Recommendation  
18th March 2020 
Vilnius

Investment Committee of INVL Baltic Real Estate (hereinafter referred to as INVL Baltic Real Estate or the Company), taking into account (a) Clause 126 of the Articles of Association of the Company and (b) having assessed the change of the Articles of Association of the Company seeking to raise the debt limit, also the change of the depository services provider, (c) as well as question regarding purchase of Company shares, (d) also the question regarding Company's loss (profit) distribution and the change of Company's Dividend payment policy, which are submitted to the General Shareholders Meeting for consideration in 9th April 2020, informs the Shareholders of the Company that:

1. The decisions of the changes of the Articles of Association (seeking to raise the debt limit) will have no negative impact on the current financial position of the Company or shareholders, they do not restrict the rights of shareholders or impose new obligations, however, it increases the risk of investing in the Company's securities, if the changes may be approved.

2. The decision to change the depository services agreement of the Company's by changing the depository services provider was been made in order to improve the Company's operations and optimize the Company's operating costs. The depository services are mandatory to the Company according to applicable legal acts.

3. The opinion of the Investment Committee states that, the amendments to the Articles of Association of the Company and the change of the depository services provider are considered to be essential, therefore, in accordance with Article 155 of the Law on Collective Investment Undertakings, the Company must buy-back the shares from the shareholders of the Company who have objected to the amendments and who has requested it. The buy-back of the Company's shares shall be implemented in accordance with the general principles of the Company's share buy-back procedure described in the notice of the General Shareholders Meeting, on the basis of which the Management Company will later determine the detailed share buy-back procedure.

4. Resolution regarding Company’s loss (profit) distribution and the change of Company’s Dividend payment policy was prepared with regard to:

   4.1. The sale of the IBC Business center and the receipt of free working capital;
   4.2. the proposed dividend allocation for 2019 and a significant reduction in equity;
   4.3. the fact that the negative effects of the decision on the Company's activities in 2020 is unforeseen.

5. The Investment Committee, acting on behalf of INVL Asset Management, UAB in the view of the increasing risk of investing in the Company's securities against the improving ability to implement the Company's investment strategy, gives it’s recommendation to the shareholders of the Company to (a) approve the change of the Articles of Association of the Company raising the debt limit, also to approve the depository services agreement changing the depository services provider as well as approve (b) buy-back procedure of the Company's shares and to approve to the profit (loss) distribution and the change of the Dividend Payment Policy of the Company during the General Shareholders Meeting to be held on 9th April 2020.

INVL Baltic Real Estate  
On behalf of the Investment Committee  
Vytautas Bakšinskas