



INVL BALTIC REAL ESTATE

FIRST LISTED REIT IN THE BALTIC STATES



Team

INVL Baltic Real Estate management company - INVL Asset Management;

The management company has been working with the real estate portfolio for more than 14 years;

The fund managers possess more than 10 years of experience in the field of real estate management, and apply it successfully in raising the value of INVL Baltic Real Estate.

Structured asset portfolio

Portfolio comprises 5 main investment objects with their total value reaching 56 million euro, as of 31 October 2017;

The vacancy rate of the objects is stable and regularly tops 90 per cent.*;

The cash flow generated by the object has a stable growth rate, and the consolidated rental property net operating income is expected to amount to 3.7 million euro in 2018.

**Estimate of object occupancy in 2016-2017, excluding Vilnius Gates business center, which was under construction in recent years.*

*** BNP Paribas data, 2017 March*

Economic environment

The high occupancy rate of commercial buildings is currently dominating in Vilnius**;

The rental prices of the commercial objects in prime locations are way below those both in Central and Eastern Europe and in Scandinavia**;

The typical yield of the objects, as compared to Central and Eastern Europe and Scandinavia, offers the investors a premium of 200-300 basis points**.

Attractive investment

Rational use of debt:

- Target – < 50%
- Actual – 38%

Liquidity and transparency through listing in Nasdaq Baltic Stock Exchange.

Approved dividend policy with dividends regularly paid. Dividend yield under the policy – 5%, taking into account NAV per share at the end of the third quarter of 2017;

Target return to investors – 8%+:

- Dividends
- NAV growth

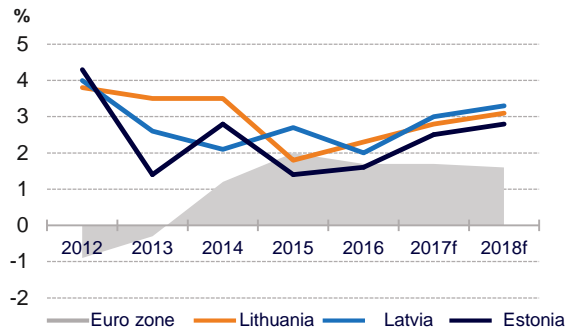


IŠMINTINGAS
INVESTAVIMAS

ENVIRONMENT AND PRODUCT

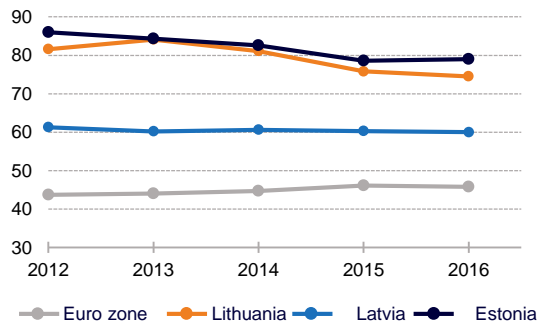
INL FAVOURABLE ECONOMIC ENVIRONMENT

GDP growth forecast is twice as high as the eurozone average



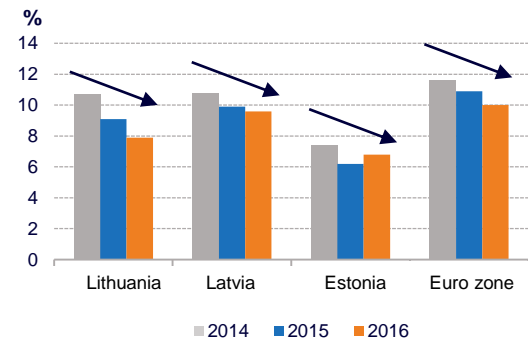
Source: Eurostat, IMF

Goods and services export, % GDP



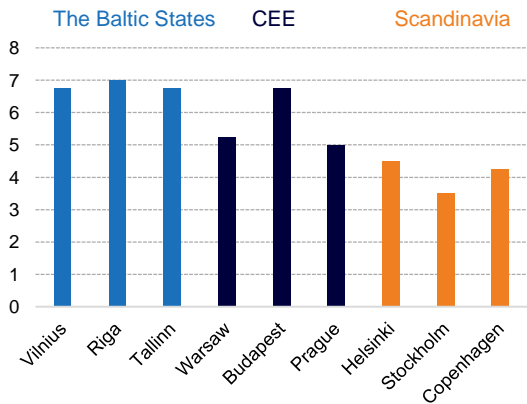
Source: Eurostat

Falling unemployment rate stimulates internal consumption



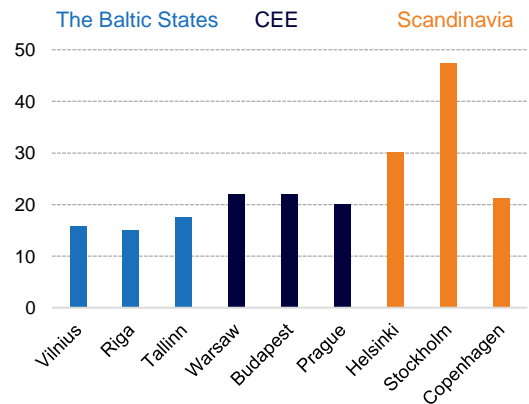
Source: Eurostat

Prime location commercial RE yield (%)



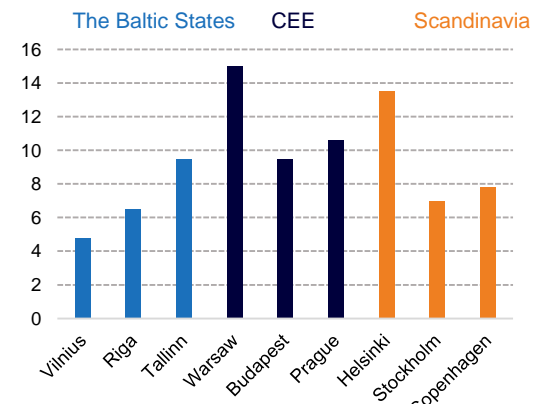
Source: BNP Paribas, 2017 March

Prime location commercial RE rental price (€/sq. m.)





Source: BNP Paribas, 2017 March

Prime location commercial RE vacancy rate (%)



