

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

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

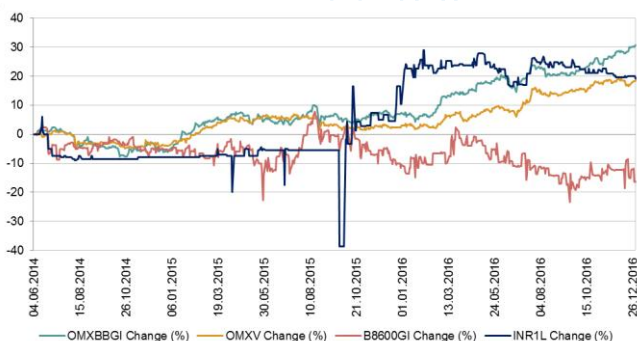
**Assets under management:** about 58,000 sq. m. of real estate in Vilnius and Riga – mostly business centres, manufacturing, warehouse properties and other commercial premises. These properties generate stable cash flows and most of them have high occupancy rates. In addition, some of them have further development potential.

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

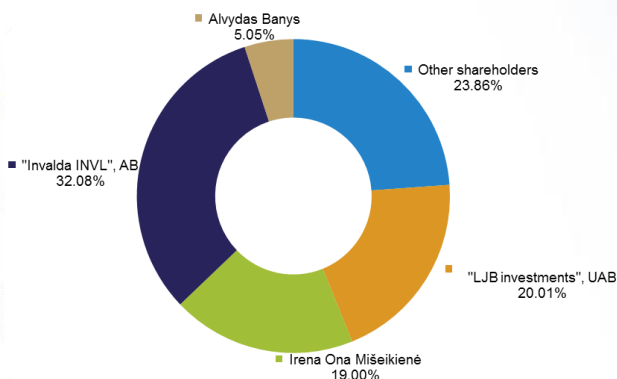
Main information	
ISIN code	LT0000127151
Share price 30.12.2016, EUR	0.388
Par value of share, EUR	0.47
Last paid out dividends (EUR per share)	0.012
Number of Shares	65,750,000
Consolidated equity, thousand EUR	31,073

**INR1L INVL Baltic Real Estate change of share price and indexes**

Nasdaq Baltic Listed



**Votes as of 31 December, 2016**



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



INVL Baltic Real Estate consolidated net operating income from its own facilities in 2016 amounted to EUR 2.3 million or 16 percent more than in 2015 (EUR 2.0 million). INVL Baltic Real Estate consolidated revenue in 2016 amounted to EUR 6.29 million or 10.5 percent more than in 2015 (EUR 5.694 million), from them consolidated rental income from their own objects increased by 21.5 percent to EUR 3.6 million.

We were working intensively in 2016 in order to redesign and lease out the space of 6500 square metres in the property most recently purchased by the company – the Vilnius Gates Business Centre. Contract works of the first phase of the redesigning were completed in September 2016 and the technical design works of the second phase – in December 2016. We are pleased that this work yielded results at the end of the year already – tenancy contracts for the premises for more than 2750 square metres were signed and the occupancy of the Vilnius Gate Business Centre will reach 80 per cent at the beginning of 2018, according to the tenancy contracts signed in the end of 2016.

The last year was particularly successful for the IBC Business Centre – the largest asset facility managed by INVL Baltic Real Estate. Not only a high level of occupancy has been retained and performance results have been improved but also all the main negotiations undertaken in 2016 on the extension of tenancy contracts have been successfully completed.

Other facilities operated by INVL Baltic Real Estate also showed high occupancy indicators and improving performance results in 2016. We are delighted that our clients stay loyal and trust INVL Baltic Real Estate as a reliable and long-term partner and we will make every effort to retain this trust.

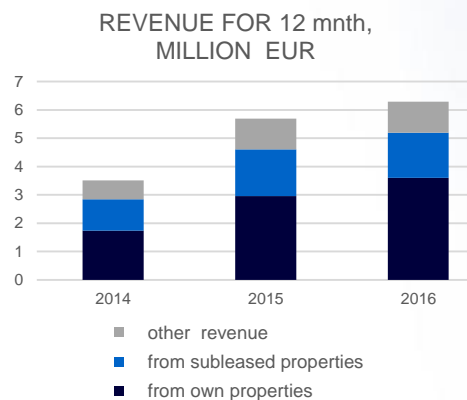
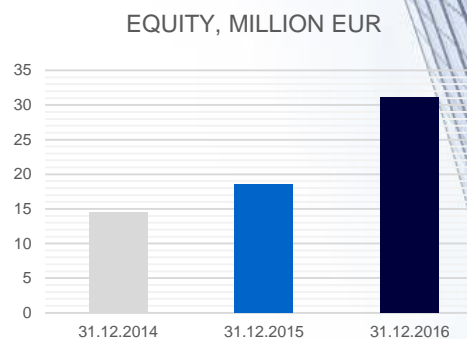
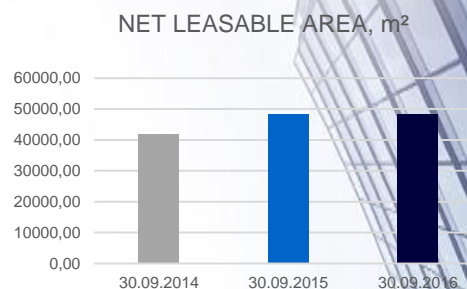
In 2016, INVL Baltic Real Estate offered an opportunity to invest into the company with a valuable diversified real estate portfolio by issuing a new share emission of EUR 9 million. A closed-end investment company license has been obtained. With this license, INVL Baltic Real Estate operates as an investment fund with the duration of activities of 30 years. The properties operated by INVL Baltic Real Estate are located in highly attractive locations in the central part of Vilnius, which gives a competitive advantage over newer but outlying business centres. The rapidly growing demand for business centres promises not only an increasing competition for existing and potential property tenants but also decreasing occupancy indicators, however, we are certain that our professional and long-term relations with tenants and exclusive characteristics of the facilities operated will help not only retain high occupancy indicators but also further improve performance results.

