LIETUVOS BANKO
PRIEŽIŪROS TARNYBOS DIREKTORIUS

SPRENDIMAS
DĖL AB „INVL BALTIC REAL ESTATE“ AKCIJŲ EMISIJOS PROSPEKTO PATVIRTINIMO

2015 m. gruodžio 21 d. Nr. 241-237
Vilnius

Atsižvelgdamas į AB „INVL Baltic Real Estate“ 2015 m. lapkričio 27 d. prašymą patvirtinti prospektą, į tai, kad nenustatyta Lietuvos Respublikos vertybinių popierių įstatymo 9 straipsnio 9 dalyje nurodytų aplinkybių, ir vadovaudamasis Lietuvos Respublikos vertybinių popierių įstatymo 9 straipsnio 8 dalimi, 47 straipsnio 1 dalies 2 punktu ir Lietuvos banko valdybos 2012 m. kovo 15 d. nutarimo Nr. 03-67 „Dėl tam tikrų su finansų rinkos priežiūra susijusių Lietuvos banko valdybos funkcijų pavedimo vykdyti Lietuvos banko struktūriniams padaliniams“ 2 punktu, n u s p r e n d ž i u:

Patvirtinti AB „INVL Baltic Real Estate“ (juridinio asmens kodas 152105644, registruotos buveinės adresas: Gynėjų g. 14, Vilnius, Lietuvos Respublika) iki 28 773 748 naujai išleidžiamų paprastųjų vardinių akcijų (1 akcijos nominali vertė 0,29 euro, 1 akcijos emisijos kaina 0,40 euro) prospektą, skirtą viešam akcijų siūlymui ir įtraukimui į prekybą AB „NASDAQ Vilnius“ vertybinių popierių biržoje.

Prospekto patvirtinimas pažymi, kad jame pateikta informacija atitinka 2004 m. balandžio 29 d. Europos Komisijos (EB) reglamente Nr. 809/2004 (su vėlesniais jo pakeitimais ir papildymais) ir Lietuvos Respublikos vertybinių popierių įstatyme bei kituose teisės aktuose nustatytas informacijos pateikimo taisykles.

Prospekto patvirtinimas neužtikrina jame pateiktos informacijos teisingumo ir negali būti laikomas Lietuvos banko rekomendacija investuotojams.

Direktorius Vytautas Valvonis

BALTIC REAL ESTATE

LIETUVOS BANKO
PRIEŽIŪROS TARNYBA
PATVIRTINTA
20 15 m. gruodžio 21 d.
Sprendimu Nr. 241-237

INVL Baltic Real Estate AB

(incorporated in Lithuania with limited liability, corporate ID code 152105644)

Offering of up to 28,773,748 Offer Shares, with a nominal value of EUR 0.29 each and admission of up to 28,773,748 New Shares to trading on the Secondary List of Nasdaq Vilnius AB of Public Limited Liability Company INVL Baltic Real Estate

This document (the "Prospectus") has been prepared for the purpose of (i) offering (the "Offering") of up to 28,773,748 ordinary registered shares in the share capital of Public Limited Liability Company INVL Baltic Real Estate (the "Issuer" or the "Company"), with a nominal value of EUR 0.29 each (the "Offer Shares" or the "New Shares"), and (ii) admission of up to 28,773,748 New Shares of the Company to trading on the Secondary List of Nasdaq Vilnius AB ("Nasdaq"). The Issuer will be offering for subscription up to 28,773,748 New Shares. Once the capital increase of the Company will be registered with the Register of Legal Persons of the Republic of Lithuania (the "Register of Legal Persons"), the New Shares are registered with the Central Securities Depository of Lithuania (the "CSDL") and assimilated with the currently registered issue of Shares, the New Shares will be admitted to trading on Nasdaq.

The Offering consists of a public offering in Lithuania to: (i) existing shareholders of the Company as indicated in Section 1.6 *Definitions and Abbreviations* (the "Existing Shareholders"), (ii) retail investors (the "Retail Investors") and (iii) institutional investors (which term includes entities managing portfolios of securities for their clients and unincorporated organizations) (the "Institutional Investors", and together with the Retail Investors and Existing Shareholders, the "Investors"), in each case in accordance with applicable securities laws. The Offering to Institutional Investors also includes a private placement to Institutional Investors in certain jurisdictions outside of Lithuania and the United States in accordance with Regulation S under the U.S. Securities Act of 1933.

This Prospectus does not constitute an offer to buy, or the solicitation of an offer to buy, the Offer Shares to any person in any jurisdiction in which it is unlawful to make any such offer to such person. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any securities laws of any state or other jurisdiction of the United States and are not being offered or sold within the United States or to, or for the account or benefit of, US persons (for more information please see Section 1.8 *Selling Restrictions*).

The Offer Shares are being offered, as specified in this Prospectus, subject to cancellation or modification of the Offering and subject to certain other conditions.

This Prospectus constitutes a prospectus for the purposes of Article 3 of European Union (EU) Directive 2003/71/EC (the "Prospectus Directive") and has been prepared in accordance with the Law on Securities of the Republic of Lithuania (the "Law on Securities"). The Bank of Lithuania (in Lithuanian *Lietuvos bankas*, the "LB") in its capacity as the competent authority in Lithuania under the Law on Securities has approved this document as a prospectus. The Issuer will be authorised to carry out the Offering to the public in Lithuania, once the LB has approved this Prospectus and after the Prospectus has been made available to the public together with a translation of the summary into the Lithuanian language.

Although the whole text of this document should be read, the attention of persons receiving this document is drawn, in particular, to the Section headed "Risk Factors" contained in Part III of this document. All statements regarding the Group's business, financial position and prospects as well as the Offering should be viewed in light of the risk factors set out in Part III of this document.

All the Shares of the Company are currently listed on the Secondary List of Nasdaq. On 11 December 2015 the closing price of Shares in the Company on Nasdaq was EUR 0.341. No other securities are currently issued by the Company and/or admitted to trading on any regulated market. In connection with the Offering and the issuance of New Shares, based on this Prospectus the Company will apply for listing of the New Shares on the Secondary List of Nasdaq. The Issuer expects that trading in the New Shares on Nasdaq will commence till the middle of March 2016. Settlement of the Offering is expected to occur on or about 14 March 2016 (the "Settlement Date"). Prospective investors may subscribe for or purchase the Offer Shares during a period which is expected to commence on 4 January 2016 and is expected to end on 3 March 2016 (in case of Retail Investors) and is expected to commence on 4 January 2016 and is expected to end on 4 March 2015 (in case of Existing Shareholders and Institutional Investors) (the "Subscription Period"). The offer price per one Offer Share in EUR is 0.40 (the "Offer Price"). The final number of the Offer Shares, and the final number of Offer Shares allocated to each category of Investors will be determined by the Issuer, upon recommendation of the Offering Broker after completion of Subscription Period not later than on or about 7 March 2016 and will be announced in accordance with applicable Lithuanian regulations.

All the Shares of the Company (including the Offer Shares) are ordinary registered shares and are registered with the CSDL under ISIN code ISIN LT0000127151. Shareholders in the Issuer may hold the Shares through the CSDL participants, such as investment firms and custodian banks operating in Lithuania.

Offer Price: EUR 0.40

INVL Finasta UAB FMĮ (the "Lead Manager" or the "Offering Broker") is the offering broker in Lithuania for the purposes of the Offering and Admission of the New Shares on Nasdaq.

Offering Broker

FINASTA

The date of this Prospectus is 21 December 2015

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I IMPORTANT INFORMATION

Prospectus. This Prospectus has been prepared by the Company in connection with the Offering and the Admission, solely for the purpose of enabling any prospective investor to consider an investment in the Offer Shares. The information contained in the Prospectus has been provided by the Issuer and other sources identified herein. This Prospectus is a prospectus in the form of a single document within the meaning of the Prospectus Directive and the Prospectus Regulation. This Prospectus has been prepared in accordance with Annex XXV (Proportionate Schedule for Minimum Disclosure Requirements for the Share Registration Document for SMEs and companies with reduced market capitalisation) and Annex III (Minimum Disclosure Requirements for the Share Securities Note) of the Prospectus Regulation. A summary of the Prospectus contains the key information items set out in Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation.

The Issuer decided to use the proportionate schedule set out in Annex XXV of the Prospectus Regulation, following Article 26b of the Prospectus Regulation, as the Company is attributable to medium-sized enterprise. Taking into consideration that the Company has employed less than 250 employees, its consolidated annual net turnover does not exceed EUR 50,000,000 and the value of its consolidated assets recorded on the balance sheet does not exceed EUR 43,000,000 as of 31 December 2014, the Company decided to use the aforementioned Annex XXV of the Prospectus Regulation.

1.1 Responsibility for this Prospectus

Persons Responsible. The person responsible for the information provided in this Prospectus is Public Limited Liability Company INVL Baltic Real Estate, corporate ID code 152105644, with the registered office at Gynėjų str. 14, Vilnius, Lithuania. The Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and members of its Management Board – Mr. Alvydas Banys, Mr. Andrius Daukšas and Ms. Indrė Mišeikytė, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Alvydas Banys Chairman of the Management Board	Andrius Daukšas Member of the Management Board	Indrė Mišeikytė Member of the Management Board

Limitations of Liability. Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Prospectus solely on the basis of the summary of this Prospectus, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Furthermore, the Lead Manager (as defined below) and the legal advisor to the Company or to the Lead Manager expressly disclaim any liability based on the information contained in this Prospectus, the summary of this Prospectus or individual parts thereof and will not accept any responsibility for the correctness, completeness or import of such information. No information contained in this Prospectus or disseminated by the Company in connection with the Offering may be construed to constitute a warranty or representation, whether express or implied, made by the Lead Manager or the legal advisors to any parties.

Neither the Company nor the Lead Manager or the legal advisors will accept any responsibility for the information pertaining to the Offering, the Admission of the New Shares to trading on Nasdaq, the Group or its operations, where such information is disseminated or otherwise made public by third parties either in connection with this Offering or otherwise.

By participating in the Offering, investors agree that they are relying on their own examination and analysis of this Prospectus (including the financial statements of the Group which form an indispensable part of this Prospectus) and any information on the Company that is available in the public domain. Investors should also acknowledge the risk factors that may affect the outcome of such investment decision (as presented in Section III *Risk Factors*).

Investors should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus. The delivery of this Prospectus at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's (its Group's) affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

In case of a dispute related to this Prospectus or the Offering and/or Admission, the plaintiff may have to resort to the jurisdiction of the Lithuanian courts and consequently a need may arise for the plaintiff to cover relevant state fees and translation costs in respect of this Prospectus or other relevant documents.

1.2 Notice to Prospective Investors

The distribution of this Prospectus and the Offering of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions, including those set out under Section 1.8 *Selling Restrictions*. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

As a condition for the purchase of any Offer Shares in the Offering, each purchaser will be deemed to have made, or in some cases be required to make, certain representations and warranties, which will be relied upon by the Company, the Lead Manager and others. The Company reserves the right, at its sole and absolute discretion, to reject any purchase of Offer Shares that the

Company, the Lead Manager or any agents believe may give rise to a breach or a violation of any law, rule or regulation. Please see, in particular, Section 1.8 *Selling Restrictions*.

The Offer Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

1.3 Presentation of Financial and Other Information

Financial Information. This Prospectus contains incorporated by reference financial statements of and financial information relating to the Company and its Subsidiaries (the "Group").

The Group was established on 29 April 2014 by spinning-off from Invalda INVL AB the investments into entities, which business is investment into investment properties held for future development, into commercial real estate and renting thereof. After completion of the indicated spin-off, the parent of the Group was INVL Baltic Real Estate AB (code 303299735, the "Former Parent Company"). On 17 August 2015 the Former Parent Company was merged to Invaldos nekilnojamojo turto fondas AB, representing more than 90% of total assets, revenues and expenses of the consolidated Group. As a result of the Merger the Former Parent Company ceased to exist and Invaldos nekilnojamojo turto fondas AB changed its name to INVL Baltic Real Estate AB and became the parent of the Group. The reorganisation, being the legal merger only, had no impact on the consolidated financial statements of the Group, except for reclassification within shareholders' equity lines. Please refer to the Consolidated Interim Financial Information for better understanding thereof. Accordingly, it had no impact on the Group's assets, liabilities and performance measurement. Financial information that is and will be prepared by the Group for the periods after 17 August 2015 (including the Consolidated Interim Financial Information as defined below) will represent the continuation of the financial information prepared by the Group until 17 August 2015.

For the reasons above, the historical financial statements, as indicated in Section 1.5 *Information Incorporated by Reference* are incorporated to this Prospectus.

Any financial information for the nine month period, ended 30 September 2015, presented in the Prospectus is derived from the respective financials, and was neither audited nor subject to review.

Euro values for the periods earlier than 1 January 2015 are not derived from the financial statements. They represent the numbers derived from the respective financial statements and converted to EUR using official fixed conversion rate of 3.4528 for the convenience of readers. However, any financial information, expressed in EUR for the periods earlier than 1 January 2015 was neither audited nor subject to review.

Approximation of Numbers. Numerical and quantitative values in this Prospectus (e.g. monetary values, percentage values, etc.) are presented with such precision which the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented do not add up to total due to the effects of approximation. Exact numbers may be derived from the financial statements of the Group, to the extent that the relevant information is reflected therein.

Dating of Information. This Prospectus is drawn up based on information which was valid on 30 September 2015. Where not expressly indicated otherwise, all information presented in this Prospectus (including the consolidated financial information of the Company, the facts concerning Company's Subsidiaries operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than 30 September 2015, this is identified by either specifying the relevant date or by the use of expressions as "*the date of this Prospectus*", "*to date*", *"until the date hereof"* and other similar expressions, which must all be construed to mean the date of this Prospectus (21 December 2015).

Currencies. In this Prospectus, financial information for the periods after 31 December 2014 is presented in Euro (EUR), i. e. the official currency of the EU Member States participating in the Economic and Monetary Union, including in Lithuania (as from 1 January 2015). Financial information for the year 2014 is presented in Litas (LTL), which was the official currency of Lithuania until 31 December 2014. In addition, certain financial information for the year 2014 has been translated to EUR for convenience purposes only, using EUR. The exchange rate between Euro and Lithuanian Litas is fixed at LTL 3.4528 for EUR 1. Amounts originally available in other currencies have been converted to Euro as of the date for which such information is expressed to be valid.

Updates. The Company will update the information contained in this Prospectus only to such extent, at such intervals and by such means as required by applicable law or considered necessary and appropriate by the Company. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus.

Third Party Information and Market Information. With respect to certain portions of this Prospectus, some information may have been sourced from third parties, in such cases indicating the source of such information in the Prospectus. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted, which would render the reproduced information inaccurate or misleading. Certain information with respect to the markets, in which the Company and its Subsidiaries are operating, is based on the best assessment made by the Management Board. With respect to the industry, in which the Group is active, and certain jurisdictions, in which its operations are being conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant market or seek professional advice. Information on market shares represents the Management Board's views, unless specifically indicated otherwise.

If when describing certain parts of the Prospectus, the source is not indicated hereof, this shall mean that the respective information is prepared and presented by the Company itself.

Non-IFRS Financial Measures. The Company uses certain Non-IFRS financial measures, as provided in Section 1.6 *Definitions and Abbreviations* (Current ratio, Debt ratio, Debt to Equity ratio, EPS, Equity ratio, Gearing ratio, Normalized operating profit, Normalized operating profit margin, Quick ratio and ROE). Non-IFRS Financial measures used in the Prospectus are not audited.

1.4 Forward Looking Statements

This Prospectus includes forward-looking statements. Such forward-looking statements are based on current expectations and projections about future events, which are in turn made on the basis of the best judgment of the Management. Certain statements are based on the belief of the Management as well as assumptions made by and information currently available to the Management. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Group, the macro-economic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as *strategy*, *expect*, *forecast*, *plan*, *anticipate*, *believe*, *will*, *continue*, *estimate*, *intend*, *project*, *goals*, *targets* and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The validity and accuracy of any forward-looking statements are affected by the fact that the Group operates in a competitive business. This business is affected by changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Group's actual results may differ materially from the Management's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Group (please see Section III *Risk Factors* for a discussion of the risks which are identifiable and deemed material at the date hereof).

1.5 Information Incorporated by Reference

The following information is incorporated in this Prospectus by reference in accordance with Article 28 of the Prospectus Regulation:

- Group's consolidated audited financial statements for the year ended 31 December 2014 together with the consolidated annual report and the independent auditor's report (they may be found at http://www.nasdaqbaltic.com/upload/reports/inr/2014_ar_en_ltl_con_ias.pdf;
- Group's consolidated interim condensed not-audited financial statements for the nine month period ended 30 September 2015 (it may be found at http://www.nasdaqbaltic.com/upload/reports/inr/2015_q3_en_eur_con_ias.pdf);
- Articles of Association of the Company (they may be found at https://newsclient.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=681761&messageId=850571).

It is possible to get acquainted with the aforementioned documents on the websites of the Company at www.invlbalticrealestate.lt, of Nasdaq at www.nasdaqbaltic.com also on the website of the central base of regulated information of Lithuania at www.crib.lt.

Documents on Display. Throughout the lifetime of this Prospectus, the aforementioned documents, as well as (i) the executive summaries of valuation reports of immovable property of the Group, registered in Lithuania (No. 31554 VAT_2015 MKA VHAN, No. 31501 VAT_2015 GDR VHAN, No. 31386 VAT_2015 DGR VHAN, No. 31411 VAT_2015 DGR VHAN, No. 31442 VAT_2015 ALA VHAN, No. 31521 VAT_2015 ADI VHAN), prepared by an asset appraiser Ober-Haus Nekilnojamas Turtas UAB (code 111645042, registered at Geležinio Vilko str. 18A, Vilnius, Lithuania, qualification certificate of the asset appraiser's company No. 000112, issued on 1 August 2012) and (ii) the executive summary of valuation report of immovable property of the Group, registered in Latvia No. 02-1938/2015, prepared by an asset appraiser Ober Haus Vertesanas Serviss SIA (code 4003411495, registered at Ropazu iela 10, Riga, Latvia, qualification certificate of the immovable property appraiser's company No. 5, issued on 4 September 2008, certificate valid till 4 September 2018), which are attached to this Prospectus (for more information please see Section 4.22 *Third Party Information and Statement by Experts and Declarations of any Interest*) may also be inspected at the head office of the Company located at Gynėjų str. 14, Vilnius, Lithuania, and at the head office of the Lead Manager at the address Gynėjų str. 14, Vilnius, Lithuania. Any interested party may obtain a copy of these documents from the Company without charge.

1.6 Definitions and Abbreviations

In this Prospectus, the definitions in capital letters will have the meaning indicated below unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of more importance. Other definitions may be defined elsewhere in the Prospectus.

Admission	Admission of the New Shares to trading on Nasdaq
Allotment Date	Date on which the Offer Shares will be allocated to Investors
Articles of Association	Articles of Association of the Company
Audit Committee	Audit Committee of the Company

Offer Shares or New Shares	Up to 28,773,748 Shares of the Company, to be issued by the Company based on the decision of the Extraordinary General Meeting of 28 October 2015, which will be offered to the Investors during the Offering
Class A office	The Building Owners and Managers Association (BOMA) definition for the most prestigious buildings competing for premier office users with rents above average for the area. Class A office buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence
Class B office	The Building Owners and Managers Association (BOMA) definition for buildings competing for a wide range of users with rents in the average range for the area. Class B building finishes are fair to good for the area and systems are adequate, but the building does not compete with Class A at the same price
Company or Issuer	INVL Baltic Real Estate AB (former name Invalda nekilnojamojo turto fondas AB), a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 152105644, with its registered address at Gynėjų str. 14, Vilnius, Republic of Lithuania, which following the reorganisation as indicated in Section 4.3.1 *History and Development of the Group* has taken over of all the assets, rights and obligations of the Former Parent Company, the New Shares of which are offered under the terms and conditions of this Prospectus
CSDL	Central Securities Depository of Lithuania
Current ratio	Current assets / Current liabilities. The current ratio is a liquidity ratio that measures an entity's ability to pay short-term and long-term obligations
Debt ratio	Total liabilities / Total assets. A financial ratio that measures the extent of an entity's or consumer's leverage. It can be interpreted as the proportion of a company's assets that are financed by debt
Debt to Equity ratio	Total liabilities / Shareholders' equity. The Debt to Equity ratio indicates how much debt an entity is using to finance its assets relative to the amount of value represented in shareholders' equity
EPS	Basic earnings per share have been calculated by dividing net profit for the period attributable to equity shareholders of the parent by the weighted average number of ordinary shares of the Company. In the calculation the number of currently issued 43,226,252 ordinary Shares was used
Equity ratio	Total equity / Total assets. Equity ratio is a measure of financial leverage which highlights the ratio of shareholders' equity to total assets. The analysis of the Group's financial leverage (or capital structure) is essential to evaluate its long-term risk and return prospects
EU	European Union
EUR, €, Euro	The lawful currency of the European Union Member States that adopted the single currency, including Lithuania
Existing Shareholders	The shareholders of the Company, which will hold its Shares at the close of 31 December 2015
Former Parent Company	INVL Baltic Real Estate AB, which existed before the Merger to Invalda nekilnojamojo turto fondas AB (currently, the Company), which was finalised on 17 August 2015 and which ceased to exist after Merger to the Company
General Meeting	General Meeting of Shareholders of the Company
Gearing ratio	Net debt / (Net debt + Total equity). Net debt = Total borrowings – Cash and cash equivalents. Gearing ratio is analysis ratio of a level of long-term debt compared to equity capital
Group	Company and all its Subsidiaries collectively
IAS	International Accounting Standards as adopted by the European Union
IFRS	International Financial Reporting Standards as adopted by the European Union
IFRS Financial Statements	Group's consolidated audited financial statements for the year ended 31 December 2014 together with the annual report and independent auditor's report on the financial statements and on the annual report
Institutional Investors	Investors, invited by the Offering Broker to make subscriptions as to the acquisition of the Offer Shares under the terms and conditions of this Prospectus, i.e. (i) entities managing securities portfolios on a discretionary basis, acting on behalf of persons whose accounts they manage and for whom they intend to acquire the Offer Shares, (ii) legal persons and organisational units without legal personality with a registered office outside the Republic of Lithuania (except in the United States of America) who are non-U.S. persons within the meaning of Regulation S
Consolidated Interim Financial Information	Group's consolidated interim condensed not-audited financial statements for the nine month period ended 30 September 2015, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting"
Investors	Institutional Investors collectively with the Retail Investors and the Existing Shareholders
Key Executives	The Manager (Director), Deputy Director and Chairman of the Boards of DOMMO grupa SIA and DOMMO biznesa parks SIA collectively
Law on Collective Investment Undertakings	Law on Collective Investment Undertakings of the Republic of Lithuania (as amended from time to time)

Law on Companies	Law on Companies of the Republic of Lithuania (as amended from time to time)
Law on Securities	Law on Securities of the Republic of Lithuania (as amended from time to time)
LB	The Bank of Lithuania
Lead Manager or Offering Broker	INVL Finasta UAB FMĮ, a private limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 304049332, with its registered address at Gynėjų str. 14, Vilnius, the Republic of Lithuania
Listing Date	First day of trading in the New Shares on Nasdaq
Major Shareholders	The Company's major shareholders LJB Investments UAB, Irena Ona Mišeikienė, Invalda INVL AB, Lucrum investicija UAB and Alvydas Banys as indicated in Section 4.16 *Major Shareholders*
Management	The Management Board and Key Executives of the Company
Management Board	Management Board of the Company
Manager	Manager of the Company (Director)
Member State	A Member State of the European Economic Area
Merger	The merger of the Former Parent Company to the Company under the Terms of Reorganisation of the Former Parent Company and the Company of 30 June 2015, approved by the general meeting of shareholders of the Former Parent Company, dated 10 August 2015 and by the sole shareholder of the Company on 10 August 2015, which was finalised on 17 August 2015
MiFID	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (as amended from time to time)
N/A	'not applicable'
Nasdaq	Nasdaq Vilnius AB (Vilnius stock exchange), a public limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 110057488, with its registered address at Konstitucijos ave. 29, Vilnius, the Republic of Lithuania
Nasdaq Corporate Governance Code	Corporate Governance Code for the Companies Listed on Nasdaq (as amended from time to time)
NNN Lease	Triple Net Lease – a lease agreement that designates the lessee (the tenant) as being solely responsible for all of the costs relating to the asset being leased in addition to the rent fee applied under the lease
Normalized operating profit	Operating profit excluding interest income, net gains (losses) from fair value adjustments on investment property and other income
Normalized operating profit margin	Normalized operating profit / Revenue. The normalized operating profit margin measures the ratio of operating and sales revenue, providing information about the Group's profitability from the operations of its business and is independent both of the Group's financing and tax items
Offering	The offering of the Offer Shares based on this Prospectus
Offer Price	The price per each Offer Share, indicated in this Prospectus, which all the Offer Shares will be subscribed for by the Investors in accordance with the terms and conditions of the Offering, i.e. EUR 0.40
Placement Agreement	The agreement concluded on 7 December 2015 between the Company and the Lead Manager related to the Offering
Prospectus	This document, prepared for the purpose of the Offering and the Admission, its annex and all the supplements (if any)
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended from time to time)
Prospectus Regulation	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended from time to time)
Quick ratio	Current assets excluding inventories, current loans granted, prepayments and deferred charges, restricted cash / Current liabilities. The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets
Register of Legal Persons	Register of Legal Persons of the Republic of Lithuania
Related Parties	As defined in International Accounting Standard 24 *Related Party Disclosures*
Retail Investors	Individuals and corporate entities (legal persons) and non-corporate entities other than individuals, not being the Institutional Investors and the Existing Shareholders, who intend to purchase Offer Shares in the Offering
ROE	Net profit / Total equity. Return on equity excludes debt in the denominator and compares net profit for the period with total shareholders' equity. It measures the rate of return on shareholders'

	investment and is, therefore, useful in comparing the profitability of the Group with its competitors
Section	A section of this Prospectus
Settlement Date	The date of settlement of payments by the Investors
Shares	Any ordinary registered shares of the Company with the nominal value of EUR 0.29 each issued and outstanding at any time
Subscription Period	The period during which the Investors may submit orders for the subscription of the Offer Shares in accordance with the terms and conditions of this Prospectus
Subsidiaries	Subsidiaries of the Company Rovelija UAB, DOMMO grupa SIA, Perspektyvi veikla UAB, Proprietas UAB, DOMMO biznesa parks SIA, DOMMO SIA and DBP Invest SIA collectively
Summary	The summary of this Prospectus
Takeover Directive	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (as amended from time to time)
USD, $, US$ or U.S. Dollars	The lawful currency of the United States of America
VAT	The value added tax applicable in the Republic of Lithuania

1.7 Use of this Prospectus

This Prospectus is prepared solely for the purposes of the Offering of the Offer Shares and the Admission thereof to trading on Nasdaq; it may not be construed as a warranty or a representation to any person not participating or not eligible to participate in the Offering or trade in the Shares. No public offering of the Shares is conducted in any jurisdiction other than Lithuania and consequently the dissemination of this Prospectus in other countries may be restricted or prohibited by law. The Prospectus cannot be used for any purpose other than for informational. Prior to making a decision to participate or refrain from participating in the Offering or to conduct any trading activities with the Shares on Nasdaq the prospective investors should read this document. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this document, including the risks involved. It is forbidden to copy, reproduce (other than for private and non-commercial use) or disseminate this Prospectus without express written permission from the Company.

1.8 Selling Restrictions

This Prospectus constitutes a prospectus within the meaning of the Prospectus Directive and the Law on Securities (which transposed the Prospectus Directive into the Lithuanian law), for the purpose of giving the information with regard to the Company and the Shares it intends to offer pursuant to this Prospectus, which is necessary to enable prospective Investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

This Prospectus constitutes a prospectus in the form of a single document within the meaning of Article 5.3 of the Prospectus Directive and Article 6 of the Law on Securities. This Prospectus has been filed with, and was approved by the LB, which is the competent authority in Lithuania to approve this document as a prospectus.

No Public Offering outside Lithuania

This Prospectus has been prepared on the basis that there will be no offers of the Offer Shares, other than the Offering to the public in the territory of Lithuania in accordance with the Prospectus Directive, as implemented in Lithuania. Accordingly, any person making or intending to make any offering, resale or other transfer within the EEA, other than in Lithuania, of the Offer Shares may only do so in circumstances under which no obligation arises for the Company or the Lead Manager to produce an approved prospectus or other offering circular for such offering. Neither the Company nor the Lead Manager have authorized, nor will any of them authorize, the making of any offer of the Offer Shares through any financial intermediary, other than public Offering in Lithuania made by the Lead Manager under this Prospectus.

No action has been or will be taken by the Company or the Lead Manager in any jurisdiction other than Lithuania that would permit any offering of the Offer Shares, or the possession or distribution of this Prospectus or any other offering material relating to the Company or the Shares in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction.

The distribution of this Prospectus and the Offering in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions on the distribution of this Prospectus and the Offering, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. This Prospectus does not constitute an offer to subscribe for or buy any of the Offer Shares offered hereby to any person in any jurisdiction other than Lithuania.

European Economic Area

This Prospectus has been approved by the LB, being the competent authority in Lithuania. However, in relation to each member state of the EEA (other than Lithuania) which has implemented the Prospectus Directive (each, a “Relevant Member State”), the Lead Manager has represented and agreed that it has not made and will not make any offer of Shares in that Relevant Member State prior to that Relevant Member State’s competent authority receiving a certificate of approval of the LB attesting that the Prospectus has been drawn up in accordance with the Law on Securities together with a copy of the Prospectus accompanied, if applicable, by a translation of the summary produced under the responsibility of the Company and the due publication of the Prospectus in accordance with that Relevant Member State’s applicable rules.

United States

The Offer Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the US Securities Act.

The Lead Manager has agreed that it will not offer, sell or deliver the Offer Shares within the United States or to, or for the account or benefit of, US persons and that it will have sent to each dealer to which it sells Offer Shares during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Offer Shares within the United States or to, or for the account or benefit of, US persons.

This Prospectus has been prepared by the Company for use in connection with the public offer and sale of the Offer Shares in Lithuania only and for the Admission of the New Shares to trading on Nasdaq. The Company and the Lead Manager reserve the right to reject any offer to purchase the Offer Shares, in whole or in part, for any reason.

Canada

This Prospectus is not, and under no circumstances is to be construed as, a Prospectus, an advertisement or a public or private offering of the securities described herein in any province or territory of Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offence.

Japan

The Shares have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended), and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (which term as used herein includes any corporation or other entity organized under the laws of Japan), or to others for offering or sale, directly or indirectly, in Japan or to, or for the account of, any resident of Japan.

II SUMMARY

This Summary is made up of disclosure requirements known as "Elements" in accordance with the Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation. These elements are numbered in Sections A – E (A.1 – E.7) below. This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention of 'not applicable'. In this Summary, the definitions in capital letters will have the meanings, as indicated in Section 1.6 *Definitions and Abbreviations*.

Section A — Introduction and warnings

Ele-ment	*Title*	*Disclosure*
A.1	Introduction and warnings	This Summary is not the prospectus for the public Offering of the Offer Shares and the listing (Admission) of the Company's New Shares and should be read merely as an introduction to the same. This Summary presents the facts and circumstances that the Company considers important with respect to the Company's business and the public Offering of the Company's Offer Shares and is a summary of certain information appearing in more detail elsewhere in the Prospectus. Any decision to participate in the Offering and invest in the Company's Shares should be based by each investor on the Prospectus (including any amendments or supplements thereto) as a whole and not merely on this Summary. Prospective investors are cautioned that where a claim relating to the information contained in the Prospectus (or this Summary) is brought before a court, the plaintiff investor might, under the national legislation of the relevant state, have to bear the costs of translating the entire Prospectus before court proceedings are initiated. The Company accepts civil liability in respect of this Summary (including any translation hereof) solely in the case where this Summary is found to be misleading, inaccurate or inconsistent when read together with the Prospectus as a whole or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2		Not applicable. This Prospectus was prepared solely for the purposes of the Offering and Admission, as described herein. Thus, it may not be used for subsequent resale and/or final placement of securities by financial intermediaries.

Section B — Issuer

Ele-ment	*Title*	*Disclosure*
B.1	Legal and commercial name	Public limited liability company "INVL Baltic Real Estate" and INVL Baltic Real Estate AB respectively, which continues following completion of the Merger on 17 August 2015 and which took over all the assets, rights and liabilities of the Former Parent Company.
B.2	Domicile / legal form / legislation / country of incorporation	The Issuer is a public limited liability company with its registered address at Gynėjų str. 14, Vilnius, Lithuania. The Issuer is incorporated and operates under the laws of the Republic of Lithuania.
B.3	Key factors regarding current operations, principal activities, categories of products sold and services performed. Principal markets	**Principal activities and markets** The Company acts as an investment subject and seeks to invest funds solely for capital appreciation and investment income. The Company invests in income generating commercial and mixed use real estate objects in the Baltic States directly or through its Subsidiaries. The Company seeks to generate and grow long-term cash flows and to enhance capital values by way of focussed asset management and strategic acquisitions with the intention of creating value for its shareholders. Almost all objects in the portfolio of the Company have further development prospects. The Company looks for new acquisitions and seeks to improve structure of its investment portfolio. The largest and key investments of the Group currently are investments into real estate objects in Lithuania and Latvia: 1. IBC class A and B business centers at Šeimyniškių str. 1a/ Šeimyniškių str. 3/ A.Juozapavičiaus str. 6/ Slucko str. 2 in Vilnius, Lithuania (owned by the Company). 2. Office building at Palangos str. 4/Vilniaus str. 33, Vilnius, Lithuania (owned by the Company). 3. Žygio Business Center – office building at J. Galvydžio str. 7 / Žygio str. 97, Vilnius, Lithuania (owned by the Company). 4. Office and logistics building at Kirtimų str. 33, Vilnius, Lithuania (owned by the Company). 5. Dommo Business Park manufacturing/warehouse and office premises complex in Latvia (owned by SIA DOMMO Group SIA and DOMMO Biznesa Parks SIA). 6. Residential house at Kalvarijų str. 11, Vilnius, Lithuania (owned by Rovelija UAB). 7. Vilniaus vartai complex at Gynėjų str. 14, Vilnius, Lithuania (owned by the Company). In the nearest future there are plans to apply to the LB for issuance of the licence of the closed-end investment company. Upon issuance of this licence the Company will become similar to

		investment fund, investing in income generating commercial and mixed use real estate objects. **Real estate market overview** The Baltic real estate market recovered from the financial crisis with doubled transaction volumes in 2013 in both Latvia and Lithuania, compared to 2012. The investment market remained active in the Baltics in 2014, with 12% of volume growth recorded year over year. Growing demand has encouraged developers to start new significant commercial and residential projects. Improvement in retail turnovers stimulated the development of logistics and retail projects. Furthermore, activities on some previously frozen projects were resumed1.
B.4a	Significant recent trends affecting the Issuer and the industry	**Office Market in Lithuania** It is expected that during 2015-2017 Vilnius office market will increase by approx. 200,000 sq. m of modern office space. Vacancy rates in modern office buildings, especially in central business district, are very low at the moment and will remain low until several new large projects are completed[1]. High demand for quality premises in B class office segment has forced vacancy in this segment to move down at a very quick pace. In 2014 Q2 the average vacancy rate in B class offices stood at around 7% and in Q2 2015 it decreased down to 1.7%. Decreasing vacancy rate in B class properties has led to the situation that recently two new B class projects near central business district of Vilnius started its construction in 2015 (~28,000 sq. m). Rent rates for both A class and B class existing properties increased a bit in Q2 2015. C class office segment still experiences high vacancy and low rent rates but the demand is still generated by the companies which are less sensitive to location, prestige and level of additional services. New buildings coming to the market quarter-by-quarter are asking for a bit higher rent rate, including paid parking lots and charges related to NNN Lease such as real estate tax, insurance and maintenance. Moreover, with the opening of new buildings the old ones (especially in the prime segment) will be forced to face the competition. It is likely that some of the older buildings will not further meet A class standards. Thus, they will be pushed down to B class segment[1]. **Logistics Market in Lithuania** The supply of industrial and warehousing facilities will remain limited to built-to-suit or early pre-lease projects. However, the trend of developing speculative warehouses is coming back to European and Lithuanian markets. Yet the recent survey concluded that banks in the Baltics are still not willing to finance commercial projects that do not have pre-lease agreements. Vacancy of modern warehousing premises in largest cities currently is very low and companies looking for larger premises size 5,000-8,000 sq. m face the lack of supply. Although there are a few new projects under construction at the moment, it is forecasted that the overall vacancy in the warehousing market will remain low for a while as new projects are usually built-to-suit or are leased before launching. Vacancy could increase noticeably in 2016-2017, if any of the large companies occupying large spaces in current warehouses build their own built-to-suit projects[2]. **Office Market in Latvia** While anticipated project for 2015 is scarce, development activity is expected to improve in 2016. Upper bounds of rent rates are expected to remain stable in 2015, while lower bounds could slightly increase. Colliers International analysts anticipate a decrease in total vacancy figures, especially in the B1 class segment. Demand for office premises over 1,000 sq. m will continue to be stable in 2015. The focus has returned to Skanstes Street area in Riga, marked by interest in both land properties and existing buildings. The area is expected to see further development in upcoming years[3]. **Logistics Market in Latvia** The current vast planned project pipeline will begin to materialize as soon as tenants ready to engage in prelease contracts are found. Most projects expected to arrive on the market in 2015 are leased out, so a major increase in vacancy is not expected. Rent rates are expected to

[1] Newsec Inside Vilnius Office Market Q3 2015, published on November 23, 2015 (http://www.newsec.lv/wp-content/uploads/2015/11/Inside-Vilnius-office-market-Q3-2015.pdf).
[2] Newsec Property Outlook Autumn 2015, published on 17 September 2015 (http://www.newsec.lt/wp-content/uploads/2015/09/NPO_Autumn_2015_med_omslag.pdf).
[3] Colliers International HY2015 Office Market Review Latvia (http://www.colliers.com/en-lv/latvia/insights/2015_reports_news/hy2015_office_market_overview).

remain stable in terms of their upper bounds, although a minor decrease of lower bounds might be expected[4].

The Issuer also confirms that as from the date of announcement of the last financial statements, no significant negative changes took place, related to the perspective of the Issuer.

B.5 — **Group description. Position of the Company within the Group**

The Issuer does not belong to the group of companies as it is described in the applicable Lithuanian laws, i.e. the Issuer is not controlled by any persons, as it is indicated in the Law on Companies – none of shareholders of the Company has shares thereof, entitling to more than 1/2 of votes in the General Meeting.

The Company together with the Subsidiaries form a Group of companies, as indicated below.

Company	Registration country	as at the date of the Prospectus Share of the stock held by the Group (%)
Rovelija UAB	Lithuania	100
DOMMO grupa SIA	Latvia	100
Perspektyvi veikla UAB	Lithuania	100
Proprietas UAB	Lithuania	100
DOMMO biznesa parks SIA*	Latvia	100
DOMMO SIA*	Latvia	100
DBP Invest SIA*	Latvia	100

** Indirectly owned Subsidiaries*

B.6 — **Persons, directly or indirectly, having interest in the Company's capital or voting rights notifiable under Lithuanian law and the amount of such interest. Voting rights of major shareholders. Direct or indirect control of the Company**

On the day of this Prospectus the authorised capital of the Company is EUR 12,535,613.08 and is divided into 43,226,252 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.

In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus:

Shareholder	Directly owned shares and votes	Percentage owned directly, %	Percentage owned indirectly, %	Total, %
LJB Investments UAB	13,158,474	30.44	0	33.44
Irena Ona Mišeikienė	12,492,979	28.90	0	28.90
Invalda INVL AB	5,509,415	12.75	0	12.75
Lucrum investicija UAB	3,524,371	8.15	2.0(*)	10.15
Alvydas Banys	3,318,198	7.68	32.44(**)	40.12
Darius Šulnis	0	0	10.15(***)	10.15
Indrė Mišeikytė	862,873	2.00	38.12(****)	40.12
Andrius Daukšas	0	0	40.12(*****)	40.12

Source: the Company

** Lucrum investicija UAB has 2.00% of votes according to a repurchase agreement.*

*** According to Part 6 of Paragraph 1 of Article 26 and Paragraph 2 of Article 26 of the Law on Securities, it is considered that Alvydas Banys has votes of LJB Investments UAB, a company controlled by him, and Indrė Mišeikytė, member of the Management Board of the Company.*

**** According to Part 6 of Paragraph 1 of Article 26 of the Law on Securities, it is considered that Darius Šulnis has votes of Lucrum investicija UAB, a company controlled by him.*

***** According to Paragraph 2 of Article 26 of the Law on Securities, it is considered that Indrė Mišeikytė has votes of Alvydas Banys, member of the Management Board of the Company.*

****** According to Paragraph 2 of Article 26 of the Law on Securities, it is considered that Andrius Daukšas has votes of Alvydas Banys and Indrė Mišeikytė, members of the Management Board of the Company. Andrius Daukšas is a member of the Management Board of the Company until 4 January 2016.*

No Shareholders' Agreements are in effect in the Company or its Subsidiaries.

Apart from the information, indicated in this Section, the Company has no information about any other possible control over the Issuer.

B.7 — **Selected historical key financial information. Narrative description of significant change to the Company's financial**

The Group was established on 29 April 2014 by spinning-off from Invalda INVL AB the investments into entities, which business is investment into investment properties held for future development, into commercial real estate and renting thereof.

Selected financial information for the periods ended 31 December 2014 for convenience purposes is converted from Litas (LTL) to Euro (EUR) at official exchange rate of LTL 3.4528 to EUR 1.