Source: BNP Paribas, 2017 March

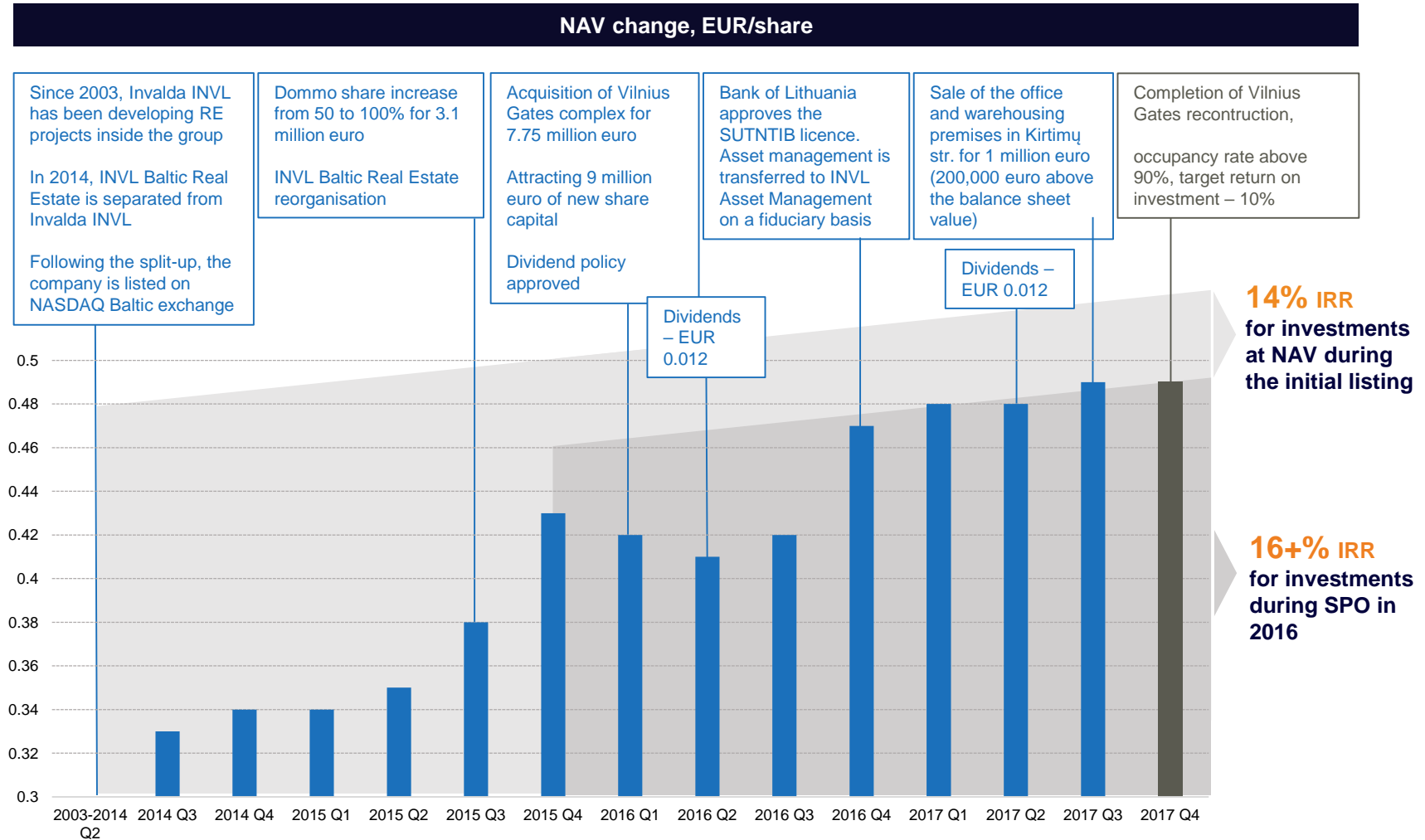
INVL PROFESSIONAL TEAM

Experience			Profile	Responsibilities					
	RE investment	Management	General team		RE management	Finding investments	Financing	Supervision	Sales
 <p>Vytautas Bakšinskas Real Estate Fund Manager, Member of the Investment Committee</p>	10+	7+	5+	<ul style="list-style-type: none"> Prior to employment at INVL Baltic Real Estate, headed the leasing division at Inreal overseeing an area of more than 100,000 sq. m. Acquired extensive management experience in various Inreal Valdymas companies 	✓	✓	✓	✓	✓
 <p>Andrius Daukšas Investment Manager, Member of the Investment Committee</p>	7+	10+	5+	<ul style="list-style-type: none"> More than a decade of professional experience in the investment management field A member of the boards in real estate management and production companies Former director of the Treasury Department at Finasta and Investment Manager at Invalda INVL 	✓	✓	✓	✓	✓

Managing bodies			
 <p>Laura Križinauskienė Chief Executive Officer</p>	 <p>Darius Šulnis Chairman of the Board</p>	 <p>Nerijus Drobavičius Member of the Board</p>	 <p>Vytautas Plunksnis Member of the Board</p>



PERSISTENT GROWTH STORY: FIRST REIT IN THE BALTICS

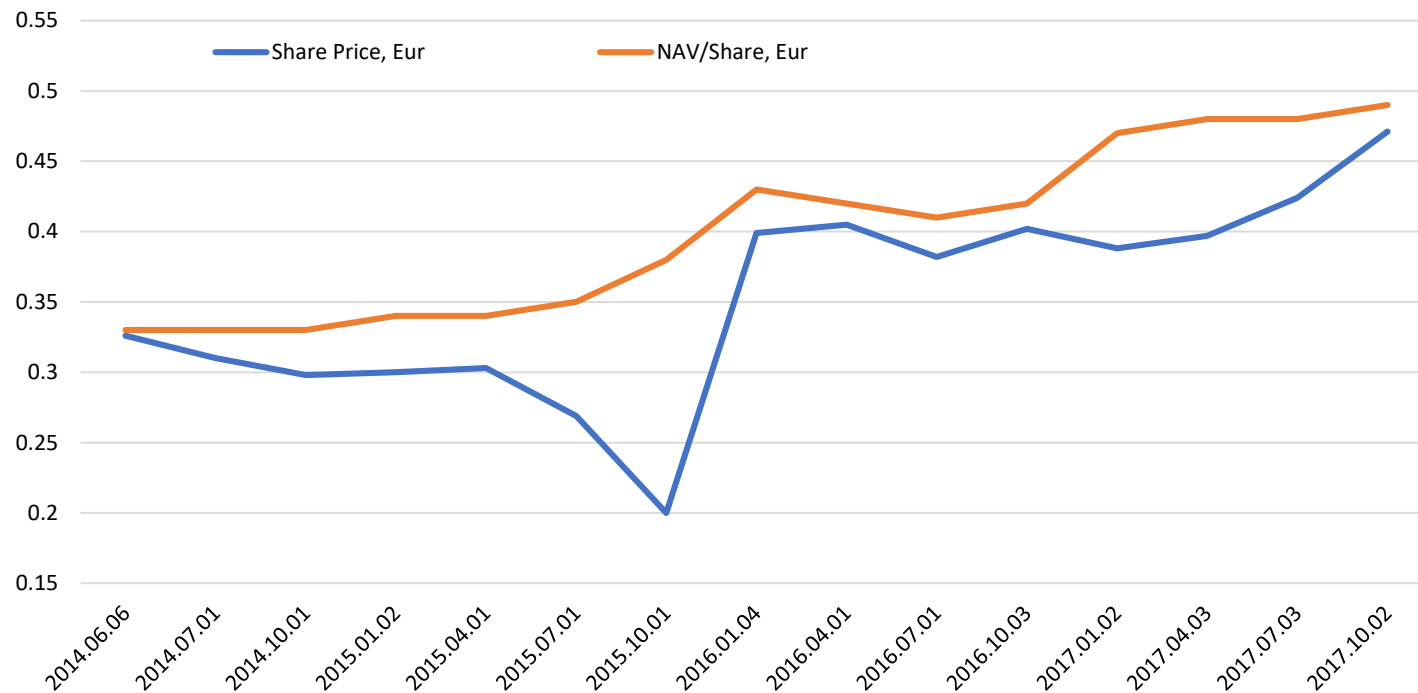


IRR – internal rate of return



MARKET PRICE CLOSELY FOLLOWS ASSET VALUE

Shares of INVL Baltic Real Estate



INL QUALITY ASSET PORTFOLIO IN PRIME LOCATIONS



IBC Business Centre

GBA 22 500 sq. m.
GLA 17 400 sq. m.



Office building in the centre of Vilnius, Viiniaus/ Palangos str:

GBA 9 700 sq. m.
GLA 6 200 sq. m.



Vilnius Gates Business Centre

GBA 7 000 sq. m.
GLA 7 000 sq. m.



Žygio Business Centre

GBA 3 200 sq. m.
GLA 2 600 sq. m.



Dommo Business Park:

GBA 12 800 sq. m.
GLA 12 800 sq. m.

