Estate on 22 December 2016, the rights and duties of the Board and the head of the Company are implemented by the asset management company INVL Asset Management, which took over the management of INVL Baltic Real Estate.

The management fee payable to the Management Company (hereinafter – **Management Fee**) is the remuneration for management of the assets of the Company, which shall be payable for each quarter of a calendar year. The Management Fee for a full quarter of a calendar year shall be 0.25% of the weighted average capitalisation of the Company. The Performance Fee shall be additionally paid to the Management Company under the procedure set in the Articles of Association. During the reporting period the Management fee payable to the Management Company was EUR 83 thousand.

The members of the Board and the members of the investment committee of the Management Company do not receive remuneration for these duties. They are paid the salary according to the employment contract with the Management Company.

Pursuant to Article 25 of the Law on Reporting of Companies and Groups of Companies of the Republic of Lithuania, from 2020 the Company publishes the Remuneration Report, which is available in Appendix No. 5 to the Company's Annual Consolidated Report for 2023.

During the reporting period the Members of the Board of the Management Company and the Members of the Investment Committee were paid EUR 2,580 of dividends, net of tax. There were no assets transferred, no guarantees granted, no bonuses paid, and no special pay-outs made by the Company to its managing bodies. The managing bodies were not granted with bonuses by other companies of INVL Baltic Real Estate group.

During the reporting period INVL Baltic Real Estate Group and the Company for the company providing accounting services respectively paid EUR 19 thousand and EUR 11 thousand (in 2023 respectively paid EUR 19 thousand and EUR 11 thousand).

V. OTHER INFORMATION

15. Agreements with intermediaries on public trading in securities

INVL Baltic Real Estate has signed these agreements with the following intermediaries:

- AB Siauliu bankas (Seimyniskiu str. 1A, Vilnius, Lithuania. tel. +370 5 203 2233) – the agreement on management of securities accounting, the market maker services agreement and service agreement on the payment of dividends.
- AB SEB bankas (Gedimino av. 12, Vilnius, Lithuania tel. +370 5 268 2800) – agreement on depository services.

16. Information on Issuer's branches and representative offices

INVL Baltic Real Estate has no branches or representative offices.

17. A description of the principal risks and uncertainties

During the six months of 2024 there were no significant changes from the information about the principal risks and uncertainties disclosed in the latest Consolidated annual report. For the next six months of this financial year, there aren't expecting any changes in principal risks and uncertainties rather than already disclosed in the latest annual report of the Company.

Principal risk and uncertainties of the Company are published in the web page of INVL Baltic Real Estate.

All the information is disclosed in the Company's web site section "For Investors" → "Investment risks". The link is provided <https://bre.invl.com/en/for-investors/investment-risks/>

18. Significant investments made during the reporting period

The company did not make any significant investments during the reporting period.

19. Information about significant agreements to which the Issuer is a party, which would come into force, be amended or cease to be valid if there was a change in Issuer's controlling shareholder

There are no significant agreements of the Company which would come into force, be amended or cease to be valid if there was a change in Issuer's controlling shareholder.

20. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in 16 point of explanatory notes of consolidated interim condensed financial statements for the six months ended 30 June 2024.

21. Implementation of international sanctions

Taking into account the increased geopolitical tension in the region and the European Union and its allies tightening and consolidating new sanctions and restrictive measures against the Russian Federation, the Republic of Belarus and/or related entities due to actions that harm the territorial integrity, sovereignty and independence of Ukraine, the Management Company and the Company follow the relevant information on updates of implemented sanctions and restrictive measures and promptly ensures the proper and timely implementation of sanctions and restrictive measures. The management of the Company has been transferred to the management company "INVL Asset Management" UAB. The Management company has updated and approved requirements for the Prevention of money laundering and terrorist financing and the implementation of international sanctions, which determine the procedures for the implementation of international sanctions and the persons responsible for them. Procedures related to the implementation of international sanctions are regularly reviewed and updated.

In order to ensure the proper implementation of international sanctions of the European Union, the United Nations and/or other organizations whose sanctions are implemented in the Republic of Lithuania, the Management company performs an inspection before entering into a transaction or starting a business relationship (as well as periodically during the validity of such transactions/relationships), which allows to determine whether these entities are not subject to United Nations, European Union or national sanctions.

The Company operates in the Republic of Lithuania and does not operate in sanctioned states and/or in the specified surrounding regions or states. During the reporting period sanctioned persons were not identified, the Company did not conduct activities in sanctioned countries. The Company adheres to zero tolerance regarding issues related to the risks of money laundering and terrorist financing and the implementation of international sanctions.

22. The disclosure of sustainability-related information

According to Regulation (EU) 2019/2088 of the European Parliament and Council on sustainability-related disclosures in the financial services sector (hereinafter – **SFDR**) and Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment ("Taxonomy"), the financial product must provide information in the periodic report on how and to what extent the environmental and social features are ensured (Article 8 according to the

SFDR) or information on the environmental objectives to which it contributes and a description on investments in sustainable economic activity (Article 9 according to the SFDR).

The Issuer does not promote environmental and/or social characteristics, nor it has sustainable investment as its objective and discloses information under Article 6 of SFDR. The investments underlying the Issuer do not consider the European Union criteria for environmentally sustainable economic activities.

When making investment decisions, the Company currently does not consider the principal adverse impacts of investment decisions on sustainability factors, as defined in SFDR. In the Company's assessment, the possibilities of information collection are limited.

According to the SFDR, information related to the integration of sustainability requirements in the Company's investment decisions and identification of risks related to sustainability is disclosed in the Prospectus (prepared in accordance with the provisions of the Law on Collective Investment Undertakings of the Republic of Lithuania) of the Company.

23. Information related to the compliance with the Governance Code

During the six months of 2024 there were no significant changes in principles and recommendations contained in the Governance Code rather than disclosed in the latest Consolidated annual report of the Company.

24. Information regarding transactions with related parties

According to Article 10, part 3 of the Law on Companies, the provisions of Article 37² are not applicable to the transactions concluded with a subsidiary company, if the owner of all shares is this joint-stock company. In addition, the provisions of Article 37² is not applicable when the transaction or the total amount of such transactions per financial year do not exceed 1/10 of a joint stock company whose shares are allowed to be traded on the regulated market, the value of the assets specified in the latest balance sheet. Since all transactions in the Company are either with subsidiaries or does not exceed 1/10 of its asset value, the details of such transactions are not disclosed.

Real estate fund manager of the Management Company

Vytautas Bakšinskas

INVL Asset Management