The following tables disclose selected financial information of the Group (EUR thousand) for the year ended 31 December 2014 and for the nine months period ended 30 September 2015 and

[4] Colliers International HY2015 Industrial Market Review Latvia (http://www.colliers.com/en-lv/latvia/insights/2015_reports_news/hy2015_industrial_market_review).

	condition and operating results subsequent to the period covered by selected historical key financial information	30 September 2014 that is extracted without material adjustment from the IFRS Financial Statements and Consolidated Interim Financial Information as well as key ratios and indicators. The ratios and indicators set in the table below are provided to illustrate certain aspects of the business of the Group and its financial performance. Some of these ratios and indicators are used by the Management to evaluate the performance of the Group, while others are provided for the benefit of possible investors into the Company. These ratios and indicators are not calculated in accordance with the IFRS, but they are calculated based on the data extracted from the IFRS Financial Statements. The Management believes that the ratios and indicators set forth below are customary and often used by public companies to illustrate their business and financial performance.

	As at 30 September 2015	**As at 31 December 2014**
ASSETS		
Investment properties	41,935	33,848
Other non-current assets	1,153	4,979
Current assets	1,786	781
Total assets	**44,874**	**39,608**
EQUITY AND LIABILITIES		
Total equity	**16,361**	**14,491**
Non-current borrowings	21,822	19,432
Deferred income tax liability	3,667	3,567
Other non-current liabilities	672	593
Current borrowings and current portion of non-current borrowings	1,539	1,068
Other current liabilities	813	457
Total liabilities	**28,513**	**25,117**
Total equity and liabilities	**44,874**	**39,608**

Source: IFRS Financial Statements, Consolidated Interim Financial Information, the Company

	1 January 2015 – 30 September 2015	**29 April 2014 – 30 September 2014**	**29 April 2014 – 31 December 2014**
Revenue	4,156	2,112	3,512
Operating profit	2,496	516	882
Profit for the reporting period before tax	1,984	299	499
Net profit for the reporting period	1,870	261	432

Source: IFRS Financial Statements, Consolidated Interim Financial Information, the Company

	1 January 2015 – 30 September 2015	**29 April 2014 – 30 September 2014**	**29 April 2014 – 31 December 2014**
Net cash flows from (to) operating activities	1,036	359	868
Net cash flows from (to) investing activities	(2,932)	67	131
Net cash flows from (to) from financial activities	2,348	(226)	(641)
Net (decrease) increase in cash and cash equivalents	452	200	358

Source: IFRS Financial Statements, Consolidated Interim Financial Information, the Company

	1 January 2015 – 30 September 2015	**29 April 2014 – 30 September 2014**	**29 April 2014 – 31 December 2014**
Earnings per share (EPS), EUR	0.04	0.01	0.01
Normalized operating profit	1,087[5]	432[6]	704[7]
Normalized operating profit margin, %	26%	20%	20%
Net profit for the period margin (%)	45%	12%	12%
Return on equity (ROE), %	11%	2%	3%
Gearing ratio, %	58%	59%	58%
Equity ratio, %	36%	36%	37%

Source: the Company

[5] 2,496 (operating profit) – 285 (interest income) – 1,124 (other income) = 1,087.
[6] 516 (operating profit) – 85 (interest income) – (3) (net losses from fair value adjustment) – 2 (other income) = 432.
[7] 882 (operating profit) – 135 (interest income) – 4 (net gains from fair value adjustment) – 39 (other income) = 704.

B.8	Selected key pro forma financial information	Not applicable. The Prospectus does not contain pro forma financial information.
B.9	Profit forecast	Not applicable. The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit reports on the historical financial information incorporated by reference to this Prospectus.
B.11	Working capital	The working capital available to the Group is not sufficient to meet its present requirements for at least the next 12 months following the date of the Prospectus. However, the Issuer has received support letter from one of its biggest creditors and one of the Major Shareholders Invalda INVL AB (amount of not subordinated borrowing outstanding as of 30 November 2015 – EUR 1.2 million) stating that Invalda INVL AB will support the Issuer financially, including prolongation of loan terms (if needed). Furthermore, in January 2016 the Issuer will have to pay up to EUR 6,172 thousand for the acquisition of investment properties located at Gynėjų str. 14, Vilnius, Lithuania. Planned sources of financing the transaction are new bank's borrowing of EUR 4 million and borrowings from the Major Shareholder Invalda INVL AB EUR 2.172 million. If the additional conditions regarding the ownership of approximately 300 square meters of common space and the ownership of additional 11 parking spaces more explicitly defined in the agreement would be met, the Group would have to pay EUR 575 thousand additionally. Planned source of conditional payments would be the borrowings from the Major Shareholder Invalda INVL AB. The Company has preliminary discussed possible financing of the above amounts with commercial banks operating in Lithuania and with Invalda INVL AB in order to receive the necessary funds. However, the Company currently has no guarantees with this respect neither from the bank, nor from Invalda INVL AB. As it is indicated below, the main reasons of the Offering are to finance acquisition or refinance bridge debt, raised for the acquisition of the indicated investment properties and balance debt to equity ratio before seeking closed end investment company licence. Thus, if during the time of the Offering the Company will not raise the amount of funds, needed for full settlement for the investment properties located at Gynėjų str. 14, Vilnius, and neither the banks nor Invalda INVL AB will provide the respective amount of borrowings for this purpose, the Company may encounter the risk, that the ownership of the real estate in Vilnius, Gynėjų str. 14, will be lost.

Section C — Securities

Ele-ment	*Title*	*Disclosure*
C.1	Type and class of securities and security identification number	The Shares are ordinary registered Shares with a nominal value of EUR 0.29 each. The security identification number is LT0000127151. After the assimilation of the previous issue, ISIN number of the New Shares will be the same as the number of Shares, already admitted to trading on Nasdaq – LT0000127151.
C.2	Currency of the issue	EUR
C.3	Number of shares issued and fully paid / issued but not fully paid. Nominal value per share	As of the day of this Prospectus the authorised capital of the Company is EUR 12,535,613.08 and is divided into 43,226,252 ordinary registered Shares with a nominal value of EUR 0.29 each. As of the day of this Prospectus all the Shares issued are fully paid and there are no other types of shares issued by the Company.
C.4	Rights attached to the securities	The rights conferred by the Shares of the Company are as follows: – to receive a part of the Company's profit (dividend); – to receive the Company's funds when the share capital of the Company is reduced in order to pay out the Company's funds to its shareholders; – to receive shares gratis in the event the share capital is increased from the Company's own funds, except cases indicated in the Law on Companies; – the pre-emptive right over each new issue of the Company's shares or convertible bonds, except when pursuant to the procedure laid down in the Law on Companies the General Meeting has made a decision to withdraw the said right for all shareholders (this decision has to be adopted by a ¾ majority vote of shareholders present at the General Meeting); – to lend the funds to the Company under the procedure prescribed by the applicable Lithuanian law; – to receive a part of the residual assets of the Company in liquidation; – to attend the General Meetings; – to give questions to the Company in advance relating to the items on the agenda of the General Meetings;

		– to vote at the General Meetings in accordance with the rights attached to shares; – to receive information about the Company following the procedure prescribed by the Law on Companies; – to apply to the court for the compensation of damages caused by the Management Board members or the Manager of the Company by non-performance or improper performance of their duties prescribed by the laws of the Republic of Lithuania and the Articles of Association, as well as in other cases provided by laws; – other property and non-property rights, indicated in the applicable Lithuanian laws. All the Shares confer equal rights to all the shareholders.
C.5	Restrictions on free transferability of securities	There are no restrictions on transfer of Shares (including the Offer Shares) as they are described in the applicable Lithuanian laws.
C.6	Admission to trading / Name of the regulated market	All the Shares of the Company are already admitted to trading on the Secondary List of Nasdaq. The Issuer intends to execute all the actions for admission of the Offer Shares to the same regulated market (Nasdaq). The Issuer will not be seeking to apply for listing of temporary share receipts, such as “rights to shares”. No entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates. Trading in the Shares is expected to commence till the middle of March 2016.
C.7	Dividend policy	The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting. However, the Company has no right to pay dividends without the consent from the bank according to borrowings agreements with Šiaulių bankas AB. The Company’s and the Group’s current priority was to use profits for the development of the Group, rather than for the distribution of dividends and it has not paid out dividends in the last two full financial years. However, the Management Board plans to propose to the General Meeting an approval of the dividend policy, which would foresee minimum payment of yearly EUR 0.012 dividends per Share (3 percent of the Offer Price). Dividends could be increased depending on the free cash flow of the Company and funds needed for investment projects.

Section D – Risks

Ele-ment	*Title*	*Disclosure*
D.1	Key risks specific to the Company or the industry	**General risk factors in the business field where the Group operates:** *Potential fluctuations of the value of investment property.* *Cyclicality of the real estate sector.* Real estate development is a cyclical sector. The number of real estate related transactions fluctuates significantly depending on the stage of the real estate cycle. Cyclicality in the Baltic countries has been relatively high lately as a fast growth in prices fuelled by availability of cheap financing was followed by a steep decline as a result of financial crisis. *Risks relating to doing business in the Baltic States.* *Competition.* *Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group.* **Risk factors characteristic of the Group:** *Dependence on external financing.* The Group’s cash inflows currently are sufficient to finance operating cash outflows and to pay monthly instalments of repayments and interests payments of bank borrowings. However, further development of the Group’s activities will require substantial amounts of capital to fund capital expenditures. For this reason, failure to secure adequate levels of external financing might limit the Group’s growth plans and place it at competitive disadvantage as compared to well-capitalized peers. The Company is currently dependant on funding its working capital and property acquisitions by one of its Major Shareholders Invalda INVL AB and commercial banks. Failure to obtain external financing may lead to forced sale of assets at unfavourable prices or even cause insolvency which may have a material adverse effect on the Group’s business, results of operation or financial condition and may destroy the shareholders’ value. *Transactions with related parties.* There are quite a few transactions with related parties. In spite of the fact that the Management uses all efforts in order to ensure the conformity with the arm’s length standard, a theoretical taxation risk remains here. Besides, neither the Company nor its Subsidiaries have approved their transfer pricing policy. *The Group is exposed to various risks due to long duration of real estate development projects.* *Dependence on small number of large projects.*

		Risk related to lease agreements. *Reliance on the administrator of the Company's property.* *Group's liquidity.* The values of the Current ratio and the Quick ratio of the Group as of 30 September 2015 are 0.76 and 0.57 respectively (as of 31 December 2014 – 0.51 and 0.43 respectively). Therefore, a risk remains that circumstances could appear in which the Company would fulfil their current obligations only partially. The values of the Debt-to-Equity ratio and the Debt ratio of the Group as of 30 September 2015 are 1.74 and 0.64 respectively (as of 31 December 2014 – 1.73 and 0.63 respectively). There is a risk that the Group could reach such a level of liabilities, where credit institutions would lend funds to the Group under less favourable conditions than they lend on the date of the Prospectus. Appearance of such circumstances could have an adverse effect on the Issuer's possibilities to raise borrowed funds for investments. *Interest rate risk.* *Risk of losing the ownership of real estate in Vilnius, Gynėjų str. 14.* *Investments illiquidity risk.* *Leverage risk.* *Dependence on tenants.* If the Group fails to achieve expected revenue from the rental of buildings or maintain high employment rate, it may be faced with permanent non-reimbursable cost problem of tenants. This risk may appear due to dramatic increase in rented accommodation supply and a drop in demand, fall in rents, etc. Failing to lease space under expected price/volume or termination of leases by the current tenants, could cause corporate earnings to be reduced without a change in fixed costs. Accordingly, profits could also fall. *Sub-lease agreement risk.* **Legal and taxation risk factors:** *Legal requirements and regulations of the markets, in which the Group operates, may be changed.* *Possible change of the legal status of the Company*. The Company intends to apply for a closed-end investment company license, to be issued by the LB. If issued, this would lead to changes in the protection of Company's shareholders and certain operating restrictions, as established in the Law on Collective Investment Undertakings, e.g. the Shares of the Company will be replaced with investment units, the Company will be entitled to invest the managed funds, certain limitations of the applicable laws shall be applied to the Company with regards its investments, their diversification, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the depository and other.
D.3	Key risks that are specific to the Shares	**Risk factors related to the Company's Shares:** *The price of the Company's Shares may fluctuate significantly.* *Turmoil in emerging markets could cause the value of the Shares to suffer.* *There is no guarantee that the Company will pay dividends in the future.* *Liquidity of the Issuer's shares is not guaranteed.* *The Offering may be delayed, suspended or cancelled; the Investors are not guaranteed that they will be allotted the number of Offer Shares to be subscribed by them, if at all.* *Large shareholders' risk.*

Section E – Offer

Element	*Title*	*Disclosure*
E.1	Total net proceeds. Estimate of total expenses of the Offering (including estimated expenses charged to the investor)	The Offering consists solely of the subscription of the New Shares. As a result of the Offering (assuming that all the Offer Shares are subscribed for the Offer Price), the Company plans to raise EUR 11,509,499.20. All net proceeds from the Offering shall be received by the Issuer. Following the preliminary calculations, the Issuer's expenses, related to this issue, shall comprise of up to 3% from the gross proceeds from the placement of the Offer Shares (including the fees for the Lead Manager, the legal counsel, fees to the LB for approval of the Prospectus, fees to the CSDL and Nasdaq and fees for the preparation of the Prospectus). The Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.
E.2a	Reasons for the Offering / Use of proceeds / Estimated net amount of proceeds	As a result of the Offering (assuming that all the Offer Shares are subscribed for the Offer Price), the Company plans to raise gross amount EUR 11,509,499.20. Assuming that expenses of the Offering will amount to 3 percent, net proceeds to the Company would amount to EUR 11,164,214.22. The Management considers that the net proceeds of EUR 10,000,000 is sufficient for further development of the Company. Thus, the amount of the Offer Shares might be reduced

		accordingly. The main reasons of the Offering are to finance acquisition or refinance bridge debt, raised for the acquisition of the 6,500 square metres of commercial premises at the Vilnius Gates complex in the Lithuanian capital (address: Gynėjų str. 14, Vilnius) and balance debt to equity ratio before seeking closed end investment company licence. Payable amount to Ranga IV Investicijos UAB and its related company was EUR 6.747 million as at the date hereof (including conditional payments). The Company plans to borrow EUR 4 million from commercial bank operating in Lithuania and additional bridge debt amounting to EUR 2.747 million from one of its Major Shareholders Invalda INVL AB. Part of the proceeds of the Offering will be used to retire the bridge debt from Invalda INVL AB amounting to EUR 2.747 million and capital expenditure needed to develop Vilnius Gates complex to its full potential. The remaining part of the proceeds will be used to retire remaining indebtedness to Invalda INVL AB (if it is not retired after subscription of the Offer Shares by Invalda INVL, AB by offsetting against the opposite homogeneous claims from the Company, arising from the loan agreements, concluded with the Company and if a consent for repayment of subordinated loans would be received from Šiaulių bankas AB). As of 30 November 2015 the Group owed to Invalda INVL AB amount of EUR 6 million.
E.3	Terms and conditions of the Offering	This Offering consists of a public offering in Lithuania to: (i) Existing Shareholders, (ii) Retail Investors and (iii) Institutional Investors. The Offering to Institutional Investors also includes a private placement to Institutional Investors in certain jurisdictions outside of Lithuania and the United States in accordance with Regulation S under the U.S. Securities Act of 1933. Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania. For the purposes of the Offering no tranches of the Investors are being established. However, each of the Existing Shareholders is entitled and is guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 31 December 2015 or any lesser number of Offer Shares, in case it places an order for less Offer Shares, than indicated above (the “Guaranteed amount of Offer Shares”). The Retail Investors and the Institutional Investors (as well as the Existing Shareholders in case such Investors provide subscription orders for more Offer Shares, than the Guaranteed amount of Offer Shares to a respective Existing Shareholder – with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount) shall have no guarantees as to acquisition of the Offer Shares, i.e. they may be allotted a lower number of Offer Shares than the number specified in such Investors’ subscription orders, or may be not allotted any Offer Shares at all, pursuant to the terms and conditions set forth in the Prospectus (with the exception regarding the allotment to the Existing Shareholders, having participated in the Offering, which will be allotted the Guaranteed amount of Offer Shares to the respective Existing Shareholder in such case). The Offer Shares are being offered at the Offer Price, which is equal to EUR 0.40. The final number of the Offer Shares allotted to the Investors will be set by the Issuer in agreement with the Lead Manager after adjournment of the Subscription Period, but will not be higher than 28,773,748. **Place of Subscription** Subscriptions will be accepted at the offices of the Offering Broker, at the addresses Gynėjų str. 14, Vilnius, Savanorių ave. 349, Kaunas, and Naujoji uosto str. 8 – 309, Klaipėda. Subscriptions will be accepted on a subscription form in Lithuanian or in English (for persons who are not Lithuanian residents). Retail Investors and Existing Shareholders are allowed to submit a copy of a signed subscription form to the Offering Broker by fax or email prior to submitting an original document to the office of the Offering Broker. The original document has to be submitted to the Offering Broker until the end of subscription period for the Retail Investors and Existing Shareholders, as indicated below. Institutional Investors are allowed to submit a signed copy of a subscription form by fax or email and are not required to submit an original document. The Existing Shareholders, which are attributed to the Institutional Investors as such, are also not required to submit an original copy of the subscription form. Subscriptions will be accepted if Investors have a brokerage account agreement with the Offering Broker or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania. The subscription forms will be available at the office of the Offering Broker and on the webpage of the Offering Broker (www.invlfinasta.com). Firms managing securities portfolios on a discretionary basis should place subscription orders

for the Offer Shares by submitting the subscription order form along with a list of investors on whose behalf the subscription order is placed. The list must include details required to be included in the subscription order form with respect to each investor listed, and must be signed by persons authorised to represent the firm.

Expected timetable of the Offering

The expected timetable below lists expected key dates relating to the Offering on or around which the events listed below should occur. The Issuer reserves the right to change the timetable of the Offering. Should the Issuer decide to adjust the dates set out in the timetable, the Issuer will provide the LB with the relevant supplement to the Prospectus for the approval and publish such information (upon the approval of supplement) in compliance with applicable regulations, as well as market practices in Lithuania.

from 4 January 2016 till 3 March 2016 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Retail Investors and payment for the Offer Shares at the Offer Price
from 4 January 2016 till 4 March 2016 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Existing Shareholders and the Institutional Investors and payment for the Offer Shares at the Offer Price
from 4 January 2016 till 4 March 2016	Roadshow
on or about 7 March 2016	Determination and announcement of the final number of the Offer Shares and the allotment between the Existing Shareholders and the Retail and Institutional Investors (the "Allotment Date")
on or about 14 March 2016	Delivery of the Offer Shares to Investors and closing of the Offering ("Settlement Date")
till the middle of March 2016	Trading in Offer Shares is expected to commence on Nasdaq

All times and dates referred to in this timetable may be adjusted by the Issuer, in consultation with the Offering Broker, if deemed necessary for the successful completion of the Offering and Admission. In particular, the Issuer upon recommendation from the Offering Broker, may extend the subscription period for the Offer Shares, based on monitoring the market. An extension of the subscription period will result in the postponement of the allotment date of the Offer Shares, as well as in the postponement of the date of listing of the New Shares on Nasdaq.

Subscription Procedure

Each Investor may subscribe for the minimum of one Offer Share.

Each of the Existing Shareholders are entitled and are guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 31 December 2015 or any lesser number of Offer Shares, in case it places an order for less Shares, than indicated above (Guaranteed amount of Offer Shares). Thus, persons, being shareholders of the Company at the close of 31 December 2015 (the Existing Shareholders) generally are entitled to acquire all the Offer Shares of the Company, in case all the Existing Shareholders will participate in the Offering and will subscribe for the number of Offer Shares, not less than *pro rata* to the nominal values of their shareholdings in the Company as at the close of 31 December 2015.

Pro rata to the nominal value of Shares of the Company, held by the shareholders of the Company as at the close of 31 December 2015, the number of Offer Shares that a relevant shareholder is guaranteed to be allotted by the Issuer during this Offering subject to the aforementioned conditions shall be calculated according to this formula:
A = 28,773,748 x k, in which:

A – the number of Offer Shares, which a respective Existing Shareholder is guaranteed to acquire and which the Company shall allot to the respective shareholder, in case it subscribes for not less than such number of Offer Shares;

k – coefficient, indicating which part of the Offer Shares is guaranteed by the Issuer to be allotted to the particular Existing Shareholder of the Company, which shall be calculated according to the following formula: k = S/43,226,252, where S – number of Shares, held by the respective Existing Shareholder of the Company at the close of 31 December 2015. The value of coefficient k shall be rounded to eight digits after the comma, following the general arithmetic rules.

Calculated number of Offer Shares, which the particular Existing Shareholder is entitled to acquire during this Offering and which the Company shall allot to such shareholder, in case it subscribes for not less than such a number of Offer Shares shall be rounded to the whole number according to the general arithmetic rules, in case it is with fractional part.

The Existing Shareholder of the Company at his own discretion may subscribe and acquire also

		any lesser number of Offer Shares than the number, calculated according to the aforementioned formula, which the respective Existing Shareholder would be allotted by the Company based on the indicated rules (in which case such Existing Shareholder would be allotted all such lesser number of Offer Shares). The Existing Shareholder may also not participate in the Offering and not subscribe for Offer Shares. Furthermore, the Existing Shareholder may place a subscription order for any higher number of Offer Shares than the number, calculated according to the indicated formula. In such case the Existing Shareholder will be safely allotted the number of Offer Shares, calculated according to the aforementioned formula. The number of Offer Shares, exceeding the number, calculated according to the formula, shall be allotted following the general allocation order, and there is no guarantee that the Existing Shareholders shall be allotted with all (or any of) the Offer Shares, exceeding the number thereof, calculated according to the aforementioned formula, it has placed a subscription for. In any case, disregarding the number of Offer Shares that a relevant Existing Shareholder intends to acquire (either the Guaranteed amount of Offer Shares, or the number, which is lesser or higher than the Guaranteed amount of Offer Shares), he/she/it may place a single subscription order for all the number of Offer Shares he/she/it intends to acquire. Institutional Investors are also entitled to place multiple subscription orders. **Procedure and dates for payment for the Offer Shares** Subscriptions for the Offer Shares by the Existing Shareholders and the Retail Investors have to be fully paid for no later than until end of the Subscription Period for each of these Investors (4 and 3 March 2016 respectively). The full payment by the Existing Shareholders and the Retail Investors means a payment equal to the number of the Offer Shares indicated in the subscription order multiplied by the Offer Price, indicated in this Prospectus. Payments by these Investors can be made by wire transfer and has to be made in EUR, as indicated in this Prospectus, to the account indicated in the subscription order. For the purpose of this Offering the Company will open a special bank account with Šiaulių bankas AB, corporate ID code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania, which will be used solely for the purpose of collecting the funds from the Investors during this Offering and will not be used for any other purposes. The Investors will pay the price for the Offer Shares to this special bank account, which will be indicated in the subscription form. By submitting a subscription, an Institutional Investor shall authorize and instruct the broker operating the Institutional Investor’s cash account connected to its/his/her securities account to block the whole transaction amount on the Institutional Investor’s cash account until the settlement is completed or funds are released in accordance with these terms and conditions. The transaction amount to be blocked will be equal to the Offer Price multiplied by the number of Offer Shares which the respective Institutional Investor wishes to acquire. An Institutional Investor must ensure, that no later than on 4 March 2016, 5 p.m. (Vilnius time) there are sufficient funds on its/his/her cash account connected to securities account with the broker to cover the whole transaction amount, as indicated above. Investors who have not been allotted any Offer Shares or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the subscription order in accordance with instructions provided by each such Investor, as required under the procedures applicable in the investment firm with which the subscription order was placed. The reimbursement will take place within 10 business days as from the end of the Subscription Period for the respective Investors or from the date of the publication of the supplement to the Prospectus on the cancellation of the Offering. The payments shall be returned without any reimbursement for costs incurred by the investors in the course of subscribing for the Offer Shares, and shall be net of all transfer expenses and without interest. **Rules of Offer Shares allocation** The Offer Shares will be allotted in accordance with the following principles: – first, the Offer Shares will be allotted to the Existing Shareholders, having participated in the Offering and placed their subscription orders *pro rata* to the nominal values of their shareholdings in the Company as at the close of 31 December 2015 – the number of the Offer Shares will be allotted based on subscription orders placed by the Existing Shareholders, but no more than the number of the Offer Shares that the Company guarantees each of the Existing Shareholders will be allotted according to the formula, indicated above (Guaranteed amount of Offer Shares to a respective Existing Shareholder). The Issuer will not give preferential treatment or discriminate against and between the Existing Shareholders, while allotting the Offer Shares as indicated in this item; – next, the remaining Offer Shares after allocation thereof to the Existing Shareholders as indicated in item above, will be allotted to the Retail and Institutional Investors as well as to the Existing Shareholders (with regards to the number of Offer Shares, subscribed by the Existing Shareholders, exceeding the Guaranteed amount of Offer Shares to a respective Existing Shareholder) at an absolute discretion of the Issuer and the Offering

		Broker, i.e. the total number of the Offer Shares allotted to the Retail Investors and the Institutional Investors, as well to the Existing Shareholders (having placed the subscriptions for more Offer Shares than the Guaranteed amount of Offer Shares to a respective Existing Shareholder, with regards to such exceeding number of Offer Shares), including a specific number of Offer Shares, allocated to any individual Investor, will be determined by the Issuer with the Offering Broker at their absolute discretion. In case the Offer Shares will be allotted also to the Retail Investors, having placed the subscriptions the Issuer will not give preferential treatment or discriminate against and between the Retail Investors, and in case for the purposes of allocation the subscription of any of such Investors will be reduced, the subscriptions of all other Retail Investors, having placed the subscriptions will also be subject to reduction in accordance with the proportionate reduction principle. The aforementioned rule shall not be applied towards the Existing Shareholders, in case they place the subscription for acquisition of the Offer Shares in excess of the Guaranteed amount of Offer Shares to a respective Existing Shareholder with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount. Thus, none of such Existing Shareholders, participating in the allotment of Offer Shares according to this item is guaranteed that it/he/she will be allocated the number of Offer Shares, indicated in its/his/hers order (it may be allotted less Offer Shares, in any case not lesser than the Guaranteed amount of Offer Shares to a respective Existing Shareholder as indicated above). Fractional allocations (after the proportional reduction, if any) will be rounded down to the nearest integer value, and the remaining Offer Shares will be allocated to the Retail Investor who subscribed for the largest number of the Offer Shares; – as at the date of this Prospectus, there is no restriction on the amount of Offer Shares that will be allocated to each category of Investors. However, the Issuer intends to allocate approximately 10% of the final number of the Offer Shares to the Retail Investors, unless there is insufficient demand to allocate the remaining Offer Shares to the Existing Shareholders and Institutional Investors at the set Offer Price, and vice versa, in which case this proportion may be altered by the Issuer acting in agreement with the Lead Manager. Subject to the exception of allocation to the Offer Shares to the Existing Shareholders which have placed their subscription orders, as indicated above, the Issuer and the Offering Broker are not obliged to allocate any Shares to any Investors participating in the Offering. Furthermore, there is no target minimum individual allotment to the Investors.
E.4	Interests material to the Offering / Conflicting interests	The Offering Broker has a contractual relationship with the Issuer in connection with the Offering and the Admission, and has been mandated to act as the offering agent for the Offering of the Offer Shares and listing thereof on Nasdaq. The Offering Broker and its affiliates have engaged in and may in the future engage in advisory services and other commercial dealings in the ordinary course of business with the Company and any of their affiliates. The Offering Broker and its affiliates have received and may in the future receive customary fees and commissions for these transactions and services.
E.5	Name of the person or entity offering to sell the security. Lock-up agreements: parties involved; period of lock-up	There is no selling securities holder, participating in the Offering and all the New Shares will be issued solely by the Company. Furthermore, no lock-up agreements were signed with respect to the Offering.
E.6	Immediate dilution. Amount and percentage of immediate dilution, if the Existing Shareholders will not Subscribe the Offer Shares	The issue of New Shares comprises of approximately 66.57% of the Company's authorised capital prior to its increase. In case all the Offer Shares are allocated to the Investors and all the Existing Shareholder acquire Offer Shares, the holdings of the Existing Shareholders would not be diluted from the amount of Shares, held by them prior to increase of the authorised capital of the Company. In case none of the Existing Shareholders would participate in the Offering and all the Offer Shares would be acquired by the Retail and Institutional Investors, the indicated dilution would amount to approximately 39.96%, i. e. the Issuer's shareholders that existed before the increase of the authorised capital would own approximately 60.04% of the Issuer's shares after the issue.
E.7	Estimated Expenses charged to the Investor by the Company	Not applicable. The Issuer does not intend to charge any expenses to the investors, i.e. the Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

III RISK FACTORS

Prospective investors should consider all of the information in this Prospectus, including the following risk factors, before deciding to invest in the Offer Shares. If any of the events described below actually occur, the Group's business, financial condition or results of operations could be materially adversely affected, and the value and trading price of the Offer Shares may decline, resulting in a loss of all or a part of any investment in the Offer Shares. Furthermore, the risks described below are not the only risks the Group faces. The order of the risk factors described below is not an indication of their relative importance for the Group, the probability of their occurrence or their potential influence on the Group's activity. Additional risks not currently known or which are currently believed to be immaterial may also have a material adverse effect on its business, financial condition and results of operations of the Group.

3.1 General Risk Factors in the Business Field Where the Group Operates

Potential fluctuations of the value of investment property

The value of the investment in real estate may vary in the short term, depending on the general economic conditions, rent and purchase prices of real estate, demand and supply fluctuations. Investment in real estate should be carried out in the medium and long term, so that investor can avoid the short-term price fluctuations. Investing in real estate is connected with the higher than medium risks. After failure of investments or under other ill-affected circumstances (having been unable to pay for the creditors) the bankruptcy proceedings may be initiated for the Issuer.

The recent global sovereign debt crisis could result in higher borrowing costs and more limited availability of credit

Due to on-going recession and financial disturbance in Europe the availability of capital can be limited and therefore the cost of borrowing can increase. Poor economic situation in Greece, Spain, Cyprus and other EU member states might further negatively affect the commercial situation of many banks operating in Europe. In addition, the risk of lower consumer confidence can have an adverse impact on financial markets and economic conditions in the EU and throughout the world and, in turn, the market's anticipation or reflection of these impacts could have a material adverse effect on the Group's business in a variety of ways:

- difficulty or inability to acquire capital for further Group's acquisitions and to cover financial obligations of current debt;
- increased risk of weak financial condition of the Group's debtors resulting from current economic situation, etc.

Macroeconomic environment

Real estate development tends to follow the general developments in the macroeconomic environment. Interest rates, unemployment, inflation, private consumption, capital expenditure and other macroeconomic indicators have significant influence on real estate developments and hence the operations and the potential profitability of the Group.

Favourable developments in the macroeconomic environment increase demand for real properties, allow the real estate companies to increase rent rates of properties and other prices related to activities of the Group. Adverse developments increase pressure on real estate prices, rent rates and yields. Hence the Group's results are dependent on general macroeconomic environment and adverse developments in the environment might lead to reconsideration of some of the Group's development plans, negative pressure on prices and rents of the Group's properties or other changes in relation to the Group's properties that might have a material adverse effect on the Group's business, results of operations, financial condition and profitability.

Eurozone risk

Recent turmoil related to some of the Eurozone economies may affect the Group's operating environment, either directly or indirectly through common currency and monetary policy changes. Prolonged and deep national budget deficits of certain Eurozone countries may adversely impact all the area's attractiveness. Full or partial collapse of the Eurozone might have a material impact on the Group's business.

Cyclicality of the real estate sector

Real estate development is a cyclical sector. The number of real estate related transactions fluctuates significantly depending on the stage of the real estate cycle. Cyclicality in the Baltic countries has been relatively high lately as a fast growth in prices fuelled by availability of cheap financing was followed by a steep decline as a result of financial crisis. In the future the Baltic real estate market might regain the lost momentum, again inflating the price levels, which might be followed by overheating of the market and downward pressure on the prices, thus, starting the next real estate cycle.

Risks relating to doing business in the Baltic States

Lithuanian, Latvian and Estonian markets as emerging markets are subject to greater risks than more mature markets, including legal, economic and political risks. Lithuania, Latvia and Estonia have experienced significant political, legal and economic changes and liberalization during the last two decades of transition from the planned economy to a market economy.

For the purposes of accession to the EU, Lithuania, Latvia and Estonia implemented significant social and economic changes, as well as reforms of their legal and regulatory framework. As a result, the volume of Lithuanian, Latvian and Estonian legislation and other regulations has increased and is expected to increase further pursuant to the obligation to apply European Community law.

Lithuanian, Latvian and Estonian civil codes and corporate, competition, securities, environmental and other laws have been substantially revised during the last two decades as part of Lithuania's, Latvia's and Estonia's transition to a market economy and to meet EU requirements and standards. The new legislation remains in part largely untested in courts and no clear administrative or judicial practice has evolved.

Competition

The Group is operating in a competitive environment with high number of other companies engaged in the real estate development in the Baltic States. Even though market downturn in 2008-2010 has somewhat decreased the competitive pressure, there are still some relatively well capitalized competitors who can pursue development projects (i.e. to commence constructing and to proceed with the announced projects, as well as to implement new projects) that might compete with the Group's developments.

Recent increase in real estate market activity and improved availability of financing has had a positive effect on some of the Group's competitors who have started the development of some of the new projects in their portfolios. Recent pick-up in market activity has also increased the interest of some of the international investors in the Baltic real estate increasing the risk that some of the competitive projects will obtain the necessary funding. Sales of seized recently developed properties by some of the commercial banks in the Baltic States might also compete with the Group's developments.

Profitability of the Group's future developments and new acquisitions can be significantly impacted by increase of renovation and construction costs if competitors will pursue their developments. Additionally, if competitors will commence intended and announced projects the competition for tenants and marketing related costs will also increase. All of the above aspects related to the competitive landscape of the Group's industry might have an adverse effect on the Group's business, results of operations, financial condition and profitability.

Changes in customer preferences

Real estate sub-markets where the Group is operating in (commercial real estate) are subject to changing customer trends, demands and preferences. In particular, customer trends, demands and preferences may vary depending on economic factors, as well as customer preferences for the style of developments. The Group reassesses different risks, including potential changes in customer preferences, at different phases of a project. Should the Group find changes in customer preferences or other potential threats to the profitability of a project, the Group tries to adjust the project outline to meet the changed market expectations. However, there can be no assurance that the Group will be able to recognise such changes and adapt its existing developments or planned developments in timely fashion to suit such changes in customer preferences. If customer preferences in the markets where the Group operates cease to favour the Group's developments, this could have an adverse effect on the business, results of operations and financial condition of the Group.

Inflation

The upcoming years may entail considerable inflation. Relevant expenses of the Group, e.g., repair & maintenance and administrative services that are being outsourced to third party companies, are closely related to the general price level. Growing inflation may prevent the businesses from changing the rental prices respectively to preserve the existing profit margin or may even lead to losses. Thus, the Group's expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless it manages to increase rent prices. Thus, strong inflation may have a considerable adverse influence on the Group's financial situation and business results.

Increase of salaries

The Group is dependant on administrative services which are labour cost sensitive. Though workforce is cheaper in Lithuania and in Latvia than in western EU Member States, the difference should decrease constantly as the Lithuanian and Latvian economies are catching up with the average of the EU. Willing to remain competitive and retain its relations with administrators, contractors and other third parties the Issuer may be forced to increase its expenses on administrative services at a faster pace than it used to do previously. If the Issuer fails to retain healthy relations with third party service providers by increasing these costs, this may have a considerable adverse effect on the Issuer's financial situation and business results.

Catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group

Catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group, its employees and service companies from being able to provide services to its customers.

Those events and acts may also create economic and political uncertainties which may have an adverse effect on the economic conditions. Such events and acts are difficult to predict and may also affect employees, property manager and other service companies. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, it may incur losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. A materialisation of these risks may have a material adverse effect on the Group's business, results of operation or financial condition.

3.2 Risk Factors Characteristic of the Group

Dependence on external financing

The Group's cash inflows currently are sufficient to finance operating cash outflows and to pay monthly instalments of repayments and interests payments of bank borrowings. However, further development of the Group's activities will require substantial amounts of capital to fund capital expenditures. For this reason, failure to secure adequate levels of external financing might limit the Group's growth plans and place it at competitive disadvantage as compared to well-capitalized peers. The Company is currently dependant on funding its working capital and property acquisitions by one of its Major Shareholders Invalda INVL AB and commercial banks (please see Section *5.1 Working Capital Statement* for more details). Failure to obtain external financing may lead to forced sale of assets at unfavourable prices or even cause insolvency which may have a material adverse effect on the Group's business, results of operation or financial condition and may destroy the shareholders' value.

Transactions with related parties

There are quite a few transactions with related parties. Detailed information about such transactions is presented in Section 4.17 *Related Party Transactions*. Following applicable taxation legislation, transactions with related parties must be conducted at arm's length. In spite of the fact that the Company's Management uses all efforts in order to ensure the conformity with the above-mentioned standard, a theoretical taxation risk remains here, i.e. the risk that applicable taxes will be calculated according to prices applicable at arm's length in case it is determined that certain transactions were conducted disregarding this principle, also the risk that relevant fines and default interest will be imposed. Besides, neither the Company nor its Subsidiaries have approved their transfer pricing policy.

The Group is exposed to various risks due to long duration of real estate development projects

The core business of the Group is to ensure steady return from the current portfolio of assets. However, in order to achieve that the Group has to work on real estate development projects. The process of real estate development from the identification of the potential project to the disposal of the developed property usually lasts several years. Accordingly, the Group's acquisition and development activities are subject to significant risks of non-completion and loss due to:

- changing market conditions, which may result in diminished opportunities for acquiring desired properties, higher than expected development costs, lower than expected rental rates and lower than expected disposal prices;
- competition from other market participants, which may diminish the Group's opportunities for acquiring desired properties on favourable terms or at all;
- the Group's inability to acquire land at commercially acceptable terms or obtain detailed planning, including construction rights to the acquired land;
- budget overruns and completion delays;
- the Group's potential inability to obtain financing on favourable terms or at all for individual projects or in the context of multiple projects being developed at the same time;
- failure to meet the covenants in financing agreements, which may result in the lenders accelerating the repayments of loans under cross-default provisions;
- defects in the legal title to land acquired by the Group, or defects in approvals or other authorisations relating to land held by the Group;
- defects in acquired or developed properties, including latent defects in construction work that may not reveal themselves until many years after the Group has put a property in service and potential environmental damages;
- potential significant amendments to the existing governmental rules and regulations or fiscal or monetary policies or introducing of a new governmental rules and regulations or fiscal or monetary policies applicable to the Group's existing and future operations;
- potential liabilities relating to the acquired land (incl. for example obligation to make certain investments and potential environmental damages), properties or entities owning properties for which the Group may have limited or no recourse;
- property appraisers use assumptions, which are not stable and subject to changing market conditions which leads to fluctuations in property values.

Although many of these risks are beyond the control of the Group, any negative change in one or more of the factors listed above could adversely affect the business, results of operations and financial condition of the Group.

Dependence on small number of large projects

A small number of large projects in or near the capital cities of Lithuania and Latvia form substantially all of the Group's development business. Concentration of large projects may increase the volatility of the Group's results and increase its exposure to risks attaching to individual projects. Larger projects may also lead to proportionally larger cost overruns, which may negatively affect the Group's operating margins. Geographic focus on capital cities of Lithuania and Latvia makes the Group vulnerable in case of a downturn in the property market in any of those cities.

Management believes that relatively few major projects in a limited number of geographic locations will continue representing a major part of the Group's business in the foreseeable future. If the Group fails to achieve the expected margins or suffers losses on one or more of these large projects or if the property markets significantly deteriorate in Riga or Vilnius, this could have a material adverse effect on the Group's results of operations or financial condition.

Inaccuracy of the forecasts

The Group's profitability partly depends on its ability to forecast market prices, rents, property related costs, anticipated working capital needs, availability of financing, property values, etc. In connection with the Group's acquisition of property for its development business, the Group bases the purchase prices it agrees for the property in part on projections of development costs, property values at the time of sale, future market rents, availability of financing and anticipated working capital etc. If the Group's projections are inaccurate, it could experience lower profits, which could have a material adverse effect on its results of operations and financial condition.

Lack of insurance cover and specific reserves for indemnifying damages

The properties belonging to the Group could suffer physical damage caused by natural disasters, fire or other causes, resulting in losses which may be not fully compensated by insurance. The Group has obtained insurance coverage for its properties, which it believes to be in line with standard industry practice. The insurance covers, for example, losses and liability resulting from fire, break-in, diffusion, robbery, vandalism, pipe leakages, lightning, explosion, implementation of the extinguishing system storm, etc.

However, liability insurance aimed to cover damage caused to third parties is only some of the Group Subsidiaries' insurance policies. A number of the Subsidiaries have valid business interruption insurance. However, insurance coverage is subject to limits and limitations and some risks (e.g. certain natural disasters and terrorist acts) are not covered by insurance for various reasons (e.g. because such risks are uninsurable or the cost of insurance is, according to Management's belief, prohibitively high when compared to risk).

Even if the insurance is adequate to cover Group's direct losses, the Group could be adversely affected by loss of earnings caused by or relating to its properties. The occurrence of any of the above referred harmful effects or insufficient insurance coverage may have a material adverse effect on the business, results of operations and financial conditions of the Group. This *inter alia* means that the Group could:

- lose capital invested in the affected property as well as anticipated future lease income or sale proceeds from that property;
- be held liable to repair damage caused by the event; and
- remain liable for any debt or other financial obligation related to that property.

In addition to that the Group does not maintain separate funds nor does it set aside reserves for the above-referred types of events.

Risk related to lease agreements

The Group's lease agreements could be divided into two categories: non-cancellable fixed-term lease agreements and cancellable lease agreements entered into for an unspecified term. For the cancellable lease and sublease agreements, tenants must notify the administrator 3–6 months in advance, if they wish to cancel the rent agreement and have to pay 3–12 months' rent fee penalty for the cancellation. According to non-cancellable lease and sublease agreements tenants must pay the penalty equal to rentals receivable during the whole remaining lease period.