56 million euro
Value of investment assets

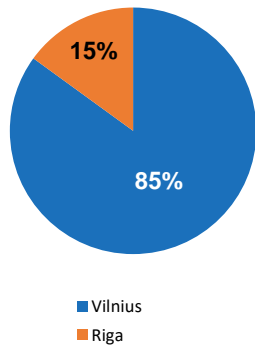
55 thousand sq. m.
Total area

46 thousand sq. m.
Rentable area

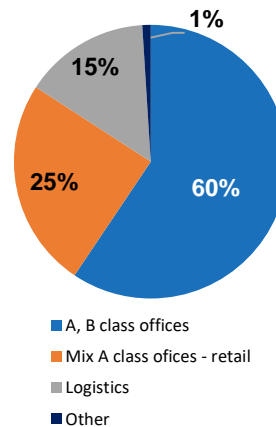
42 thousand sq. m.
Leased area

>120
Tenants

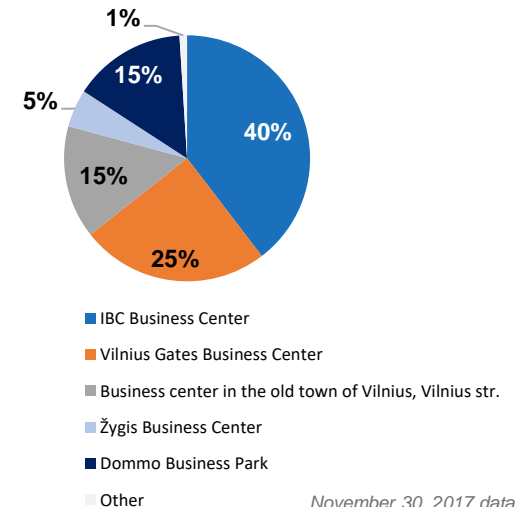
Asset value by location



Asset value by type



Asset value by objects

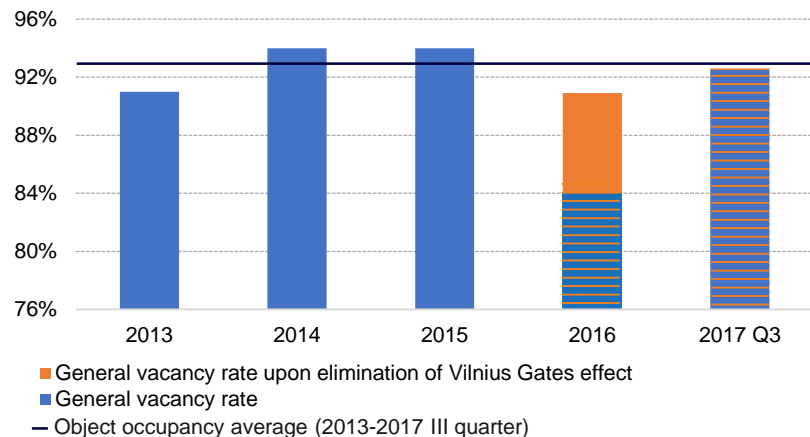


GFA – Gross Floor Area
GLA – Gross Leaseable Area

INL 80% OF MANAGED REAL ESTATE OBJECTS BY ASSET VALUE ARE LOCATED IN THE CENTRAL PART OF VILNIUS



High office occupancy rate indicators



Diversified tenant structure



Moderate portfolio assessment



Conditional market value according to Oberhaus and Newsec appraisal (unless otherwise determined), average, EUR

Conditional market value according to Oberhaus and Newsec appraisal (unless otherwise determined), average, EUR/sq. m.

	31-10-2017	31-10-2017
IBC Business Centre	22 601 500	921
Vilnius Gates Business Centre	13 823 216	1 711
Dommo Business Park (according to Oberhaus appraisal)	8 101 000	634
Office building in the center of Vilnius, Vilniaus str.	8 306 500	852
Žygis Business Centre	2 645 000	814
Other purpose investment property (according to Oberhaus appraisal)	350 000	1 268



IŠMINTINGAS
INVESTAVIMAS

OBJECTS



17 400 sq. m.
GLA

23 million euro
Value of investment property

94%
Occupancy rate

39%
Income from TOP 5 tenants

1.4
WALT

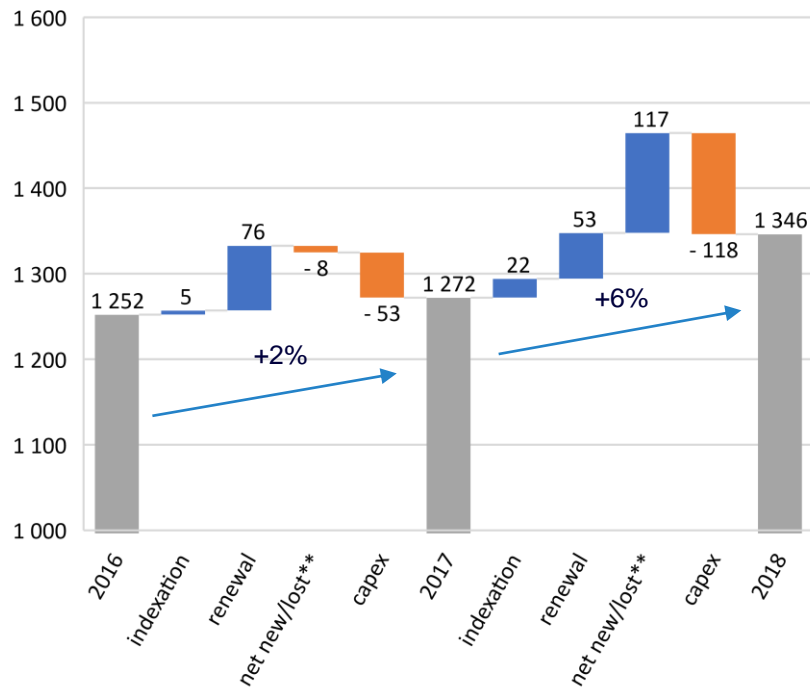


WALT – weighted average lease term
GLA – Gross Leaseable Area

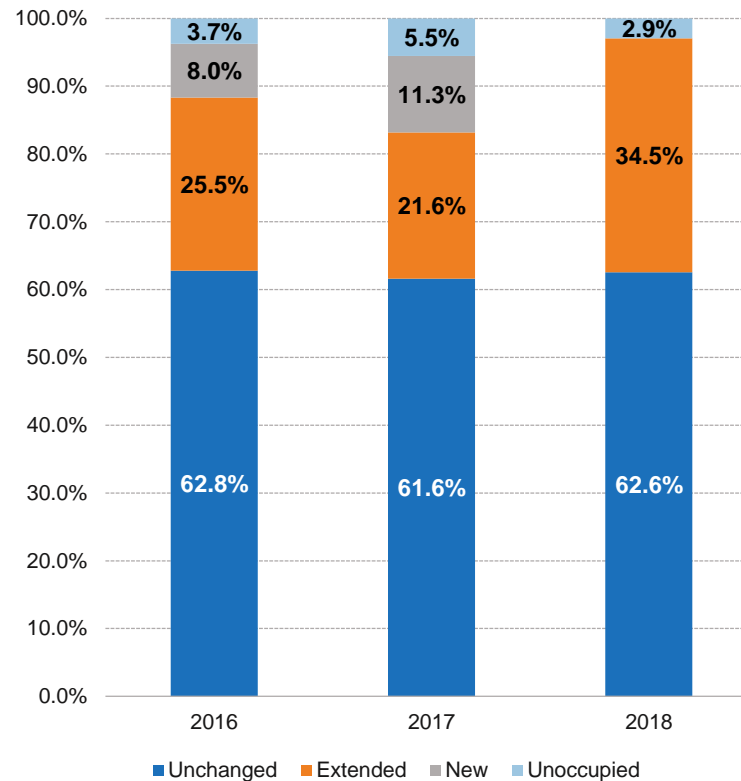


FINANCIAL BRIDGE OF IBC BUSINESS CENTRE RENTAL PROPERTY NET OPERATING INCOME

Rental property net operating income, thous. EUR*



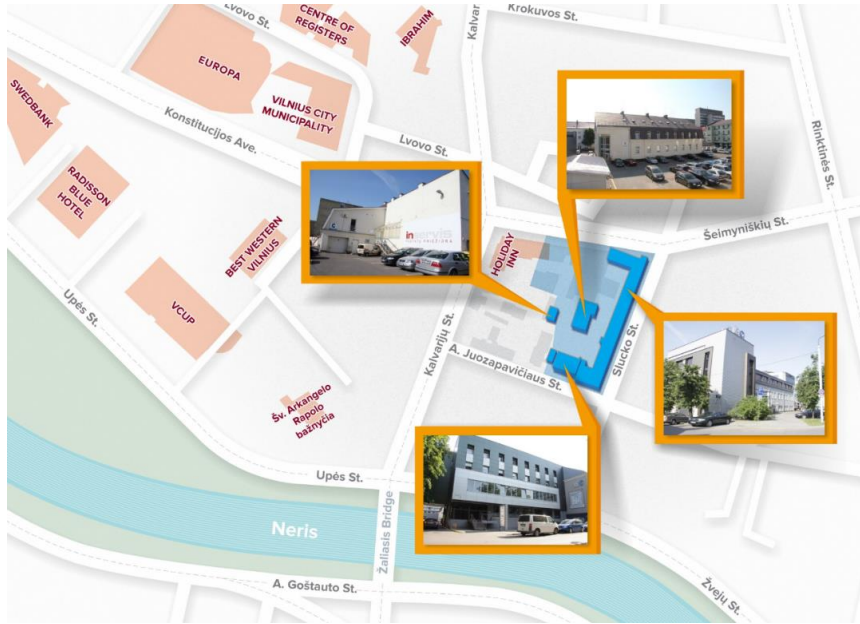
Classification of lease agreements by status, %