Portfolio, thousand EUR	31.12.2014	31.12.2015	31.12.2016
Operational Property investments	31,375	46,292	48,043
Property Investment redevelopment	2,473	1,720	350
Other investment properties	-	3,735	4,017
<b>TOTAL PROPERTY VALUE</b>	<b>33,848</b>	<b>51,747</b>	<b>52,410</b>
Rent Income from own properties during 12 months	-	2,960	3,595
NOI (Net Operating Income) from own properties during 12 months*	-	2,023	2,349
NLA (Net Leasable Area), m <sup>2</sup>	42,076	48,476	48,476

Balance sheet, million EUR	31.12.2014	31.12.2015	31.12.2016
Investment properties	33.85	51.75	52.41
Other non-current assets	4.98	0.85	0.17
Cash	0.36	0.39	0.75
Other current assets	0.42	1.52	1.88
<b>TOTAL ASSETS</b>	<b>39.61</b>	<b>54.51</b>	<b>55.21</b>
Borrowings from credit institutions	15.29	17.75	21.60
Borrowings from Invalda INVL	5.21	6.86	-
Other liabilities	4.62	11.31	2.54
<b>TOTAL LIABILITIES</b>	<b>25.12</b>	<b>35.92</b>	<b>24.14</b>
<b>EQUITY</b>	<b>14.49</b>	<b>18.59</b>	<b>31.07</b>

Profit (loss) statement, million EUR	04.29.2014 - 31.12.2014	01.01.2015 - 30.09.2015	01.01.2016 - 31.12.2016
Revenue	3.51	5.69	6.29
<i>from own properties</i>	1.74	2.96	3.60
<i>from subleased properties</i>	1.10	1.65	1.59
<i>other revenue</i>	0.67	1.08	1.10
Investment property revaluation	0.04	2.17	0.15
Net profit	0.43	4.10	4.51
Earnings per share, EUR	EUR 0.01	EUR 0.09	EUR 0.07

Borrowings	31.12.2014	31.12.2015	31.12.2016
Borrowings, thousand EUR	20,500	24,616	21,607
Borrowings to value of investment properties*	60.6	47.6	41.2
Gearing ratio*	0.58	0.57	0.40
Interest coverage ratio*	1.88	2.64	3.11
Bank's Debt Service Coverage Ratio*	-	1.50	1.83



**IBC Class A Business centre**  
Šeimyniškių str. 1, Šeimyniškių str. 3 Vilnius  
Acquired – 2003  
NLA 7,100 m<sup>2</sup>  
Property value – 12 million EUR  
Occupancy – 96%



**IBC Class B Business centre**  
A. Juozapavičiaus str. 6, Slucko str. 2 Vilnius  
Acquired – 2003  
NLA 10,600 m<sup>2</sup>  
Property value – 10.2 million EUR  
Occupancy – 96%



**Office building**  
Palangos str. 4/ Vilniaus str. 33 Vilnius  
Acquired – 2006  
NLA 6,200 m<sup>2</sup>  
Property value – 7.6 million EUR  
Occupancy – 98%



**Business centre Vilnius Gates**  
Gynėjų str. 14 Vilnius  
Acquired 2015  
NLA 6,400 m<sup>2</sup>  
Property value – 10.9 million EUR  
Occupancy – 39%



**Žygis Business centre**  
Žygio str. 97 Vilnius  
Acquired – 2006  
NLA 2,600 m<sup>2</sup>  
Property value – 2.5 million EUR  
Occupancy – 100%



**„Dommo business park“**  
Riga Latvia  
Acquired – 2015  
NLA 12,600 m<sup>2</sup>  
Property value – 8.05 million EUR  
Occupancy – 80%



**Office and warehouse premises in Kirtimai**  
Kirtimų str. 33, Vilnius  
Acquired – 2005  
NLA 2,500 m<sup>2</sup>  
Property value – 0.8 million EUR  
Occupancy – 94%

NLA – Net Leasable Area