The Group seeks to use both types of agreements, depending on the market situation and the properties in question. Lease agreements entered into for an unspecified term involve nevertheless a risk that a large number of such agreements may be terminated within a short period of time. The Group aims at renewing the fixed term lease agreements flexibly in cooperation with its tenants. There are, however, no guarantees that the Group will be successful in this. In order to prevent tenants from terminating the lease agreements, the Group may also be forced to agree on the reduction of rent fees. The reduction of rent fees payable to the Group under a large number of lease agreements and/or concurrent termination of a large number of lease agreements could have a material adverse effect on the Group's business, results of operations and financial condition.

Reliance on the administrator of the Company's property

On 2 January 2013 the Company has entered into an agreement with a third party for property management and administration services on part of Company's asset portfolio. The detailed list of buildings, administered, based on this agreement is provided in Section 4.4.1 *Principal Activities*. Under this agreement the third party, as an administrator of the property, is committed to increase Company's value and maintain high quality of service for buildings' tenants and employees. In case of change in administrative prices in the market, new contracts under less favourable conditions can be entered into with administrator, which may directly influence the increase in Company's costs.

Possible future reliance on the asset management company

In the future the Company plans to apply for a closed-end investment company licence and it would make the Company dependent on the performance of the asset management company. This would also include dependence on its ability to attract talents and maintain strong management team.

Group's liquidity

The values of the Current ratio and the Quick ratio of the Group as of 30 September 2015 are 0.76 and 0.57 respectively (as of 31 December 2014 – 0.51 and 0.43 respectively). Therefore, a risk remains that circumstances could appear in which the Company would fulfil its current obligations only partially.

The values of the Debt to Equity ratio and the Debt ratio of the Group as of 30 September 2015 are 1.74 and 0.64 respectively (as of 31 December 2014 – 1.73 and 0.63 respectively). There is a risk that the Group could reach such a level of liabilities, where credit institutions would lend funds to the Group under less favourable conditions than they lend on the date of the Prospectus. Appearance of such circumstances could have an adverse effect on the Issuer's possibilities to raise borrowed funds for its investments.

Interest rate risk

Interest rate risk mainly includes loans with a variable interest rate. On 26 August 2014 the Company and Šiaulių Bankas AB entered into a credit agreement for EUR 15.35 million credit with variable interest rate – 6 month EURIBOR and fixed margin. Furthermore, on 15 July 2015 the Subsidiary Dommo Biznesa Parks SIA and ABLV Bank AS entered into a credit agreement in an amount of 3 million with variable interest rate – 3 month EURIBOR and fixed margin. Rising interest rates will increase the Group's debt service costs, which will reduce the return on investment. If considered necessary, the Group will manage interest rate risk by entering into financial derivatives' contracts.

Credit risk

The Group seeks to lease its owned real estate at the highest possible price. However, there is a risk that tenants will not fulfil their obligations, which can have a significant adverse effect on performance and financial situation of the Group. Large parts of undue liabilities in time may cause disturbances in the activities of the Group; there might be a need to seek additional sources of financing, which may be not always available. Although the Group continuously monitors payment behaviour of its tenants, however, there is no assurance that this risk could be managed.

Moreover, in addition to contractual monetary obligations, the tenants may be not able to compensate the Group for the damages caused as a result of breaches of their non-monetary obligations. Such defaults by tenants could *inter alia* result in the Group companies defaulting under their other contracts and being obliged to pay compensation to their other counterparties without being respectively compensated by the tenants that initially defaulted, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, the Group has an agreement with Inreal Valdymas UAB, which provides property management services to the Group on part of its assets. The rent income and related revenues from the Group's owned properties are collected through this entity, which issues the invoices for rent and related services to tenants at the end of each month. Therefore, the Group has significant concentration of credit risk with respect to this entity. This third party accounted for approximately 67% and 81% of the total Group's trade and other receivables as at 30 September 2015 and 31 December 2014, respectively.

The Group also bears the risk of holding funds in bank accounts or investing in short-term financial instruments. Currently short-term financial instruments are not purchased, excess funds are held in bank accounts or used to cover liabilities of the Group.

Risk of losing the ownership of real estate in Vilnius, Gynėjų str. 14

As it is indicated in Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position,* on 1 October 2015 the Company has acquired from Ranga IV investicijos UAB 6,500 square metres of commercial premises including 0.26 hectare of land in Vilnius, Gynėjų str. 14.

The full purchase price of the above real estate is EUR 9,377 thousand (including VAT). In October and November 2015 the Company has paid EUR 1,232 thousand from the above total amount. Also, the seller's debt of EUR 1,398 thousand to the State Tax Inspectorate of Lithuania was assigned to the Company and was offset with its VAT receivable.

Following the agreement on purchase of the real estate the full price has to be paid by the Company until 31 December 2015. If it is not done by the end of this term, the following mechanism would be applicable:

- Additional term of 30 days (as from 1 January 2016) will be granted to the Company for payment of the whole purchase price;
- If the Company will not execute the payment within this additional term, the right of the seller will occur to apply to the notary regarding termination of the agreement, which would become valid within 30 days as from its receipt by the Company (the date of receipt thereof shall be the 5th day as from dispatch thereof);
- If the Company would not pay the whole price within this term of 30 days (as from receipt of the termination notice), the notary would issue a respective certificate, according to which the agreement would be terminated and all the sold assets would be returned to the seller. If the Company would pay the whole transaction amount within this additional term, the Company would not incur any sanctions.

Disregarding the above, if the Company shall not fully settle with the seller until 31 December 2015, the annual interest of 2.3% would be calculated from the unpaid amount.

If the agreement is terminated, as described above, the advanced payment of EUR 500,000, paid by the Company to Ranga IV investicijos UAB would be included as a fine, payable to the seller. Furthermore, the rent agreement, dated 18 June 2015, according to which the Company rented the same premises from the seller until 1 October 2015, would become valid a new, and the rent fees, received by the Company from the rent of these premises would have to be paid to the seller. In addition to that, if the above agreement is terminated, the Company would incur losses, equal to the fees, payable under conditions foreseen in the agreement (maximum amount of such losses would be equal to EUR 1,080,000 (excluding VAT), if by the time of termination of the agreement, all conditions would be fulfilled from the selling side). For more information on these conditions please see Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position*.

If the above agreement is terminated due to the fault of the seller, it would have to pay a fine to the Company in an amount of EUR 500,000. In such a case an advance payment of the Company of EUR 500,000 and the fine would be set off with the amounts, payable under the rent agreement. The remaining amounts would be paid back to the Company within 5 days as from termination of the agreement.

Thus, if the agreement is terminated, the Company would lose the ownership to the real estate in Vilnius, Gynėjų str. 14. Furthermore, if it is terminated due to the fault of the Company, it would incur additional losses as indicated above. This may have an adverse effect on the Group's business, results of operations, financial condition and profitability (please also see Section 5.1 *Working Capital Statement*).

Furthermore until full settlement under the above agreement, the asset shall be further pledged for proper execution of obligations of the seller to Reverta AS. The pledge has to be removed within 14 days as from full settlement by the Company for the acquired real estate.

Thus, until full settlement by the Company under the agreement there is also a risk that the ownership of the assets could be lost by the Company, if the seller will not duly perform its obligations towards Reverta AS under their signed agreement.

Reorganisation risk

The Company after the reorganisation – the Merger of Former Parent Company with the Company (previous name – Invalda nekilnojamojo turto fondas AB), which continues its activities after the Merger, took over all the assets, equity and liabilities of the Former Parent Company (for more information on the reorganisation please see Section 4.3.1 *History and Development of the Group*). For any and all the obligations of the Former Parent Company after the reorganisation, the Company took responsibility.

Risk, related to future audited financial results of the Group

In 2015 the Group has obtained control over Latvian entities, which own investment properties in Riga, Latvia. Business combination accounting of this acquisition is preliminary and final assessment could differ from the preliminary. Thus, there is a risk that the financial information of the Group, presented in the Consolidated Interim Financial Information may differ from the financial information, presented in the next annual audited financial statements for the year 2015.

Total investment risk

The value of the investment in real estate can vary in the short term, depending on the general economic conditions, rent and purchase prices of real estate, demand and supply fluctuations, etc. Investment in real estate should be carried out in the medium and long term, so that the investor could avoid short-term price fluctuations. Investing in real estate is related to higher than medium risks. Failure of investments of the Group or under other ill-affected circumstances (having been unable to pay for the creditors) can have a significant adverse effect on the Group's performance and financial situation or in the worst case scenario bankruptcy proceedings may be initiated.

Investments illiquidity risk

There is a risk of incurring losses by the Group due to low liquidity of the real estate market, when it becomes difficult to sell the assets, held by the Group at the desired time and at the desired price. In order to manage this risk, the Management keeps monitoring the real estate market, prepares in advance for property sales process, thereby reducing the liquidity risk. Disregarding the above, there can be no assurance that this risk would be fully eliminated.

Leverage risk

Leverage risk is associated with potential decrease in real estate market value, which was acquired using the borrowed funds of the Group. The higher the leverage used, the greater the likelihood of this risk. The level of borrowings of the Group was 56% of its investment property market value as of 30 September 2015 (61% as of 31 December 2014).

Dependence on tenants

If the Group fails to achieve expected revenue from the rental of buildings or maintain high employment rate, it may be faced with permanent non-reimbursable cost problem of tenants. This risk may appear due to dramatic increase in rented accommodation supply and a drop in demand, fall in rents, etc. Failing to lease space under expected price/volume or termination of leases by the current tenants, could cause corporate earnings to be reduced without a change in fixed costs. Accordingly, the profits could also fall.

Sub-lease agreement risk

In 2007 the Company has sold 5 real estate properties and entered into the operating lease agreement with the buyer until August 2017. All these properties are sub-leased to third parties. For the remaining part of the contract the Company is incurring about EUR 20,000 loss (future rent income from subleased premises minus contractual lease payments and estimates of maintenance and management expenses of leased premises) per month due to this sublease arrangement. This amount varies depending on the income from the sub-lease, property maintenance costs incurred and the rent fees paid.

The Group's reputation may be damaged

The Group's ability to attract purchasers of property, attract and retain tenants, raise the necessary financing for the development projects as well as retain personnel in its employment may suffer if the Group's reputation is damaged. Matters affecting the Group's reputation may include, among other things, the quality and safety of its premises and compliance with laws and regulations. Any damage to the Group's reputation due to, for example, including but not limited to the aforementioned matters, may have a material adverse effect on the business, results of operations and financial condition of the Group.

Dependence on IT systems

The Group is dependent on a variety of 3rd party developed and used IT systems and web-based solutions for operations, including internal accounting and management information systems, handling of customer and tenant information, project designs and specifications, and general administrative functions. Failures or significant disruptions to the 3rd parties' IT systems could prevent them from providing their services to the Group efficiently. Furthermore, should the 3rd parties experience a significant security breakdown or other disruption to their IT systems, sensitive information could be compromised and their operations could be disrupted which in turn could harm Group's relationship with its customers and suppliers, or otherwise have a material adverse effect on the Group's business, results of operations and financial condition.

3.3 Risk Factors Related to the Company's Shares

The price of the Company's Shares may fluctuate significantly

The trading prices of the Shares may be subject to significant price and volume fluctuations in response to many factors including, but not limited to:

- variations in the Group's operating results and those of other companies operating in sectors, in which the Group is active;
- negative research reports or adverse brokers comments;
- future sales of Shares owned by the Issuer's significant shareholders, or the perception that such sales will occur;
- general economic, political or regulatory conditions in Lithuania or in the sector, in which the Group is active generally; and
- price and volume fluctuations on Nasdaq or other stock exchanges, including those in other emerging markets.

Fluctuations in the price and volume of the Shares may not be correlated in a predictable way to the Group's performance or operating results.

Turmoil in emerging markets could cause the value of the Shares to suffer

Financial or other turmoil in emerging markets has in the recent past adversely affected market prices in the world's securities markets for companies operating in the affected developing economies. There can be no assurance that renewed volatility stemming from future financial turmoil, or other factors, such as political unrests that may arise in other emerging markets or otherwise, will not adversely affect the value of the Shares even if the Lithuanian economy remains relatively stable.

The market value of Shares may be adversely affected by future sales or issues of substantial amounts of Shares

All the Shares of the Company may be provided for sale without any restrictions and there can be no assurance as to whether or not they will be sold on the market.

The Company cannot predict what affect such future sales or offerings of Shares, if any, may have on the market price of the Shares. However, such transactions may have a material adverse effect, even if temporary, on the market price of the Shares. Therefore, there can be no assurance that the market price of the Shares will not decrease due to subsequent sales of the Shares held by the existing shareholders of the Company or a new Share issue by the Company.

The marketability of the Shares may decline and the market price of the Company's Shares may fluctuate disproportionately in response to adverse developments that are unrelated to the Company's operating performance

The Company cannot assure that the marketability of the Shares will improve or remain consistent. Shares listed on regulated markets, such as Nasdaq, have from time to time experienced, and may experience in the future, significant price fluctuations in response to developments that are unrelated to the operating performance of particular companies. The market price of the Shares may fluctuate widely, depending on many factors beyond the Company's control. These factors include, amongst other things, actual or anticipated variations in operating results and earnings by the Group companies and/or their competitors, changes in financial estimates by securities analysts, market conditions in the industry and in general the status of the securities market, governmental legislation and regulations, as well as general economic and general market conditions, such as recession. These and other factors may cause the market price and demand for the Shares to fluctuate substantially and any such development, if adverse, may have an adverse effect on the market price of the Shares which may decline disproportionately to the Group companies' operating performance. The market price of the Shares is also subject to fluctuations in response to further issuance of Shares by the Company, sales of Shares by the Company's existing shareholders, the liquidity of trading in the Shares and capital reduction or purchases of Shares by the Company as well as investor perception.

There is no guarantee that the Company will pay dividends in the future

The Company is under no lasting and definite obligation to pay regular dividends to its shareholders and no representation can be made with respect to the payment and amount of future dividends, if any. The Management's recommendations for the distribution of profit will be based on financial performance, working capital requirements, reinvestment needs and strategic considerations which may not necessarily coincide with the short-term interests of all the shareholders.

The payment of dividends and the amount thereof will be subject to the ultimate discretion of the majority of the Company's shareholders (at least 2/3 of votes, participating in the General Meeting). Furthermore, for payment of dividend as well as execution of many other actions (e. g. (i) undertaking any financial obligations under credit, financial leasing, operative lease, or other financing agreements; (ii) undertaking any obligations towards third parties under guarantee, surety, mortgage, pledge or similar undertakings; (iii) issuing loans to third parties, etc.) prior written consents of certain banks, with which the relevant credit or other agreements were signed, would be needed.

However, the Management Board plans to propose to the General Meeting an approval of the dividend policy, which would foresee minimum payment of yearly EUR 0.012 dividends per Share (3 percent of the Offer Price). Dividends could be increased depending on the free cash flow of the Company and funds needed for investment projects.

Liquidity of the Issuer's Shares is not guaranteed

It may be possible that in case an investor wants to urgently sell the Issuer's securities (especially a large number of them), demand for them on the exchange will not be sufficient. Therefore, sale of shares can take some more time or the investor may be forced to sell shares at a lower price. Analogous consequences could appear, if the Company's Shares are excluded from the Secondary List of Nasdaq or trading is suspended under the provisions of the applicable legal acts. Besides, in case of deterioration of the Company's financial situation, demand for the Shares of the Company and, at the same time, their price may decrease.

Planned increase in the number of the Issuer's Shares can reduce their price and bear a dilution effect to shareholders, not participating in subscribing the New Shares

Increase in the number of the Issuer's shares can have a negative effect on their price. After the completion of the increase of the authorised capital (provided that all 28,773,748 units of Offer Shares are subscribed for, also provided that none of the Existing Shareholders acquires the Offer Shares), the Issuer's shareholders that existed before the increase of the authorised capital will own approximately 60.04% of the Issuer's shares, i.e. the shareholdings of the present shareholders of the Company, in case they do not participate in the subscription, would decrease by 39.96% of their shareholding they had in the total capital of the Company.

The Offering may be delayed, suspended or cancelled; the Investors are not guaranteed that they will be allotted the number of Offer Shares to be subscribed by them, if at all

Public offerings are subject to various circumstances independent from the Company. In particular, the demand for the Offer Shares is shaped by, among others, investors' sentiment toward sector, legal and financial conditions of the Offering. In case such circumstances would have adverse impact on the results of the Offering, the Issuer may decide to delay, suspend or cancel the Offering (for further details see Section 5.6 *The Offering and Plan of Distribution*). Consequently, the investors may be unable to successfully subscribe for the Offer Shares and payments made by investors during the Offering, if any, may be returned without any compensation.

The same consequences (return of the Investors' funds or part thereof without any compensation) may arise, in case the respective Investor will be allotted lesser number of Offer Shares, than the number, subscribed by it or in case it is not allotted any Offer Shares at all. The Offer Shares after allocation thereof to the Existing Shareholders as indicated in Section 5.6 *The Offering and Plan of Distribution*, will be allotted to the Investors at an absolute discretion of the Issuer and the Offering Broker, i.e. the total number of the Offer Shares allotted to the Retail Investors and the Institutional Investors, as well to the Existing Shareholders, including a concrete number of Offer Shares, allocated to any individual Investor, will be determined by the Issuer with the Offering Broker at their absolute discretion (subject to certain exceptions with regards to the Existing Shareholders, participating in the Offering as indicated in the aforementioned Section).

Large shareholders' risk

89.91 percent of Shares and voting rights granted thereby are held by five Major Shareholders: LJB investments UAB – 30.44 percent, Irena Ona Miseikiene – 28.9 percent, Invalda INVL AB – 12.75 percent, Lucrum investicija UAB – 10.15 percent (of votes), Alvydas Banys – 7.68 percent. Voting of the shareholders mentioned above will influence the election of the members of the Management Board, essential decisions regarding the management, operations and financial position of the Company. There is no guarantee that the Major Shareholders' decisions will always coincide with the opinion and interest of the minority shareholders. Major Shareholders (or several of them) have also the possibility to block the proposed decisions of other shareholders of the Company.

3.4 Legal and Taxation Risk Factors

Legal requirements and regulations of the markets, in which the Group operates, may be changed

If the Group fails to adapt itself in time to new requirements of legal acts or decisions regulating issues specified above, fines may be imposed, the Group's activities may be restricted, etc., which can have a relevant effect on its activities and business prospects, call for unexpected expenses necessary for fulfilment of certain obligations or for payment of fines.

Besides, in case of changes in legal acts or the state taxation policy with regard to equities, the attractiveness of the Company's Shares may change. This may lead to reduction of liquidity and/or the price of the Company's Shares.

Issuer does not fully comply with Nasdaq Corporate Governance Code

The Issuer does not fully comply with Nasdaq Corporate Governance Code: it has not formed the Nomination and Remuneration Committee, the collegial bodies of the Issuer do not conduct the assessment of their activities every year, no public statements are made regarding the Company's remuneration policy, etc.

Tax contingencies and uncertain tax positions

Lithuanian tax legislation which was enacted or substantively enacted at the end of the reporting period may be subject to varying interpretations. Consequently, tax positions taken by the Management and the formal documentation supporting the tax positions may be successfully challenged by relevant authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years proceedings the year of review. The Management is not aware of any circumstances that could lead to significant tax charges and penalties in the future that have not been provided for or disclosed in these financial statements. The Group's uncertain tax positions are reassessed by the Management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by the Management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognized based on the Management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Possible change of the legal status of the Company

Following the decision of the General Meeting of the Company, dated 28 October 2015, it was *inter alia* decided to reorganize the activities of the Company so that it would operate as the closed-end investment company under the Law on Collective Investment Undertakings.

The Company intends to apply for a closed-end investment company license, to be issued by the LB. If the licence is issued, this would lead to changes in the protection of Company's shareholders and certain operating restrictions, as established in the Law on Collective Investment Undertakings, e.g. the Shares of the Company will be replaced with investment units, the Company will be entitled to invest the managed funds, certain limitations of the applicable laws shall be applied to the Company with regards its investments, their diversification, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the depository and other.

IV INFORMATION ABOUT THE ISSUER

4.1 Statutory Auditors

The separate and consolidated financial statements for the year ended 31 December 2014 of the Former Parent Company (which ceased to exist after completion of the Merger), incorporated by reference in this Prospectus, have been audited by PricewaterhouseCoopers UAB ("PwC"), independent auditors, who issued an unqualified auditor's report on the abovementioned financial statements.

PwC, independent auditors, holds the audit company's licence No. 001273. The registered office address of PwC is J. Jasinskio str. 16B, LT-03163 Vilnius, Lithuania. On behalf of PwC the auditor's report of the Former Parent Company was signed by audit partner Rimvydas Jogėla, auditor's certificate No. 000457, and the statutory auditor Rasa Radzevičienė, auditor's certificate No. 000377.

The Consolidated Interim Financial Information was neither audited nor reviewed by an independent auditor.

4.2 Selected Financial Information

The Group was established on 29 April 2014 by spinning-off from Invalda INVL AB the investments into entities, which business is investment into investment properties held for future development, into commercial real estate and renting thereof.

Selected financial information for the periods ended 31 December 2014 for convenience purposes is converted from Litas (LTL) to Euro (EUR) at official exchange rate of LTL 3.4528 to EUR 1.

The following tables disclose selected financial information of the Group (EUR thousand) for the year ended 31 December 2014 and for the nine months period ended 30 September 2015 and 30 September 2014 that is extracted without material adjustment from the IFRS Financial Statements and Consolidated Interim Financial Information as well as key ratios and indicators.

The ratios and indicators set in the table below are provided to illustrate certain aspects of the business of the Group and its financial performance. Some of these ratios and indicators are used by the Management to evaluate the performance of the Group, while others are provided for the benefit of possible investors into the Company. These ratios and indicators are not calculated in accordance with the IFRS, but they are calculated based on the data extracted from the IFRS Financial Statements. The Management believes that the ratios and indicators set forth below are customary and often used by public companies to illustrate their business and financial performance.

Table 1. Statement of the financial position, EUR thousand

	As at 30 September 2015	As at 31 December 2014
ASSETS		
Investment properties	41,935	33,848
Other non-current assets	1,153	4,979
Current assets	1,786	781
Total assets	**44,874**	**39,608**
EQUITY AND LIABILITIES		
Total equity	**16,361**	**14,491**
Non-current borrowings	21,822	19,432
Deferred income tax liability	3,667	3,567
Other non-current liabilities	672	593
Current borrowings and current portion of non-current borrowings	1,539	1,068
Other current liabilities	813	457
Total liabilities	**28,513**	**25,117**
Total equity and liabilities	**44,874**	**39,608**

Source: IFRS Financial Statements, Consolidated Interim Financial Information, the Company

Table 2. Statement of the comprehensive income, EUR thousand

	1 January 2015 – 30 September 2015	29 April 2014 – 30 September 2014	29 April 2014 – 31 December 2014
Revenue	4,156	2,112	3,512
Operating profit	2,496	516	882
Profit for the reporting period before tax	1,984	299	499
Net profit for the reporting period	1,870	261	432

Source: IFRS Financial Statements, Consolidated Interim Financial Information, the Company

Table 3. Statement of the cash flows, EUR thousand

	1 January 2015 – 30 September 2015	29 April 2014 – 30 September 2014	29 April 2014 – 31 December 2014
Net cash flows from (to) operating activities	1,036	359	868
Net cash flows from (to) investing activities	(2,932)	67	131
Net cash flows from (to) financial activities	2,348	(226)	(641)
Net (decrease) increase in cash and cash equivalents	452	200	358

Source: IFRS Financial Statements, Consolidated Interim Financial Information, the Company

Table 4. Key ratios and indicators

	1 January 2015 – 30 September 2015	29 April 2014 – 30 September 2014	29 April 2014 – 31 December 2014
Earnings per share (EPS), EUR	0.04	0.01	0.01
Normalized operating profit	1,087[8]	432[9]	704[10]
Normalized operating profit margin, %	26%	20%	20%
Net profit for the period margin (%)	45%	12%	12%
Return on equity (ROE), %	11%	2%	3%
Gearing ratio, %	58%	59%	58%
Equity ratio, %	36%	36%	37%

Source: the Company

4.3 Information about the Group

4.3.1 History and Development of the Group

Legal name of the Issuer	public limited liability company "INVL Baltic Real Estate"
Commercial name of the Issuer	INVL Baltic Real Estate AB
Place of registration of the Issuer (registered office)	Gynėjų str. 14, Vilnius, Lithuania
Corporate ID code of the Issuer	152105644
Legal form of the Issuer	public limited liability company
Legislation under which the Issuer operates	Lithuanian
Country of incorporation of the Issuer	Republic of Lithuania
Date of incorporation of the Issuer	28 January 1997
Telephone number	+370 5 279 0601
Fax number	+370 5 279 0530
Email	realestate@invaldalt.com
Internet address	www.invlbalticrealestate.lt

Pastana UAB (current name INVL Baltic Real Estate AB) was established on 28 January 1997. However, the Company became an active player in Lithuania's real estate market only in 2003, after it had acquired the first buildings in Šeimyniškių str. 1A, Vilnius, Lithuania. On 1 September 2004 the Company acquired premises in Juozapavičiaus str. 6, Vilnius, Lithuania.

On 25 June 2004 the Company was transformed from the private limited liability company into a public limited liability company. On 1 October 2004 Invalda INVL AB, Gildeta AB and Kremi AB have finalized the reorganization process. As a result of the reorganization the real estate located at Šeimyniškių str. 3, Juozapavičiaus str. 6/2 and Jasinskio str. 16, Vilnius, Lithuania, was taken over by the Company. On 24 December 2004 the name of Pastana AB was changed to Invaldos nekilnojamojo turto fondas AB, or INTF. The core activity of the Company was investment into real estate for lease. INTF was a subsidiary of the Invalda INVL AB group at that time. All the assets of the Company were managed under a contract, entered with a related party.

At the end of 2005 the Company signed an agreement with certain companies of Lietuvos Telekomas AB group (current name TEO LT AB) regarding acquisition of eight real estate objects in Vilnius for a total price of EUR 20.3 million. The transaction was finalized in June 2006. In the month of December of the same year the Company acquired warehousing and logistics centers in Vilkpėdės str. (Vilnius) and Ateities rd. (Kaunas) from Naujoji Švara UAB for a total price of EUR 12 million.

[8] 2,496 (operating profit) – 285 (interest income) – 1,124 (other income) = 1,087.
[9] 516 (operating profit) – 85 (interest income) – (3) (net losses from fair value adjustment) – 2 (other income) = 432.
[10] 882 (operating profit) – 135 (interest income) – 4 (net gains from fair value adjustment) – 39 (other income) = 704.

In 2006 INTF had plans to list 49 percent of its shares on Nasdaq. However, the initial public offering did not take place. On 25 July 2007 two office buildings and two logistics centers in Vilnius and Kaunas owned by the INTF were sold to Irish private investors for a total price of EUR 21.345 million. A lease agreement was signed with a buyer for these same real estate properties and for one additional office building, under which it was agreed by the parties to sub-lease this property until August 2017 (for more information on this agreement please see Section 4.20 *Material Contracts*).

On 1 February 2008 the Company has signed sales agreements of three investment properties at Vytenio str. and J. Jasinskio str. in Vilnius for a total price of EUR 5.39 million.

On 4 November 2008 the Company signed an agreement regarding sale of real estate objects located at Savanorių ave. 28, Vilnius. Land plot (1.50 hectare), office building (12 thousand sq. m) and industrial building (565 sq. m) were sold for a total price of EUR 8.689 million.

In the end of 2013 Invalda INVL AB acquired the creditor's claims in Dommo biznesa SIA parks for a total amount of EUR 2.25 million. Invalda INVL AB owned 50% of creditors' claims in this entity and in Dommo grupa SIA. Dommo biznesa parks SIA and Dommo grupa SIA own about 12.8 thousand sq. m of warehouse space and over 58 hectares of land around Riga, Latvia, suitable for the development of logistics purposes.

On 21 March 2014 Invalda LT AB informed about the prepared split-off terms of the company. According to the terms three companies INVL Baltic Farmland AB, INVL Baltic Real Estate AB and INVL Technology AB were split-off from Invalda LT AB. The split-off was applied in order to redesign Invalda LT AB business model according to the classic asset management principles. 52.05% of assets stayed in Invalda LT AB (current name Invalda INVL AB), 14.45% were transferred to INVL Baltic Farmland AB, 30.9% – to INVL Baltic Real Estate AB (Former Parent Company) and 2.6% were transferred to INVL Technology AB. On 4 June 2014 INVL Technology AB, INVL Baltic Farmland AB and INVL Baltic Real Estate AB were listed on Nasdaq.

On 2 July 2015 INVL Baltic Real Estate AB completed acquisition process and increased its share in nearby Riga located logistics complex Dommo from 50% to 100% for a total price of EUR 3.1 million.

On 17 August 2015 Merger of the Former Parent Company to the Company was completed, as a result of which Invaldos nekilnojamojo turto fondas AB took over all the rights and duties including the name of INVL Baltic Real Estate AB from the Former Parent Company, which ceased its activity, whereas the Company continues its operations under the new name INVL Baltic Real Estate AB. The shareholders of the Former Parent Company, which ceased to exist after the Merger, became direct shareholders of the Company.

On 1 October 2015 the Company acquired 6.5 thousand sq. m of commercial premises at Vilnius Gates complex located at Gynėjų str. 14, Vilnius, Lithuania. One of the aims of the Offering under this Prospectus is to finance this transaction. For more information please see Section 5.4 *Reasons for the Offering and Use of Proceeds*.

The General Meeting, dated 28 October 2015, authorized the management to apply to the LB for issuance of the closed-end investment company license. Upon issuance of this licence the Company will become similar to investment fund, investing in income generating commercial and mixed use real estate objects. It was decided that management of the Company will be transferred to INVL Asset Management AB – a licensed asset management company, controlled by the subsidiary of one of the largest investment and asset management companies in Lithuania Invalda INVL AB.

Planned term of the closed-end investment company – unlimited. Planned management fees that shall apply for the fund: up to 1.5% of capitalization and 20% success fee of return in excess of 8% hurdle rate. Invested money will be returned to shareholders via dividends, share-buybacks or share redemptions. Closed-end funds are regulated by the LB and governed by the Law on Collective Investment Undertakings.

4.3.2 Investments

Historical information

Key investments of the Company are investments into real estate objects, as indicated below. All portfolio objects generate cash flows and most of them have development opportunities.

Table 5. Key investments of the Group

Year	Name	Location	Method of financing	Historical acquisition cost (EUR mill.)[11]	Gross Area[12] (sq. m)	Net Leasable Area[12] (sq. m)	Leased Area (sq. m)
2003-2008	IBC business center	Lithuania	External	10.52	22,500	17,700	16,600
2005	Office and logistics building Kirtimų str. 33, Vilnius	Lithuania	External	0.86	3,000	2,500	2,400
2006	Office building Palangos str. 4, Vilnius	Lithuania	External	5.11	9,800	6,200	5,100
2006	Žygio business center	Lithuania	External	2.86	3,200	2,600	2,600
2011-2014	Residential house at	Lithuania	Internal	0.48	276	276	52

[11] Historical acquisition cost includes initial acquisition and additional investments into investment properties. The acquisition cost of investment properties transferred during the Merger is acquisition cost accounted by the transferor.
[12] Gross Area including area of parking places. Net leasable area is excluding area of parking places.

Year	Name	Location	Method of financing	Historical acquisition cost (EUR mill.)[11]	Gross Area[12] (sq. m)	Net Leasable Area[12] (sq. m)	Leased Area (sq. m)
	Kalvarijų str. 11, Vilnius						
2014-2015	Dommo business park	Latvia	Internal/ External	8.03	12,800	12,800	12,600
2015-2016	Vilniaus vartai complex at Gynėjų str. 14, Vilnius	Lithuania	Internal/ External	7.750[13]	8,100	6,400	2,400

Source: the Company

In 2004 the Company acquired part of IBC business center at Šeimyniškių str., Vilnius, from Invalda AB for a total price of EUR 2.9 million. Another part of this business center was acquired by the Company during the reorganisation of group companies Invalda AB, Kremi AB and Gildeta AB in 2004.

In 2005 the Company acquired logistics and office building at Kirtimų str., Vilnius, from Lietuvos Telekomas AB (current name TEO AB) for EUR 0.84 million.

In 2006 the Company acquired other buildings from Lietuvos Telekomas AB: office building at Palangos/Vilniaus str., Vilnius, for EUR 4.92 million and Žygio business center at Žygio str., Vilnius, for EUR 2.66 million.

During the period from 2011 till 2014 the Subsidiary of the Company Rovelija UAB acquired all apartments in residential house at Kalvarijų str., Vilnius. Total investments amounted to EUR 0.48 million. This house borders with IBC business center.

After spin–off from Invalda LT AB in 2014 the Company acquired 50 percent of creditor's claims towards Dommo Grupa SIA and Dommo Biznesa Parks SIA. In 2015 the Company acquired the remaining 50 percent of creditor's claims towards both companies and 100% of shares in Dommo Grupa SIA for a total price of EUR 3.1 million. The fair value of these acquired investment properties during business combination are EUR 8,027 thousand.

In October 2015 the Company acquired Vilniaus Vartai complex at Gynėjų str. 14, Vilnius. For more information on this transaction please see Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position*.

Furthermore, the Issuer and its Subsidiaries are constantly looking for the opportunities to invest into real estate projects, executed in the Baltic States. However, as of the date hereof the Issuer does not execute any investments and has no future investments on which its Management bodies have already made firm commitments, except for the investment into Vilniaus Vartai complex at Gynėjų str. 14, Vilnius, as indicated above.

Valuation of investment properties

Valuation of the key investment properties of the Group (fair value of investment properties) is as presented table below:

Table 6. Fair value of the key investment properties of the Group

Value of separate real estate objects (EUR thousand)	As at the date of the Prospectus	As at 30 September 2015	As at 31 December 2014
IBC business center, Vilnius	22,300	22,300	22,300
Office and logistics building Kirtimų str. 33, Vilnius	780	765	765
Office building Palangos str. 4, Vilnius	7,300	7,301	7,241
Žygio business center, Vilnius	3,060	3,021	3,021
Residential house at Kalvarijų str. 11, Vilnius	520	521	521
Dommo business park, Riga	8,027	8,027	-
Vilniaus vartai complex at Gynėjų str. 14, Vilnius	10,280	-	-
Total	**52,267**	**41,935**	**33,848**

Source: Ober-Haus nekilnojamas turtas UAB and Ober Haus Vertesanas Serviss SIA valuation reports

The value of the investment properties located in Lithuania as at 31 December 2014 and as at 30 September 2015 was based on the valuation performed by the accredited valuer Ober-Haus nekilnojamas turtas UAB on 21 November, 8 December and 31 December 2014, using income approach. The value of Žygio business center as at 30 September 2015 is increased by additional investment of EUR 60 thousand, where the new building foundation was built.

Furthermore, the fair value of the investment properties located in Lithuania as at date of the Prospectus was based on the valuation prepared by the accredited valuer Ober-Haus nekilnojamas turtas UAB on 23-29 October 2015.

On 5 October 2015 valuation of Latvian property was prepared by the accredited valuer Ober Haus Vertesanas Serviss SIA. It was performed, using mixed income and sales comparison approach in order to evaluate buildings and land separately. The fair value of Latvian properties as at 30 September 2015 and as at date of the Prospectus was based on this valuation.

[13] Total amount of investment, which could change according to the conditions of the respective agreements. The Group has paid EUR 1.105 million from the total amount. The remaining price will be paid till the end of January 2016, except conditional payments which would be paid if conditions would be met. For more information on this transaction please see Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position*.

For more information on the most recent valuations please see Section 4.22 *Third Party Information and Statement by Experts and Declarations of any Interest*. The summaries of reports of most recent valuations are also attached to this Prospectus as Annex.

Valuation methodology description

Investment properties are measured at fair value. Leased investment properties and investment properties held for future redevelopment are valued using income approach by the accredited valuer. While land in Latvia is evaluated using sales comparison method.

The fair value represents the price that would be received when selling an asset in an orderly transaction between market participants at the measurement date, in compliance with the International Valuation Standards set out by the International Valuation Standards Committee. An investment property's fair value is based either on the market approach by reference to sales in the market of comparable properties or the income approach by reference to rentals obtained from the subject property or similar properties. Market approach refers to prices of the analogue transactions on the market. These values are adjusted for differences in key attributes such as property size and quality of interior fittings. The most significant input into this valuation approach is price per square metre.

Income approach is based on the assumption that the defined correlation between net activity future income and fair value of the objects exists. For leased investment properties the main inputs include:

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current lease;
- Maintenance costs including necessary investments to maintain functionality of the property for its expected useful life;
- Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date;
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

Investment properties held for future redevelopment were estimated taking into account the following estimates (in addition to the inputs noted above):

- Costs to complete that are based on the valuers' experience and knowledge of market conditions and term sheets outlined in approved detailed plans. Costs to complete also include a reasonable profit margin;
- Completion dates, as properties under construction require approval or permits from oversight bodies at various points in the development process, including approval or permits in respect of initial design, zoning, commissioning, and compliance with environmental regulations. Based on the Management's experience with similar developments, all relevant permits and approvals are expected to be obtained. However, the completion date of the development may vary depending on, among other factors, the timeliness of obtaining approvals and any remedial action required by the Group.

4.4 Business Overview

4.4.1 Principal Activities

The Company acts as an investment subject and seeks to invest funds solely for capital appreciation and investment income. The Company invests in income generating commercial and mixed use real estate objects in the Baltic States directly or through its Subsidiaries. The Company seeks to generate and grow long-term cash flows and to enhance capital values by way of focussed asset management and strategic acquisitions with the intention of creating value for its shareholders. Almost all objects in the portfolio of the Company have further development prospects. The Company looks for new acquisitions and seeks to improve structure of its investment portfolio.

The largest and key investments of the Group currently are investments into real estate objects in Lithuania and Latvia:

1. IBC class A and B business centers at Šeimyniškių str. 1a/ Šeimyniškių str. 3/ A.Juozapavičiaus str. 6/ Slucko str. 2 in Vilnius, Lithuania (owned by the Company)

IBC Business Center is a versatile, functional business premises complex. IBC is located in a very convenient location – on the right bank of the Neris River in the central part of Vilnius. It is situated near important public institutions and businesses, at the main business artery in the Constitution Avenue. Therefore it is easily and quickly accessible from any place in Vilnius.

IBC Class A business center consists of two buildings, of which the premises of about 6,700 sq. m are leased (the total area of buildings – 11,400 sq. m). The center owns 250 spots of parking lot in the protected courtyard, also in the two-storey covered and underground garages. IBC Business Center is being constantly developed, more and more services are offered each year.

Block F basic information:
Total area: 4,500 sq. m
Leased area: 3,400 sq. m
Land area: 1.47 ha (total area of the IBC complex)
Property market value as at the day of the Prospectus: EUR 6.6 million

Block G basic information:
Total area: 6,900 sq. m
Leased area: 3,300 sq. m
Land area: 1.47 ha (total area of the IBC complex)
Property market value as at the day of the Prospectus: EUR 5.5 million

IBC Class B business center consists of 4 buildings, of which the all kinds of different purpose premises of about 9,900 sq. m are leased (the total area of buildings – 11,200 sq. m). The center owns 200 spots of parking lot in the protected courtyard.

The IBC business center has a development opportunity; detailed plan of the area is prepared.

Block A basic information:
Total area: 2,100 sq. m
Leased area: 1,700 sq. m
Land area: 1.47 ha (total area of the IBC complex)
Property market value as at the day of the Prospectus: EUR 2.1 million

Block B basic information:
Total area: 7,300 sq. m
Leased area: 6,900 sq. m
Land area: 1.47 ha (total area of the IBC complex)
Property market value as at the day of the Prospectus: EUR 6.6 million

Block C basic information:
Total area: 200 sq. m
Leased area: 100 sq. m
Land area: 1.47 ha (total area of the IBC complex)
Property market value as at the day of the Prospectus: EUR 0.2 million

Block D basic information:
Total area: 1,600 sq. m
Leased area: 1,200 sq. m
Land area: 1.47 ha (total area of the IBC complex)
Property market value as at the day of the Prospectus: EUR 1.3 million

2. Office building at Palangos str. 4/Vilniaus str. 33, Vilnius, Lithuania (owned by the Company)

Business center is located in one of the busiest places in the Old Town of Vilnius, between Vilnius, Pamėnkalnio, Islandijos and Palangos streets. Vilnius Old Town – one of the most important components of the city and its center, 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; small business and residential function are being supported. There is a closed, guarded parking and underground garage in the area, convenient public transport access. 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: 3,800 sq. m
Land area: 0.49 ha (total area of the complex)
Property market value as at the day of the Prospectus: EUR 4.4 million

Block B basic information:
Total area: 4,700 sq. m
Leased area: 2,400 sq. m
Land area: 0.49 ha (total area of the complex)
Property market value as at the day of the Prospectus: EUR 2.9 million

3. Žygio Business Center – office building at J. Galvydžio str. 7 / Žygio str. 97, Vilnius, Lithuania (owned by the Company)

Žygio business center – the yellow brick, authentic nineteenth century architecture, renovated office building, perfectly adapted to modern office activities. The building stands in the Northern Town (J. Galvydžio str. 7 / Žygio str. 97) - in a strategically attractive, busy part of Vilnius, easily accessible by car and public transport. Other commercial and business centers, banks, the State Tax Inspectorate, Social Insurance, Employment Exchange, medical clinics and various business services companies, attracting large flows of people, are located nearby. Furthermore, four large shopping centers – Domus Gallery, Parkas, Hyper Rimi, Banginis-Senukai, are located near the business center. Distance to the center of Vilnius is about 3.5 km. 70 spots of covered parking lot is installed next to the building.