*2017-2018 m. data – forecast

** Cumulative effect of new lease agreements and terminated lease agreements.

INL OBJECT POTENTIAL



<p>Development potential up to 40,000 sq. m. possible under the detailed plan</p>	<p>Commercial real estate property</p>	<p>Vilnius central business district</p>
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INL VILNIUS GATES BUSINESS CENTRE



7 000 sq. m.
GLA

14 million euro
Value of investment
property

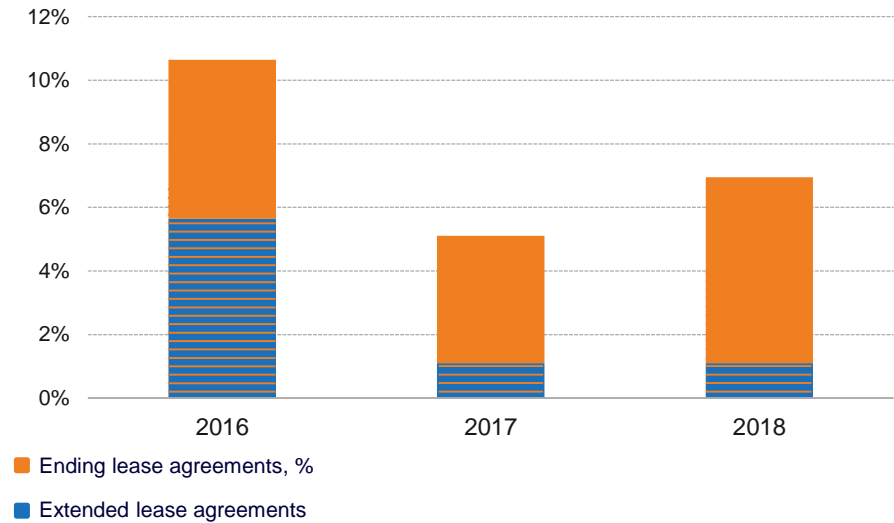
92%
Occupancy rate

84%
Income from TOP 5
tenants

4.8
WALT



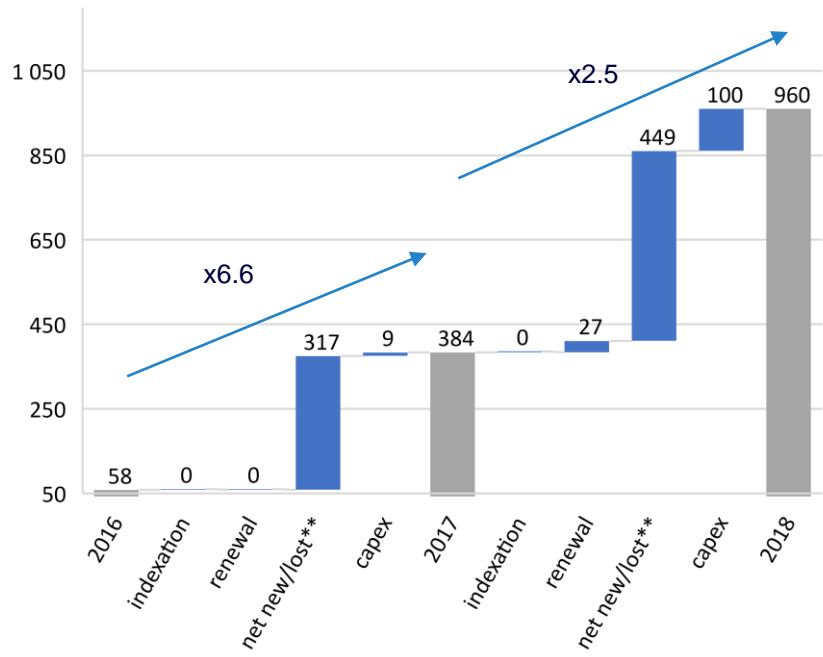
Lease agreements ending, %



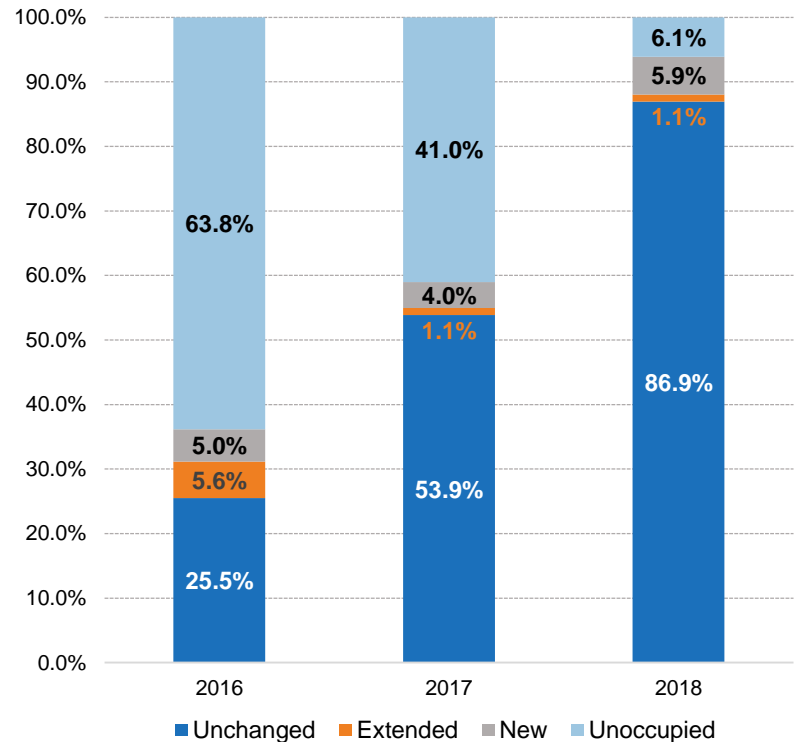
WALT – weighted average lease term
GLA – Gross Leaseable Area

INL **FINANCIAL BRIDGE OF VILNIUS GATES BUSINESS CENTRE RENTAL PROPERTY NET OPERATING INCOME**

Rental property net operating income, thous. EUR*



Distribution of lease agreements by status, %



*2017-2018 m. data – forecast
** Cumulative effect of new lease agreements and terminated lease agreements.