The object has a development potential, as building permit for the construction of a new building is obtained. The land with the building permit at the moment of the Prospectus is being sold for EUR 500 thousand and the transaction is expected to be closed in December 2015. Part of the object, which is being sold is valued at EUR 520 thousand. Therefore, after the transaction Žygio Business Center value will be EUR 2,540 thousand (EUR 3,060 thousand minus EUR 520 thousand).

Basic information:
Total area: 3,200 sq. m
Leased area: 2,600 sq. m
Land area: 0.60 ha
Property market value as at the day of the Prospectus: EUR 3.06 million

4. Office and logistics building at Kirtimų str. 33, Vilnius, Lithuania (owned by the Company)

Administrative buildings and warehouses are in a strategically convenient location, in respect to storage/manufacturing, in the industrial area, in the southwestern part of Vilnius, Kirtimų street. This complex is very suitable for logistics, as it is located near the Western city bypass, which is one of the most important traffic arteries of Vilnius city. Engineering infrastructure is well-developed in the area.

Basic information:
Total area: 3,000 sq. m
Leased area: 2,500 sq. m
Land area: 0.67 ha
Property market value as at the day of the Prospectus: EUR 0.78 million

5. Dommo Business Park manufacturing/warehouse and office premises complex in Latvia (owned by SIA DOMMO Group SIA and DOMMO Biznesa Parks SIA)

Basic information:
Total area: 12,800 sq. m
Leased area: 12,600 sq. m
Land area: 58.21 ha
Property market value as at the day of the Prospectus: EUR 8.027 million

The area is strategically well-located, to the right of Jelgava road, in front of the intersection with Jurmala – Tallinn bypass. Distance to the center of Riga and the airport is 13 km, the port – 16 km. The area is suitable for the development of logistics centers.

6. Residential house at Kalvarijų str. 11, Vilnius, Lithuania (owned by Rovelija UAB)

The house borders with IBC complex area, owned by the Company. Rovelija UAB owns all apartments located in this building.

Basic information:
Total area: 276 sq. m
Property market value as at the day of the Prospectus: EUR 0.52 million

7. Vilniaus vartai complex at Gynėjų str. 14, Vilnius, Lithuania (owned by the Company)

Vilniaus Vartai complex is located in a heart of Vilnius, 100 metres from the Lithuanian Parliament and Gediminas Avenue. Nearby the building there is Geležinio Vilko street that helps to avoid traffic congestions and reach the desired Vilnius district in the fastest way.

Basic information:
Total area: 8,100 sq. m
Leased area: 6,400 sq. m
Land area: 0.26 ha
Property market value as at the day of the Prospectus: EUR 10.280 million

In the nearest future there are plans to apply to the LB for issuance of the licence of the closed-end investment company. Upon issuance of this licence the Company will become similar to investment fund.

Dependence of the Issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes

The Issuer is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes and these aspects are not material to the Issuer's business or profitability.

Statements regarding the competitive position of the Issuer

Investment strategy of the Group is based on the objective to maximize return on investment into real estate in the long period. The Group invests into real estate properties (buildings, premises and land plots) in Vilnius and Riga. Investment into larger modern buildings for commercial purposes (business, trade and logistics centres), which generate long-term proceeds from the lease of the premises, is a given priority. The Group has investments into real estate properties, the value of which can be increased through active development. Having developed a property, it can be sold or further leased. The Group does not invest into real estate properties for speculation purposes.

The Company's competitive strengths include:

- Diversified and sustainable operation – lease of commercial premises and development of real estate properties. The Group plans to develop some of the owned real estate properties, but most of commercial buildings are leased, so the Group has a steady rent income currently and in the future.
- Opportunity to develop real estate properties owned – some of the real estate properties owned by the Group have the possibility for development. The development of a property is a long and cost consuming process. However, it guarantees the investor a fairly high return on investment.
- Long-term contracts with lessees – most of the Group's properties are leased to different lessees. The Group has lease contracts expiring from one to five years.

4.4.2 Principal Markets

Economy Overview

All the Baltic region became a full member of Eurozone after the euro adoption in Estonia (2011), Latvia (2014) and Lithuania (2015). Latvia and Lithuania showed their strength in growing economies, continuously improving domestic consumption and increasing interest and investments from international companies.

The economic growth in Lithuania slowed in the first half of 2015, with GDP just 1.5% higher year-on-year. SEB bank analysts forecast that GDP growth will rebound slightly in the second half on further strong domestic demand. The economy will expand by 1.8% in 2015 and 2.8% in 2016. In 2017 SEB expects GDP to increase by 3.2%. Annual deflation will persist at the end of 2015 and average HICP inflation this year will reach -0.7%. SEB analysts believe that in the next year the inflation will be a mere 0.3% and 1.2% in 2017. Average real wages were 5.1% higher at the end of the first half of 2015, supported by a decline in unemployment to 9.4%. SEB bank analysts believe that the average unemployment level will drop to 9.5% in 2015, to 9.0% in 2016 and to 8.5% in 2017.

Latvia's GDP growth in the second quarter of 2015 accelerated from 1.9% to 2.7% quarter-on-quarter. SEB analysts anticipate that this year's growth will be 2.4%, with a slight upturn to 2.7% in 2016, but then GDP growth will accelerate up to 3.5% in 2017. In August, the annual inflation rate picked up to 0.1% from zero in July. Low inflation is determined mainly by external factors. SEB lowered Latvia's inflation forecasts: this year's inflation forecast is 0.4%, rising to 1.7% 2016 and 2.3% in 2017. In the second quarter of 2015 unemployment in Latvia dropped only a bit to 9.8%. SEB Bank analysts forecast that unemployment rate in 2015 will remain 9.8%, will drop to 8.9% in 2016 and to 7.8% in 2017[14].

Real Estate Market Overview

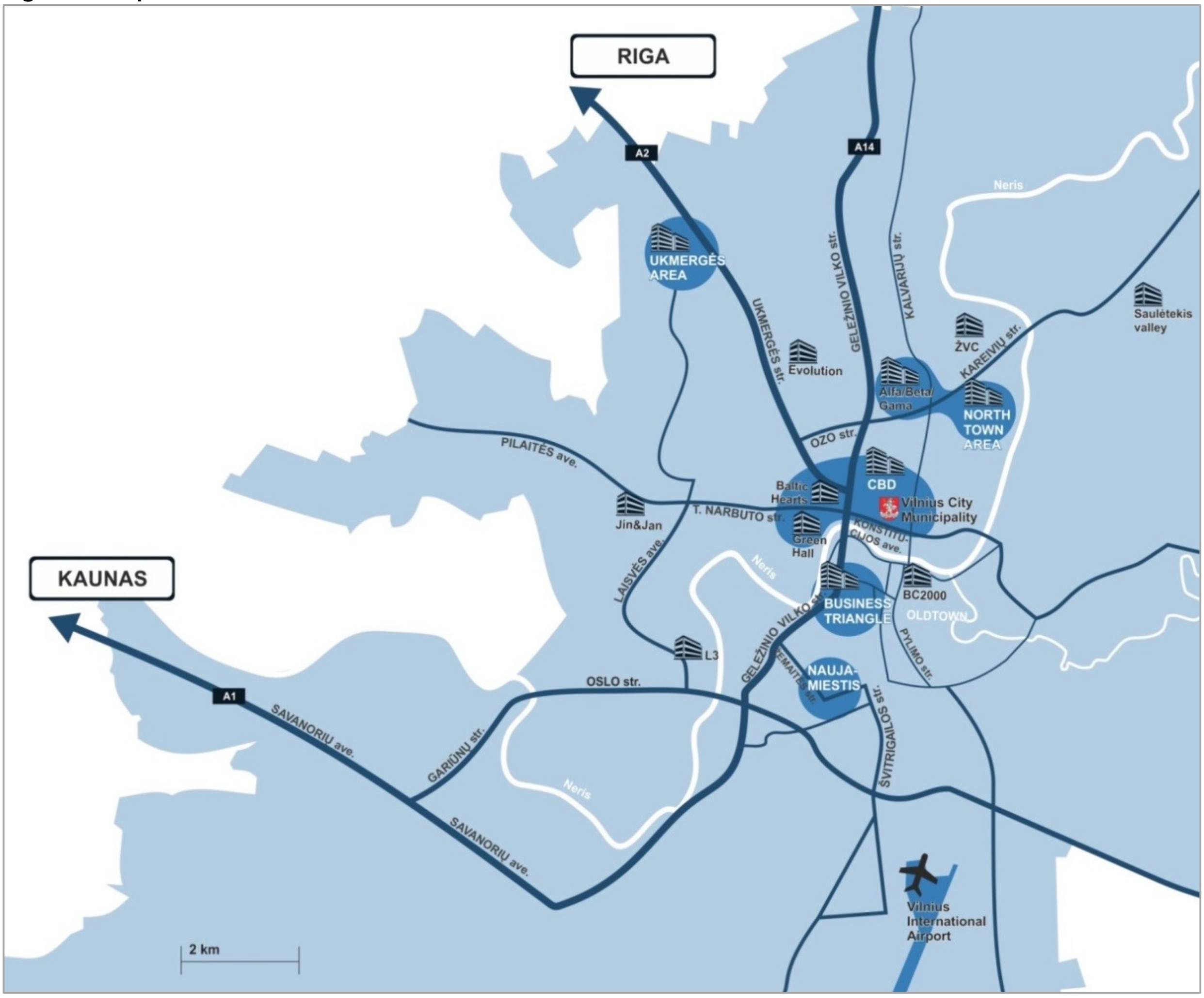
The Baltic real estate market recovered from the financial crisis with doubled transaction volumes in 2013 in both Latvia and Lithuania, compared to 2012. The investment market remained active in the Baltics in 2014, with 12% of volume growth recorded year over year. Growing demand has encouraged developers to start new significant commercial and residential projects. Improvement in retail turnovers stimulated the development of logistics and retail projects. Furthermore, activities on some previously frozen projects were resumed[15].

Office Market in Lithuania

The main prime office concentration in Vilnius is situated in two main business districts – CBD and Business Triangle. The main B class office developments are located in Ukmergės street and its surroundings as well as former military zone now known as North Town area and the territory surrounded by Ozo and Kalvarijų streets.

[14] Eastern European Outlook by SEB bank, published on October 7, 2015 (http://www.seb.lv/sites/default/files/web/document/pubapskati/eeo_october_2015_eng_webb_1.pdf).
[15] Newsec Property Outlook Autumn 2015, published on September 17, 2015 (http://www.newsec.lt/wp-content/uploads/2015/09/NPO_Autumn_2015_med_omslag.pdf).

Figure 1. Map of Vilnius main office locations



Source: Newsec Inside Vilnius Office Market Q2 2015[16]

Table 7. The main office areas in Vilnius

Area	Description
CBD	~100,000 sq. m A/B+ class office space A potential of at least ~100,000 sq. m of A class office space in the horizon of 3-5 years Formerly – economy-class residential area Currently – developing major financial centre 5 min. drive to the old town and the historical city centre, easy access to A1 and A2 highways Main developers/owners – Hanner, Swedbank, Invalda, Vėtrūna-Nekilnojamo turto gama, SBA, Bontonas/Lords LB, Danhaus LT Major occupiers – Vilnius Municipality, Danske Bank, Swedbank, TEO, Hanner, Barclays, KPMG, CSC, GlaxoSmithKline, IBM
Business Triangle	~50,000 sq. m A/B+ class office space Formerly – industrial area Currently – well developed business area 5 min. to the old town and the historical city centre, easy access to A1 highway Term – 1998 – 2006, further expansion potential – 50,000-70,000 sq. m Main developers/owners – MG Valda, Eika, private investors from Russia Major occupiers – Lietuvos Paštas, Statoil, Eika, Pfizer Tendency – movement to the CBD (larger offices, A class quality level) Current occupiers are expected to be replaced by local enterprises requesting smaller offices
North Town	The total existing office area comprises of ~30,000 sq. m Formerly – Soviet military base Currently – mainly comprises of residential developments and specialized retail with some B-class new and reconstructed office buildings The territory is in close vicinity to the city centre and has well developed public transportation Main developers/owners – Ogmios Group, MG Valda, ZVC, PST Major occupiers – Lithuanian Tax Inspectorate, Columbus, PST, Synergium, Ogmios group
Ozo str./	A newly developed area, built around Vilnius entertainment park (water amusement park) and 60,000 sq. m Ozas

[16] Newsec Inside Vilnius Office Market Q3 2015, published on November 23, 2015 (http://www.newsec.lv/wp-content/uploads/2015/11/Inside-Vilnius-office-market-Q3-2015.pdf).

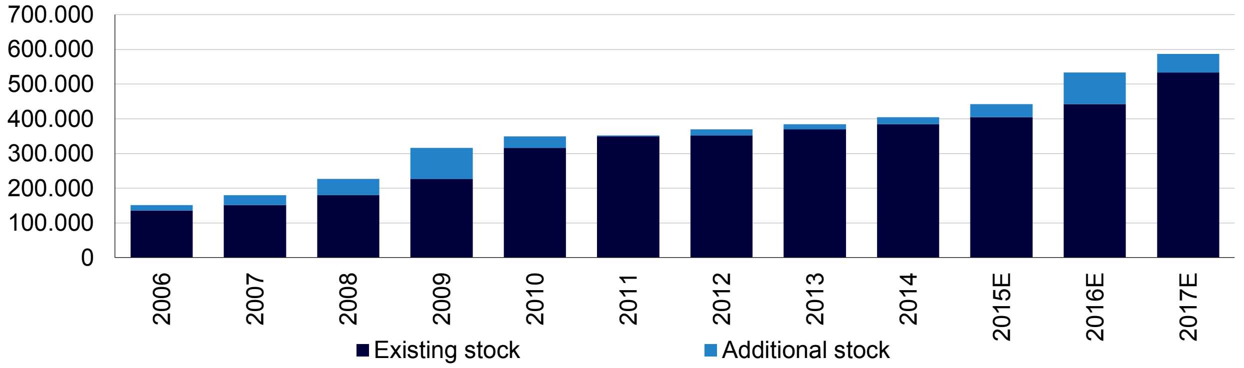
Area	Description
Kalvarijų str.	shopping centre B+ class newly developed office buildings are constructed in the territory The total existing office area comprises of ~42,000 sq. m Main developers/owners – Realco (part of ICOR group) / Technopolis Lietuva Major occupiers – SEB, Western Union, Barclays, Sweco

Source: Newsec Inside Vilnius Office Market Q2 2015

By the end of Q2 2015 the stock of modern office premises in Vilnius was 415,200 sq. m. This number excludes entirely built-to-suit and partially sold projects. The total office stock in 2014 has increased by 19,870 sq. m of gross leasable area or by 5.2 per cent.

It is expected that during 2015–2017 Vilnius office market will increase by approx. 200,000 sq. m of modern office space. Currently eight out of thirteen planned projects in Vilnius are under construction. B class is expected to take 42% of new developments in terms of leasable area.

Figure 2. Office stock development in Vilnius



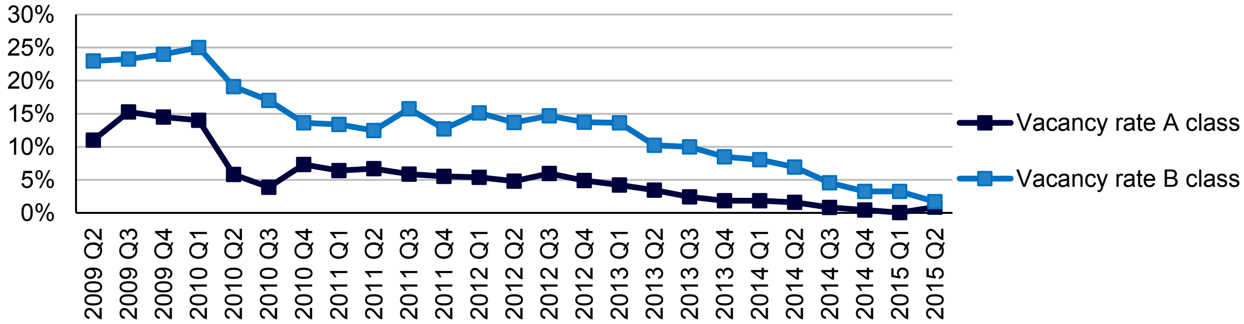
Source: Newsec Inside Vilnius Office Market Q2 2015

The trend of decreasing vacancy rates in Vilnius modern Business centers has been observed since the beginning of 2010. Despite the fluctuations caused mostly by increasing supply, the vacancy level decreased and is at the lowest level throughout the several years period. Vacancy in modern office buildings, especially in CBD, is close to zero at the moment. Vacancy in prime offices has been fluctuating from 2% to 6% in 2013 and has fallen below 2% in average in the first half of 2014 while in Q2 2015 vacancy for A class properties did not even reach 0.9%.

The appearing demand for business centers has positively affected those B class business centers, especially the ones which are close to the CBD and forms a significant number of total leasable areas in one place.

High demand for quality premises in B class office segment has forced vacancy in this segment to move down at a very quick pace. In 2014 Q2 the average vacancy rate in B class offices stood at around 7 per cent and in Q2 2015 it decreased down to 1.7%.

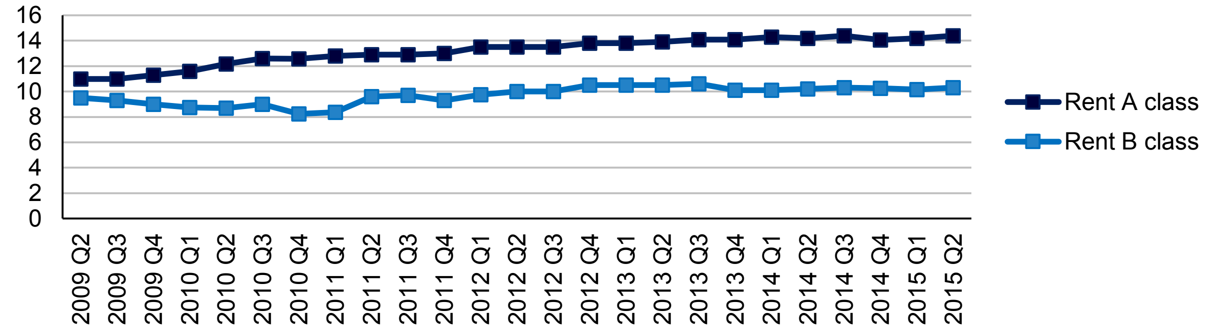
Figure 3. Vacancy rate development in Vilnius, %



Source: Newsec Inside Vilnius Office Market Q2 2015

In Q2 2015 the average market rent for existing prime office premises in Vilnius CBD moved from the range of 13-15 to 13.5-16 EUR/sq. m/month due to intense market situation, in other central areas the market rent rates were in the range of 9-13 EUR/sq. m/month, whereas B class offices further from city center were leased for 7.5-11 EUR/sq. m/month. The graph below shows that the rent rates for both A class and B class properties increased a bit in Q2 2015.

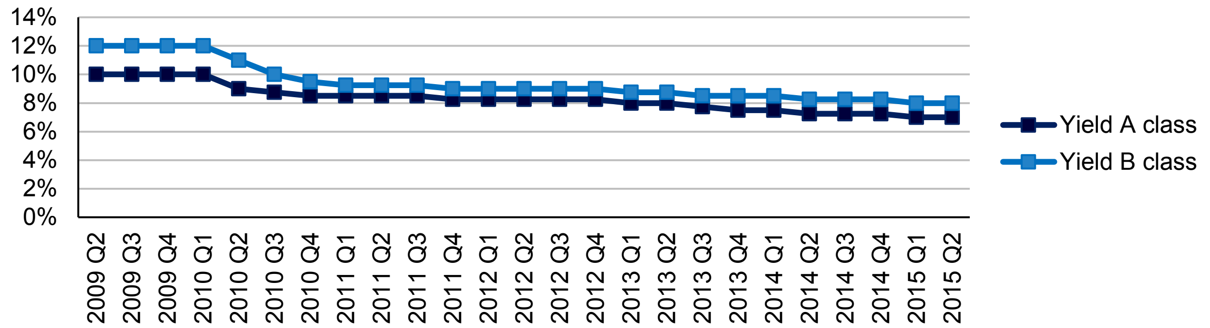
Figure 4. Rent price development in Vilnius, EUR/sq. m/month



Source: Newsec Inside Vilnius Office Market Q2 2015

The following graph shows the dynamics of average yields of A and B class office centers in Vilnius since 2009[17].

Figure 5. Office centers sales yield development in Vilnius, %



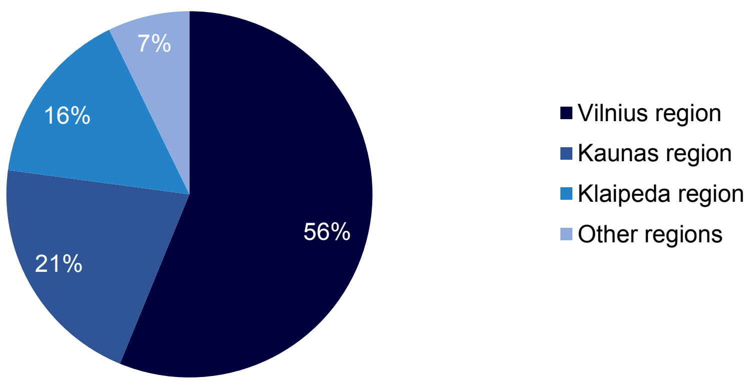
Source: Newsec Inside Vilnius Office Market Q2 2015

Warehousing and industrial market in Lithuania

Differently from the office market, warehouse and logistics projects development is concentrated not only in Vilnius. New projects are expanded and developed in Kaunas and Klaipėda, market activity in Panevėžys and Šiauliai is growing as well with increasing use of the existing industrial building opportunities.

There are approx. 917,000 sq. m of modern warehousing space in Lithuania. However, a much greater part of warehousing space is covered by old, not renovated warehouses and industrial units. Currently a major part (approx. 510,000 sq. m) of modern warehouses is situated in Vilnius and Vilnius district. Whereas, there are approx. 196,000 sq. m of modern warehousing and logistics space in Kaunas, approx. 145,000 sq. m – in Klaipėda and approx. 65,000 sq. m – in other locations.

Figure 6. Distribution of warehouses by regions in 2015

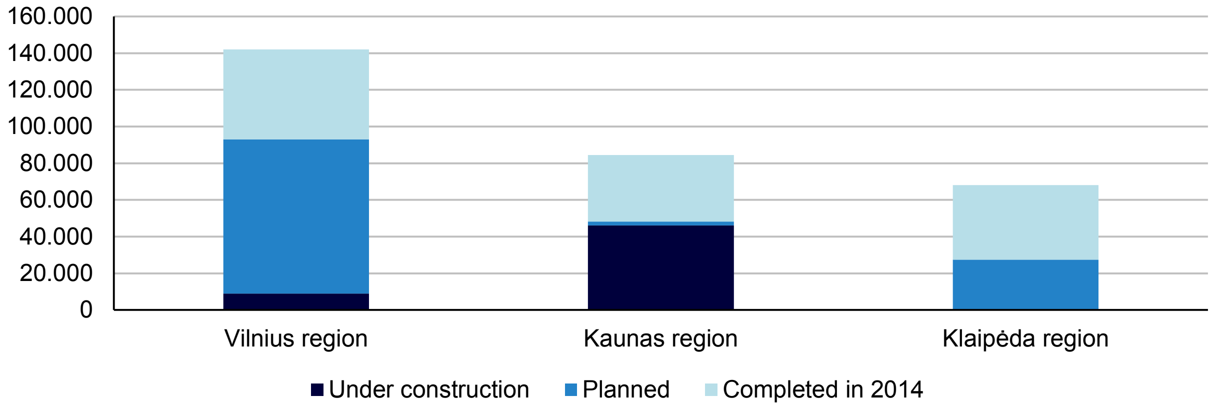


Source: Newsec Baltic Property Market Report 2015

13 new warehousing and logistics projects with total area of approx. 112,000 sq. m were completed in Lithuania in 2014 and two projects of approx. 13,300 sq. m were completed in the first half of 2015[18].

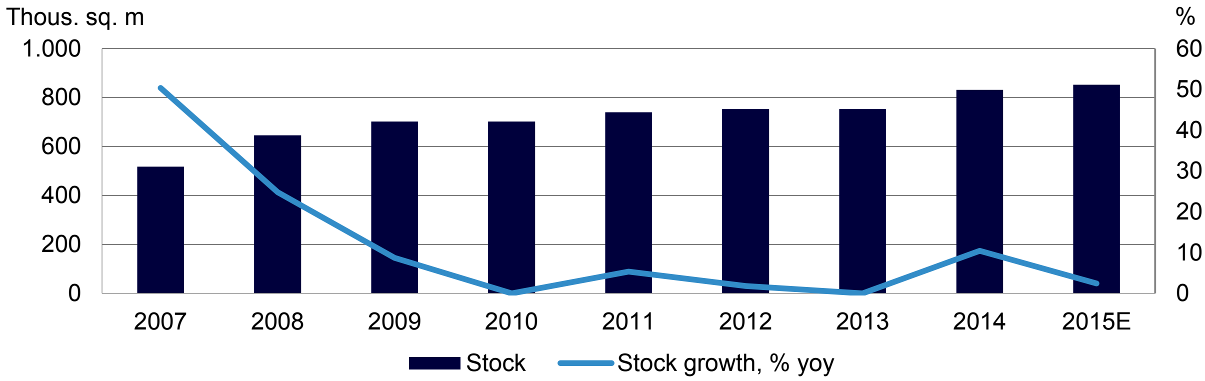
[17] Newsec Inside Vilnius Office Market Q2 2015, published on July 15, 2015 (http://www.newsec.lt/wp-content/uploads/2015/10/Inside-Vilnius-office-market-Q2-2015_with-map.pdf).
[18] Newsec Baltic Property Market Report 2015, published on January 24, 2015 (http://www.newsec.lt/wp-content/uploads/2015/08/2015-BPMR.pdf).

Figure 7. New warehousing and logistics projects in the largest regions of Lithuania



Source: Newsec Baltic Property Market Report 2015

Figure 8. Warehousing and logistics stock development in Lithuania

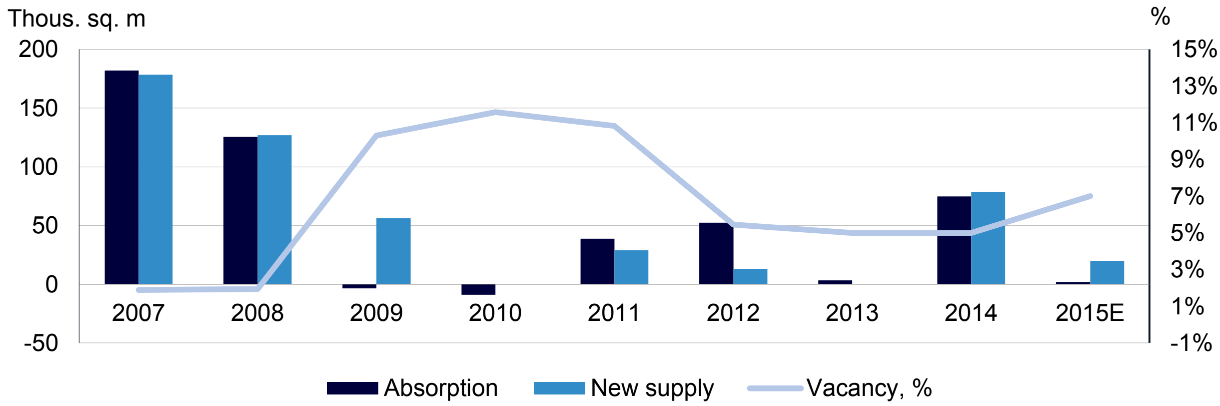


Source: Newsec Baltic Property Market Report 2015

The supply for logistics and warehouse facilities will mainly remain limited to built-to-suit or early pre-lease projects. However, the trend of developing speculative warehouses is coming back to European and Lithuanian markets.

Due to the very low modern warehousing space supply the absorption in 2013 was not high and reached only approx. 3,500 sq. m which is significantly lower than in 2011 and 2012. Major share of lease transactions were made by tenants already existing in the market and no fresh tenants were attracted. Most of the numerous new projects were leased last year, vacancy remained low and market absorption reached 74,000 sq. m in 2014. Market absorption is expected to be low in 2015 again as the number of new 3PL developments will be low.

Figure 9. Warehousing and logistics market development in Vilnius



Source: Newsec Baltic Property Market Report 2015

The vacancy rate in Vilnius region modern warehousing facilities decreased below 5% in the end of 2013. Vacancy rate in modern warehouses in other cities was slightly higher and reached 7-8%. Low vacancy levels remained at ~5% in combined Vilnius, Kaunas and Klaipėda markets during 2014 as well. Klaipėda has the highest W&L vacancy rate among the largest cities while there is almost no vacant warehousing space in Kaunas. In H1 2015 vacancy rate did not change significantly as completed projects were built-to-suit or leased.

However, in some specific cases the vacancy in certain objects is much lower or higher than the market average. Only small scale premises could be leased at the moment and companies looking for premises at a size of 5,000-8,000 sq. m face the lack of supply.

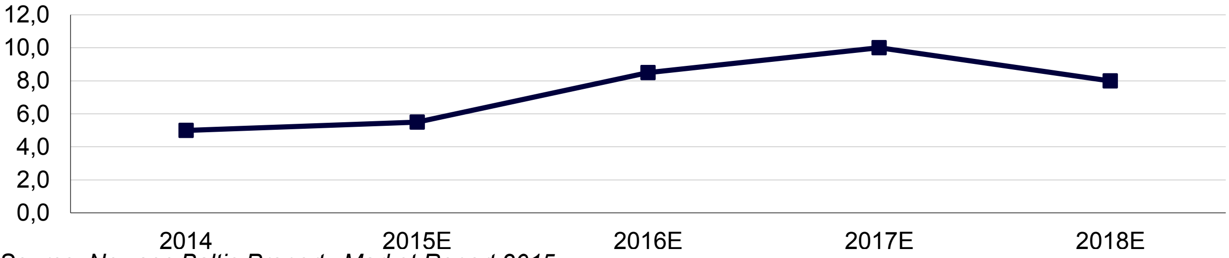
However, it should be noted that vacancy in the W&L segment could visibly increase in 2016-2017, if any of the large companies occupying large spaces in current warehouses build their own built-to-suit projects. This trend is already visible in Estonia, where Maxima is investing 30 million euro into 45,000 sq. m built-to-suit logistics center[19].

Table 8. Modern warehouse and logistics premises vacancy rate

	2011	2012	2013	2014	2015 H1	Outlook
Vilnius and Vilnius district	Up to 8%	Up to 5%	Up to 3%	Up to 5%	Up to 5%	~
Other cities	Up to 15%	Up to 10%	Up to 8%	Up to 5%	Up to 5%	~

Source: Newsec Baltic Property Market Report 2015

Figure 10. Vacancy forecast in prime warehousing/logistics centers, %



Source: Newsec Baltic Property Market Report 2015

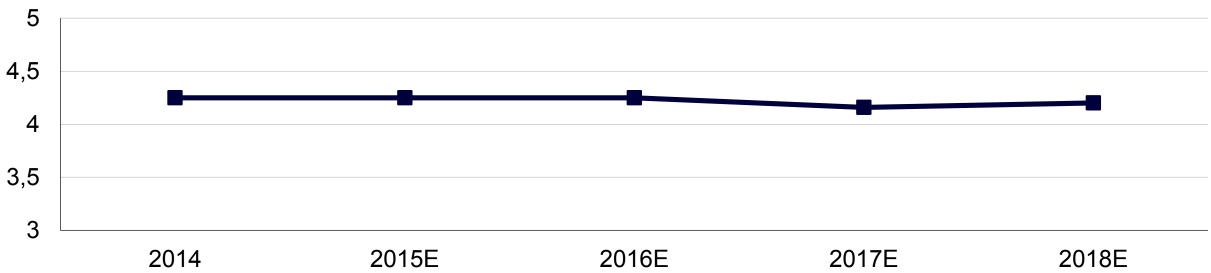
The average rental rates now are in average 3.8-4.8 EUR/sq. m/month for A class buildings in Vilnius prime locations and up to 3.5-4.5 EUR/sq. m/month in Kaunas and Klaipėda. The rent rates also differ according to the size of the tenant. Rates for lower class warehouse and production facilities vary in the average range of 1.2 to 3.4 EUR/sq. m/month – the highest rates are in Vilnius. Rental rates in secondary locations such as Šiauliai and Panevėžys are noticeably lower and reach 1-2.5 EUR/sq. m/month for B and C class properties. Similar average rent rates are recorded for production facilities as well[20].

Table 9. Modern warehouse and production premises average rental rates, EUR/sq. m/month

	2011	2012	2013	2014	2015 H1	Outlook
Vilnius and Vilnius district A class	3.4-4.1	3.8-4.3	3.8-4.6	3.8-4.8	3.8-4.8	~
Vilnius and Vilnius district B class	2.0-2.9	2.3-2.9	2.3-3.2	2.5-3.4	2.5-3.4	~
Other cities A class	2.3-3.5	2.6-4.1	2.6-4.3	2.8-4.5	2.8-4.5	~
Other cities B class	1.0-1.7	1.2-2.4	1.2-2.5	1.2-2.7	1.2-2.7	~

Source: Newsec Baltic Property Market Report 2015

Figure 11. Rent forecast in prime warehousing/logistics centers, EUR/sq. m/month



Source: Newsec Baltic Property Market Report 2015

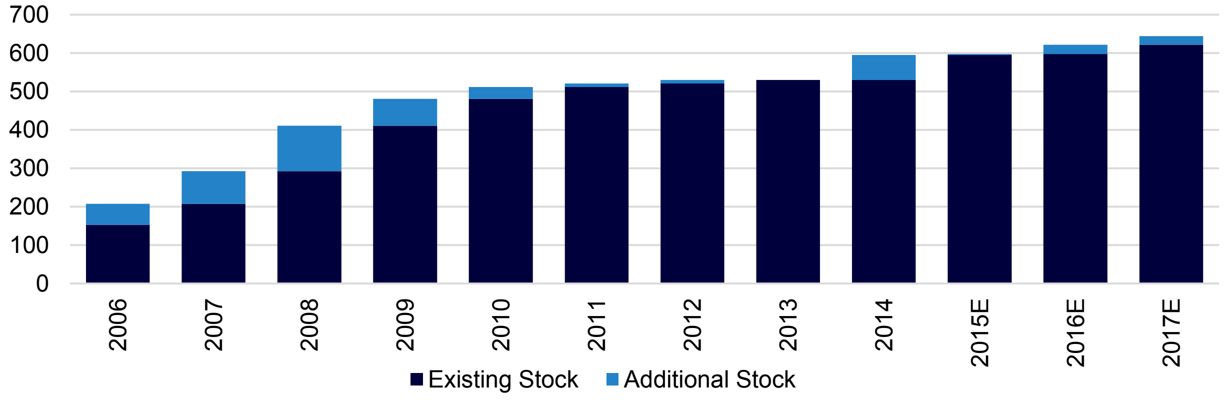
Office Market in Latvia

The Latvian office market saw the first noticeable office stock increase since 2010. However, general development activity is considered to be lagging behind Estonia and Lithuania in the context of similar vacancy figures. By the end of 2014 the total stock

[19] Newsec Baltic Property Market Report 2015, published on January 24, 2015 (http://www.newsec.lt/wp-content/uploads/2015/08/2015-BPMR.pdf).
[20] Newsec Baltic Property Market Report 2015, published on January 24, 2015 (http://www.newsec.lt/wp-content/uploads/2015/08/2015-BPMR.pdf).

of office premises in Riga was estimated at 592,400 sq. m. Moreover, approx. 10,000 sq. m of A class office premises are under construction in Z-Towers, expected to be commissioned in Q4 2016 / Q1 2017.

Figure 12. Office stock development in Riga, thousand sq. m



Source: Colliers International HY2015 Office Market Review Latvia[21]

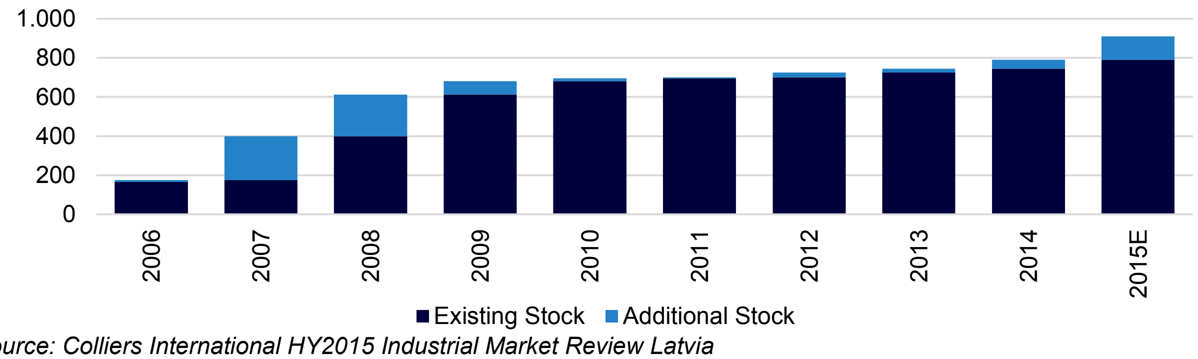
By the end of 2014 the total vacancy rate for both speculative and built-to-suit projects comprised 5.7%, compared to 5.3% one year ago.

By the end of 2014 the market saw an increase of rent rate spreads in all property classes. Rent rates were equal to 13-15 EUR/sq. m per month for A class premises, 8–12 EUR/sq. m per month for B1 class office premises and 6–9 EUR/sq. m per month for B2 office premises. Shortage of qualitative office premises was the main driver of rent rate increases in 2014. Analysts expect the upper bounds of rent rates to remain stable in 2015, although the lower bounds could slightly increase.

Warehousing and industrial market in Latvia

By the end of 2014 total leasable industrial stock amounted to approx. 785,800 sq. m, consisting of 589,300 sq. m of speculative premises and 196,500 sq. m of built-to-suit premises. Around 40% of total stock is located within Riga city limits. The other 60% is located around the Riga Ring Road (near Kekava, Olaine, Marupe, Salaspils and Jelgava). A number of projects, currently at the construction stage, with total GLA close to 120,000 sq. m are planned for commissioning in 2015. Among these, the most significant is a BLS industrial complex totalling approx. 44,000 sq. m of GLA. As a result, in 2015 the most significant increase of industrial stock since 2009 is anticipated. Even so, the general trend remains that developers are willing to engage in new construction only in the event of having a predefined client. Additionally, shortage of premises above 1,000 sq. m is observed.

Figure 13. Industrial stock development in Riga and Riga region, thousand sq. m



Source: Colliers International HY2015 Industrial Market Review Latvia

In 2014 demand activity followed the usual seasonality trend with the highest activity achieved in the first part of the year. Total take-up of industrial premises amounted to approx. 50,000 sq. m, most of which happened during the first quarter and last months of 2014. Decrease of demand activity in the middle of the year can be explained by the fact that it has been a typical busy season for logistics companies, representing a significant part of demand. Therefore, companies focused on their core business rather than on acquisition or relocation of new warehouses.

Trend in warehouse activity consolidation to single locations could be seen, which was initiated in 2013 and is expected to continue in the future. Potential tenants continued the tendency of searching for optimal value-for-money leasing offers and were tending to negotiate prices, which was one of the main factors limiting the amount of leasing deals.

During 2014 rent rates in both A class industrial premises showed a decrease of their lower bounds compared to the previous year, while B class rent rate bounds remained unchanged compared to the previous year.

[21] Colliers International HY2015 Office Market Review Latvia (http://www.colliers.com/en-lv/latvia/insights/2015_reports_news/hy2015_office_market_overview).

Table 10. Rent rates (excl. VAT) for 2014 and 2015

CLASS	JAN 2014	JAN 2015	Trend
A	3.8 – 4.5	3.5 – 4.5	→ ↓
B	3.0 – 3.6	3.0 – 3.6	→ →

→ → – stable, → ↓ – slight decrease
Source: Colliers International HY2015 Industrial Market Review Latvia

In January 2015 the total vacancy rate of industrial stock reached 2.2%, compared to 2.7% the previous year. The decrease in total vacancy was driven by the B class segment. In 2015 the commissioning of an impressive number of industrial properties, consisting mainly of built-to-suit, is expected to have a short term negative effect on vacancy, as companies will be relocating from non-professional premises.

Although the vacancy figures are signalling a very small number of vacant premises left available for the market, some tenants occupying industrial premises are offering sublease opportunities[22].

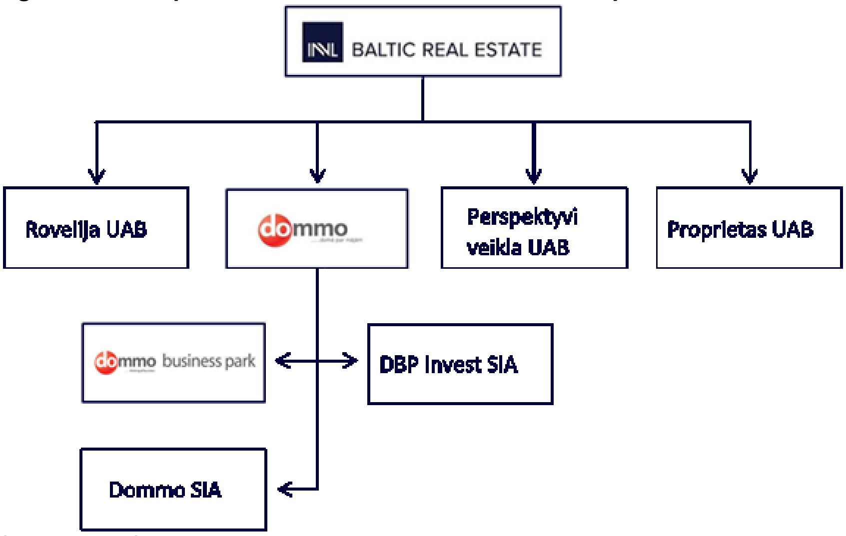
Table 11. Vacancy rates for 2014 and 2015

CLASS	JAN 2014	JAN 2015	Trend
A	3.7%	3.6%	→ ↑
B	1.4%	0.3%	→ →
TOTAL	2.7%	2.2%	→ ↑

→ → – stable, → ↑ – slight increase
Source: Colliers International HY2015 Industrial Market Review Latvia

4.5 Organisational Structure

Figure 14. Group's structure as of the date of the Prospectus



Source: the Company

The Issuer does not belong to the group of companies as it is described in the applicable Lithuanian laws, i.e. the Issuer is not controlled by any persons, as it is indicated in the Law on Companies – none of shareholders of the Company has shares thereof, entitling to more than 1/2 of votes in the General Meeting.