6 200 sq. m.
GLA

8 million euro
Value of investment
property

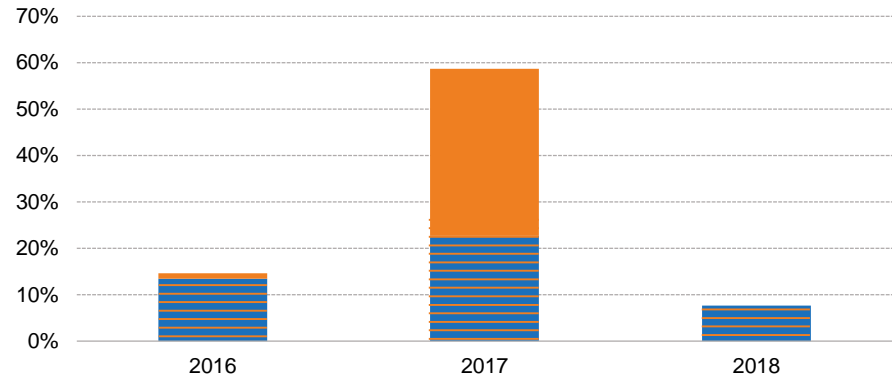
84%
Occupancy rate

77%
Income from TOP 5
tenants

4.4
WALT



Lease agreements ending, %



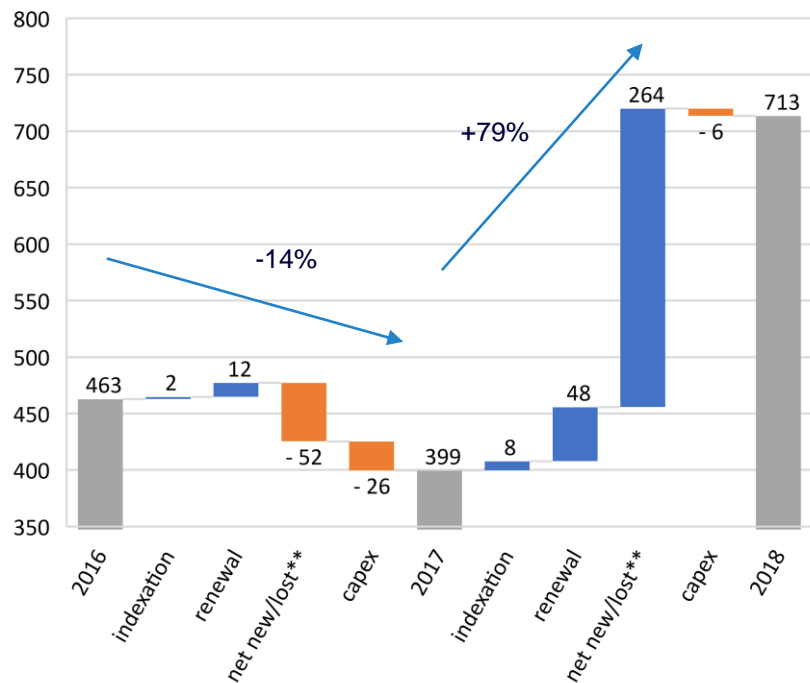
- Ending lease agreements, %
- Extended lease agreements

WALT – weighted average lease term
GLA – Gross Leaseable Area

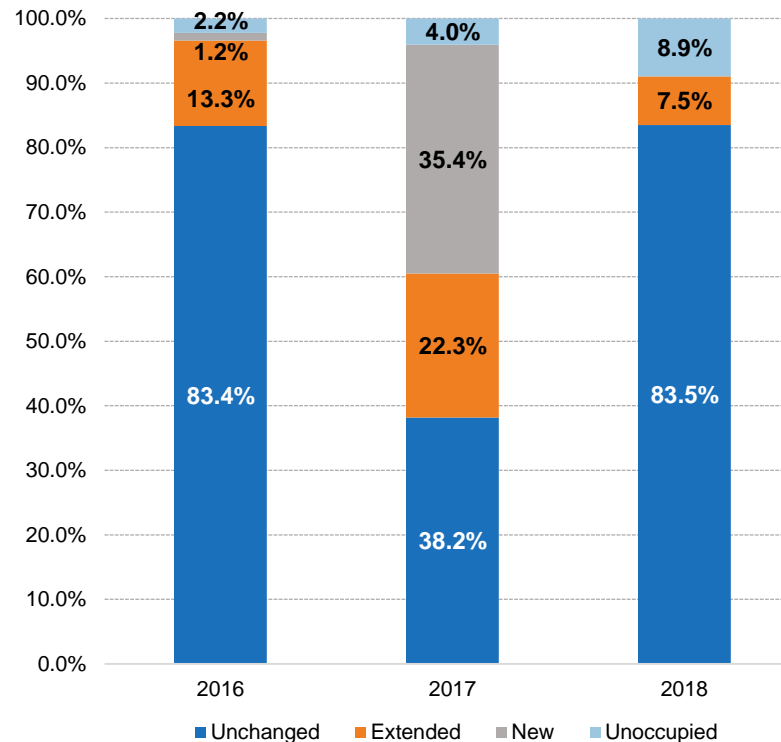


FINANCIAL BRIDGE OF PALANGOS 4 BUSINESS CENTRE RENTAL PROPERTY NET OPERATING INCOME

Rental property net operating income, thous. EUR*



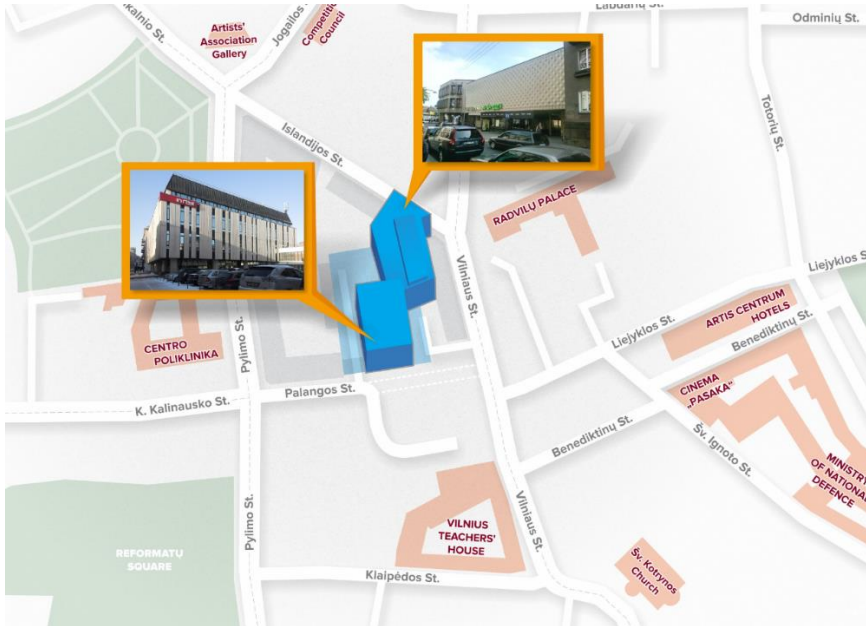
Distribution of lease agreements by status, %



*2017-2018 m. data – forecast

** Cumulative effect of new lease agreements and terminated lease agreements.

INL OBJECT POTENTIAL



Legislation facilitates object reconstruction, extending property area by 3,500 sq. m.

Commercial real estate property

Vilnius Old Town



INL ŽYGIS BUSINESS CENTRE



2 600 sq. m.
GLA

3 million euro
Value of investment
property

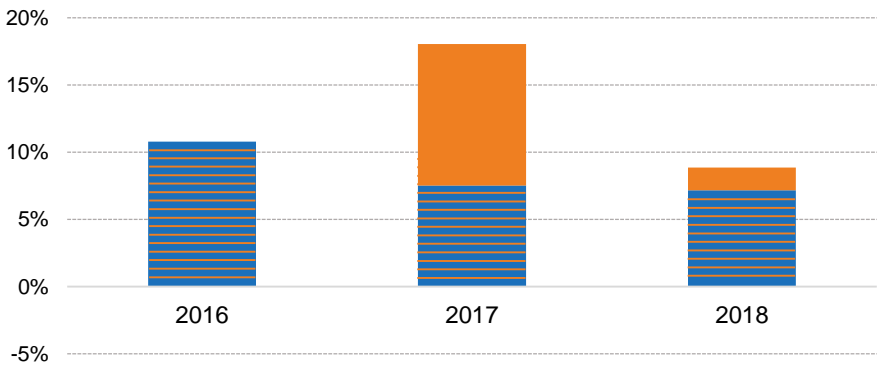
100%
Occupancy rate

80%
Income from TOP 5
tenants

3.8
WALT



Lease agreements ending, %



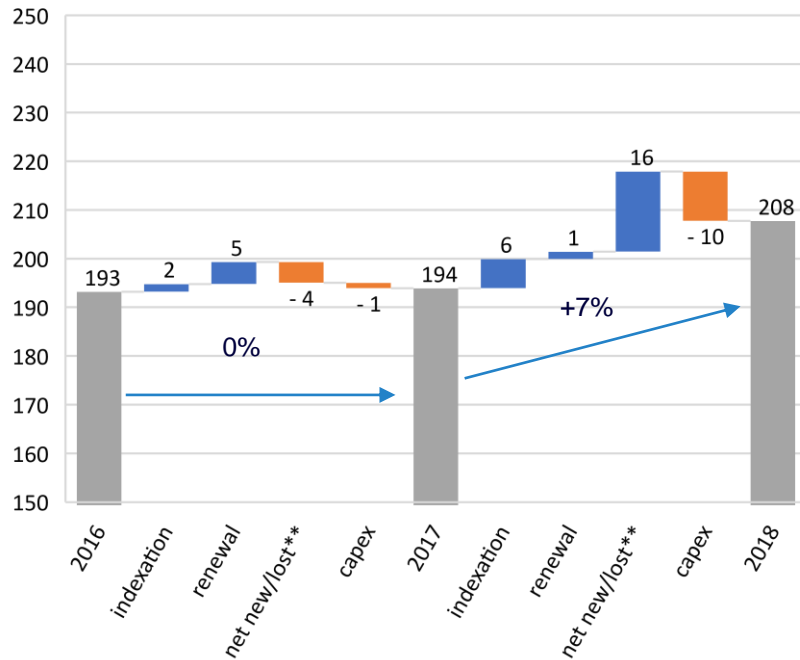
- Ending lease agreements, %
- Extended lease agreements