The Company together with the Subsidiaries form a Group of companies, as indicated below.

Table 12. Shareholdings of the Company, held in the Subsidiaries as on the date of the Prospectus

Company of the Group	State of registration	Status	Amount of shares and votes, held by the Company (%)
Rovelija UAB	Lithuania	Subsidiary	100
DOMMO grupa SIA	Latvia	Subsidiary	100
Perspektyvi veikla UAB	Lithuania	Subsidiary	100
Proprietas UAB	Lithuania	Subsidiary	100
DOMMO biznesa parks SIA	Latvia	Subsidiary	100(*)
DOMMO SIA	Latvia	Subsidiary	100(*)
DBP Invest SIA	Latvia	Subsidiary	100(*)

[22] Colliers International HY2015 Industrial Market Review Latvia (http://www.colliers.com/en-lv/latvia/insights/2015_reports_news/hy2015_industrial_market_review).

Source: the Company
**The indicated shares are held by DOMMO grupa SIA, i.e. by the 100% Subsidiary of the Company.*

The main registration data on the Company and the Subsidiaries are provided below:

Table 13. Registration information of the Company and of the Subsidiaries

Name of the company	INVL Baltic Real Estate AB
Legal form	public limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	152105644
Date of incorporation	28 January 1997
Registered address	Gynėjų str. 14, Vilnius, Lithuania

Name of the company	Rovelija UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302575846
Date of incorporation	20 December 2010
Registered address	Gynėjų str. 14, Vilnius, Lithuania

Name of the company	DOMMO grupa SIA
Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	40003733866
Date of incorporation	17 March 2005
Registered address	Lapegles, Stūnīši, Olaines pag., Olaines nov., LV-2127 Latvia

Name of the company	Perspektyvi veikla UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	302607087
Date of incorporation	25 March 2011
Registered address	Gynėjų str. 14, Vilnius, Lithuania

Name of the company	Proprietas UAB
Legal form	Private limited liability company
Country of incorporation	Republic of Lithuania
Administrator of the register	State Enterprise Centre of Registers
Code	303252098
Date of incorporation	27 February 2014
Registered address	Gynėjų str. 14, Vilnius, Lithuania

Name of the company	DOMMO biznesa parks SIA
Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	40003865398
Date of incorporation	13 October 2006
Registered address	Lapegles, Stūnīši, Olaines pag., Olaines nov., LV-2127 Latvia

Name of the company	DOMMO SIA
Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	40003787271
Date of incorporation	5 December 2005
Registered address	Lapegles, Stūnīši, Olaines pag., Olaines nov., LV-2127 Latvia

Name of the company	DBP Invest SIA

Legal form	Limited liability company
Country of incorporation	Republic of Latvia
Administrator of the register	Register of Enterprises of the Republic of Latvia
Code	40103463830
Date of incorporation	28 September 2011
Registered address	Brīvības iela 74-3, Rīga, LV-1011 Latvia

4.6 Property, Plants and Equipment

The Company does not have material property, plants and equipment, as the majority of assets is considered as investment property. During nine months of 2015 the Group has invested into property, plant and equipment EUR 154,000, mainly in reconstruction of leased premises. Before negotiation on purchase of the investment properties located at Gynėjų str. 14, Vilnius, Lithuania, the Group has signed a rent agreement of these premises on 18 June 2015 and has begun to invest in the reconstruction thereof. Until 30 September 2015 the Group has invested EUR 143,000 to the reconstruction of these premises. After acquisition of investment properties located at Gynėjų str. 14, Vilnius, Lithuania, the above mentioned investment would be added to acquisition cost of this investment property.

Major encumbrances on the material tangible fixed assets of the Issuer are provided in Section 4.8 *Capital Resources*.

A description of any environmental issues that may affect the Issuer's utilisation of the tangible fixed assets

The Company is not aware of such issues.

4.7 Operating and Financial Review

Operating and financial overview accommodates the discussion on the results of the operation of the Group for the year ended 31 December 2014 and for the nine months, ended 30 September 2015 and 30 September 2014. This Section should be read in conjunction with the IFRS Financial Statements and the Consolidated Interim Financial Information, and in conjunction with other parts of the Prospectus which include important information on the operations and financial condition of the Group.

4.7.1 Financial Condition

Reorganisations

The Group was established on 29 April 2014, following the split-off of 30.90% assets, equity and liabilities from Invalda INVL AB. More details on this process are disclosed in Note 6 of the IFRS Financial Statements. As a result of the split-off, the entities, the business of which is investment into investment properties held for future development and in commercial real estate and its rent, were transferred to the Former Parent Company. On 17 August 2015 the Former Parent Company was reorganised by way of the Merger to the Company. As a result of the Merger the Former Parent Company ceased to exist and Invaldos nekilnojamojo turto fondas AB changed its name to INVL Baltic Real Estate AB and became the parent of the Group. The reorganisation, being the legal merger only, had no impact on the consolidated financial statements of the Group, except for reclassification within shareholders' equity lines. Please refer to the Consolidated Interim Financial Information for better understanding thereof (Note 3). Accordingly, it had no impact on the Group's assets, liabilities and performance measurement.

Financial position

The financial condition of the Group is disclosed in the statements of financial position (see Section 4.2 *Selected Financial Information* and 4.18.2 *Audited Financial Information*, IFRS Financial Statements and the Consolidated Interim Financial Information). The main assets of the Group are investment properties (for more information please see Section 4.3.2 *Investments*) and the main liabilities are borrowings from banks and shareholders (for more information please see Section 4.8 *Capital Resources* and Section 5.2 *Working Capital Statement).*

Changes in financial position

In 2015 the Group through business combination has obtained a control over Latvian entities holding the investment properties in Riga, Latvia, with a fair value of EUR 8,027 thousand. After these acquisitions the Group has signed EUR 3,000 thousand borrowing agreement with ABLV Bank AS. The borrowing was disbursed on 27 July 2015.

On 1 October 2015 the Group has acquired 6,500 sq. m of commercial premises including 0.26 hectare of land in Gynėjų str. 14, Vilnius, Lithuania (see Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position*). After the acquisition and revaluation the value of investment properties increased by EUR 10,280 thousand, liabilities of the Group increased by up to EUR 7,750 thousand. From revaluation of this investment property the Group will recognize about EUR 2.3 million net gains from fair value adjustment in the 4th quarter of 2015.

Excluding acquisitions and property revaluation, operating activities during 2015 did not impact Group's financial position significantly.

4.7.2 Operating Results

As of the date of this Prospectus the results of the Group are not comparable, because the Group was established on 29 April 2014 and, therefore, the comparative figures for nine months of 2014 covers period starting from 29 April 2014 and ending on 30

September 2014. The operating results of nine months of 2015 were also influenced by obtaining control over Latvian entities and sale of shares of INTF Investicija UAB. More detailed information on these events is disclosed in Notes 11 and 12 of the Consolidated Interim Financial Information, respectively. From the mentioned events the Group has recognised EUR 1,206 thousand of net profit (the net profit of the Group for nine months ended 30 September 2015 was EUR 1,870 thousand).

Composition of operating expenses

Detailed split of operating expenses is provided in the IFRS Financial Statements and Consolidated Interim Financial Information of the Group, incorporated by reference into the Prospectus. The key item of operating expenses for the Group are premises' rents costs, utilities, repair and maintenance costs, property managements costs and taxes on property.

Apart from the circumstances, indicated in Section 3.1 *General Risk Factors in the Business Field Where the Group Operates* (risk factor *Risks relating to doing business in the Baltic States*) the Issuer is not aware of other governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations.

4.8 Capital Resources

The Group's operating activity and settlement of current liabilities are funded by cash inflows from rent and other related revenue arising from lease agreements. Historically the Group used bank borrowings to finance acquisition of investment properties. If the funding was insufficient the Group was supported by one of its Major Shareholders Invalda INVL AB (please see the table below for funding structure of the Group).

Table 14. Funding structure of the Group (EUR thousand)

Size of borrowings	As at 31 December 2014	As at 30 September 2015
Non-current bank borrowings	14,810	17,045
Long term borrowing from Invalda INVL AB	4,622	4,777
Current portion of non-current bank borrowings	478	923
Short term borrowing from Invalda INVL AB	590	610
Other borrowings	-	6
Total	**20,500**	**23,361**
Equity	14,491	16,361
Gearing ratio	58%	58%

Source: the Company

The Group has no material unused source of liquidity.

Current indebtedness of the Group (as at 31 October 2015) is provided in Section *5.2 Capitalisation and Indebtedness.* Information about the Group's liquidity risk and its management is provided in Note 3 of the IFRS Financial Statements.

All the cash flows of the Group are denominated in euro.

Borrowings with fixed and floating interest rate (with changes in 3 and 6 months period) were as follows:

Table 15. Borrowings with fixed and floating interest rate (EUR thousand)

Interest rate type:	31 December 2014	30 September 2015
Fixed	5,212	5,393
Floating	15,288	17,968
Total	**20,500**	**23,361**

Source: Consolidated Interim Financial Statements

The Group have not used any derivative instruments to hedge interest rate risk.

On 26 September 2014 the Group has signed EUR 15,350 thousand borrowings agreement with Šiaulių bankas AB, which was used to refinance borrowings from the other bank. The investment properties located in Vilnius, Lithuania, with carrying amount of EUR 33,358 thousand were pledged to Šiaulių bankas AB as a collateral for the borrowings. No financial covenants are established in the borrowing agreement with Šiaulių bankas AB. EUR 4,777 thousand of borrowing (as at 30 September 2015) from Invalda INVL AB is subordinated to Šiaulių bankas AB borrowing and could be repaid only upon maturity of the bank borrowing in 2019.

On 15 July 2015 the Group has signed EUR 3,000 thousand borrowing agreement with ABLV Bank AS. Borrowing was used to repay part of loans granted by the Former Parent Company to Latvian entities. The investment properties located in Riga, Latvia, with carrying amount of EUR 8,027 thousand were pledged to ABLV Bank AS as a collateral for the borrowings. The borrowing agreement with ABLV Bank AS established the following financial covenants: Debt Service Ratio (Earnings before interest, depreciation and amortization / the Lender Debt service (sum of interest and principal payments), loan to value ratio (loan amount / value of collateral). The Group has not breached these financial covenants.

The Company has no right to pay dividends without the consent from the bank according to borrowings agreements with Šiaulių bankas AB. The loans granted by the Company to Latvian entities are subordinated to borrowing from ABLV Bank AS. The Subsidiary Dommo Biznesa parks AS has no right to pay dividends without the consent of the bank according to borrowings agreements with this bank.

Future acquisitions of the Group should be funded by cash (see Section 5.4 *Reasons for the Offering and Use of Proceeds* for more details) and by the new bank borrowings.

4.9 Research and Development, Patents and Licences

Neither the Company nor the Group has patents, licenses. Furthermore, they do not have and did not apply research and development policies.

4.10 Trend Information

Office Market in Lithuania

It is expected that during 2015-2017 Vilnius office market will increase by approx. 200,000 sq. m of modern office space. Vacancy rates in modern office buildings, especially in central business district, are very low at the moment and will remain low until several new large projects are completed[20].

High demand for quality premises in B class office segment has forced vacancy in this segment to move down at a very quick pace. In 2014 Q2 the average vacancy rate in B class offices stood at around 7% and in Q2 2015 it decreased down to 1.7%. Decreasing vacancy rate in B class properties has led to the situation that recently two new B class projects near CBD of Vilnius started its construction in 2015 (~28,000 sq. m). Rent rates for both A class and B class existing properties increased a bit in Q2 2015.

C class office segment still experiences high vacancy and low rent rates but the demand is still generated by the companies which are less sensitive to location, prestige and level of additional services. New buildings coming to the market quarter-by-quarter are asking for a bit higher rent rate, including paid parking lots and charges related to NNN Lease such as real estate tax, insurance and maintenance. Moreover, with the opening of new buildings the old ones (especially in the prime segment) will be forced to face the competition. It is likely that some of the older buildings will not further meet A class standards. Thus, they will be pushed down to B class segment[23].

Logistics Market in Lithuania

The supply of industrial and warehousing facilities will remain limited to built-to-suit or early pre-lease projects. However, the trend of developing speculative warehouses is coming back to European and Lithuanian markets. Yet the recent survey concluded that banks in the Baltics are still not willing to finance commercial projects that do not have pre-lease agreements.

Vacancy of modern warehousing premises in largest cities currently is very low and companies looking for larger premises size 5,000-8,000 sq. m face the lack of supply. Although there are a few new projects under construction at the moment, it is forecasted that the overall vacancy in the warehousing market will remain low for a while as new projects are usually built-to-suit or are leased before launching. Vacancy could increase noticeably in 2016-2017, if any of the large companies occupying large spaces in current warehouses build their own built-to-suit projects[24].

Office Market in Latvia

While anticipated project for 2015 is scarce, development activity is expected to improve in 2016. Upper bounds of rent rates are expected to remain stable in 2015, while lower bounds could slightly increase. Colliers International analysts anticipate a decrease in total vacancy figures, especially in the B1 class segment.

Demand for office premises over 1,000 sq. m will continue to be stable in 2015. The focus has returned to Skanstes Street area in Riga, marked by interest in both land properties and existing buildings. The area is expected to see further development in upcoming years[25].

Logistics Market in Latvia

The current vast planned project pipeline will begin to materialize as soon as tenants ready to engage in prelease contracts are found. Most projects expected to arrive on the market in 2015 are leased out, so a major increase in vacancy is not expected. Rent rates are expected to remain stable in terms of their upper bounds, although a minor decrease of lower bounds might be expected[26].

Significant negative changes, related to the perspective of the Issuer

The Issuer confirms that as from the date of announcement of the last financial statements, no significant negative changes took place, related to the perspective of the Issuer.

[23] Newsec Inside Vilnius Office Market Q3 2015, published on November 23, 2015 (http://www.newsec.lv/wp-content/uploads/2015/11/Inside-Vilnius-office-market-Q3-2015.pdf).
[24] Newsec Property Outlook Autumn 2015, published on September 17, 2015 (http://www.newsec.lt/wp-content/uploads/2015/09/NPO_Autumn_2015_med_omslag.pdf).
[25] Colliers International HY2015 Office Market Review Latvia (http://www.colliers.com/en-lv/latvia/insights/2015_reports_news/hy2015_office_market_overview).
[26] Colliers International HY2015 Industrial Market Review Latvia (http://www.colliers.com/en-lv/latvia/insights/2015_reports_news/hy2015_industrial_market_review).

4.11 Profit Forecasts

The Issuer has not made a decision to include the profit forecasts or estimates in the Prospectus.

4.12 Administrative, Management and Supervisory Bodies and Senior Management

The Company has a two-tier management system, i.e. the Management Board and the Manager of the Company (the Director).

The Supervisory Council is not formed in the Company.

The Management Board is a collegial management body, which is responsible for the strategic management of the Company, the appointment and removal of the Manager of the Company, calling the General Meetings, adoption of other corporate decisions which are economically feasible for the Company, etc.

The Manager is responsible for the day-to-day management of the Company and enjoys the exclusive right of representing the Company vis-à-vis third parties.

In addition to the Manager, there are two additional Key Executives in the Group (Deputy Director and Chairman of the Boards of DOMMO grupa SIA and DOMMO biznesa parks SIA). These Key Executives are directly subordinated and report to the Manager.

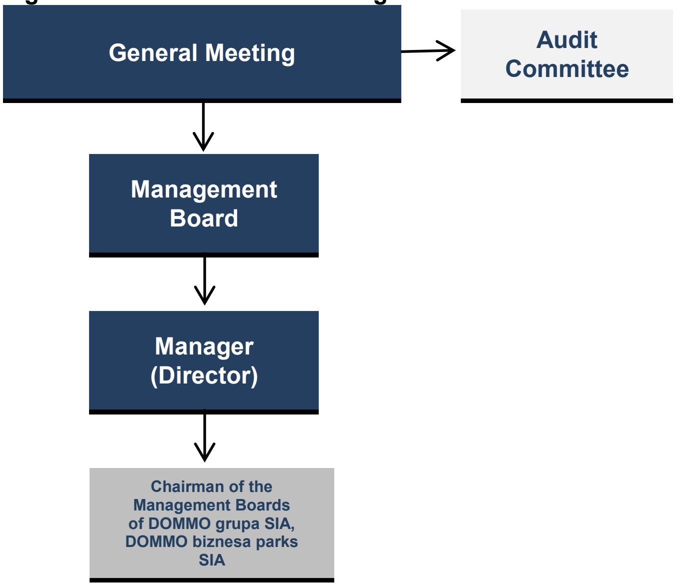
The Company has a transparent decision making process, relying on clear rules which are intended to enhance the shareholders' confidence. It also contributes to the protection of shareholders' rights, improving the overall performance of the Company, offering better access to capital and risk mitigation.

4.12.1 Management Structure of the Company

Current Internal management structure of the Company

Current internal management structure of the Company is indicated below.

Figure 15. Current internal management structure of the Company



Intended internal management structure of the Company

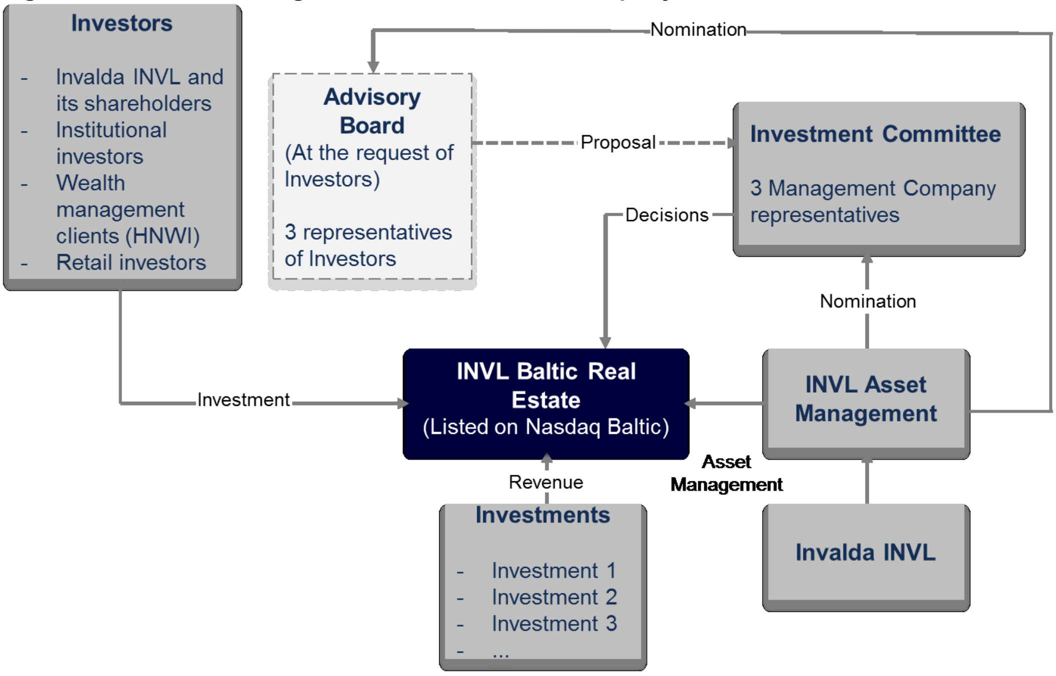
The Company plans to change the current management structure after the Issuer starts operating as a listed closed-end investment entity, supervised by the LB. In the General Meeting, dated 28 October 2015 it was decided to transfer the management of the Company to INVL Asset Management UAB – a fully-licenced asset management company which is supervised by the LB.

After licencing of the Company as indicated above, INVL Asset Management UAB, being a manager of the investment funds, shall provide back office functions to the Company and manage activities of the Company in order to realise value from the asset.

INVL Asset Management UAB which is 100 per cent owned by Invalda INVL AB, will appoint 3 representatives to the Investment Committee of the Company. The purpose of the Investment Committee will be to maintain professional and effective deployment of the capital, set investment policies, including real estate acquisition and divestment decisions and oversee their implementation.

If demanded by the investors of the Company, the Advisory Board will also be formed in the Company. It will consist of 3 members, appointed by the Investment Committee. The purpose of the Advisory Board will be to provide strategic advice and supplement with skills required for asset management and investment decisions.

Figure 16. Intended management structure of the Company



Source: the Company

4.12.2 Members of the Administrative and Management Bodies and Key Executives

Table 16. Members of the Management Board

Name	Position in the Company
Alvydas Banys	Chairman of the Management Board
Indrė Mišeikytė	Member of the Management Board
Andrius Daukšas*	Member of the Management Board

Source: the Company

* Andrius Daukšas holds the position from 10 August 2015 till 4 January 2016, as he has provided a resignation letter, which becomes valid as from 4 January 2016.

Alvydas Banys. Alvydas Banys (born in 1968) acquired university education by graduating from Vilnius Gediminas Technical University. He gained Master's degree in Engineering – Economics. Places of his employment for the last 5 years (except for the positions, held in the Company):

MP Pension Funds Baltic UAB – member of the Management Board (from September 2014 till October 2015);
Litagra UAB – member of the Management Board (since June 2014);
INVL Baltic Real Estate AB (Former Parent Company) – Chairman of the Management Board (from April 2014 till August 2015);
INVL Baltic Farmland AB – Chairman of the Management Board (since April 2014);
Invalda LT Investments UAB – Chairman of the Management Board (since February 2014);
Invalda INVL AB – Advisor (since July 2013);
Invalda INVL AB – Chairman of the Management Board (since May 2013);
Cedus Invest UAB – member of the Management Board (from May 2013 till June 2014);
Trakcja SA – member of the Supervisory Council (from June 2012 till May 2013);
LJB Investments UAB – Director (since May 2007);
LJB Property UAB – Director (since May 2007).

Alvydas Banys holds 3,318,198 Shares in the Company (7.68% of all the Shares). Indirectly, through LJB Investments UAB, in which he owns 83.26% of all the shares of this company (together with his spouse Daiva Banienė – 100.00%), Alvydas Banys holds additional 30.44% of Shares in the Company.

Indrė Mišeikytė. Indrė Mišeikytė (born in 1970) acquired university education by graduating from Vilnius Gediminas Technical University. She gained Master's degree in Architecture. Places of her employment for the last 5 years (except for the positions, held in the Company):

INVL Technology AB – member of the Management Board (from April 2014 till February 2015);
INVL Baltic Real Estate AB (Former Parent Company) – member of the Management Board (from February 2014 till August 2015);
Invalda Privatus Kapitalas AB – Advisor (since June 2013);
Invalda Privatus Kapitalas AB – member of the Management Board (since June 2013);
Invalda INVL AB – Advisor (since May 2012);
Invalda INVL AB – member of the Management Board (since April 2012);
Inreal Valdymas UAB – Architect (since November 2002).

Indrė Mišeikytė holds 862,873 Shares in the Company (2% of all the Shares). Her mother Irena Ona Mišeikienė holds 12,492,979 Shares in the Company (28.90% of all the Shares).

Andrius Daukšas. Andrius Daukšas (born in 1982) acquired university education by graduating from Vilnius University. He gained Master‘s degree in Banking. Places of his employment for the last 5 years (except for the positions, held in the Company):

INVL Baltic Real Estate AB (Former Parent Company) – Director (from December 2014 till August 2015);
Vilniaus Baldai AB – member of the Audit Committee (from September 2013 till June 2014);
Kelio Ženklai UAB – Chairman of the Management Board (since May 2013);
Jurita UAB – member of the Management Board (since August 2011);
Įmonių grupė Inservis UAB – member of the Management Board (since December 2010);
Įmonių grupė Inservis UAB – Director (since December 2010);
Invalda INVL AB – Investment Manager, Analyst (since March 2010);
Umega UAB – member of the Management Board (from October 2010 till February 2012);
Bank Finasta AB – Director of the Treasury Department (from June 2008 till February 2010);
Alzida UAB – Accountant (from December 2002 till December 2015).

Andrius Daukšas holds no Shares in the Company.

Key Executives

Key Executives of the Issuer are the Manager (Director), Deputy Director and the Chairman of the Boards of DOMMO grupa SIA and DOMMO biznesa parks SIA. The Chairman of the Boards of the indicated companies is directly accountable to the Manager (Director).

Table 17. Key Executives

Name	Position in the Company
Egidijus Damulis	Manager (Director)*
Andrius Daukšas	Deputy Director*
Aivars Griezītis	Chairman of the Boards of DOMMO grupa SIA and DOMMO biznesa parks SIA

Source: the Company

* Egidijus Damulis is starting to hold the position of the Manager as from 4 January 2016, whereby he will replace Andrius Daukšas. On the same date Andrius Daukšas starts to hold the position of the Deputy Director.

Information on Andrius Daukšas is provided in Section *Management Board* above.

Aivars Griezītis. Aivars Griezītis (born in 1985) acquired university education by graduating from Riga International School of Economics and Business Administration in 2006. He gained Bachelor’s degree in Business Administration and Finance. Places of his employment for the last 5 years (except for the positions, held in the Company):

DOMMO grupa SIA – Chairman of the Management Board (since February 2014);
DOMMO SIA – Chairman of the Management Board (since February 2014);
DOMMO biznesa parks SIA – Chairman of the Management Board (since February 2014);
JATF un partneri SIA – Executive Director/Procurator (from December 2007 till February 2014);
Golden properties consulting SIA – Real Estate Specialist (from August 2006 till December 2007).

Aivars Griezītis holds no Shares in the Company.

Egidijus Damulis. Egidijus Damulis was appointed as a Director on 14 December 2015 and starts working in this position starting from 4 January 2016. Egidijus Damulis (born in 1972) acquired university education by graduating from Kaunas Technical University and Vilnius University. He gained Executive Master of Business Administration degree in ISM University and BI Norwegian Business School. Places of his employment for the last 5 years (except for the positions, held in the Company):

Baltic Sea Properties AS – member of the Management Board (since December 2014);
Lithuanian Real Estate Development Association – member of the Management Board (since April 2010);
Oslo Namai UAB – Managing director (since December 2007);
EICORE UAB – member of the Management Board and managing director (since August 2008);
Selvaag Lietuva UAB – Managing director (since May 2001).

Egidijus Damulis holds no Shares in the Company.

4.12.3 Declarations

To the best knowledge of the Company, for the last five years neither any member of the Management Board nor any Key Executive of the Company (i) was convicted for any fraud offences, (ii) was associated with any bankruptcies, receiverships or liquidations in their capacity as members of the administrative, management or supervisory bodies, partners with unlimited liability, founders or senior managers, or (iii) was subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company or from acting in the management or conduct of the affairs of any entity.

4.12.4 Conflicts of Interest of Members of the Administrative, Management and Key Executives

2 (two) members of the Management Board – Alvydas Banys and Indrė Mišeikytė – are the direct shareholders of the Company, holding 7.68% and 2% of Shares respectively. In addition mother of Indrė Mišeikytė (Irena Ona Mišeikienė) holds 28.90% of Shares.

Furthermore, member of the Management Board Alvydas Banys indirectly, through LJB Investments UAB, in which he owns 83.26% of all the shares of this company (together with his spouse Daiva Banienė – 100.00%), holds 30.44% Shares of the Issuer and votes in the General Meeting carried thereby.

It is possible that the direct and indirect shareholders of the Company (two of which are members of the Management Board) may favour their own interests rather than those of the Company.

As it is indicated in the notification on material event of the Company, dated 28 October 2015, the General Meeting of the Company have *inter alia* decided to apply to the LB for obtaining the license of the closed-end investment company by the Company, and to prepare the draft of the Management Agreement with INVL Asset Management UAB (company code 126263073) for transfer of management of the closed-end investment company.

INVL Asset Management UAB is 100% owned by Invalda INVL AB, which is also a shareholder of the Company. Shareholders of the Company LJB Investments UAB, Irena Ona Mišeikienė, Alvydas Banys, Lucrum investicija UAB and Indrė Mišeikytė have 91.59% of votes in Invalda INVL AB. Thus, it is possible that the above mentioned persons may favour their own interests or interests of Invalda INVL AB, rather than those of the Company.

Furthermore, Invalda INVL AB is also a creditor of a Company.

Apart from the above, the Company is not aware of any potential conflict of interests between any duties to the Company of the members of the Management Board or the Key Executives of the Company.

Furthermore, none of the members of the Management Board is related to any other member of this body as well as to any Key Executives by blood or marriage.

There are no arrangements with the Major Shareholders of the Issuer, customers, suppliers or others, pursuant to which any member of the Management Board and/or the Key Executive was selected as a member of the administrative, management or member of senior management.

There are no restrictions on transferring the Issuer's Shares for the members of the Management Board and/or the Key Executives except the restrictions, foreseen in the Law on Markets in Financial Instruments, which forbids trading in securities during certain time periods.

4.13 Remuneration and Benefits

During the year 2014 the amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the Management by the Issuer and its Subsidiaries for services in all capacities to the Issuer and its Subsidiaries amounted to EUR 2,420. The information on such amounts is provided in the table below.

Table 18. Remuneration and benefits provided to Management Board members and Key Executives during the year 2014

Name	Position in the Company	Amount, EUR
Darius Šulnis	Director, until 9 December 2014	2,232
Andrius Daukšas	Director, as from 9 December 2014 till 3 January 2016*	188

Source: the Company

* Also member of the Management Board till 4 January 2016.

Other members of the Management did not receive any payments from the Company or the Subsidiaries. The Group has not set aside or accrued any amounts to provide pension, retirement or similar benefits to any member of the Management Board or Key Executives of the Company.

There are no loans granted by the Group to the members of the Management Board or the Key Executives of the Company. Furthermore, there are no guarantees or warranties provided, according to which execution of their obligations is ensured, also there were no paid or counted amounts or transfer of assets.

4.14 Board Practices

Term of office

The term of office of the Management Board and the Key Executives of the Company as well as the period, during which respective persons hold positions are provided herein below.

Table 19. Tenure of the Management Board and the Key Executives of the Company

Name	Position in the Company	In the position	
		Since	Until
Management Board			

Name	Position in the Company	In the position	
		Since	Until
Alvydas Banys	Chairman of the Management Board	10 August 2015 (as a member), since 14 August 2015 (as a Chairman)	Until the annual General Meeting, to be held in 2019
Indrė Mišeikytė	Member of the Management Board	10 August 2015	
Andrius Daukšas	Member of the Management Board	10 August 2015 (until 4 January 2016)	
Key Executives			
Egidijus Damulis	Director	4 January 2016*	Indefinite
Andrius Daukšas**	Deputy Director	4 January 2016	Indefinite
Aivars Griezītis	Chairman of the Management Boards of DOMMO grupa SIA and DOMMO biznesa parks SIA	1 February 2014 as a Chairman of the Management Boards of both of these companies	Indefinite

Source: the Company

* Appointed on 14 December 2015.
** Andrius Daukšas holds the position of the Director until 4 January 2016.

According to the Law on Companies, the tenure of the Management Board may not last longer than until the annual General Meeting convened in the last year of the tenure of the Management Board. There is no limitation on the number of terms of office a member of the Management Board may serve.

The Director (Egidijus Damulis; until 3 January 2016 – Andrius Daukšas) has employment relations with the Company which are of unlimited duration. Under the Law on Companies the Director may be revoked from his position without any early notice for any cause.

Information about members of the administrative or management bodies' service contracts with the Issuer or any of its Subsidiaries providing for benefits upon termination of employment

According to the Labour Code of the Republic of Lithuania, those who are employed in any Group company, registered in Lithuania under an employment agreement are entitled to severance payments upon termination of their employment (except for certain termination grounds, such as on one's own will, due to the employee's fault, etc.). Apart from such statutory payments, there are no employment agreements entered between the members of the Management Board and/or Key Executives and Company providing for any other severance payments or benefits upon termination of such agreements.

Audit Committee and Nomination and Remuneration Committee

The Regulations of the formation and activity of the Audit Committee were approved and its members were elected according to the decision of the General Meeting, dated 10 August 2015.

According to the Regulations of the formation and activity of the Audit Committee the main functions of this committee are as follows:

- to provide recommendations to the Management Board regarding selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- to monitor the process of external audit of the Company;
- to monitor how the external auditor and audit company follow the principles of independence and objectivity;
- to observe the process of preparation of financial reports of the Company;
- to monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function;
- to monitor if the Management Board and/or the Manager of the Company takes into consideration recommendations and remarks of the Audit Committee properly.

Members of the Audit Committee shall be appointed by the General Meeting. The Audit Committee consists of 2 members. One member of the Audit Committee has to be the independent member having at least 3 years of work experience in the field of accounting or audit. The criteria of independency are determined in the Regulations of the formation and activity of the Audit Committee. The General Meeting has the right to withdraw the entire Audit Committee *in corpore* or its individual member and to appoint a new committee or individual members of the committee.

Members of the Audit Committee may receive remuneration for their work in the Audit Committee. Remuneration shall be approved by the General Meeting at a maximum rate of one hour.

The Audit Committee may adopt the decisions and the meeting shall be considered as valid both members of the committee participate in it. The committee's decisions shall be deemed adopted if both members of the committee vote for it.

Current members of the Audit Committee are the following: Danutė Kadanaitė and Tomas Bubinas (independent member).

The Issuer has not formed the Nomination and Remuneration Committee.

Compliance with the Corporate Governance Regime

Information on Company's compliance with Nasdaq Corporate Governance Code regime is provided in Appendix 2 of the consolidated annual report of the Former Parent Company for the year 2014.

4.15 Employees

Number of Employees

The breakdown of employees of the Issuer and the Subsidiaries is presented in the table below. These breakdowns exclude secondary employments in case an employee is employed in several companies controlled by the Issuer at the same time.

Table 20. The breakdown of employees of the Group by geographic area

State in which the Group operates	As at 30 September 2015	As at 31 December 2014
Lithuania	3	3
Latvia	1	-
Total for the Group:	**4**	**3**

Source: the Company

Collective Bargaining Agreement

No collective agreements are in effect in the Group and the Group does not anticipate any collective bargaining initiatives in any of its companies in the observable future.

Shareholdings and stock options

Information on the Shares of the Company, held by the members of the Management is provided in Section 4.12.4 *Conflicts of Interest of Members of the Administrative, Management and Key Executives*.

Arrangements for involving the employees in the capital of the Issuer

There are no such arrangements.

4.16 Major Shareholders

On the day of this Prospectus the authorised capital of the Company is EUR 12,535,613.08 and is divided into 43,226,252 ordinary registered Shares with a nominal value of EUR 0.29 each. All the Shares issued by the Company entitle to equal voting rights to their holders.

In the table below the information is provided on shareholders of the Company having more than 5% of authorised capital of the Company on the date of this Prospectus.

Table 21. Shareholders of the Company, holding more than 5% of the authorised capital of the Company

No.	Shareholder	Number of owned Shares and votes directly	Percentage of owned Shares and votes directly, %	Indirectly held votes, %	Total, %
1.	LJB Investments UAB	13,158,474	30.44	0	33.44
2.	Irena Ona Mišeikienė	12,492,979	28.90	0	28.90
3.	Invalda INVL AB	5,509,415	12.75	0	12.75
4.	Lucrum investicija UAB	3,524,371	8.15	2.0(*)	10.15
5.	Alvydas Banys	3,318,198	7.68	32.44(**)	40.12
6.	Darius Šulnis	0	0	10.15(***)	10.15
7.	Indrė Mišeikytė	862,873	2.00	38.12(****)	40.12
8.	Andrius Daukšas	0	0	40.12(*****)	40.12

Source: the Company

** Lucrum investicija UAB has 2.00% of votes according to a repurchase agreement.*

*** According to Part 6 of Paragraph 1 of Article 26 and Paragraph 2 of Article 26 of the Law on Securities, it is considered that Alvydas Banys has votes of LJB Investments UAB, a company controlled by him, and Indrė Mišeikytė, member of the Management Board of the Company.*

**** According to Part 6 of Paragraph 1 of Article 26 of the Law on Securities, it is considered that Darius Šulnis has votes of Lucrum investicija UAB, a company controlled by him.*

***** According to Paragraph 2 of Article 26 of the Law on Securities, it is considered that Indrė Mišeikytė has votes of Alvydas Banys, member of the Management Board of the Company.*

****** According to Paragraph 2 of Article 26 of the Law on Securities, it is considered that Andrius Daukšas has votes of Alvydas Banys and Indrė Mišeikytė, members of the Management Board of the Company. Andrius Daukšas is a member of the Management Board of the Company until 4 January 2016.*

No Shareholders' Agreements are in effect in the Company or its Subsidiaries.

Apart from the information, indicated in this Section, the Company has no information about any other possible control over the Issuer.

Voting rights of major shareholders of the Issuer

All the Shares of the Issuer (including those, which are held by the Major Shareholders) entitle equal voting rights to it shareholders.

Arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer

The issuer is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Issuer.

4.17 Related Party Transactions

General overview

Transactions within the Related Parties fall under the following categories:

- Loans granted/received;
- Sale of goods and services;
- Purchase of goods and services (including accounting, maintenance and repair services and etc.).

The Management believes that all arrangements between the Related Parties are entered on the arm's length basis. The Management believes that there are no arrangements between Related Parties influencing main business of the Group either directly or indirectly.

The Related Parties of the Group on 30 September 2015 and in 2014 were the shareholders of the Company, key management personnel, including the companies under control or joint control of key management and shareholders having significant influence, the entities of the group of Invalda INVL AB and entities of other groups, which were split-off from Invalda INVL AB.

Transactions of the Company with the Related Parties as at 31 December 2014 and the balances thereof as at 31 December 2014 are disclosed in the IFRS Financial Statements (Note 19 of the IFRS Financial Statements), incorporated by reference in this Prospectus.

Below are disclosed the Group's transactions with related parties during the nine months of 2015 and related quarterly-end balances:

Table 22. Related party transaction during nine months of 2015, EUR thousand

	Revenue and other income from related parties	Purchases and interest from related parties	Receivables from related parties	Payables to related parties
Invalda INVL AB (accounting services)	-	10	-	2
Invalda INVL AB (loans)	-	184	-	5,387
Inservis UAB (maintenance and repair services)	-	295	200	109
Entities of facility management segments of Invalda INVL AB (rent, utilities and other)	5	-	1	-
Other entities of the group of Invalda INVL AB (asset management, banking activities)	16	53	-	-
Total	**21**	**542**	**201**	**5,498**

Source: Consolidated Interim Financial Statements

During nine months of 2015 the Group has received EUR 2,555 thousand of loans from Invalda INVL AB and has repaid EUR 2,555 thousand of loans to Invalda INVL AB.

4.18 Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profit and Losses

4.18.1 Unaudited Consolidated Interim Financial Information

Group's consolidated interim condensed not-audited financial statements for the nine month period ended 30 September 2015 is incorporated in this Prospectus by reference in accordance with Article 28 of the Prospectus Regulation (it may be found at http://www.nasdaqbaltic.com/upload/reports/inr/2015_q3_en_eur_con_ias.pdf). These financial statements are neither audited nor reviewed by the auditor.

4.18.2 Audited Financial Information

Audited separate and consolidated financial statements for the year 2014 were prepared and audited in Lithuanian Litas (LTL). Information below which was derived from the financial statements for convenience purposes is provided in EUR thousand, converted by the Company using the official conversion rate of LTL 3.4528 to EUR 1.

Consolidated statement of the financial position of the Group as at 31 December 2014 based on the audited financial statements is provided in the table below.

Table 23. Statement of the financial position, EUR thousand

	As at 31 December 2014
ASSETS	
Non-current assets	
Property, plant and equipment	13
Investment properties	33,848
Intangible assets	160
Loans granted	3,981
Operating lease pre-payments	825
Deferred income tax asset	-
Total non-current assets	**38,827**
Current assets	
Inventories	-
Trade and other receivables	293
Current loans granted	125
Prepayments and deferred charges	5
Restricted cash	-
Cash and cash equivalents	358
Total current assets	**781**
Total assets	**39,608**
EQUITY AND LIABILITIES	
Equity	
Equity attributable to equity holders of the parent	
Share capital	2,040
Share premium	2,966
Reserves	6,883
Retained earnings (loss)	2,602
Total equity	**14,491**
Liabilities	
Non-current liabilities	
Non-current borrowings	19,432
Provisions	182
Deferred income tax liability	3,567
Other non-current liabilities	411
Total non-current liabilities	**23,592**
Current liabilities	
Current portion of non-current borrowings	478
Current borrowings	590
Trade payables	78
Provisions	183
Advances received	44
Other current liabilities	152
Total current liabilities	**1,525**
Total liabilities	**25,117**
Total equity and liabilities	**39,608**

Source: IFRS Financial Statements, the Company

The statement of the comprehensive income the Group for the year ended 31 December 2014 based on the audited financial statements is provided in the table below.

Table 24. Statement of the comprehensive income, EUR thousand

	29 April 2014 – 31 December 2014
Revenue	**3,512**
Interest income	135

Net gains (losses) from fair value adjustments on investment property	39
Other income	4
Premises rent costs	(1,183)
Utilities	(603)
Repair and maintenance cost of premises	(475)
Property management and brokerage costs	(194)
Taxes on property	(180)
Employee benefits expenses	(10)
Depreciation and amortisation	(7)
Other expenses	(156)
Operating profit	**882**
Finance costs	(383)
Profit before income tax	**499**
Income tax credit (expenses)	(67)
NET PROFIT FOR THE YEAR	**432**
Other comprehensive income for the year, net of tax	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**432**

Source: IFRS Financial Statements, the Company

The statement of changes in equity of the Group for the year ended for 31 December 2014 based on the audited financial statements are provided in the table below.