WALT – weighted average lease term
GLA – Gross Leaseable Area

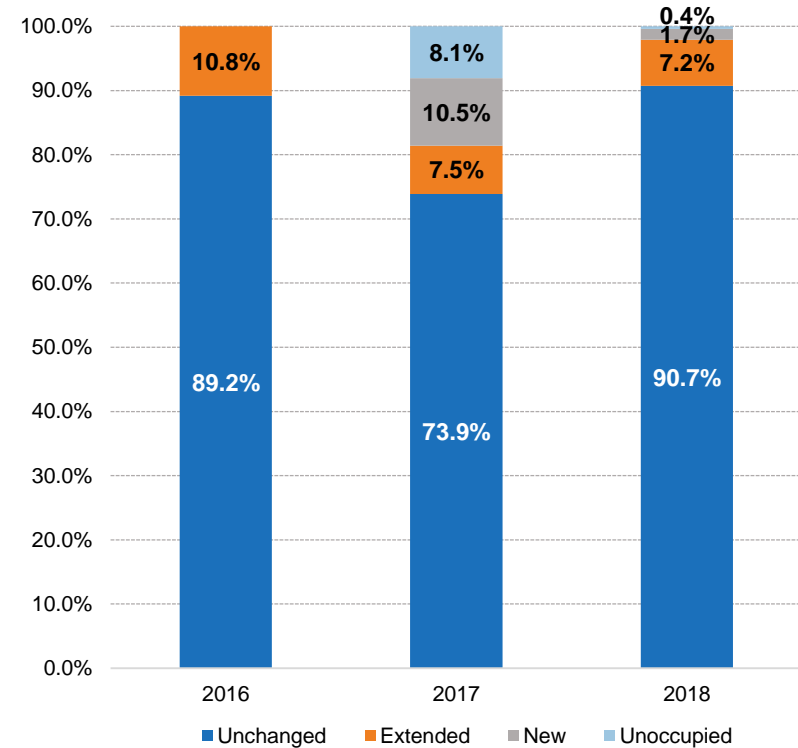


FINANCIAL BRIDGE OF ŽYGIS BUSINESS CENTRE RENTAL PROPERTY NET OPERATING INCOME

Rental property net operating income, thous. EUR*



Distribution of lease agreements by status, %



*2017-2018 m. data – forecast

** Cumulative effect of new lease agreements and terminated lease agreements.

INL **DOMMO BUSINESS PARK**

Bohnenkamp
Moving Professionals



REWICO Baltikum

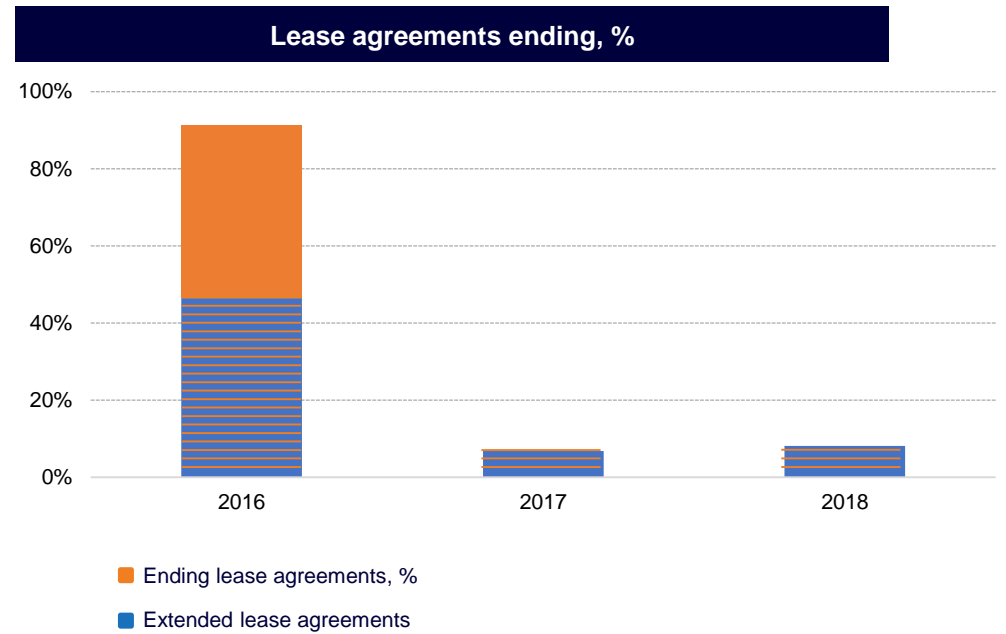
12 800 sq. m.
GLA

8 million euro
Value of investment property

88%
Occupancy rate

99%
Income from TOP 5 tenants

1.3
WALT

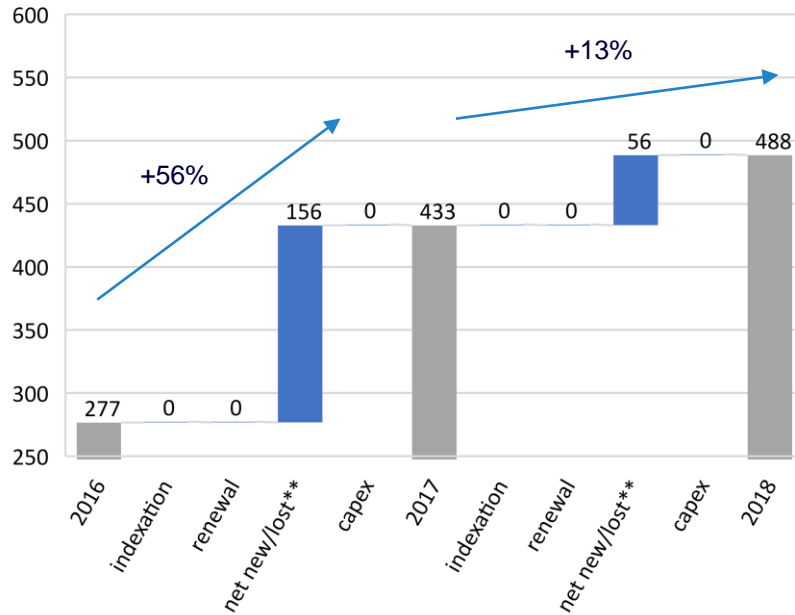


WALT – weighted average lease term
GLA – Gross Leaseable Area

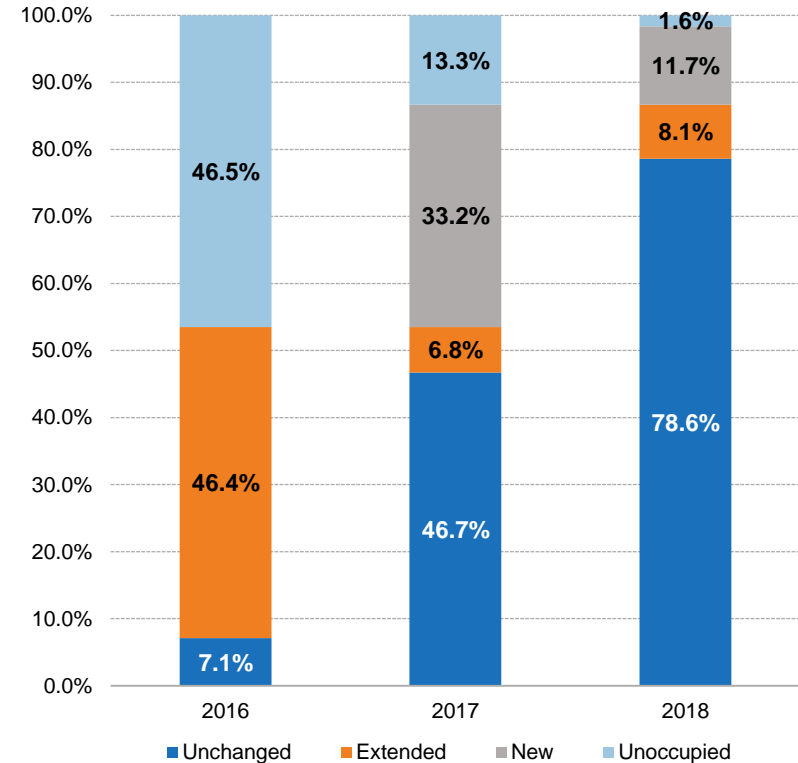


FINANCIAL BRIDGE OF DOMMO BUSINESS CENTRE RENTAL PROPERTY NET OPERATING INCOME

Rental property net operating income, thous. EUR*



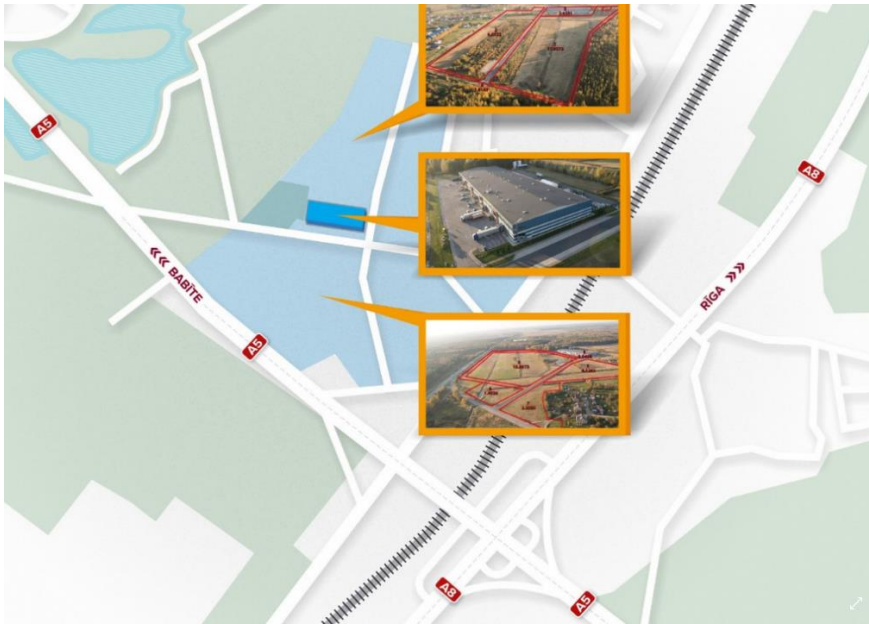
Distribution of lease agreements by status, %



*2017-2018 m. data – forecast

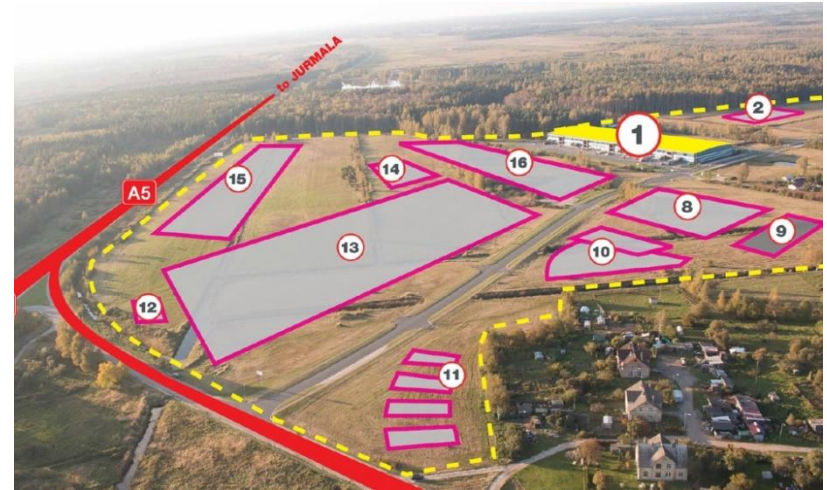
** Cumulative effect of new lease agreements and terminated lease agreements.

INL OBJECT POTENTIAL



Legislation in force facilitates development up to 200 000 sq. m.

4 (58 ha in total) land plots with infrastructure for development of logistics or industrial objects

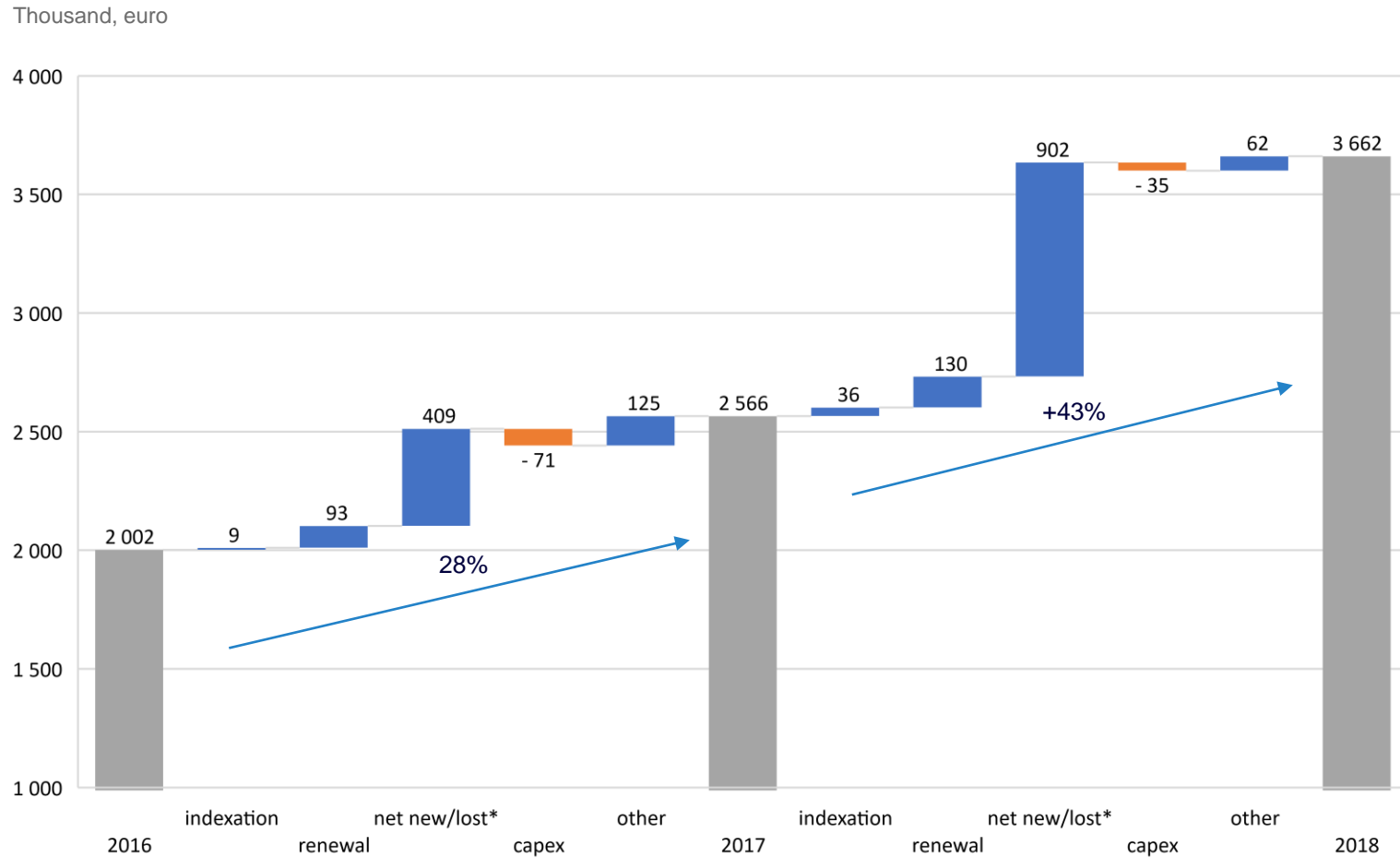




IŠMINTINGAS
INVESTAVIMAS

PERSPECTIVE

INL RENTAL PROPERTY NET OPERATING INCOME CHANGE AND 2018 FORECAST



* Cumulative effect of new lease agreements and terminated lease agreements.



INCOME FORECAST AND CAPITAL STRUCTURE

Thousand euro	2016	2017 forecast	2018 forecast
Net operating income*	2 002	2 570	3 687
Revaluation	147	2 326	0
Management and success fee	(819)	(661)	(312)
Other expenses/income	(279)	(156)	(347)
Operating profit*	1 051	4 079	3 028
Net profit*	4 507	3 611	2 566
Equity*	31 073	33 895	34 751
NAV per share*	0.4726	0.5155	0.5285

Reduction of the management fee from 1.5 to 1.0 per cent will be proposed at the shareholder's meeting on 29 December 2017.

Million euro	31 October 2017
Investment properties	55.9
Other assets	1.9
Total assets:	57.8
Equity	33.8
Borrowings from credit institutions	21
Other liabilities	3
Equity and liabilities	57.8

According to the latest appraisal, the value of investment property grew by 2.3 million euro in comparison to last year's data.

Actual debt ratio (38%) does not amount to the target ratio of 50%.

*The compilation of forecast was evaluated by PricewaterhouseCoopers UAB



OBJECTIVES FOR 2018

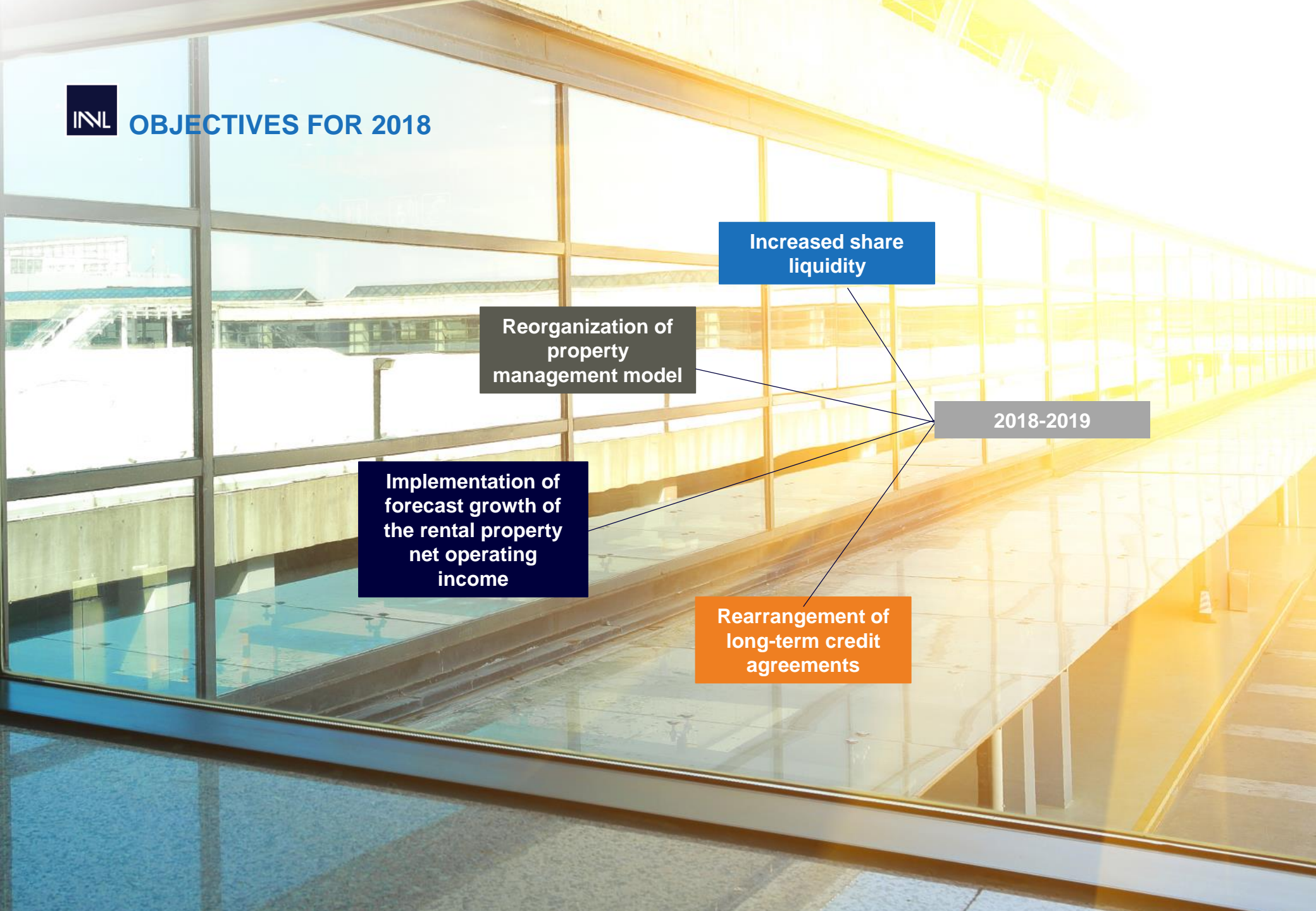
Increased share liquidity

Reorganization of property management model

Implementation of forecast growth of the rental property net operating income

Rearrangement of long-term credit agreements

2018-2019





DISCLAIMER

Investments in the shares of closed-end investment companies (hereinafter CEIC) are associated with investment risk. The value of the company's shares can both rise and fall, and you may recover less than you invested or even lose the entire invested amount. Past results only show the changes in the value of a company's shares over a past period. Past results do not guarantee future performance.

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The CEIC does not guarantee the profitability of investments. The latest values of the shares of the CEIC are available on the website www.invlbalticrealestate.com.

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You should also carefully read the CEIC Prospectus, Rules and Key Investor Information Document. These documents are available for review on the website www.invlbalticrealestate.com.

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The right of investors in the CEIC to demand redemption of shares which they hold is restricted.

THANK YOU &
ALL THE BEST IN THE
GOOD WORK THAT YOU DO