Table 25. Statement of changes in equity, EUR thousand

The Group	Share capital	Share premiums	Legal reserve	Reserve for purchase of own shares	Retained earnings	Total
The Group's equity formed on 29 April 2014 under split-off conditions according to predecessor values method	2,040	2,966	281	6,602	2,170	14,059
Total transactions with owners of the Company, recognised directly in equity	**2,040**	**2,966**	**281**	**6,602**	**2,170**	**14,059**
Net profit for the year	-	-	-	-	432	432
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**432**	**432**
Balance as at 31 December 2014	**2,040**	**2,966**	**281**	**6,602**	**2,602**	**14,491**

Source: IFRS Financial Statements, the Company

The statement of the cash flows of the Group for the year ended 31 December 2014 based on the audited financial statements is provided in the table below.

Table 26. Statement of the cash flows, EUR thousand

	29 April 2014 – 31 December 2014
Cash flows from (to) operating activities	
Net profit for the year	432
Adjustments for non-cash items and non-operating activities:	
Net gains (losses) from fair value adjustments on investment property	(39)
Depreciation and amortization	7
Interest income	(135)
Interest expenses	383
Deferred taxes	67
Current income tax expenses	-
Provisions	(7)
Changes in working capital:	
Decrease (increase) in inventories	-
Decrease (increase) in trade and other receivables	63
Decrease (increase) in other current assets	41
(Decrease) increase in trade payables	11
(Decrease) increase in other current liabilities	45
Transfer to restricted cash	-
Cash flows from (to) operating activities	**868**
Income tax (paid)	-
Net cash flows from (to) operating activities	**868**
Cash flows from (to) investing activities	
Acquisition of non-current assets (except investment properties)	(12)
Acquisition of investment properties	(3)
Repayment of granted loans	146

Net cash flows from (to) investing activities	**131**
Cash flows from (to) financing activities	
Cash flows related to Group owners	
Cash received according to split-off terms	158
	158
Cash flows related to other sources of financing	
Proceeds from loans	16,186
Repayment of loans	(16,797)
Interest paid	(188)
	(799)
Net cash flows (to) from financial activities	**(641)**
Net (decrease) increase in cash and cash equivalents	**358**
Cash and cash equivalents at the beginning of the period	**-**
Cash and cash equivalents at the end of the period	**358**

Source: IFRS Financial Statements, the Company

Important accounting policies

All significant accounted polices are disclosed in the IFRS Financial Statements of the Group incorporated by reference in this Prospectus.

Summary of Independent Auditors' Reports

The separate and consolidated financial statements for the year ended 31 December 2014 of the Group, incorporated by reference in this Prospectus, have been audited by PricewaterhouseCoopers UAB ("PwC"), independent auditors, who issued an unqualified auditor's report on the abovementioned financial statements. Complete statements of Auditors' Opinions are provided in the IFRS Financial Statements.

4.18.3 Dividend Policy

The Company does not have an approved policy on dividend distributions and any restrictions thereon. Decision on distribution of dividends to shareholders is adopted by the General Meeting. However, the Company has no right to pay dividends without the consent from the bank according to borrowings agreements with Šiaulių bankas AB. For more information on this borrowing agreement please see Section 4.8 *Capital Resources*.

The Company's and the Group's current priority was to use profits for the development of the Group, rather than for the distribution of dividends and it has not paid out dividends in the last two full financial years.

However, the Management Board plans to propose to the General Meeting an approval of the dividend policy, which would foresee minimum payment of yearly EUR 0.012 dividends per Share (3 percent of the Offer Price). Dividends could be increased depending on the free cash flow of the Company and funds needed for investment projects.

4.18.4 Legal and Arbitration Proceedings

Neither the Company nor any of its Subsidiaries have, during the 12 months preceding the date of this Prospectus, been or are currently involved in any material governmental, legal or arbitral proceedings (including any such proceedings which are pending or threaten of which the Company is aware) or material disputes which may have or have had a significant adverse effect on the business, results of operations or financial position or profitability of the Company and/or the Group as a whole, except for the following proceedings:

1. Disputes regarding the decisions of the creditors' committee of the bankrupting company Sago UAB

The Company is engaged in several court proceedings regarding the decisions of the creditors' committee of the bankrupting company Sago UAB, code 301206878, registered address at Šeimyniškių str. 3, Vilnius, Lithuania. The bankruptcy of Sago UAB was initiated on 5 May 2014 (the decision came into force on 16 May 2014). The sole shareholder of Sago UAB is Invalda INVL AB (holds 100% of shares of this company). The creditor's claim of the Company towards Sago UAB amounts to EUR 1,161,696.90. However, if the bankruptcy proceedings will be completed by way of liquidation, the Company most probably will not receive any of these funds, as following sale of assets, held by Sago UAB the received funds would not be enough to settle even the requirements of the mortgagee. Currently several decisions of the creditors' committee are being examined by the court. However, the outcome of these proceedings is unclear.

2. Dispute with Kompanija Vitrum UAB regarding the fees for the performed works

The Company is also engaged in the court proceedings with Kompanija Vitrum UAB, code 300125715, registered address at Ozo str. 28-33, Vilnius, Lithuania, regarding the fees for the performed works. The proceedings were initiated by the claim of Kompanija Vitrum UAB (plaintiff) to the defendants Inservis UAB, code 126180446, registered address at Šeimyniškių str. 3, Vilnius, Lithuania, and the Company. Total amount of claim is EUR 259,090.64. Inservis UAB and the Company have provided a counterclaim to Kompanija Vitrum UAB regarding the invalidation of certain deeds of the performed works.

On 9 February 2015 the court of first instance has partly satisfied the claim and counterclaim – awarded to Kompanija Vitrum UAB with EUR 55,233 and 8.49% interest from Inservis UAB and invalidated in total 132 deeds of the performed works.

The appellate court on 10 December 2015 has left the decision of the court of first instance unchanged.

4.18.5 Significant Changes in the Issuer's Financial or Trading Position

There were no significant changes in the Issuer's financial or trading position, which has occurred since the end of 30 September 2015, except that on 1 October 2015 the Company has acquired from Ranga IV investicijos UAB 6,500 square metres of commercial premises including 0.26 hectare of land in Vilnius, Gynėjų str. 14. The ownership of the above real estate was transferred to the Company on 1 October 2015. The main conditions of transfer of the assets, derived from the signed agreements are the following:

- A permission to install windows in part of the premises has to be received. The condition was fulfilled until the date of this Prospectus;
- Legitimized ownership of additional 11 parking spaces;
- Legitimized ownership of approximately 300 square meters of common space or this area should be assigned to the acquired premises.

In case all the conditions are fulfilled, the Company would have to fully pay the purchase price of EUR 9,377 thousand (including VAT) for the acquisition. In October and November 2015 the Company has paid EUR 1,232 thousand from the above mentioned amount. The conditions of the acquisition and full payment should be finalized in the first quarter of the year 2016. The debt assignment agreement regarding amount of EUR 1,398 thousand was signed, whereby the seller's debt to the State Tax Inspectorate of Lithuania was assigned to the Company. The State Tax Inspectorate of Lithuania has provided its consent for conclusion of the above transaction. The Company has also offset the amount of EUR 1,398 thousand with its VAT receivable.

Moreover, before the transaction the Company has signed a rental agreement of part of the above premises. The space had to be reconstructed in order to adapt it to the needs of the tenant. Expenses incurred will be added to the acquisition value of the premises. The planned amount is around EUR 650 thousand.

Following the above agreement on purchase of the real estate in Vilnius, Gynėjų str. 14, the full price has to be paid by the Company until 31 December 2015. If it is not done by the end of this term, the following mechanism would be applicable:

- Additional term of 30 days (as from 1 January 2016) will be granted to the Company for payment of the whole purchase price;
- If the Company will not execute the payment within this additional term, the right of the seller will occur to apply to the notary regarding termination of the agreement, which would become valid within 30 days as from its receipt by the Company (the date of receipt thereof shall be the 5th day as from dispatch thereof);
- If the Company would not pay the whole price within this term of 30 days (as from receipt of the termination notice), the notary would issue a respective certificate, according to which the agreement would be terminated and all the sold assets would be returned to the seller. If the Company would pay the whole transaction amount within this additional term, the Company would not incur any sanctions.

Disregarding the above, if the Company shall not fully settle with the seller until 31 December 2015, the interest of 2.3% would be calculated from the unpaid amount.

If the agreement is terminated, as described above, the advanced payment of EUR 500,000, paid by the Company to Ranga IV investicijos UAB would be included as a fine, payable to the seller. Furthermore, the rent agreement, dated 18 June 2015, according to which the Company rented the same premises from the seller until 1 October 2015, would become valid anew, and the rent fees, received by the Company from the rent of these premises would have to be paid to the seller. In addition to that, if the above agreement is terminated, the Company would incur losses, equal to the fees, payable (paid) under the below described conditions of the agreement (maximum amount of such losses would be equal to EUR 1,080,000 (excluding VAT), if by the time of termination of the agreement, all services would be rendered from the selling side).

If the above agreement is terminated due to the fault of the seller, it would have to pay a fine to the Company in an amount of EUR 500,000. In such a case an advance payment of the Company of EUR 500,000 and the fine would be set off with the amounts, payable under the rent agreement. The remaining amounts would be paid back to the Company within 5 days as from termination of the agreement.

Until full settlement under the above agreement, the asset shall be further pledged for proper execution of obligations of the seller to Reverta AS. The pledge has to be removed within 14 days as from full settlement by the Company for the acquired real estate.

As part of the acquisition transaction of the real estate in Vilnius, Gynėjų str. 14, the Company has also agreed with conditional payments which will be included into the total price of the real estate (7,750 thousand (without VAT)).

The object of this agreement – third party entity transfers the right to the Company re acquisition of the real estate from Ranga IV investicijos UAB and provides *inter alia* the below services:

- Representation in concluding the real estate acquisition transaction;
- Remedy the defects of the assets and documents in connection therewith at its own account together with the seller, as indicated by the Company;
- Making sure that by 15 November 2015 a permission to install windows in part of the premises is received (it was done by the indicated term);
- Making sure that the seller legitimises the ownership of approximately 300 square meters of common space or this area is assigned to the acquired premises and transferred to the Company by 31 March 2016;

- Making sure that the seller legitimises the ownership of additional 11 parking spaces and transfers thereof to the Company by 31 January 2016, etc.

The price of the above mentioned services makes the total of EUR 1,307 thousand (including VAT). At the moment of the Prospectus EUR 732 thousand (including VAT) has already been paid. The amount that is left is constituted from these amounts (including VAT):

- Additional 11 parking spaces – EUR 275 thousand (this condition is not fulfilled yet and the amount will be payable after fulfilment thereof);
- 300 square meters of common premises – EUR 300 thousand (this condition is not fulfilled yet and the amount will be payable after fulfilment thereof).

Disregarding the above, if the Company shall not fully settle with the seller until 31 December 2015, the annual interest of 2.3% would be calculated from the unpaid amount. The Company has an intention to pay for acquired assets until the end of January 2016. Therefore, the Company will have to pay up to EUR 12 thousand of interest (if the payments would be made in the beginning of March 2016, the interests would be up to EUR 27 thousand).

The Offering under this Prospectus is *inter alia* executed for the purpose of are to finance the acquisition under the above transactions or refinance bridge debt raised for the acquisition and balance debt to equity ratio before seeking closed end investment company licence. For more information please see Section 5.4 *Reasons for the Offering and Use of Proceeds*.

The acquisition could be partly financed by a bank loan and/or the loan provided by one of the Major Shareholders as well.

Following the decisions of the General Meeting, dated 28 October 2015 in the nearest future there are plans to apply for the Company to the LB for issuance of the licence of the closed-end investment company. Upon issuance of this licence the Company will become similar to investment fund.

4.19 Additional Information

4.19.1 Share Capital

Table 27.

Name of securities	Number of securities	Nominal value, EUR	Total nominal value, EUR	Part in the share capital, %
Ordinary registered shares	43,226,252	0.29	12,535,613.08	100

Source: the Company

All shares of the Issuer are fully paid and grant their owners equal rights set by the legal acts and Articles of Association.

Under the knowledge of the Issuer, on the date of this Prospectus a freefloat of Shares comprised of 3,509,076 (8.12% of the authorised capital). The Shares, freely floating shall be deemed the Shares, which are owned by the shareholders of the Issuer, not holding more than 5% of share capital of the Issuer and if such shareholders are not related to other shareholders, holding more than 5% of share capital of the Issuer.

Table 28. Amendments to share capital of the Issuer within 3 last years

Registration of the amended share capital	Amount of share capital prior to amendment, LTL	Amendment, EUR	Reason	Share capital after the amendment, EUR
17-08-2015	33,265,440 (approx. EUR 9,646,977.60)	+ EUR 2,888,635.48	Conversion of the authorised capital and nominal value of shares from LTL to EUR and Merger of the Former Parent Company to the Issuer	EUR 12,535,613.08, divided into 43,226,252 shares par value of EUR 0.29 each

Source: the Company

Information on shares, not representing capital

The Issuer has not issued shares, not representing its capital.

The number, book value and face value of shares in the Issuer held by or on behalf of the Issuer itself or by Subsidiaries of the Issuer

The Issuer has no shares of its own, held by itself or which are held on Issuer's behalf or which are held by the Subsidiaries.

The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription

The Issuer has not issued any convertible securities, exchangeable securities or securities with warrants.

Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital

The Issuer has not issued any acquisition rights and has no obligations over authorised but unissued capital or an undertaking to increase the capital.

Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate

None of the aforementioned transactions are signed by any member of the Group.

4.19.2 Articles of Association

Issuer's objects and purposes

The purposes and the object of activities of the Company are provided for in Part II of the Articles of Association, pursuant to which the Company's activity target is satisfaction of the Company's shareholders' interests, ensuring a constant increase in value of shares owned by the Company's shareholders. For this purpose the Company shall:

- improve the structure of the investment portfolio;
- develop real estate projects;
- carry out an active investing and re-investing activity;
- supervise economic-financial activity of companies controlled by the Company.

The subjects of the Company's activity are the following: investment activity, services, construction, rent, manufacturing, sales. The Company has a right to be also involved into other activities which do not contradict to the targets of the Company and/or the laws of the Republic of Lithuania. Licensed activity and activity to be performed according to established procedure shall be performed by the Company provided that all appropriate licenses or permits have been obtained.

Bodies of the Company

Pursuant to Part V of the Articles of Association, governing bodies of the Company are:

- the General Meeting of Shareholders (General Meeting);
- the Management Board;
- the Manager of the Company (Director).

The General Meeting

The competence of the General Meeting does not differ from the competence of the general meeting of shareholders as provided for in the Law on Companies, therefore is not specified in the Articles of Association. According to the Law on Companies, the General Meeting of the Company has the exclusive right to:

- amend the Articles of Association of the Company, except where the Law on Companies provides otherwise;
- change the address of the registered office of the Company;
- elect the members of the Management Board;
- remove the Management Board or its members;
- select and remove the attested auditor or firm of auditors for the carrying out of the audit of a set of annual financial statements, set the conditions for audit remuneration;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- adopt a decision regarding conversion of the Company's shares of one class into shares of another class, approve the share conversion procedure;
- approve the set of annual financial statements;
- adopt a decision on profit/loss distribution;
- adopt a decision on the formation, use, reduction and liquidation of reserves;
- approve the set of interim financial statements, compiled for adoption of a decision regarding distribution of dividends for a shorter period, than the financial year;
- adopt a decision regarding distribution of dividends for a shorter period, than the financial year;
- adopt a decision on the issue of convertible bonds;
- adopt a decision on withdrawal for all the shareholders the pre-emptive right in acquiring the Company's shares or convertible bonds of a specific issue;
- adopt a decision on increase of the authorised capital;
- adopt a decision on reduction of the authorised capital, except where the Law on Companies provides otherwise;
- adopt a decision for the Company to purchase its own shares;
- adopt a decision on the reorganisation or spin-off of the Company and approve the terms of reorganisation or spin-off, except where the Law on Companies provides otherwise;
- adopt a decision on transformation of the Company;
- adopt a decision on restructuring of the Company in cases laid down by the Law on Restructuring of Enterprises of the Republic of Lithuania;
- adopt a decision on liquidation of the Company, cancellation of the liquidation of the Company, except where the Law on Companies provides otherwise;
- elect and remove from office the liquidator of the Company, except where the Law on Companies provides otherwise.

Decision making of the General Meeting does not differ from the rules of the Law on Companies which are the following.

The General Meeting takes the following decisions by a qualified majority vote that must be not less than 2/3 of all the votes carried by the shares held by the shareholders attending the meeting:

- to amend the Articles of Association of the Company, except where the Law on Companies provides otherwise;
- to determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- to convert the Company's shares of one class into shares of another class, approve the share conversion procedure;
- on distribution of profit/loss;
- on formation, use, reduction and liquidation of reserves;
- on distribution of dividends for a shorter period, than the financial year;
- on the issue of convertible bonds;
- to increase the authorised capital;
- to reduce the authorised capital, except where the Law on Companies provides for otherwise;
- to adopt a decision on the reorganisation or spin-off of the Company and approval of the terms of reorganisation or spin-off;
- on the transformation of the Company;
- on the restructuring of the Company;
- on the liquidation of the Company and cancellation of Company's liquidation except where otherwise provided for by the Law on Companies.

The decision to withdraw for all shareholders the pre-emptive right in acquiring the Company's newly issued shares or convertible bonds of a specific issue requires a qualified majority vote that must be not less than 3/4 of all the votes conferred by the shares of the shareholders present at the General Meeting and entitled to decide on the issue.

All other decisions of the General Meeting require a simple majority vote, i.e. more than 1/2 of all the votes conferred by the shares of the shareholders present at the General Meeting.

The Management Board

The Management Board is a collegial management body of the Company. The competence of the Management Board does not differ from the competence of the Management Board as provided for in the Law on Companies, therefore is not specified in the Articles of Association. In particular the Management Board:

- shall consider and approve:
  - the operating strategy of the Company;
  - the annual report of the Company;
  - the interim report of the Company;
  - the management structure of the Company, the positions of the employees;
  - the positions to which employees are recruited through competition;
  - regulations of branches and representative offices of the Company;
- shall elect and remove from office the Manager of the Company, fix his salary and set other terms of the employment contract, approve his job description, provide incentives for and impose penalties against him;
- shall elect and remove the managers of branches or representative offices of the Company;
- shall determine which information shall be considered to be the Company's commercial (industrial) secret and confidential information;
- shall:
  - adopt the decisions to become a promoter of or a member in other business entities;
  - adopt the decisions to establish or terminate activities of branches or representative offices of the Company;
  - adopt the decisions to invest, transfer, lease of long-term assets of the balance value exceeding 1/20 of the authorised capital of the Company (calculated individually for every type of transaction);
  - adopt the decisions to mortgage and pledge of long-term assets of the balance value exceeding 1/20 of the authorised capital of the Company (per aggregate sum of transactions);
  - adopt the decisions to make guaranties in respect of or assure the performance by other persons of obligations undertaken for the value in excess of 1/20 of the authorised capital of the Company;
  - adopt the decisions to acquire long-term assets at a price exceeding 1/20 of the authorised capital of the Company;
  - adopt the decisions to issue the bonds of the Company;
  - adopt other decisions falling within the scope of authority of the Management Board in accordance with the Law on Companies or resolutions adopted by the General Meeting;
- shall analyse and evaluate the following:
  - the materials provided by the Manager on the carrying out of the business strategy of the Company, the organization of the business operations of the Company, the financial position of the Company and on the results of business activities, income and loss accounts, inventorying related and other accounting records reflecting change in assets;
  - the draft of set of annual financial statements and draft of profit (loss) distribution of the Company and together with its records and suggestions regarding these documents and with the annual report shall present the same to the General Meeting for consideration;
  - draft of the decision on allocation of dividends for shorter period than the financial year and the set of interim financial statements, compiled in order to adopt it, which together with its records and suggestions regarding these documents and with the interim report of the Company shall be presented to the General Meeting for consideration;
  - shall be responsible for the convening and organisation of the General Meetings in due time.

The Manager

Business operations of the Company are organised and conducted by the Manager, the latter being the Head of the Company appointed and revoked by the Management Board pursuant to the procedure determined by the Law on Companies. The Manager of the Company abides by the Lithuanian legal acts, the Articles of Association, decisions of the General Meeting and the Management Board and the job description of the Manager of the Company. The competence of the Manager is the same as the competence of the Manager of the company defined under the Law on Companies, in particular:

- organisation of activities and implementation of purposes of the Company;
- drawing up of the set of annual financial statements and drafting of the annual report of the Company;
- compiling the draft decision on distribution of dividends for shorter period than the financial year, drawing the set of interim financial statements and preparation of the interim report for the purpose of adoption the decision on distribution of dividends for shorter period than the financial year;
- conclusion of a contract with a attested auditor or with a firm of auditors;
- submission of information and documents to the General Meeting and the Management Board in the cases laid down in the Law on Companies or at their request;
- submission of documents and particulars of the Company to the manager of the Register of Legal Persons;
- submission of documents to the LB and the CSDL;
- publication of information, indicated in the Law on Companies or other legal acts following the order, established by the applicable laws;
- submission of information to shareholders of the Company;
- performance of other duties laid down in the Law on Companies and other laws and legal acts as well as in the Articles of Association and the job description of the Manager.

Rights conferred by the Shares of the Company

The rights conferred by the Shares of the Company are as follows:

- to receive a part of the Company's profit (dividend);
- to receive the Company's funds when the share capital of the Company is reduced in order to pay out the Company's funds to its shareholders;
- to receive shares gratis in the event the share capital is increased from the Company's own funds, except cases indicated in the Law on Companies;
- the pre-emptive right over each new issue of the Company's shares or convertible bonds, except when pursuant to the procedure laid down in the Law on Companies the General Meeting has made a decision to withdraw the said right for all shareholders (this decision has to be adopted by a ¾ majority vote of shareholders present at the General Meeting);
- to lend the funds to the Company under the procedure prescribed by the applicable Lithuanian law;
- to receive a part of the residual assets of the Company in liquidation;
- to attend the General Meetings;
- to give questions to the Company in advance relating to the items on the agenda of the General Meetings;
- to vote at the General Meetings in accordance with the rights attached to shares;
- to receive information about the Company following the procedure prescribed by the Law on Companies;
- to apply to the court for the compensation of damages caused by the Management Board members or the Manager of the Company by non-performance or improper performance of their duties prescribed by the laws of the Republic of Lithuania and the Articles of Association, as well as in other cases provided by laws;
- other property and non-property rights, indicated in the applicable Lithuanian laws.

All the Shares confer equal rights to all the shareholders.

Procedure of amending the Articles of Association of the Company

Article 30 of the Articles of Association foresees that the Articles of Association may be amended pursuant to the procedure determined by the Law on Companies, i.e.:

- the Articles of Association may be amended by the decision of the General Meeting, adopted by qualified majority of 2/3 votes, except where the Law on Companies provides otherwise;
- following the decision by the General Meeting to amend the Articles of Association, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Meeting;
- amended Articles of Association together with other documents shall be provided to the manager of the Register of Legal Persons, following terms and conditions of the applicable Lithuanian legal acts.

Procedures of the General Meeting

Following Article 20 of the Articles of Association the questions, related to activities of the General Meeting and the decisions, adopted thereby shall be regulated by the Law on Companies.

The main rules of convocation of and attending the General Meeting are as follows:

The right of initiative to convene the General Meeting is vested in the Management Board and the shareholders who have at least 1/10 of all votes. As a rule, the General Meetings are convened by a decision of the Management Board.

General Meetings are annual and extraordinary. An annual General Meeting must be held every year within four months after the close of the financial year. The Law on Companies indicates that an extraordinary General Meeting must be convened if: (i) the Company's equity capital falls below 1/2 of the share capital and this matter has not been discussed at an annual General Meeting; (ii) the number of the Management Board members falls below the 2/3 of the total number specified in the Articles of Association or below the minimum number indicated in the Law on Companies (i. e. three); (iii) the attested auditor or audit firm terminates the contract with the Company or is unable to audit the set of annual financial statements of the Company due to other reasons; (iv) the convocation of the General Meeting is requested by the shareholders who have the right to initiate such convocation or by the Management Board; (v) it is needed following the requirements of the laws or the Articles of Association.

A notice of convocation of the General Meeting is to be made public no later than 21 days before the date of the General Meeting through Nasdaq distribution system as a material event, and is also to be published on the Company's website www.invlbalticrealestate.lt.

Additional matters to be included into the agenda of the General Meeting may be proposed by the Management Board and one or several shareholders holding shares that carry at least 1/20 of all votes no later than 14 days prior to the meeting. In addition, they may propose new draft decisions on the matters in the agenda prior to and during the General Meeting.

If the General Meeting is not held, a repeated General Meeting must be convened. It has to be convened after the lapse of at least 14 days and not later than after the lapse of 21 days following the day of the General Meeting which was not held. The shareholders have to be notified of the repeated General Meeting no later than 14 days before the date of the repeated General Meeting in the same manner, as indicated above.

The persons who were shareholders of the Company at the close of the record date of the General Meeting (i. e. the fifth business day prior the date of the General Meeting) have the right to attend and vote at the General Meeting. The shareholder's right to attend the General Meeting also includes the right to speak and to ask questions regarding the items on the agenda of the meeting. The questions given to the Company by the shareholder regarding the items on the agenda of the General Meeting must be answered before the General Meeting, if such questions were received not later than 3 business days before the General Meeting.

Shareholders or persons authorised by them or persons with whom an agreement on assignment of voting rights is concluded may attend and vote at the General Meeting.

A person attending the General Meeting and entitled to vote must present a document which is a proof of his identity. A person who is not a shareholder must additionally present a document attesting to his right to vote at the General Meeting.

A shareholder or his proxy has the right to vote in advance in writing, by filling in a general ballot paper. If the shareholder requests so, the Company, no later than 10 days before the General Meeting, must dispatch a general ballot paper by registered mail free of charge or delivered by hand. The general ballot paper shall also be available on the Company's website www.invlbalticrealestate.lt no later than 21 days before the General Meeting. The filled-in general ballot paper and the document attesting to the right to vote must be submitted to the Company prior to the General Meeting (it may be delivered by sending to the Company at the address Gynėjų str. 14, Vilnius, the Republic of Lithuania, by registered mail, or delivered by hand). If the general ballot paper is signed by a person, who is not a shareholder of the Company, a document attesting to his right to vote at the General Meeting must be additionally presented.

The Company does not provide a possibility to attend the General Meeting and to vote by means of electronic communications.

A description of any provision of the Articles of Association, statutes, charter or bylaw that would have an effect of delaying, deferring or preventing a change in control of the Issuer

There are no such provisions.

An indication of the Articles of Association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed

There are no such provisions.

A description of the conditions imposed by the memorandum and Articles of Association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law

There are no more stringent provisions.

4.20 Material Contracts

For 2 years preceding the date of this Prospectus neither the Company nor any Subsidiary has entered into material contract, other than contracts entered into in the ordinary course of business. Furthermore, there are no other agreements entered by any of the Group companies (except being entered into in the ordinary course of business), which contains any provision under which any Group company has any obligation or entitlement which is material to the Group as at the date of the Prospectus. Below are described material contracts entered into in the ordinary course of business which are valid as at the date of the Prospectus.

In 2007 the Company has sold 4 real estate properties and entered into the lease agreement with the buyer, under which they agreed to sub-lease the sold properties and one additional property until August 2017. Currently, the Company is incurring about EUR 20,000 loss (future rent income from subleased premises minus contractual lease payments and estimates of maintenance and management expenses of leased premises) per month due to this sublease. This amount varies depending on the income from the sub-lease, property maintenance costs incurred and the rent paid. Furthermore, the Company had paid a one off deposit in the amount of EUR 0.82 million corresponding to the 6 months rental fee amount which will be set-off against the last part of the 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%. After the end of this contract the Company will not have any obligation related to the sold properties. The loss anticipated in connection with this contract is recognised in the statement of financial position as provision.

On 2 January 2013 the Company has entered into an agreement with the third party for property management and administration services of the Company's asset portfolio. Under this agreement, third party company, as an administrator of the property, is committed to increase Company's value and maintain high quality of service for buildings' tenants and employees. The Company is paying 7 percent administration fee of its net revenue for this services. The agreement also establishes, that the Company will compensate the brokerage costs and bad debts of customers up to EUR 29,000 per year. The agreement is signed for a term until 30 September 2017.

4.21 Information on Holdings

There are no undertakings in which the Issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

4.22 Third Party Information and Statement by Experts and Declarations of any Interest

With respect to certain parts of this Prospectus, some information may have been sourced from third parties. Such information has been accurately reproduced as far as the Company is aware and is able to ascertain from the information published by such other third parties that no facts have been omitted, which would render the reproduced information inaccurate or misleading.

(i) The executive summaries of valuation reports of immovable property of the Group, registered in Lithuania (No. 31554 VAT_2015 MKA VHAN, No. 31501 VAT_2015 GDR VHAN, No. 31386 VAT_2015 DGR VHAN, No. 31411 VAT_2015 DGR VHAN, No. 31442 VAT_2015 ALA VHAN, No. 31521 VAT_2015 ADI VHAN), prepared by an asset appraiser Ober-Haus Nekilnojamas Turtas UAB (code 111645042, registered at Geležinio Vilko str. 18A, Vilnius, Lithuania, qualification certificate of the asset appraiser's company No. 000112, issued on 1 August 2012) and (ii) the executive summary of valuation report of immovable property of the Group, registered in Latvia No. 02-1938/2015, prepared by an asset appraiser Ober Haus Vertesanas Serviss SIA (code 4003411495, registered at Ropazu iela 10, Riga, Latvia, qualification certificate of the immovable property appraiser's company No. 5, issued on 4 September 2008, certificate valid till 4 September 2018).

The real estate, registered in Lithuania and held by the Group was appraised and the executive summaries of valuation reports were prepared and signed by Ober-Haus Nekilnojamas Turtas UAB:

appraisers Mindaugas Karalius and Tomas Jocius (has signed the summary of the valuation report No. 31554 VAT_2015 MKA VHAN)
immovable property appraiser's qualification certificate of Mindaugas Karalius No. A 000374, issued on 28 February 2007
movable property appraiser's qualification certificate of Tomas Jocius No. A 000602, issued on 28 December 2010

appraiser Audra Lazauskienė (has signed the summary of the valuation report No. 31442 VAT_2015 ALA VHAN)
immovable property appraiser's qualification certificate No. A 000580, issued on 28 April 2010

appraiser Donatas Grigalauskas (has signed the summaries of the valuation reports No. 31386 VAT_2015 DGR VHAN and No. 31411 VAT_2015 DGR VHAN)
immovable property appraiser's qualification certificate No. A 000389, issued on 22 June 2007

appraiser Saulius Vagonis (has signed the summaries of the valuation reports No. 31501 VAT_2015 GDR VHAN and No. 31521 VAT_2015 ADI VHAN)
immovable property appraiser's qualification certificate No. A 000286, issued on 19 February 2003

The real estate, registered in Latvia and held by the Group was appraised and the executive summary of valuation report was prepared and signed by Ober Haus Vertesanas Serviss SIA:

appraiser Sandis Kurilovics
immovable property appraiser's qualification certificate No. 177, issued on 10 June 2010

V SHARE SECURITIES NOTE

5.1 Working Capital Statement

The working capital available to the Group is not sufficient to meet its present requirements for at least the next 12 months following the date of the Prospectus. However, the Issuer has received support letter from one of its biggest creditors and one of the Major Shareholders Invalda INVL AB (amount of not subordinated borrowing outstanding as of 30 November 2015 – EUR 1.2 million) stating that Invalda INVL AB will support the Issuer financially, including prolongation of loan terms (if needed).

Furthermore, in January 2016 the Issuer will have to pay up to EUR 6,172 thousand for the acquisition of investment properties located at Gynėjų str. 14, Vilnius, Lithuania (for more information please see Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position*). Planned sources of financing the transaction are new bank's borrowing of EUR 4 million and borrowings from the Major Shareholder Invalda INVL AB EUR 2.172 million. If the additional conditions regarding the ownership of approximately 300 square meters of common space and the ownership of additional 11 parking spaces more explicitly defined in the agreement would be met, the Group would have to pay EUR 575 thousand additionally. Planned source of conditional payments would be the borrowings from the Major Shareholder Invalda INVL AB.

The Company has preliminary discussed possible financing of the above amounts with commercial banks operating in Lithuania and with Invalda INVL AB in order to receive the necessary funds. However, the Company currently has no guarantees with this respect neither from the bank, nor from Invalda INVL AB. As it is indicated in Section 5.4 *Reasons for the Offering and Use of Proceeds*, the main reasons of the Offering are to finance acquisition or refinance bridge debt, raised for the acquisition of the indicated investment properties and balance debt to equity ratio before seeking closed end investment company licence.

Thus, if during the time of the Offering the Company will not raise the amount of funds, needed for full settlement for the investment properties located at Gynėjų str. 14, Vilnius, and neither the banks nor Invalda INVL AB will provide the respective amount of borrowings for this purpose, the Company may encounter the risk, indicated in Section 3.2 *Risk Factors Characteristic of the Group* (headed *"Risk of losing the ownership of real estate in Vilnius, Gynėjų str. 14"*).

5.2 Capitalisation and Indebtedness

The tables below present the information on capitalisation and indebtedness of the Group as at 31 October 2015.

Table 29. Capitalisation

Item, EUR thousand	As at 31 October 2015
Total Current Debt	**7,777**
Guaranteed and secured*	223
Secured** ***	6,936
Unguaranteed/ Unsecured	618
Total Non-Current Debt (excluding current portion of long – term debt)	**21,702**
Guaranteed and secured*	2,720
Secured**	14,187
Unguaranteed/ Unsecured	4,795
Shareholder's Equity:	**12,623**
Share Capital	12,536
Legal Reserve	87
Other Reserves	-
Total	**42,102**

Source: the Company, unaudited

* Guaranteed and secured debt relate to bank borrowing amounting to EUR 2,943 thousand, which the Subsidiary Dommo Biznesa parks SIA has received from ABLV Bank AS and which is secured by the pledge of investment properties located in Riga, Latvia, with carrying amount of EUR 8,027 thousand, and which is guaranteed by the Subsidiary Dommo Grupa SIA.

** Secured debt relate to bank borrowing amounting to EUR 14,951 thousand, which the Company has received from Šiaulių Bankas AB and which is secured by the pledge of investment properties located in Vilnius, Lithuania, with carrying amount of EUR 33,358 thousand.

*** In this caption the unpaid contractual liability of EUR 6,172 thousand for the acquisition investment property located at Gynėjų str. 14, Vilnius is included also. If liability would be not settled, the investment property with carrying amount of EUR 10,280 thousand would be returned to its seller (see Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position)*.

The Offering will influence the share capital of the Company – if all EUR 8,344,386.92 nominal value Offer Shares are allocated, the share capital will increase by EUR 8,344,386.92 to EUR 20,880,000.

Table 30. Indebtedness

Item, EUR thousand	As at 31 October 2015
A. Cash	419
B. Cash Equivalent (Detail)	-

C. Trading Securities	-
D. Liquidity (A) + (B) + (C)	**419**
E. Current Financial Receivable	**323**
F. Current Bank Debt	-
G. Current portion of non-current debt	987
H. Other current financial debt	6,790
I. Current Financial Debt (F) + (G) + (H)	**7,777**
J. Net Current Financial Indebtedness (I) – (E) – (D)	**7,035**
K. Non-current Bank Loans	16,907
L. Bonds Issued	-
M. Other non-current Loans	4,795
N. Non-current Financial Indebtedness (K) + (L) + (M)	**21,702**
O. Net Financial Indebtedness (J) + (N)	**28,737**

Source: the Company, unaudited

There was no indirect or conditional indebtedness as at 31 October 2015, except in Section 4.18.5 *Significant Changes in the Issuer's Financial or Trading Position* described conditional payment regarding investment property located at Gynėjų str. 14. As at 31 October 2015 the amount of conditional payment was EUR 1,186 thousand, from which EUR 611 thousand was paid in November 2015.

5.3 Interest of Natural and Legal Persons Involved in the Offering

According to the knowledge of the Company, its Major Shareholder Invalda INVL AB intends to participate in the Offering and subscribe for Offer Shares according to the terms and conditions of this Offering and may settle the contribution for the New Shares by offsetting against the opposite homogeneous claims from the Company, arising from the loan agreements, entered into with the Company (if requested so by this Major Shareholder).

5.4 Reasons for the Offering and Use of Proceeds

As a result of the Offering (assuming that all the Offer Shares are subscribed for the Offer Price), the Company plans to raise gross amount EUR 11,509,499.20. Assuming that the expenses of the Offering amount to 3 percent, net proceeds to the Company would amount to EUR 11,164,214.22.

The Management considers that the net proceeds of EUR 10,000,000 is sufficient for further development of the Company. Thus, the amount of Offered Shares might be reduced accordingly.

The main reasons of the Offering are to finance acquisition or refinance bridge debt raised for the acquisition of the 6,500 square metres of commercial premises at the Vilnius Gates complex in the Lithuanian capital (address: Gynėjų str. 14, Vilnius) and balance debt to equity ratio before seeking closed end investment company licence.

Payable amount to Ranga IV Investicijos UAB and its related company was EUR 6.747 million as at the date hereof (including conditional payments). The Company plans to borrow EUR 4 million from commercial bank operating in Lithuania and additional bridge debt amounting to EUR 2.747 million from one of its Major Shareholders Invalda INVL AB.

Part of the proceeds of the Offering will be used to retire the bridge debt from Invalda INVL AB amounting to EUR 2.747 million and capital expenditure needed to develop Vilnius Gates complex to its full potential.

The remaining part of the proceeds will be used to retire remaining indebtedness to Invalda INVL AB (if it is not retired after subscription of the Offer Shares by Invalda INVL, AB by offsetting against the opposite homogeneous claims from the Company, arising from the loan agreements, concluded with the Company and if a consent for repayment of subordinated loans would be received from Šiaulių bankas AB). As of 30 November 2015 the Group owed to Invalda INVL AB amount of EUR 6 million.

5.5 Information Concerning the Securities to be Offered and Admitted to Trading

Description of the Shares of the Company (including the Offer Shares)

Type of the Shares:	ordinary registered Shares
ISIN number:	LT0000127151. After the assimilation of the previous issue, ISIN number of the New Shares will be the same as the number of Shares, already admitted to trading on Nasdaq – LT0000127151.
Currency of Shares:	EUR
Form of Shares:	Registered dematerialised shares in book-entry form. Entity currently in charge of keeping the records is Finasta AB FMĮ, code 122570630, registered at the address Maironio str. 11, Vilnius, Lithuania

Legislation, under which the Shares have been created, includes the Civil Code of the Republic of Lithuania, the Law on Companies, the Law on Securities and other related legal acts.

Decision by which the New Shares are issued

The New Shares are being issued by the resolution of the General Meeting of 28 October 2015. In this meeting it was decided *inter alia*:

- To increase the authorized capital of the Company with additional contributions from EUR 12,535,613.08 to EUR 20,880,000 (the authorized capital will be increased by no more than EUR 8,344,386.92). The authorized capital of the Company will be increased by additionally issuing no more than 28,773,748 New Shares of EUR 0.29 par value each.
- The minimal issue price of each New Share is EUR 0.35, payment for the New Shares – by cash contributions.
- If not all the New Shares are subscribed within the period intended for subscription, the authorised capital of the Company could be increased by the total par value of the subscribed Shares. In case when not all New Shares are subscribed, the Management Board will decide whether the increased authorized capital is deemed to have occurred. If it happens, the authorized capital of the Company has to be increased by total par value of the subscribed New Shares. The Management Board should change the authorised capital and the number of Shares in the Articles of Association accordingly and submit changed Articles of Association to the Register of Legal Persons.
- To delegate the Management Board according to its preference, to prepare and set all detailed conditions and the order for subscription and payment of the New Shares. Also, to set other conditions of the Offering, which were not discussed in the resolution of the General Meeting (including but not limited to the final Offer Price of the New Shares, the final amount of the New Shares, etc.).
- To initiate an introduction of the New Shares to trading on the Secondary List of Nasdaq.
- Taking into consideration that the New Shares will be offered publicly according to the rules set by the Law of Securities, to withdraw the pre-emptive right of the Company's shareholders to acquire the New Shares.

The final Offer Price of the New Shares, which is EUR 0.40, was determined by the Management Board.

Transfer restrictions

There are no restrictions on transfer of Shares (including the Offer Shares) as they are described in the applicable Lithuanian laws.

Rights and obligations granted by securities

All the Shares, including the New Shares, are *pari passu* (at an equal pace without preference) with regard to property and non-property rights they grant to shareholders.

Exercise of rights granted by Shares of the Company may be limited only on the grounds and under the procedure prescribed by laws. The Articles of Association do not provide for any exceptions to this rule.

The record date of the property rights of shareholders is the tenth business day after the General Meeting that took a relevant decision, i.e. the property rights determined by a decision of the General Meeting are held by the persons who were shareholders of the Company at the close of the tenth business day after the General Meeting that took a relevant decision.

The list of the shareholders' rights indicated in the Articles of Association is provided in Section 4.19.2 *Articles of Association.* Below is the brief description of certain material rights of the Company's shareholders.

Dividend and other distributions

Pursuant to the Law on Companies, the Issuer may distribute its profits or assets to shareholders only (i) by paying dividend; (ii) in case of liquidation of the Issuer; or (iii) in case of reduction of the authorised capital of the Issuer. The persons, who were shareholders of the Company at the close of the tenth business day (the record date) after the General Meeting that took a relevant decision, shall have a right to receive the respective amounts.

Dividend

A dividend is a share of profit allocated to a shareholder in proportion to the nominal value of shares owned by him/her/it. If a share is not fully paid-up and the time limit for the payment has not yet expired, a dividend will be reduced in proportion to the unpaid amount of the share price. If the share is not fully paid-up and the time limit for the payment has expired, no dividend is paid.

Dividend can be declared by a decision of the General Meeting. The Issuer can declare dividend from the profit available for appropriation, which consists of the new profit of the accounting year, plus or minus, respectively, the profit (loss) brought forward from the previous year and reserves that the shareholders, following the procedure established by laws, decide to distribute, and minus any sums that the General Meeting decides to allocate for other purposes pursuant to the requirements of the Law on Companies.

Dividend is paid to shareholders pro rata to the aggregate nominal value of shares held by them. Dividend is not cumulative as the Issuer has not issued any preference shares with cumulative dividend, owners of which would be guaranteed the right to dividend in the amount indicated in such shares.

The General Meeting may not adopt a decision to allocate and pay dividend if: (i) the Issuer has outstanding obligations which became due before the decision of the General Meeting; (ii) the Issuer's result of the reporting financial year available for distribution is negative (i. e. losses have been incurred); (iii) the equity of the Issuer is lower or upon payment of dividend would become lower than the aggregate amount of the authorised capital, the mandatory reserve, the revaluation reserve and the reserve for redemption of own shares.

The Issuer must pay the allocated dividend within one month from the day of adoption of a decision by the General Meeting on allocation and payment of dividend. The term of limitations with respect to filing a dividend payment claim with the court expires 10 years after the date the dividend had to be paid, in which case the unpaid dividend amount goes to the Issuer.

The Law on Companies also provides with a possibility to pay dividend to shareholders for a period shorter than a financial year (interim dividend). The following conditions for distribution of interim dividend are established:

(i) the right to initiate distribution of dividend lies with shareholders, shares held by which carry at least 1/3 of all the votes, unless the Articles of Association of the company establish a higher majority;
(ii) the distribution of dividend must be preceded by the preparation and audit of the set of interim financial statements, the interim report and a draft of the decision on distribution of dividend for a period shorter than a financial year;
(iii) interim dividend is allocated by a decision of the General Meeting. The General Meeting must be held within 3 months after the end of the period, for which distribution of dividend is proposed, but in any case no earlier than the approval of the set of annual financial statements and distribution of the Company's profit (loss) for the earlier financial year and no later than the end of the financial year;
(iv) interim dividend may be distributed if all the following conditions are met: (a) an audited set of interim financial statements has been approved; (b) the profit (loss) amount for a period shorter than a financial year is positive (there is no loss); (c) the amount distributed for payment of dividend does not exceed the profit (loss) for the period shorter than a financial year, the amount of the retained earnings (loss) for the previous financial years carried forward to the current financial year, upon deduction of the share of profit earned during the period shorter than a financial year, which must be appropriated to reserves according to the law or according to the Articles of Association; (d) the company does not have outstanding obligations, which matured before taking of the decision, and upon payment of dividend it would be capable of fulfilling its obligations for the current financial year;
(v) upon distribution of interim dividend, it is allowed to allocate dividend for another period shorter than a financial year no earlier than 3 months later.

Both residents and non-residents of Lithuania are subject to the same dividend payment rules, except for the taxation maters described in the Section *Taxation*.

For more information on dividends please also see Section 4.18.3 *Dividend Policy*.

Distribution of the Issuer's assets in case of liquidation

In case of liquidation of the Issuer, the Issuer's assets remaining after settlement of accounts with creditors are distributed to shareholders pro rata to the aggregate nominal value of shares held by them. In case of voluntary liquidation of the Issuer, the Issuer's assets can be distributed among shareholders only after the Issuer settles accounts with its creditors and upon a lapse of two months after a public notice about liquidation made pursuant to requirements of the laws. In case of disputes in court regarding fulfilment of the Issuer's debt obligations, the Issuer's assets are distributed among shareholders only upon final resolution of the disputes and settlement of accounts with creditors.

Other cases of distribution of the Issuer's capital

The Issuer may distribute funds to its shareholders by reducing its authorised capital in accordance with the procedure set by the Law on Companies. The authorised capital may be reduced by way of annulment of shares or reduction of the nominal value of shares, but the reduced authorised capital of the Issuer may not be less than the minimum amount of the authorised capital provided for in the Law on Companies (i.e. EUR 40,000).

Only the annual General Meeting may adopt the decision to reduce the share capital with the purpose of paying funds to the shareholders, provided that all of the following conditions are met: (i) the set of annual financial statements and the profit distribution account have been approved; (ii) following the reduction of the share capital the legal reserve of the Company will not be lower than 1/10 of the Company's share capital; and (iii) no undistributed loss and long-term liabilities are recorded in the set of annual financial statements of the Company.

The decision to reduce the share capital with the purpose of paying out the funds to its shareholders may not be adopted if on the date of the decision the Company is insolvent or after the payment of funds would become insolvent. The funds must be paid within one month from the registration of the amended Articles of Association with the Register of Legal Persons. The funds are paid pro rata to the nominal value of shares held by each shareholder and may only be paid in cash.

Further Capital Calls by the Company

If the Company's distributable result, as approved by the annual General Meeting, is negative and the meeting adopts a decision to cover the Company's losses or part thereof by additional contributions of the shareholders, according to the Law on Companies, the shareholders who voted in favour of such decision are obliged to pay the contributions to the Company. The shareholders who did not participate at the General Meeting or voted against such decision are entitled not to pay any additional contributions to the Company.

Modification of Shareholders' Rights

The Articles of Association do not provide for any specific conditions regarding modification of shareholders' rights. Shareholders' rights may be modified only pursuant to the provisions of Lithuanian laws.

Conditions of Conversion

Currently, the Issuer has not issued any convertible securities.

Conditions of Redemption

Pursuant to the Law on Companies, the Issuer has the right to redeem its own shares. The total nominal value of shares redeemed by the Issuer cannot be more than 1/10 of the authorised capital. If the aggregate number of the repurchased shares exceeds 10% of the share capital of the Company, it must transfer the excess shares to other persons within 12 months after exceeding the threshold. Upon redemption of its own shares, the Issuer has no right to exercise property and non-property rights conferred by such shares.

A detailed procedure of redemption of own shares is provided for in the Law on Companies. The Issuer can redeem its own shares only after it has formed a reserve for redemption of own shares, which may not be less than the total purchase price of all the redeemed shares. Furthermore, the Company may not purchase own shares if this would result in the equity capital falling below the aggregate amount of the paid-up authorised capital, mandatory reserve and reserve for own shares. As a general rule, the Company may not repurchase its shares which are not fully paid. In order to repurchase its shares the Company must submit a voluntary takeover bid and when redeeming its own shares, the Company must ensure equal possibilities for all the shareholders to sell shares of the Company to the Company.

Voting rights

Pursuant to the Law on Companies each share of the Company confers one vote in the General Meeting. Only shareholders who have fully paid-up their shares are entitled to vote at the General Meeting. Persons, who were shareholders of the Company at the end of the record date of the General Meeting, are entitled to attend and vote at the General Meeting or repeated General Meeting. The record date of the General Meeting of the Company is the fifth business day before the General Meeting.

The shareholders may vote personally or through their proxies or persons with whom a voting rights transfer agreement is concluded. The shareholders may also vote in writing (by filling in the general ballot paper).

The shareholder does not have the right to vote on the decision regarding the withdrawal of the pre-emptive right to acquire securities newly issued by the Company, if according to the agenda of the General Meeting the right to acquire such securities is to be granted to him or persons related to him.

Pre-emptive rights

Pursuant to the Law on Companies, the Company's share capital may be increased by a decision of the General Meeting and may be effected by (i) issuing additional shares; (ii) increasing the nominal value of existing shares; or (iii) issuing convertible bonds.

Increases in share capital by way of issuance of additional shares may be effected through one or a combination of the following: (i) in consideration for cash; (ii) in consideration for assets contributed in kind; (iii) by conversion of bonds previously issued; (iv) from the Company's own funds (i.e. by capitalisation of profits or share premiums), etc.

If the Company issues additional shares or convertible bonds other than from the Company's own funds, current shareholders will have a pre-emptive right to subscribe for such securities on a pro rata basis. The pre-emptive right requires that the Company give priority treatment to current shareholders. The Company must announce the proposal to exercise the pre-emptive rights as well as the period of such exercising in the electronic publication for public notifications administered by the manager of the Register of Legal Persons, report the same to the Register of Legal Persons and announce as a material event. The time limit for a shareholder to acquire the securities on a pre-emptive basis may not be less than 14 days after the public announcement thereof by the Register of Legal Persons.

The pre-emptive right to subscribe for shares or convertible bonds of a certain issue can be withdrawn by a decision of the General Meeting, which has to be adopted by a ¾ majority of votes present in the meeting. The pre-emptive right can be withdrawn only in respect of all the shareholders of the Company. A written proposal to withdraw the pre-emptive right to subscribe for securities must be given by the Management Board, indicating reasons and causes for such withdrawal, substantiation of the issue price, as well as persons who would be offered to acquire the newly issued securities. The General Meeting, taking a decision on withdrawal of the pre-emptive right, must justify the necessity to withdraw such a right and specify the person or persons who are given the right to subscribe for newly issued securities, save for cases when the pre-emptive right is withdrawn because of the intention to make a public offering of securities of the Company under the procedure set by the Law on Securities.

The Company's share capital may be increased from the Company's own funds. In such case the current shareholders are entitled to receive the new additional shares free of charge on a pro rata basis. Furthermore, the nominal value of all the Company's shares may be increased.

The pre-emptive right to acquire the shares or convertible bonds issued by the Company as well as the right to receive shares free of charge in the case of the increase of the share capital from the Company's own funds is granted to the persons who were shareholders of the Company at the end of the rights record date (i.e. the tenth business day following the day the respective decision was adopted by the General Meeting).

Furthermore, under the applicable Lithuanian laws the shareholders are entitled to transfer to other persons the pre-emptive right to acquire the Company's shares or convertible bond to be newly issued.

Right to receive information

According to legal acts of the Republic of Lithuania, the Company must, at a shareholder's written request and within 7 days from the receipt of the request, grant to the shareholder access to and/or submit to him copies of the following documents: the Articles of Association, sets of annual and interim financial statements, annual and interim reports on the activities of the Company, the auditor's opinions and audit reports, minutes of the General Meetings or other documents constituting decisions of the General Meetings, the lists of shareholders, the lists of members of the Management Board, also other documents of the Company that must be publicly accessible under laws, minutes of the meetings of the Management Board or other documents constituting decisions of the indicated body of the Company, unless these documents contain a commercial (industrial) secret, confidential information. A shareholder or a group of shareholders, who own at least 1/2 of shares of the Company, have the right to access all documents of the Company subject to presenting a written pledge not to disclose commercial (industrial) secret, confidential information. The Articles of Association foresees that in case the shareholder requires providing the copies of the Company documents, a certain fee can be imposed in regard with the Company's expenses related to copying, submission and employees' time spent and other expenses, however the amount of this fee cannot exceed the documents and other information submission expenses fixed and approved by the Manager of the Company. In such case, the copies will be submitted to the shareholder after the appropriate shareholder's written demand is received and remuneration to the Company is paid.

Challenging of Decisions

Decisions of bodies of the Company may be invalidated in court if they are in conflict with imperative rules of law, incorporation documents of the Company or the principles of reasonability or fairness. A statement of claim may be filed by creditors of the Company if the decision violates their rights or interests, a Manager, member of the Management Board of the Company, a shareholder or other persons specified in the law. Such claim may be filed in a competent court of Lithuania within 30 days as of the day on which a relevant person learnt or should have learnt about the challenged decision.

In addition, a shareholder may apply to the court for the compensation of damages caused by the members of the Management Board or the Manager by non-performance or improper performance of their duties prescribed by the laws of the Republic of Lithuania and the Articles of Association, as well as in other cases provided by laws.

An indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities

The issued securities of the Company are subject to all mandatory takeover bids and squeeze-out and sell-out rules specified in the Law on Securities.

Following the Law on Securities, where a person, acting independently or in concert with other persons, acquires shares that in connection with the holding held by him or by other persons acting in concert entitles him to more than 1/3 of votes at the general meeting of shareholders of the Company, he must either transfer shares exceeding this threshold, or announce a mandatory takeover bid to buy up the remaining shares of the Company granting the voting rights and the securities confirming the right to acquire shares granting the voting rights.

A person, when acting independently or in concert with other persons and having acquired not less than 95 percent of the capital carrying voting rights and not less than 95 percent of the total votes at the General Meeting of the Issuer shall have a right to require that all the remaining shareholders of the Issuer sell the voting shares owned by them, and the shareholders shall be obligated to sell the shares. A person can exercise this right within three months after the implementation of the mandatory takeover bid or the voluntary takeover bid to buy up the remaining shares of the Issuer granting the voting rights.

The price of these procedures must be fair. Usually, the price of squeeze-out shares is equal to (i) with regard to certain conditions, the price paid for the Issuer's shares bought according to the mandatory or voluntary takeover bid in accordance with the provisions of the Law on Securities, or (ii) the fair price, determined by the person buying up the shares in other way, subject to a relevant approval of the LB. The minority shareholders have the right to challenge the squeeze-out price in court if, in their opinion, the price breaches the principle of fairness.

Besides, any minority shareholder shall have a right to require that a person, who, when acting independently or in concert with other persons, has acquired the shares comprising not less than 95 percent of the capital carrying the voting rights and not less than 95 percent of the total votes at the General Meeting, would buy the shares belonging to the minority shareholder and granting the voting rights, while the said person shall be obligated to purchase those shares. The duration of validity of this right and the price of sell-out shares are determined according to the above-mentioned rules.

The Issuer does not have the right to demand that shareholders sell their shares to the Issuer, whereas the shareholders do not have the right to demand that the Issuer buy up shares held by them.

The issue of New Shares does not result in appearance of duties in connection with a mandatory takeover bid and appearance of any rights in connection with sell-out or squeeze-out of shares or other any rights other than those set in the Law on Securities.

Following the decision of the Company's shareholders to delist the shares of the Issuer from the trading on the regulated market (such a decision is taken by the majority of ¾ of all votes attaching to shares of the shareholders attending the general meeting of shareholders), a takeover bid must be submitted and implemented to buy-up the shares of the Issuer admitted to the regulated market. The takeover bid must be submitted by the shareholders who voted for the decision to delist the shares of the Issuer from the trading on the regulated market. One or several shareholders have the right to implement this duty for other shareholders. The shareholders who voted "against" or did not vote when the decision was taken to delist the shares of the Issuer from the trading on the regulated market operating in the Republic of Lithuania have the right to sell their shares during the effective term of the mandatory takeover bid.

An indication of public takeover bids by third parties in respect of the Issuer's equity, which have occurred during the last financial year and the current financial year

Within the indicated period no takeover bids were submitted by third parties in respect of the Issuer's equity.

Disregarding the above, as indicated in the notification on material event of the Company, dated 28 October 2015 the General Meeting decided *inter alia*:

(i) To apply for the Company to the LB for obtaining the license of the closed-end investment company.
(ii) To prepare the draft of the Articles of Association of the Company (closed-end investment company) and other required documents in order to obtain the license.
(iii) To prepare the draft of the Management Agreement with INVL Asset Management UAB (company code 126263073) for transfer of management of the closed-end investment company.
(iv) To negotiate with the potential custodians (depositories) of the closed-end investment company and prepare the draft of the contract with the depository. The key condition of the agreement is that the expenses for custody should not exceed 0.1 percent of the annual net asset value of the closed-end investment company.
(v) Seeking to ensure the right of the Company's shareholders, who did not vote or voted "against" the aforementioned decisions to sell their Shares, shareholders, who voted "for" these resolutions within one month from the General Meeting will have to announce a voluntary tender offer to purchase the rest of the Shares (one or several shareholders will have the right to fulfil this duty for the other shareholders). Only the shareholders who did not vote or voted "against" this item of the agenda will have the right to sell their Shares during the tender offer.

After the indicated General Meeting it became clear that the shareholders of the Company who own 39,717,176 Shares, which constitute 91.88% of Company's authorised capital gave approval to apply for the closed-end investment company license.

Following the arrangement of the shareholders, who voted "for" the indicated decision, Invalda INVL AB fulfilled this duty on behalf of these shareholders (LJB Investments UAB, Irena Ona Mišeikienė, Invalda INVL AB, Lucrum investicija UAB, Alvydas Banys, Indrė Mišeikytė and Greta Mišeikytė-Myers) and the circular of the voluntary tender offer was approved by the LB on 16 November 2015. Voluntary tender offer price amounted to EUR 0.35 per Share. Only the shareholders who did not vote or voted "against" had the right to sell their Shares during the tender offer. Voluntary tender offer applied for 3,509,076 Shares of the Company, constituting 8.12 percent of Company's capital. The tender offer was implemented from 20 November till 3 December 2015. During the implementation period of the voluntary tender offer Invalda INVL AB bought-up 11,608 Shares of the Company, which represent 0.027 percent of voting rights at the General Meeting.

Taxation in Lithuania

The following is a summary of certain Lithuanian tax implications of ownership and disposition of the Shares. The summary is based on the tax laws of Lithuania as in effect on the date of this Prospectus, and is subject to changes in such laws, including changes that could have a retroactive effect. The summary does not purport to be a comprehensive description of all the tax implications that may be relevant for making a decision to purchase, own or dispose of the Shares. You are advised to consult your own professional tax advisors as to the Lithuanian and other tax implications of the Offering and the purchase, ownership and disposition of the Shares. Prospective investors who may be affected by the tax laws of other jurisdictions should consult their own tax advisors with respect to the tax implications applicable to their particular circumstances.

Taxation on Dividends

Legal persons

Dividends received by Lithuanian or foreign legal persons are subject to the corporate income tax at a rate of 15%. Dividends are not subject to the corporate income tax when a recipient (a Lithuanian or foreign legal person) has been or intends to be in control of not less than 10% of voting shares of a Lithuanian company distributing dividends for an uninterrupted period of at least 12 months (including the moment of distribution of dividends). This participation exemption does not apply if dividends are paid to foreign legal persons registered or otherwise organized in a tax haven jurisdiction.

If dividends are paid out to the legal persons that are residents of a foreign country with which Lithuania has concluded a treaty for the avoidance of double taxation and such a treaty limits the rights of Lithuania to tax dividends, the rules set in that treaty will be applied.

The obligation to calculate, withhold and pay the withholding tax on dividends arises for the Lithuanian legal person (the payer of dividends).

Individuals

Dividends received by Lithuanian and foreign individuals are subject to the personal income tax at a rate of 15%.

If dividends are paid out to the residents of a foreign country with which Lithuania has concluded a treaty for the avoidance of double taxation and such treaty limits the rights of Lithuania to tax dividends, the rules set in that treaty will be applied.

The obligation to calculate, withhold and pay the withholding tax on dividends arises for the Lithuanian legal entity (the payer of dividends).

Taxation on Capital Gains

Legal persons

No specific capital gains tax is established under the Lithuanian tax legislation. Therefore, capital gains received by a Lithuanian legal person or by a foreign legal person through its permanent establishment in Lithuania from the sale of shares are included in the taxable income for the corporate income tax purposes. The standard rate of the corporate income tax is 15%.

An exemption is available, and capital gains are not subject to the corporate income tax if the following conditions are met: 1) an entity the shares of which are being transferred is registered in the EEA Member State or a country with which Lithuania has concluded a treaty for the avoidance of double taxation, and this entity is a payer of corporate income or equivalent tax; and 2) an entity transferring shares has been in control of more than 25% of voting shares for an uninterrupted period of at least two years. The exemption is not applied if shares are transferred to the issuer.

Lithuanian entities and permanent establishments of foreign entities have the right to carry forward losses due to the disposal of securities and/or derivative financial instruments for five consecutive years for the purpose of the Lithuanian corporate income tax. The said losses can be covered only with income generated from disposals of securities and/or derivative financial instruments. Also please note that a restriction may be applicable – in assessment of the corporate income tax for 2014 and subsequent years, the amount of tax loss carried forward cannot exceed 70% of the taxable profit amount of the relevant tax period.

Capital gains received by the foreign legal persons from the disposal of shares of Lithuanian companies are not subject to the Lithuanian corporate income tax.

Individuals

Capital gains received from the sale of shares by the Lithuanian residents are subject to 15% personal income tax. Please also note that the capital gains, received from sale of securities shall not be taxed, if its amount does not exceed EUR 3,000 per year. This relief does not apply in case a shareholder sells the shares or transfers the title to the shares to the entity that issued those shares.

The personal income tax on capital gains received by individuals should be calculated, paid and declared by individuals by the 1st of May of the calendar year following the taxable year.

Capital gains received from the disposal of shares of Lithuanian companies by the individuals who are not considered to be Lithuanian residents for tax purposes are not taxed in Lithuania.

Taxation on Gifts and Inheritance

If the Issuer's shares are given as a gift to a natural person, generally the acquisition of shares is subject to personal income tax at a rate of 15%, charged on income received at the transfer of the shares as a gift. The tax is not applicable where a spouse, children (adopted children), parents (adoptive parents), brothers, sisters, grandchildren or grandparents give shares as a gift or where shares are given as a gift to a non-Lithuanian resident. Furthermore, donation incomes received from other persons are not subject to taxation, unless such incomes exceed EUR 2,500 in a calendar year.

Inherited Issuer's shares are subject to inheritance tax as follows: if the taxable value of the inherited property does not exceed EUR 150,000, the tax rate is 5%; if the taxable value of the inherited property exceeds that amount, the tax rate is 10%. The property is exempted from the tax where the property is inherited by a spouse upon the death of the other spouse, by parents (adoptive parents), children (adopted children), grandparents, grandchildren, brothers, sisters, guardians (custodians), wards (foster children), or where the shares are inherited by a non-Lithuanian resident or the value of the inherited property does not exceed EUR 3,000.

Value added tax

Generally, under effective laws, share acquisition or transfer transactions are not subject to value added tax (VAT) in Lithuania.

5.6 The Offering and Plan of Distribution

General Information

The Issuer is offering up to 28,773,748 ordinary registered Shares (the "Offer Shares" or the "New Shares"). The Offer Shares are being offered at the Offer Price, which is equal to EUR 0.40. The Issuer reserves the right to allocate in total a smaller number of Offer Shares than 28,773,748. This may happen, for instance, as a result of insufficient demand. In such case, the number of Offer Shares to be allotted to the investors may be reduced.

The Management considers that the net proceeds of EUR 10,000,000 is sufficient for further development of the Company. Thus, the amount of the Offer Shares might be reduced accordingly.

This Offering consists of a public offering in Lithuania to: (i) existing shareholders of the Company (the "Existing Shareholders"), (ii) retail investors (the "Retail Investors") and (iii) institutional investors (which term includes entities managing portfolios of securities for their clients and unincorporated organizations) (the "Institutional Investors", and together with the Retail Investors and Existing Shareholders, the "Investors"). The Offering to Institutional Investors also includes a private placement to Institutional Investors in certain jurisdictions outside of Lithuania and the United States in accordance with Regulation S under the U.S. Securities Act of 1933.

Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.

For the purposes of the Offering no tranches of the Investors are being established. However, each of the Existing Shareholders is entitled and is guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 31 December 2015 or any lesser number of Offer Shares, in case it places an order for less Offer Shares, than indicated above (the "Guaranteed amount of Offer Shares"). The Retail Investors and the Institutional Investors (as well as the Existing Shareholders in case such Investors provide subscription orders for more Offer Shares, than the Guaranteed amount of Offer Shares to a respective Existing Shareholder – with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount) shall have no guarantees as to acquisition of the Offer Shares, i.e. they may be allotted a lower number of Offer Shares than the number specified in such Investors' subscription orders, or may be not allotted any Offer Shares at all, pursuant to the terms and conditions set forth in the Prospectus (with the exception regarding the allotment to the Existing Shareholders, having participated in the Offering, which will be allotted the Guaranteed amount of Offer Shares to the respective Existing Shareholder in such case).

As at the date of this Prospectus, there is no restriction on the amount of Offer Shares that will be allocated to each category of Investors. However, the Issuer intends to allocate approximately 10% of the final number of the Offer Shares to the Retail Investors, unless there is insufficient demand to allocate the remaining Offer Shares to the Existing Shareholders and Institutional Investors, and vice versa, in which case this proportion may be altered by the Issuer acting in agreement with the Lead Manager. Such an alteration, if any, will be announced, together with the final number of Offer Shares.

Notices

Any notices relating to the final results of the Offering will be filed with the LB and will be published as a material event *inter alia* on the website of the Issuer www.invlbalticrealestate.lt and of the Offering Broker www.invlfinasta.com. In addition, any notices relating to the approval of the Prospectus and its supplements (if any) which have to be published by the LB in accordance with Lithuanian law will be published on its website www.lb.lt.

Corporate Resolutions and General Structure of the Offering

On 28 October 2015 the General Meeting adopted *inter alia* the following decisions: (i) to increase the authorised capital of the Issuer; (ii) to revoke the pre-emptive right to acquire the New Shares for the existing shareholders; (iii) to authorise the Management Board to determine the final conditions of the Offering; (iv) to list the New Shares of the Issuer on Nasdaq; (v) to authorise the Management Board to take corresponding actions and (vii) taking into consideration the increase of the authorised capital of the Company, to amend its Articles of Association.

Following the indicated decisions of the General Meeting only the minimal issue price of New Shares was established, which is equal to EUR 0.35. Accordingly total minimal issue price of all the issue of New Shares is equal to EUR 10,070,811.80.

However, the final issue price of the New Shares was set by the Management Board at EUR 0.40 (the "Offer Price").

The New Shares, which shall be fully paid by the Investors, shall be admitted on the Secondary List of Nasdaq once the capital increase of the Company is registered in the Register of Legal Persons and the New Shares are registered with the CSDL and assimilated with the currently registered issue of Shares.

The Management Board, upon agreement to be concluded by the Issuer and the Offering Broker, will determine the final terms on which the Offer Shares will be offered, including: the final number of Offer Shares offered to Existing Shareholders, the Retail and Institutional Investors respectively. Upon the decision hereon, the Issuer will issue the New Shares.

For information on applicable selling restrictions in respect of the Offer Shares, please refer to Section 1.8 *Selling Restrictions* and for information regarding the rights pertaining to the Shares, please refer to Section 5.5 *Information Concerning the Securities to be Offered and Admitted to Trading*.

Thus, according to the information, provided above, the Offering shall be structured in the following order:

(i) the subscriptions as to acquisition of the Offer Shares shall be received from the Investors as well as paid according to the order, described in this Prospectus;
(ii) based on the decision of the Management Board the Offer Shares shall be finally allocated to the Investors;
(iii) the capital increase of the Company shall be registered with the Register of Legal Persons;
(iv) the Offer Shares shall be registered with the CSDL, introduced to trading on Nasdaq and distributed to the Investors.

Place of Subscription

Subscriptions will be accepted at the offices of the Offering Broker, at the addresses Gynėjų str. 14, Vilnius, Savanorių ave. 349, Kaunas, and Naujoji uosto str. 8 – 309, Klaipėda.

Subscriptions will be accepted on a subscription form in Lithuanian or in English (for persons who are not Lithuanian residents). Retail Investors and Existing Shareholders are allowed to submit a copy of a signed subscription form to the Offering Broker by fax or email prior to submitting an original document to the office of the Offering Broker. The original document has to be submitted to the Offering Broker until the end of subscription period for the Retail Investors and Existing Shareholders, as indicated below. Institutional Investors are allowed to submit a signed copy of a subscription form by fax or email and are not required to submit an original document. The Existing Shareholders, which are attributed to the Institutional Investors as such, are also not required to submit an original copy of the subscription form.

Subscriptions will be accepted if Investors have a brokerage account agreement with the Offering Broker or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania. The subscription forms will be available at the office of the Offering Broker and on the webpage of the Offering Broker (www.invlfinasta.com).

Firms managing securities portfolios on a discretionary basis should place subscription orders for the Offer Shares by submitting the subscription order form along with a list of investors on whose behalf the subscription order is placed. The list must include details required to be included in the subscription order form with respect to each investor listed, and must be signed by persons authorised to represent the firm.

Expected timetable of the Offering

The expected timetable below lists expected key dates relating to the Offering on or around which the events listed below should occur. The Issuer reserves the right to change the timetable of the Offering. Should the Issuer decide to adjust the dates set out in the timetable, the Issuer will provide the LB with the relevant supplement to the Prospectus for the approval and publish such information (upon the approval of supplement) in compliance with applicable regulations, as well as market practices in Lithuania.

from 4 January 2016 till 3 March 2016 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Retail Investors and payment for the Offer Shares at the Offer Price
from 4 January 2016 till 4 March 2016 (until 5 p.m. Vilnius time)	Accepting subscriptions from the Existing Shareholders and the Institutional Investors and payment for the Offer Shares at the Offer Price
from 4 January 2016 till 4 March 2016	Roadshow
on or about 7 March 2016	Determination and announcement of the final number of the Offer Shares and the allotment between the Existing Shareholders and the Retail and Institutional Investors (the “Allotment Date”)
on or about 14 March 2016	Delivery of the Offer Shares to Investors and closing of the Offering (“Settlement Date”)
till the middle of March 2016	Trading in Offer Shares is expected to commence on Nasdaq

All times and dates referred to in this timetable may be adjusted by the Issuer, in consultation with the Offering Broker, if deemed necessary for the successful completion of the Offering and Admission. In particular, the Issuer upon recommendation from the Offering Broker, may extend the subscription period for the Offer Shares, based on monitoring the market. An extension of the subscription period will result in the postponement of the allotment date of the Offer Shares, as well as in the postponement of the date of listing of the New Shares on Nasdaq.

Where required by law, any changes in the Offering dates should be published in the form of a supplement to the Prospectus. Information of any change of the dates should be published no later than on the originally set date, provided that if the period of acceptance of subscription orders is shortened, relevant information should be published no later than on the date preceding the last day (according to the new schedule) of the acceptance of subscription orders.

Subscription Procedure

Existing Shareholders’ subscription procedure

Each of the Existing Shareholders are entitled and are guaranteed that, in case it will participate in the Offering (and subscribe for the below indicated number of Offer Shares), such an Existing Shareholder will be allocated the Offer Shares *pro rata* to the nominal value of its shareholding in the Company as at the close of 31 December 2015 or any lesser number of Offer Shares, in case it places an order for less Shares, than indicated above (Guaranteed amount of Offer Shares). Thus, persons, being shareholders of the Company at the close of 31 December 2015 (the Existing Shareholders) generally are entitled to acquire all the Offer Shares of the Company, in case all the Existing Shareholders will participate in the Offering and will subscribe for the number of Offer Shares, not less than *pro rata* to the nominal values of their shareholdings in the Company as at the close of 31 December 2015.

Pro rata to the nominal value of Shares of the Company, held by the shareholders of the Company as at the close of 31 December 2015, the number of Offer Shares that a relevant shareholder is guaranteed to be allotted by the Issuer during this Offering subject to the aforementioned conditions shall be calculated according to this formula: $A = 28{,}773{,}748 \times k$, in which:

A – the number of Offer Shares, which a respective Existing Shareholder is guaranteed to acquire and which the Company shall allot to the respective shareholder, in case it subscribes for not less than such number of Offer Shares;

k – coefficient, indicating which part of the Offer Shares is guaranteed by the Issuer to be allotted to the particular Existing Shareholder of the Company, which shall be calculated according to the following formula: $k = S/43{,}226{,}252$, where S – number of Shares, held by the respective Existing Shareholder of the Company at the close of 31 December 2015. The value of coefficient k shall be rounded to eight digits after the comma, following the general arithmetic rules.

Calculated number of Offer Shares, which the particular Existing Shareholder is entitled to acquire during this Offering and which the Company shall allot to such shareholder, in case it subscribes for not less than such a number of Offer Shares shall be rounded to the whole number according to the general arithmetic rules, in case it is with fractional part.

The Existing Shareholder of the Company at his own discretion may subscribe and acquire also any lesser number of Offer Shares than the number, calculated according to the aforementioned formula, which the respective Existing Shareholder would be allotted by the Company based on the indicated rules (in which case such Existing Shareholder would be allotted all such lesser number of Offer Shares). The Existing Shareholder may also not participate in the Offering and not subscribe for Offer Shares.

Furthermore, the Existing Shareholder may place a subscription order for any higher number of Offer Shares than the number, calculated according to the indicated formula. In such case the Existing Shareholder will be safely allotted the number of Offer Shares, calculated according to the aforementioned formula. The number of Offer Shares, exceeding the number, calculated according to the formula, shall be allotted following the general allocation order, as described in Section *Rules of Offer Shares allocation*, and there is no guarantee that the Existing Shareholders shall be allotted with all (or any of) the Offer Shares, exceeding the number thereof, calculated according to the aforementioned formula, it has placed a subscription for.

In any case, disregarding the number of Offer Shares that a relevant Existing Shareholder intends to acquire (either the Guaranteed amount of Offer Shares, or the number, which is lesser or higher than the Guaranteed amount of Offer Shares), he/she/it may place a single subscription order for all the number of Offer Shares he/she/it intends to acquire.

Retail and Institutional Investors' subscription procedure

Institutional Investors are also entitled to place multiple subscription orders.

The Institutional Investors should contact the Offering Broker for information on detailed rules governing the placement of subscription orders, in particular: (i) the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an investor; and (ii) the possibility of placing orders and deposit instructions in non-written form.

Institutional Investors that manage assets on behalf of third parties may submit a combined order in favour of their customers, attaching a list of such customers.

General information regarding the subscription procedure

Each Investor may subscribe for the minimum of one Offer Share.

At the time of placing a subscription order, Investors are required to make an irrevocable instruction for depositing the Offer Shares in a securities account maintained in their name and opened with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania.

By placing a subscription order, each Investor is deemed to have read this Prospectus and the Company's Articles of Association and accepted their content, as well as have read the terms of the Offering, consented to being allotted a lower number of Offer Shares than the number specified in such Investor's subscription orders, or to not being allotted any Offer Shares at all, pursuant to the terms and conditions set forth in the Prospectus.

An Investor may submit a subscription order either personally or via a representative whom the Investor has authorized (in the form required by law) to submit the subscription order. More detailed information concerning the identification of Investors, including requirements concerning documents submitted and the rules for acting through authorized representatives, can be obtained by Investors from the entities accepting subscription orders.

An Investor must ensure that all information contained in the subscription order is correct, complete and legible. The Issuer reserves the right to reject any subscription orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/ or have not been supported by the necessary additional documents, requested by the Issuer or the Offering Broker, during the subscription period and in accordance with all requirements set out in these terms and conditions.

Any consequences of a form of subscription for the Offer Shares being incorrectly filled out will be borne by the Investor.

Withdrawal of the Subscription Orders

Subscription orders for the Offer Shares may be withdrawn (and new orders placed) at any time until the end of the Subscription Period for each category of Investors. An investor will be liable for the payment of all fees charged by the Offering Broker in connection with the withdrawal or amendment of the subscription order.

Furthermore, a subscription for the Offer Shares may also be withdrawn when after the start of the Offering, a supplement is made public concerning an event or circumstances occurring before the allotment of the Offer Shares, of which the Issuer became aware before the allotment. The Investor who has made a subscription before the publication of the supplement may withdraw such subscription by submitting a written statement to the institution where the subscription was made, within two business days from the date of the publication of the supplement.

The repayments will be made in accordance with the subscription form within ten business days after making the statement on the subscription cancellation.

Procedure and dates for payment for the Offer Shares

Subscriptions for the Offer Shares by the Existing Shareholders and the Retail Investors have to be fully paid for no later than until end of the Subscription Period for each of these Investors (4 and 3 March 2016 respectively). The full payment by the Existing Shareholders and the Retail Investors means a payment equal to the number of the Offer Shares indicated in the subscription order multiplied by the Offer Price, indicated in this Prospectus. Payments by these Investors can be made by wire transfer and has to be made in EUR, as indicated in this Prospectus, to the account indicated in the subscription order. The Existing Shareholders, which are attributed to the Institutional Investors as such, shall fully pay the Offer Shares as indicated in paragraph below.

By submitting a subscription, an Institutional Investor shall authorize and instruct the broker operating the Institutional Investor's cash account connected to its/his/her securities account to block the whole transaction amount on the Institutional Investor's cash account until the settlement is completed or funds are released in accordance with these terms and conditions. The transaction amount to be blocked will be equal to the Offer Price multiplied by the number of Offer Shares which the respective Institutional Investor wishes to acquire. An Institutional Investor must ensure, that no later than 4 March 2016, 5 p.m. (Vilnius time), there are sufficient funds on its/his/her cash account connected to securities account with the broker to cover the whole transaction amount, as indicated above.

The Investors who have not been allotted any Offer Shares or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the subscription order in accordance with instructions provided by each such Investor, as required under the procedures applicable in the investment firm with which the subscription order was placed. The reimbursement will take place within 10 business days as from the end of the Subscription Period for the respective Investors or from the date of the publication of the supplement to the Prospectus on the cancellation of the Offering. The payments shall be returned without any reimbursement for costs incurred by the investors in the course of subscribing for the Offer Shares, and shall be net of all transfer expenses and without interest.

General information regarding the payment for the Offer Shares

All monetary amounts, paid by the Investors during the Offering have to be executed in EUR. For the purpose of this Offering the Company will open a special bank account with Šiaulių bankas AB, corporate ID code 112025254, with its registered address at Tilžės str. 149, Šiauliai, Lithuania, which will be used solely for the purpose of collecting the funds from the Investors during this Offering and will not be used for any other purposes. The Investors will pay the price for the Offer Shares to this special bank account, which will be indicated in the subscription form.

Payments for the Offer Shares are interest free.

A legal consequence of non-payment on time or a partial payment for the Offer Shares will be the invalidity of the entire subscription.

Intentions of the shareholders and members of Management and Administrative bodies of the Issuer as to participation in the Offering

According to the information available to the Issuer, obtained after a review carried out with due diligence, none of the present members of the management or administrative bodies of the Issuer intend to subscribe for the Offer Shares. However, according to the knowledge of the Company, one of its Major Shareholders Invalda INVL AB intends to participate in the Offering and subscribe for Offer Shares according to the terms and conditions of this Offering and paying thereof by converting loans (part thereof) provided to the Company to New Shares (if so requested by this Major Shareholder).

Rules of Offer Shares allocation

The Offer Shares will be allotted in accordance with the following principles:

- first, the Offer Shares will be allotted to the Existing Shareholders, having participated in the Offering and placed their subscription orders *pro rata* to the nominal values of their shareholdings in the Company as at the close of 31 December 2015 – the number of the Offer Shares will be allotted based on subscription orders placed by the Existing Shareholders, but no more than the number of the Offer Shares that the Company guarantees each of the Existing Shareholders will be allotted according to the formula, indicated in Section *Existing Shareholders' subscription procedure* (Guaranteed amount of Offer Shares to a respective Existing Shareholder). The Issuer will not give preferential treatment or discriminate against and between the Existing Shareholders, while allotting the Offer Shares as indicated in this item;
- next, the remaining Offer Shares after allocation thereof to the Existing Shareholders as indicated in item above, will be allotted to the Retail and Institutional Investors as well as to the Existing Shareholders (with regards to the number of Offer Shares, subscribed by the Existing Shareholders, exceeding the Guaranteed amount of Offer Shares to a respective Existing Shareholder) at an absolute discretion of the Issuer and the Offering Broker, i.e. the total number of the Offer Shares allotted to the Retail Investors and the Institutional Investors, as well to the Existing Shareholders (having placed the subscriptions for more Offer Shares than the Guaranteed amount of Offer Shares to a respective Existing Shareholder, with regards to such exceeding number of Offer Shares), including a specific number of Offer Shares, allocated to any individual Investor, will be determined by the Issuer with the Offering Broker at their absolute discretion. In case the Offer Shares will be allotted also to the Retail Investors, having placed the subscriptions, the Issuer will not give preferential treatment or discriminate against and between the Retail Investors, and in case for the purposes of allocation the subscription of any of such Investors will be reduced, the subscriptions of all other Retail Investors, having placed the subscriptions will also be subject to reduction in accordance with the proportionate reduction principle. The aforementioned rule shall not be applied towards the Existing Shareholders, in case they place the subscription for acquisition of the Offer Shares in excess of the Guaranteed amount of Offer Shares to a respective Existing Shareholder with regards to the amount of Offer Shares, exceeding the indicated guaranteed amount. Thus, none of such Existing Shareholders, participating in the allotment of Offer Shares according to this item is guaranteed that it/he/she will be allocated the number of Offer Shares, indicated in its/his/hers order (it may be allotted less Offer Shares, in any case not lesser than the Guaranteed amount of Offer Shares to a respective Existing Shareholder as indicated above). Fractional allocations (after the proportional reduction, if any) will be rounded down to the nearest integer value, and the remaining Offer Shares will be allocated to the Retail Investor who subscribed for the largest number of the Offer Shares;

- as at the date of this Prospectus, there is no restriction on the amount of Offer Shares that will be allocated to each category of Investors. However, the Issuer intends to allocate approximately 10% of the final number of the Offer Shares to the Retail Investors, unless there is insufficient demand to allocate the remaining Offer Shares to the Existing Shareholders and Institutional Investors at the set Offer Price, and vice versa, in which case this proportion may be altered by the Issuer acting in agreement with the Lead Manager.

Subject to the exception of allocation to the Offer Shares to the Existing Shareholders which have placed their subscription orders, as indicated above, the Issuer and the Offering Broker are not obliged to allocate any Shares to any Investors participating in the Offering. Furthermore, there is no target minimum individual allotment to the Investors.

The final number of the Offer Shares and the allotment between the Existing Shareholders, the Retail Investors and the Institutional Investors, including the reduction of order placed, will be filled with the LB and announced on the Allotment Date as a material event *inter alia* on the website of the Issuer www.invlbalticrealestate.lt and of the Offering Broker www.invlfinasta.com, as soon as available.

Overallotment and overallotment option

The Issuer will not grant any overallotment option of the green shoe type and therefore no overallotment is foreseen. No stabilisation will be undertaken.

Public announcement of the Offering results

Information on the results of the Offering will be announced by way of the notification on material event according to the procedure of the applicable Lithuanian laws, including on the websites of the Issuer (www.invlbalticrealestate.lt) and the Offering Broker (www.invlfinasta.com). Furthermore, the placement report will be filed with the LB within 3 business days as from the registration of the capital increase of the Issuer with the Register of Legal Persons.

Cancellation, Suspension or Postponement of the Offering

The Issuer may cancel the Offering, upon recommendation of the Offering Broker or at its own initiative, at any time prior to the Settlement Date without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the subscription period, or decide that the Offering will be postponed and that new dates of the Offering will be provided by the Issuer later.

The Issuer may cancel the Offering, upon recommendation of the Offering Broker if the Issuer considers it impracticable or inadvisable to proceed with the Offering. Such reasons include, but are not limited to: (i) suspension or material limitation of trading in securities generally on Nasdaq, as well as any other official stock exchange in the EU and the United States; (ii) sudden and material adverse change in the economic or political situation in Lithuania or worldwide; (iii) a material loss or interference with the Issuer's or its Subsidiaries business, or (iv) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations or the operations of the Subsidiaries. In such an event, subscriptions for Offer Shares that have been made will be disregarded, and any subscription payments made will be returned without interest or any other compensation.

If the Offering is suspended, the Issuer may decide that subscriptions made and payments made will be deemed to remain valid, however, for no longer than seven business days. In such case, Investors may withdraw subscriptions made by submitting a relevant statement to that effect within two business days after the report on the suspension is announced.

Any decision on cancellation, suspension, postponement or changes of dates of the Offering will be published by way of a material event notification and in a manner compliant with applicable regulations, as well as market practices in Lithuania.

If the Offering is cancelled or suspended, Investors who placed subscription orders and paid for the subscription will get their payments back:

- if the Offering is cancelled – within three business days after the public announcement by the Company of the Offering cancellation;
- if the Offering is suspended – within three business days after the date on which the Investor has made a statement cancelling his subscription or three business days after the date that the Issuer announces that the orders placed are not valid.

The timely repayment of money paid will be without any interest or compensation.

Offer Price

The Offer Shares are being offered at the Offer Price, which was established by the Management Board at EUR 0.40. The Offer Price is the same for all the Investors.

Change of terms of the Offering

In accordance with the relevant regulations in force in Lithuania applicable to public offerings and the admission of securities to trading on a regulated market, any significant change to the Prospectus, as defined in the aforementioned regulations, will be communicated through a supplement to the Prospectus, if required. The supplement to the Prospectus will need to be approved by the LB and published in the same manner as the Prospectus. If the supplement is published after approval of the Prospectus by the LB and relates to events or circumstances which occurred prior to the Allotment Date and about which the Issuer or the Offering

Broker have learnt prior to the allotment, Investors who have placed their subscription orders before publication of the supplement will have a right to withdraw their subscriptions within two business days from the publication of the supplement to the Prospectus.

In such a case, if necessary, the Settlement Date will be adjusted in order to enable the Investors to withdraw their subscriptions.

Moreover, information resulting in changes to the content of the Prospectus or supplements already made available to the public in respect of the organization or conduct of subscription of Offer Shares or the Admission, which do not require publication of the supplement, will be published in the same manner as the Prospectus in compliance with applicable regulations. Such information will be simultaneously submitted to the LB. In such a case, the Investors shall not have a right to withdraw their subscriptions.

Admission of the New Shares to trading on the regulated market

All the Shares of the Company are already admitted to trading on the Secondary List of Nasdaq. The Issuer intends to execute all the actions for admission of the Offer Shares to the same regulated market (Nasdaq).

The admission and introduction of the New Shares to trading on Nasdaq requires, *inter alia*: (a) the approval of the Prospectus by the LB; (b) execution of the Offering; (c) registration of the capital increase of the Company with the Register of Legal Persons; (d) registration of the New Shares with the LCSD and assimilation with the currently registered Shares. At the time of registration of the New Shares with the LCSD the Shares will be simultaneously introduced to trading on Nasdaq.

Thus, the New Shares will be eligible for the listing upon their payment by Investors and the aforementioned registrations. The Issuer will not be seeking to apply for listing of temporary share receipts, such as “rights to shares”. No entity has a commitment of any kind to act in secondary trading in the Shares or provide liquidity through bid and offer rates.

Trading in the Shares is expected to commence till the middle of March 2016. Any dealings in the Offer Shares prior to the start of trading on Nasdaq will be at the sole risk of investors concerned. In particular, as such transactions are not carried out on a regulated market, they are likely to result – depending on the particular circumstances of each transaction and the parties to it – in a stamp duty or similar tax being assessed.

Selling Securities Holder

There is no selling securities holder, participating in the Offering and all the New Shares will be issued solely by the Company.

Offering Broker

The Company has appointed INVL Finasta UAB FMĮ, a private limited liability company established and existing under the laws of the Republic of Lithuania, corporate ID code 304049332, with its registered address at Gynėjų str. 14, Vilnius, Lithuania, to act as the offering broker in Lithuania.

Market Maker

As of the Prospectus the Company has not concluded any agreement in subject of market maker service for Shares admitted to trading on Nasdaq.

Dilution

The issue of New Shares comprises of approximately 66.57% of the Company’s authorised capital prior to its increase. In case all the Offer Shares are allocated to the Investors and all the Existing Shareholder acquire Offer Shares, the holdings of the Existing Shareholders would not be diluted from the amount of Shares, held by them prior to increase of the authorised capital of the Company. In case none of the Existing Shareholders would participate in the Offering and all the Offer Shares would be acquired by the Retail and Institutional Investors, the indicated dilution would amount to approximately 39.96%, i. e. the Issuer’s shareholders that existed before the increase of the authorised capital would own approximately 60.04% of the Issuer’s shares after the issue.

5.7 Placing

Placement Agreement

On 7 December 2015 the Issuer has entered, into a placement agreement (the “Placement Agreement”) in respect of the Offering with the Offering Broker, in which the Offering Broker committed to undertake certain actions in connection with organization of the Offering.

The Issuer and the Offering Broker do not expect to enter into an underwriting agreement.

The Offering Broker will act as an offering agent with respect to the Offer Shares for the purposes of the Offering and admission thereof to trading on Nasdaq.

Following the preliminary calculations, the Issuer’s expenses, related to this issue, shall comprise of up to 3 percent from the gross proceeds from the placement of the Offer Shares (including the fees for the Lead Manager, the legal councel, fees to the LB for approval of the Prospectus, fees to the CSDL and Nasdaq and fees for the preparation of the Prospectus).

The final amount of expenses will be calculated after the Offering and will be publicly announced within two weeks from the Settlement Date.

The Issuer agreed to pay all commissions and expenses in connection with the Offering. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

Lock-up Agreements

No lock-up agreements were signed with respect to the Offering.

Interests of Natural and Legal Persons Participating in the Offering

The Offering Broker has a contractual relationship with the Issuer in connection with the Offering and the Admission, and has been mandated to act as the offering agent for the Offering of the Offer Shares and listing thereof on Nasdaq.

The Offering Broker and its affiliates have engaged in and may in the future engage in advisory services and other commercial dealings in the ordinary course of business with the Company and any of their affiliates. The Offering Broker and its affiliates have received and may in the future receive customary fees and commissions for these transactions and services.

ANNEX (Executive Summaries of Valuation Reports)

EXECUTIVE SUMMARY

of Valuation Report No. 31554 VAT_2015 MKA VHAN

Client (the Customer ordering the valuation)	**Joint-stock company "INVL Baltic Real Estate".** Legal entity code 152105644. Address: Vilnius City Municipality, Vilnius City, Šeimyniškių St. 1A. The data about company are registered and collected in the Register of Legal Entities (the keeper of Register - The State Enterprise Centre of Registers).
Valuation case	**When requested by the customer**, i.e. it corresponds with Article 4(3) of the Law of the Republic of Lithuania on the Fundamentals of Property and Business Valuation (Official Gazette, 1999, No. 52-1672; 2011, No. 86-4139).
Purpose of the valuation	Determination of the market value and forced sale value of property with the aim of pledging the property. This report is only intended for **AB Šiaulių bank.**
Date of Inspection	27 October 2015.
Valuation Date	27 October 2015.
Date of Report	11 November 2015.
Identification of the asset to be valued	Administrative, garage, warehousing and auxiliary buildings, administrative premises, other engineering structures, engineering networks and two state parcels of land managed on a lease basis.
The address of the asset to be valued	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6, Šeimyniškių St. 1A, Šeimyniškių St. 3, Šeimyniškių St. 3A, A. Juozapavičiaus St. 6 / Slucko St. 2.
The owner of the valued buildings, premises, other structures and engineering networks	Joint-stock company "INVL Baltic Real Estate", identification code 152105644.
The owner of the valued parcels of land	Republic of Lithuania, identification code 111105555.
The lessee of the valued state parcels of land	Joint-stock company "INVL Baltic Real Estate", identification code 152105644.
Buildings, premises, other structures and engineering networks rights appraised	Freehold (ownership rights).
Parcels of land rights appraised	The parcels of land managed on an ownership rights by Republic of Lithuania. The parcels of land managed on a lease rights by Joint-stock company "INVL Baltic Real Estate".

THE MAIN IDENTIFICATION DATA OF THE PROPERTY

Name of property	Address of property	Main designated use	Unique No.	Building number in the plan	Total area / Length
Non-residential premises – Administrative premises, marked in plan from 1-1 to 1-7	Vilnius City Municipality, Vilnius City, Juozapavičiaus St. 6	Administrative	1094-0002-4144:0001	14B4p	Total area: 67.51 sq. m
Non-residential premises – Administrative premises, marked in plan from R-1 to R-20, from 1-8 iki 1-19, from 2-16 to 2-41, from 3-20 to 3-47, 3-33a, 3-37a, 3-38a, 4-1, 4-3, 4-4, from 4-6 to 4-27	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Administrative	1094-0002-4144:0002	14B4p	Total area: 2041.58 sq. m
Building – Administrative building	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Administrative	1094-0002-4100	11B3p	Total area: 4432.07 sq. m
Building – Administrative building	Vilnius City Municipality, Vilnius City, Šeimyniškių St. 3A	Administrative	1094-0002-4177	16B3p	Total area: 2817.15 sq. m
Building – Administrative building	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Administrative	1094-0002-4111	12B2p	Total area: 199.56 sq. m
Building – Administrative building	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Administrative	1094-0002-4044	4B2p	Bendras plotas: 1570.40 sq. m
Building – Administrative building with shop and restaurant	Vilnius City Municipality, Vilnius City, Šeimyniškių St. 3	Administrative	1094-0458-3035	2B5b	Total area: 4487.88 sq. m

Building – Administrative building with commercial, solarium premises and underground parking	Vilnius City Municipality, Vilnius City, Šeimyniškių St. 1A	Administrative	1399-8031-1015	1B6b	Total area: 6929.68 sq. m
Building – Parking	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Garage	1094-0002-4088	9G2p	Total area: 1812.37 sq. m
Other engineering structures – Parking b-1, b-2, b-3	Vilnius City Municipality, Vilnius City, Šeimyniškių St. 1A	Other engineering structures (yard equipment)	4400-0706-5790	b-1, b-2, b-3	-
Building – Warehouse	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Warehousing	1094-0002-4099	10F1b	Total area: 174,71 sq. m
Building - Transformer	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus St. 6	Auxiliary	1094-0002-4166	15I1g	Built area: 45,00 sq. m
Engineering networks - high voltage (10 kV) power cable line, length 730.0 m	Vilnius City Municipality, Vilnius City, A. Juozapavičiaus g. 6 / Slucko St. 2	Electricity network	1300-0027-5013	-	Length: 730 m

Name of property	Main designated use / Manner of use	Unique No.	Cadastral No.	Total area
Parcel of land (state parcel of land managed on a lease basis)	Other / Area for commercial objects	0101-0032-0251	0101/0032:251 Vilniaus m. k. v.	1.2534 ha
Parcel of land (state parcels of land managed on a lease basis)	Other / Area for commercial objects	0101-0032-0252	0101/0032:252 Vilniaus m. k. v.	0.2178 ha

VALUATION APPROACH (METHOD): Comparative Approach and Income Approach. Value estimated using Income Approach.

CONCLUSION REGARDING MARKET VALUE

The **market value** of the total appraised property at 27 October 2015 herein is

€ 22,300,000 (twenty two million three hundred thousand Euros).

CONCLUSION REGARDING FORCED SALE VALUE

The **forced sale value** of the total appraised property at 27 October 2015 herein is

€ 16,000,000 (sixteen million Euros).

NOTE: The assignment of market and forced sale values to individual units of the valued property is conditional. The assignment of the marked and forced sale values to individual units of the valued property are provided in Section 6.7., page 51.

SPECIAL ASSUMPTIONS, ASSUMPTIONS AND CIRCUMSTANCES: The value of property is determined and this valuation report is written based on the special assumptions, assumptions and circumstances provided in Section No. 2 (page 7) of this Report.

Appraised property was inspected, valuated and report was prepared by: **„OBER-HAUS" nekilnojamas turtas UAB**, a legal entity incorporated under the laws of the Republic of Lithuania, reg. No. 111645042 with its registered office at Geležinio Vilko St. 18A, Vilnius, Lithuania. Certificate No. 000112 entitling to engage in the valuation of property or business. Certificate issued on 1 August 2012 on the basis of the order of the Director of the Property Valuation Supervision Authority (31 July 2012 No B1-38).

Valuer: Mindaugas Karalius
Certified Real Estate Valuer
Licence No. A 000374, issued 02-28-2007

Valuer: Tomas Jocius
Certified Real Estate Valuer
Licence No. A 000602, issued 12-28-2010

Person who has the right to act on behalf of "OBER-HAUS" nekilnojamas turtas UAB: Director General Remigijus Pleteras
(or a person authorised by the Director General, specify the first name and surname)

Administratorė
Urtė Liudavičiūtė

UŽDAROJI AKCINĖ BENDROVĖ PAŽYMĖJIMO NR. 000112 „OBER-HAUS" NEKILNOJAMAS TURTAS TURTO IR VERSLO VERTINIMAS VILNIUS

SEAL

EXECUTIVE SUMMARY

of Valuation Report No. 31501 VAT_2015 GDR VHAN

Client (the Customer ordering the valuation)	**Joint-stock company "INVL Baltic Real Estate".** Legal entity code 152105644. Address: Vilnius City Municipality, Vilnius City, Šeimyniškių St. 1A. The data about company are registered and collected in the Register of Legal Entities (the keeper of Register - The State Enterprise Centre of Registers).
Valuation case	**When requested by the customer**, i.e. it corresponds with Article 4(3) of the Law of the Republic of Lithuania on the Fundamentals of Property and Business Valuation (Official Gazette, 1999, No. 52-1672; 2011, No. 86-4139).
Purpose of the valuation	Determination of the market value and forced sale value of property with the aim of pledging the property. This report is only intended for **AB Šiaulių bank.**
Date of Inspection	29 October 2015.
Valuation Date	29 October 2015.
Date of Report	11 November 2015.
Identification and the address of the asset to be valued	Building – Administrative building, located at Vilnius City Municipality, Vilnius City, Palangos St. 4; Non-residential premises – Administrative premises with underground parking, located at Vilnius City Municipality, Vilnius City, Vilniaus St. 33; Other engineering structures – Yard structures (parking), located at Vilnius City Municipality, Vilnius City, Vilniaus St. 33; ½ part of other structures (engineering) – Parking, located at Vilnius City Municipality, Vilnius City, Palangos St. 4; The part 0.4933 ha from 0.6271 ha of state parcel of land managed on a lease basis, located Vilnius City Municipality, Vilnius City, Palangos St. 4.
The owner and lessee of the subject property	The owner of building, non-residential premises and structures - Joint-stock company "INVL Baltic Real Estate"; The owner of 4933/6271 part of the parcel - Republic of Lithuania, The lessee of 4933/6271 part of the parcel – Joint-stock company "INVL Baltic Real Estate".
Property rights appraised	The buildings and structures – freehold (ownership rights). The parcel of land – lease rights.

THE MAIN IDENTIFICATION DATA OF THE PROPERTY

Name of property	Main designated use	Unique No.	Building number in the plan	Total area
Building – Administrative building	Administrative	1097-5009-8014	1B4b	5050.89 sq. m
Non-residential premises – Administrative premises with underground parking (marked R-3, R-3a, R-26, R-27, R-29, R-30, from R-32 to R-46, from 1-166 to 1-203, 1-76a, 1-76b)	Administrative	1097-7010-6019:0001	1B4b	4693.31 sq. m
Other engineering structures – Yard structures (parking)	Other engineering structures	1097-7010-6024	-	-
½ part of other structures (engineering) – Parking	Other engineering structures (yard equipment)	4400-2340-9292	b	½ part of 1006.88 sq. m
Part 0.4933 ha from 0.6271 ha of state parcel of land managed on a lease basis	Other	0101-0041-0096	-	4933/6271 part of 0.6271 ha, i.e. 0.4933 ha

VALUATION APPROACH (METHOD): Income Approach. Value estimated using Income Approach.

CONCLUSION REGARDING MARKET VALUE

The **market value** of the appraised property at 29 October 2015 herein is

€ 7,300,000 (seven million three hundred thousand Euros). Of it:

The market value of Administrative building, unique No. 1097-5009-8014, herein is 4 339 999 Eur;

The market value of Administrative premises with underground parking, unique No. 1097-7010-6019:0001, herein is 2 900 000 Eur;

The market value of Yard structures (parking), unique No. 1097-7010-6024, herein is 30 000 Eur;

The market value of ½ part of other structures (engineering) – Parking, unique No. 4400-2340-9292, herein is 30 000 Eur;

The market value of 4933/6271 part of the state parcel of land managed on a lease basis, unique No. 0101-0041-0096, herein is 1 Eur.

CONCLUSION REGARDING FORCED SALE VALUE

The **forced sale value** of the appraised property at 29 October 2015 herein is

€ 5,000,000 (five million Euros).

NOTES:

- Valuers note that the assignment of values to individual units of the valued property is conditional and is only valid for pledge/sale of the entire valued property and not in individual property units.
- The value of property is determined and this valuation report is written based on the special assumptions, assumptions and circumstances provided in Section No. 2 of this Report.

Appraised property was inspected, valuated and report was prepared by: „OBER-HAUS" nekilnojamas turtas UAB, a legal entity incorporated under the laws of the Republic of Lithuania, reg. No. 111645042 with its registered office at Geležinio Vilko St. 18A, Vilnius, Lithuania. Certificate No. 000112 entitling to engage in the valuation of property or business. Certificate issued on 1 August 2012 on the basis of the order of the Director of the Property Valuation Supervision Authority (31 July 2012 No B1-38).

Valuer: Saulius Vagonis
Certified Real Estate Valuer
Licence No. A 000286, issued 19-02-2003

Person who has the right to act on behalf of "OBER-HAUS" nekilnojamas turtas UAB: Director General Remigijus Pleteras
(or a person authorised by the Director General, specify the first name and surname)

Administratorė
Urtė Liaudanskaitė

UŽDAROJI AKCINĖ BENDROVĖ PAŽYMĖJIMO Nr. 000112 „OBER-HAUS" NEKILNOJAMAS TURTAS TURTO IR VERSLO VERTINIMAMS VILNIUS
SEAL

Uždaroji akcinė bendrovė „OBER-HAUS" nekilnojamas turtas, įm. k. 111645042
Geležinio Vilko g. 18A, Vilnius, tel. (8 5) 210 97 00
Įmonės įrašymo į išorės turto arba verslo vertinimo veiklą turinčių teisę verstis asmenų sąrašą pažymėjimo Nr. 000112

EXECUTIVE SUMMARY

of Valuation Report No. 31386 VAT_2015 DGR VHAN

Client (the Customer ordering the valuation)	**Joint-stock company "INVL Baltic Real Estate".** Legal entity code 152105644. Address: Vilnius City Municipality, Vilnius City, Šeimyniškių St. 1A. The data about company are registered and collected in the Register of Legal Entities (the keeper of Register - The State Enterprise Centre of Registers).
Valuation case	**When requested by the customer**, i.e. it corresponds with Article 4(3) of the Law of the Republic of Lithuania on the Fundamentals of Property and Business Valuation (Official Gazette, 1999, No. 52-1672; 2011, No. 86-4139).
Purpose of the valuation	Determination of the market value and forced sale value of property with the aim of pledging the property. This report is only intended for **AB Šiaulių bank.**
Date of Inspection	26 October 2015.
Valuation Date	26 October 2015.
Date of Report	11 November 2015.
Identification of the asset to be valued	Warehousing buildings (2 units), administrative and garage premises, other engineering structures – yard structures (fence, yard) and the part 0.6693 ha from 0.8655 ha of land parcel managed on a lease basis.
The address of the asset to be valued	Vilnius City Municipality, Vilnius City, Kirtimų St. 33.
The owner of the subject property	The owner of buildings, non-residential premises and other engineering structures: Joint-stock company "INVL Baltic Real Estate", identification code 152105644; The owner of the part of parcel: Republic of Lithuania, identification code 111105555.
The lessee of the part 0.6693 ha from 0.8655 ha of parcel	Joint-stock company "INVL Baltic Real Estate", identification code 152105644.
Property rights appraised	The buildings, non-residential premises and other engineering structures – freehold (ownership rights). The part of land parcel – lease rights.

THE MAIN IDENTIFICATION DATA OF THE PROPERTY

Name of property	Main designated use	Unique No.	Building number in the plan	Total area
Non-residential premises - Garage, premises are marked from 1-1 to 1-4, from 1-7 to 1-9	Garage	4400-0696-9044:9061	2G1p	137.02 sq. m
Building – Warehouse	Warehousing	1098-2007-7030	3F1b	148.57 sq. m
Building – Warehouse	Warehousing	1098-2007-7063	6F1b	102.45 sq. m
Other engineering structures - Yard structures (fence, yard)	Other engineering structures	4400-0112-3308	-	-
Non-residential premises – Administrative premises, from R-1 to R-10, 1-70, from 1-72 to 1-83, from 1-85 to 1-110, 2-11, from 2-13 to 2-23, from 2-25 to 2-36 and general use premises 1-2 (437/1000 part of 32.03 sq. m, i.e. 14.00 sq. m), 1-3, 2-12, 2-24, 3-10, 3-2 (667/1000 part of 35,66 sq. m, i.e. 23,79 sq. m). Total area of general use premises: 37.79 sq. m.	Administrative	4400-0696-8925:9058	1H3b	1280.47 sq. m

Name of property	Main designated use	Unique No.	Cadastral No.	Total area/ Valued area
Part of land parcel managed on a lease basis	Other	0101-0082-0101	0101/0082:101 Vilniaus m. k.v.	0.8655 ha / 0.6693 ha

VALUATION APPROACH (METHOD): Comparative Approach and Income Approach. Value estimated using Income Approach.

CONCLUSION REGARDING MARKET VALUE

The **market value** of the appraised property at 26 October 2015 herein is
€ 780,000 (seven hundred eighty thousand Euros).

CONCLUSION REGARDING FORCED SALE VALUE

The **forced sale value** of the appraised property at 26 October 2015 herein is
€ 550,000 (five hundred fifty thousand Euros).

NOTES: The allocation of market values to individual units of the valued property is provided in Table 6.11, page 41. Valuers note that the assignment of values to individual units of the valued property is conditional and is only valid for pledge/sale of the entire valued property and not in individual property units. The value of property is determined and this valuation report is written based on the special assumptions, assumptions and circumstances provided in Section No. 2 of this Report.

Appraised property was inspected, valuated and report was prepared by: **„OBER-HAUS" nekilnojamas turtas UAB**, a legal entity incorporated under the laws of the Republic of Lithuania, reg. No. 111645042 with its registered office at Geležinio Vilko St. 18A, Vilnius, Lithuania. Certificate No. 000112 entitling to engage in the valuation of property or business. Certificate issued on 1 August 2012 on the basis of the order of the Director of the Property Valuation Supervision Authority (31 July 2012 No B1-38).

Valuer: Donatas Grigalauskas
Certified Real Estate Valuer
Licence No. A 000389, issued 06-22-2007

Person who has the right to act on behalf of "OBER-HAUS" nekilnojamas turtas UAB: Director General Remigijus Pleteras
(or a person authorised by the Director General, specify the first name and surname)

Administratorė
Urtė Liaudanskienė

UŽDAROJI AKCINĖ BENDROVĖ ĮMONĖS PAŽYMĖJIMO NR. 000112 „OBER-HAUS" NEKILNOJAMAS TURTAS TURTO IR VERSLO VERTINIMO

Uždaroji akcinė bendrovė „OBER-HAUS" nekilnojamas turtas, įm. k. 111645042
Geležinio Vilko g. 18A, Vilnius, tel. (8 5) 210 97 00
Įmonės įrašymo į išorės turto arba verslo vertinimo veikla
turinčių teisę verstis asmenų sąrašą pažymėjimo Nr. 000112

EXECUTIVE SUMMARY

of Valuation Report No. 31411 VAT_2015 DGR VHAN

Client (the Customer ordering the valuation)	**Joint-stock company "INVL Baltic Real Estate".** Legal entity code 152105644. Address: Vilnius City Municipality, Vilnius City, Šeimyniškių St. 1A. The data about company are registered and collected in the Register of Legal Entities (the keeper of Register - The State Enterprise Centre of Registers).
Valuation case	**When requested by the customer**, i.e. it corresponds with Article 4(3) of the Law of the Republic of Lithuania on the Fundamentals of Property and Business Valuation (Official Gazette, 1999, No. 52-1672; 2011, No. 86-4139).
Purpose of the valuation	Determination of the market value and forced sale value of property with the aim of pledging the property. This report is only intended for **AB Šiaulių bank.**
Date of Inspection	23 October 2015.
Valuation Date	23 October 2015.
Date of Report	11 November 2015.
Identification of the asset to be valued	Building – Administrative building with cafes premises, other engineering structures - parking and the parcel of land managed on a lease basis.
The address of the asset to be valued	Vilnius City Municipality, Vilnius City, Žygio St. 97.
The owner of the subject property	The owner of building and other engineering structures – Joint-stock company "INVL Baltic Real Estate", identification code 152105644; The owner of the land parcel – Republic of Lithuania, identification code 111105555.
Lessee of valued parcel	Joint-stock company "INVL Baltic Real Estate", identification code 152105644.
Property rights appraised	The building and other engineering structures – freehold (ownership rights); The parcel of land – lease rights.

THE MAIN IDENTIFICATION DATA OF THE PROPERTY

Name of property	Main designated use	Unique No.	Building number in the plan	Total area
Building – Administrative building with cafes premises	Administrative	1094-0512-9012	27B2p	3235.79 sq. m
Other engineering structures - Parking	Other engineering structures	4400-2205-4124	b1	-
Name of property	**Main designated use / Manner of use**	**Unique No.**	**Cadastral No.**	**Total area**
Parcel of land managed on a lease basis	Other / Area for commercial objects	4400-2041-4714	0101/0023:330 Vilniaus m. k.v.	0.5997 ha

VALUATION APPROACH (METHOD): Income Approach. Value estimated using Income Approach.

CONCLUSION REGARDING MARKET VALUE

The **market value** of the appraised property at 23 October 2015 herein is

€ 3,060,000 (three million sixty thousand Euros).

CONCLUSION REGARDING FORCED SALE VALUE

The **forced sale value** of the appraised property at 23 October 2015 herein is

€ 2,190,000 (two million one hundred ninety thousand Euros).

NOTES: The allocation of market values to individual units of the valued property is provided in Table 6.15, page 50. Valuers note that the assignment of values to individual units of the valued property is conditional and is only valid for pledge/sale of the entire valued property and not in individual property units. The value of property is determined and this valuation report is written based on the special assumptions, assumptions and circumstances provided in Section No. 2 of this Report.

Appraised property was inspected, valuated and report was prepared by: **„OBER-HAUS" nekilnojamas turtas UAB**, a legal entity incorporated under the laws of the Republic of Lithuania, reg. No. 111645042 with its registered office at Geležinio Vilko St. 18A, Vilnius, Lithuania. Certificate No. 000112 entitling to engage in the valuation of property or business. Certificate issued on 1 August 2012 on the basis of the order of the Director of the Property Valuation Supervision Authority (31 July 2012 No B1-38).

Valuer: Donatas Grigalauskas
Certified Real Estate Valuer
Licence No. A 000389, issued 06-22-2007

Person who has the right to act on behalf of "OBER-HAUS" nekilnojamas turtas UAB: Director General Remigijus Pleteras
(or a person authorised by the Director General, specify the first name and surname)

Administratorė
Urtė Liaudanskaitė

UŽDAROJI AKCINĖ BENDROVĖ „OBER-HAUS" NEKILNOJAMAS TURTAS PAŽYMĖJIMO Nr. 000112 TURTO IR VERSLO VERTINIMAS
SEAL

EXECUTIVE SUMMARY

of Valuation Report No. 31442 VAT_2015 ALA VHAN

Client (the Customer ordering the valuation)	**Joint-stock company "INVL Baltic Real Estate".** Legal entity code 152105644. Address: Vilnius City Municipality, Vilnius City, Gynėjų St. 14. The data about company are registered and collected in the Register of Legal Entities (the keeper of Register - The State Enterprise Centre of Registers).
Valuation case	**When requested by the customer**, i.e. it corresponds with Article 4(3) of the Law of the Republic of Lithuania on the Fundamentals of Property and Business Valuation (Official Gazette, 1999, No. 52-1672; 2011, No. 86-4139).
Purpose of the valuation	Determination of the market value of property **for the purpose of drafting financial statements**.
Date of Inspection	28 October 2015.
Valuation Date	28 October 2015.
Date of Report	11 November 2015.
Identification of the asset to be valued	Commercial (13 units), cultural (1 unit), administrative (3 units), catering (1 unit), other (4 units), services (1 unit) premises, 60/371 part of parking, 14257/29950 part of land parcel.
The address of the asset to be valued	Vilnius City Municipality, Vilnius City, Gynėjų St. 14.
The owner of the subject property	Joint-stock company "INVL Baltic Real Estate", identification code 152105644.
Property rights appraised	Freehold (ownership rights).
Legal information	The legal characteristic of individual valued property units are provided in Section 3, pages 7-11.

THE MAIN IDENTIFICATION DATA OF THE PROPERTY

Valued property	**Commercial, cultural, administrative, catering, other, services and garage premises**
The address of the asset to be valued	Vilnius City Municipality, Vilnius City, Gynėjų St. 14
Unique No. of the building in which located valued property	4400-0998-3648
Index in plan of the building in which located valued property	3E9/b
The total area of valued administrative premises	57.53 sq. m
The total area of valued cultural premises	1287.25 sq. m
The total area of valued commercial premises	3484.33 sq. m
The total area of valued catering premises	396.21 sq. m
The total area of valued other premises	1019.40 sq. m
The total area of valued services premises	155.01 sq. m
The total area of valued 60/371 part of parking	1682.74 sq. m. from 10 404.95 sq. m, i.e. 60 parking spaces
Total:	***6399.73 (8082.47 sq. m with parking)***

DATA OF VALUED PARCEL OF LAND

14257/29950 part of land parcel	***0.2566 ha from 0.5391 ha***

Note: this table provides total area of premises that are relevant on the valuation date. This information are submitted in the Real Property Register.

VALUATION APPROACH (METHOD): Income Approach and Comparative Approach. Value estimated using Income Approach and Comparative Approach.

CONCLUSION REGARDING MARKET VALUE

The **market value** of the total appraised property at 28 October 2015 herein is

€ 10,280,123 (ten million two hundred eighty thousand one hundred and twenty three Euros).

Notes:

- The market values of the individual property units (individual groups of property) are provided in Section 6.7, page 61.
- According to the customer's request and terms of engagement (scope of work), the estimated market values of property and conclusion regarding market values are shown without VAT.

Appraised property was inspected, valuated and report was prepared by: **„OBER-HAUS" nekilnojamas turtas UAB**, a legal entity incorporated under the laws of the Republic of Lithuania, reg. No. 111645042 with its registered office at Geležinio Vilko St. 18A, Vilnius, Lithuania. Certificate No. 000112 entitling to engage in the valuation of property or business. Certificate issued on 1 August 2012 on the basis of the order of the Director of the Property Valuation Supervision Authority (31 July 2012 No B1-38).

Valuer: Audra Lazauskienė
Certified Real Estate Valuer
Licence No. A 000580, issued 04-28-2010

Person who has the right to act on behalf of "OBER-HAUS" nekilnojamas turtas UAB: Director General Remigijus Pleteras
(or a person authorised by the Director General, specify the first name and surname)

Administratorė
Urtė Liandzbergaitė

SEAL

UŽDAROJI AKCINĖ BENDROVĖ „OBER-HAUS" NEKILNOJAMAS TURTAS TURTO IR VERSLO VERTINIMAMS VILNIUS ĮRAŠYMO NR. 000112

Uždaroji akcinė bendrovė „OBER-HAUS" nekilnojamas turtas, įm. k. 111645042
Geležinio Vilko g. 18A, Vilnius, tel. (8 5) 210 97 00
Įmonės įrašymo į išorės turto arba verslo vertinimo veikla turinčių teisę verstis asmenų sąrašą pažymėjimo Nr. 000112

EXECUTIVE SUMMARY

of Valuation Report No. 31521 VAT_2015 ADI VHAN

Client (the Customer ordering the valuation)	**UAB Rovelija.** Legal entity code 302575846. Address: Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-20. The data about company are registered and collected in the Register of Legal Entities (the keeper of Register - The State Enterprise Centre of Registers).
Valuation case	**When requested by the customer**, i.e. it corresponds with Article 4(3) of the Law of the Republic of Lithuania on the Fundamentals of Property and Business Valuation (Official Gazette, 1999, No. 52-1672; 2011, No. 86-4139).
Purpose of the valuation	Determination of the market value for the other purpose (client's request to know what would be the market value of property, if they were implemented in the special assumptions).
Date of Inspection	4 November 2015.
Valuation Date	4 November 2015.
Date of Report	11 November 2015.
Identification of the asset to be valued	Apartment/Premises – Apartments (6 units), located at the state parcel of land managed on a lease basis.
The address of the asset to be valued	Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-20, 21, 22, 23, 24, 25.
The owner of the valued apartments	UAB ROVELIJA, identification code 302575846.
Apartments rights appraised	Freehold (ownership rights).

THE MAIN IDENTIFICATION DATA OF THE PROPERTY

Name of property	Main designated use	Unique No.	Building number in the plan	Total area
Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-20				
Apartment/Premises – Apartment with cellar	Residential (apartments)	1094-0142-9029:0007	2A2p	51.72 sq. m
Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-21				
Apartment/Premises – Apartment with cellar	Residential (apartments)	1094-0142-9018:0018	2A2p	42.70 sq. m
Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-22				
Apartment/Premises – Apartment with cellar	Residential (apartments)	1094-0142-9018:0019	2A2p	51.07 sq. m
Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-23				
Apartment/Premises – Apartment with cellar	Residential (apartments)	1094-0142-9018:0020	2A2p	41.70 sq. m
Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-24				
Apartment/Premises – Apartment with cellar	Residential (apartments)	1094-0142-9018:0021	2A2p	43.60 sq. m
Vilnius City Municipality, Vilnius City, Kalvarijų St. 11A-25				
Apartment/Premises – Apartment with cellar	Residential (apartments)	1094-0142-9018:0022	2A2p	45.51 sq. m

VALUATION APPROACH (METHOD): Comparative Approach and Income Approach. Value estimated using Income Approach.

CONCLUSION REGARDING MARKET VALUE

The **market value** of the appraised property at 4 November 2015 herein is
€ 520,000 (five hundred and twenty thousand Euros).

Note. The value of property is determined based on the special assumptions:

- The development of land parcel with valued apartments is possible in accordance with maximal regulations provided in the General Plan of Vilnius, i.e. the assumption that it is possible to fully exploit the maximum building intensity - 3.0. According to the customer's request, the market value of the property is determined based on the assumption that the commercial building (office building) which total area would be up to 1500 sq. m can be designed and built on the parcel of land.
- Because the subject property adjacent to the Customer related IBC business center territory, calculation of the market value is based on the main Customer's formed assumption, that the planned to construct building would be without own underground parking. The users of administrative premises that would be fitted out in the planned to construct building use parking spaces (about 40-50 necessary parking spaces) in the IBC territory. I.e. the lessee of the planned to construct building will have opportunity to rent parking spaces of IBC territory for a fee which will be not greater than rent market price.

Appraised property was inspected, valuated and report was prepared by: **„OBER-HAUS" nekilnojamas turtas UAB**, a legal entity incorporated under the laws of the Republic of Lithuania, reg. No. 111645042 with its registered office at Geležinio Vilko St. 18A, Vilnius, Lithuania. Certificate No. 000112 entitling to engage in the valuation of property or business. Certificate issued on 1 August 2012 on the basis of the order of the Director of the Property Valuation Supervision Authority (31 July 2012 No B1-38).

Valuer: Saulius Vagonis
Certified Real Estate Valuer
Licence No. A 000286, issued 02-19-2003

Person who has the right to act on behalf of "OBER-HAUS" nekilnojamas turtas UAB: Director General Remigijus Pleteras
(or a person authorised by the Director General, specify the first name and surname)

Administratorė
Urtė Liaudanskaitė

UŽDAROJI AKCINĖ BENDROVĖ
PAŽYMĖJIMO Nr. 000112
„OBER-HAUS" NEKILNOJAMAS TURTAS
TURTO IR VERSLO VERTINIMAMS
VILNIUS

Ober Haus Real Estate Company

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Report on the Market Value of Real Estates

"LAPEGLES", "FRANČI", "JAUNMĀRI" AND "LAUVAS" at OLAINES PAGASTS, OLAINES NOVADS

Riga

05 October 2015

OBER HAUS VĒRTĒŠANAS SERVISS

Survey of the real estates
"Lapegles", "Franči", "Jaunmāri" and
"Lauvas" at Olaines pagasts, Olaines

SIA "Dommo biznesa parks".

19 October 2015 No. 01.-1938/2015

Pursuant to our agreement, we have compiled a report on survey of the real estates situated at **"Lapegles", Stūnīši, Olaines pagasts, Olaines novads (cadastral reg. No. 8080 501 0403)** and composed of a **warehouse – production building with office premises (No. 001); "Lapegles", Olaines pagasts, Olaines novads (cadastral reg. No. 8080 001 0155)** composed of a **land parcel with the total area of 12.30 ha; "Franči", Olaines pagasts, Olaines novads (cadastral reg. No. 8080 001 0182)** composed of **a land parcel with the total area of 15.78 ha; "Jaunmāri", Stūnīši, Olaines pagasts, Olaines novads (cadastral reg. No. 8080 004 0234)** composed of **a land parcel with the total area of 26.26 ha;** and **"Lauvas", Stūnīši, Olaines pagasts, Olaines novads (cadastral reg. No. 8080 004 0235)** composed of **a land parcel with the total area of 3.87 ha** on 05 October 2015. The estimated value is based on analysis of the information made available to us including information about the surveyed real estates and the factors affecting the value thereof.

The results of analysis lead us to conclusion that the most probable market value of the surveyed real estate situated at "Lapegles", Olaines pagasts, Olaines novads and composed of a land parcel with the area or 12.30 ha and a warehouse – production building with office premises (No. 001) as of the date of survey makes:

EUR 5 598 000 (five million five hundred and ninety-eight thousand euro), *including the preliminary value of EUR 745 000 EUR (the land parcel "Lapegles" does not constitute a separate market object).*

The results of analysis lead us to conclusion that the most probable market value of the surveyed real estate situated at "Franči", Olaines pagasts, Olaines novads and composed of a land parcel with the area of 15.78 ha as of the date of survey makes:

EUR 914 000 EUR (nine hundred and fourteen thousand euro)

The results of analysis lead us to conclusion that the most probable market value of the surveyed real estate situated at "Jaunmāri", Stūnīši, Olaines pagasts, Olaines novads and composed of a land parcel with the area of 26.26 ha as of the date of survey makes:

EUR 1 349 000 EUR (one million three hundred and forty-nine thousand euro)

The results of analysis lead us to conclusion that the most probable market value of the surveyed real estate situated at "Lauvas", Stūnīši, Olaines pagasts, Olaines novads and composed of a land parcel with the area of 3.87 ha as of the date of survey makes:

EUR 166 000 (one hundred and sixty-six thousand euro)

The survey is intended for presentation to a credit institution, and it may not be used for the needs of any other natural and legal entities without written consent of the surveyor.

The survey has been conducted in accordance with the definition of real estate value formulated in the Estate Survey Standards of Latvia LVS 401:2013, using the market (comparable transaction) approach to determine the amount of rent and the income approach to determine the market value of the real estate pursuant to the definition of the best and most effective use of the real estate.

Neither Ober Haus Vērtēšanas Serviss nor their employees are interested in increasing or decreasing the value of the surveyed real estates. We assume no liability for eventual real estate market fluctuations capable of affecting their market value, and no third parties can claim any indivisible investments made into the property.

Best regards,

Aija Āboliņa	Sandis Kurilovičs
Chairperson of the Board	Member of the Board
SIA "Ober Haus Vērtēšanas Serviss"	SIA "Ober Haus Vērtēšanas Serviss"

OBER HAUS VĒRTĒŠANAS SERVISS Ober Haus RĪGA • LATVIJA

OBER HAUS VĒRTĒŠANAS SERVISS
Ober Haus
RĪGA LATVIA

ŠAJĀ DOKUMENTĀ
CAURŠŪTI UN SANUMURĒTI
1 dokument uz 3 lapām
SIA "OBER HAUS VĒRTĒŠANAS SERVISS
Valdes PRIEKŠSĒDĒTĀJA A. ĀBOLIŅA
LOCEKLIS S. KUĻIKOVS.

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