

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 stock exchange since 2014.

Assets under management: At the end of 2019 about 57,000 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.

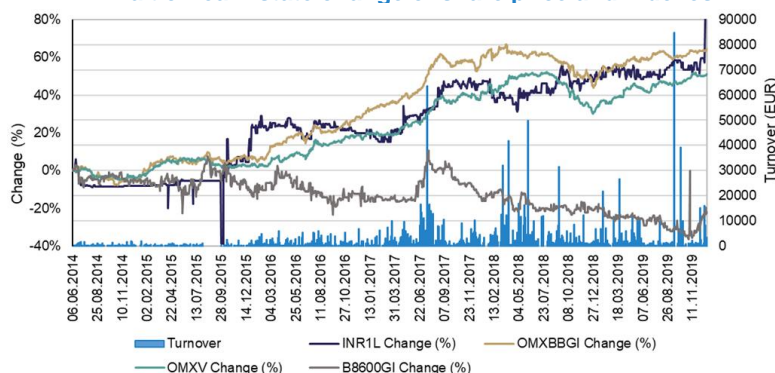
Management of the Company: On 22 December 2016 the Bank of Lithuania issued the closed-ended type investment company operating license for INVL Baltic Real Estate enabling to engage in the closed-ended type investment company's activities under the Republic of Lithuania Collective investment undertakings 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 about securities of the Company

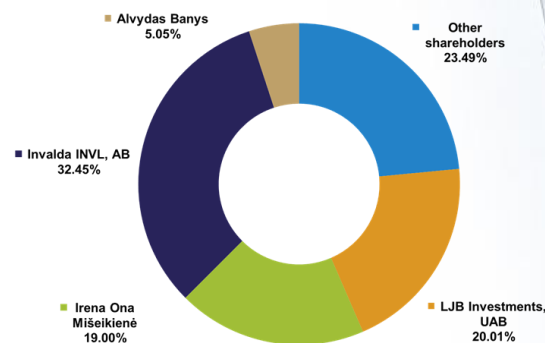
ISIN code	LT0000127151
Amount of shares, units	13,150,000
Nominal value per share, EUR	1.45
Share price, EUR (as of 31.12.2019)	3.0
Last approved dividends, EUR per share	0.13
Consolidated equity, mln. EUR	44.02
Net asset value per share, EUR	3.3479

INR1L
Nasdaq Baltic Listed

INVL Baltic Real Estate change of share price and indexes



Votes as of 31 December 2019



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



The past year was a time of particularly successful growth for the company in pursuit of our goal of earning a return for investors regardless of the size of the assets held.

Thus it is highly gratifying that last year we not only ensured stable growth in leasing income and in the value of property holdings, but also, after announcing in December that negotiations were underway, in March of this year we completed a transaction for the sale of the IBC Business Centre. The properties sold in the transaction were valued on INVL Baltic Real Estate's balance sheet for the end of 2019 at the transaction price, as required by accounting standards. The impact of the transaction on INVL Baltic Real Estate's 2019 profit was EUR 7.6 million and its impact on the company's net asset value (NAV) per share was EUR 0.58.

INVL Baltic Real Estate's consolidated net operating income from its properties in 2019 was EUR 2.0 million, or 33% less than in 2018 (when it was EUR 3.0 million). That result was significantly influenced by renovated premises, also at the IBC Business Centre, since those ongoing maintenance expenses were assessed as costs. INVL Baltic Real Estate's consolidated revenue for 2019 was EUR 5.90 million, or 1.3% more than in 2018 (EUR 5.82 million). Of that, consolidated leasing income from owned properties increased 2.6% to EUR 4.6 million. Last year also stood out for another new project – the opening of the Talent Garden Vilnius coworking space in the building at Vilnius Street 33, which completed the reconstruction works on the building at Palanga Street 4 / Vilnius Street 33.

In addition, the Vilnius Gates Business Centre continues to improve its results – its leasing income for the year rose to EUR 1.1 million, or 4.1% more than in 2018. The group's net profit for 2019 was EUR 10.4 million. The value of its property holdings increased by EUR 13.6 million (including a EUR 11.5 million revaluation) and at year-end was EUR 71.9 million, while its equity was EUR 44 million at the end of the year. Equity per share was EUR 3.35 and during the year increased 29% (also taking into account dividends that were paid during 2019).

Last year the IBC Business Centre, which is the largest of INVL Baltic Real Estate's properties, further maintained a high level of occupancy and increased its leasing income, which grew 4.7% from 2018 to EUR 2 million. Not only did we manage to successfully renew all planned lease agreements last year, but we also gave a lot of attention to the renewal of leased premises (enhancement, renewal and repair work was carried out on existing premises). In December 2019 we gave notification that negotiations were underway regarding the sale of this property – the transaction was completed in March and had a value of EUR 33 million.

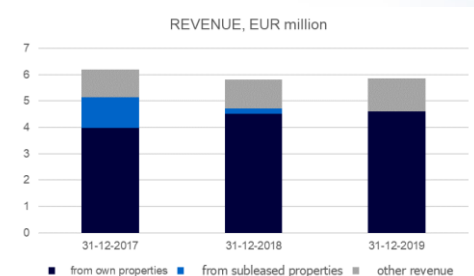
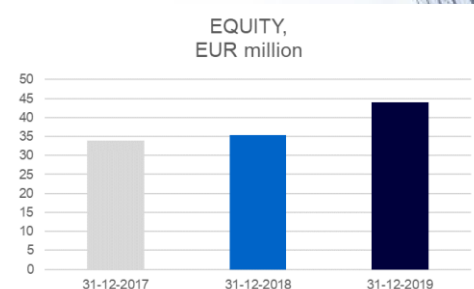
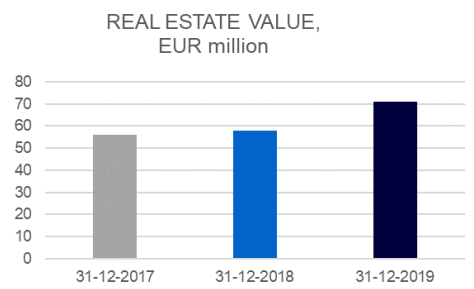
Other properties owned by INVL Baltic Real Estate also showed high occupancy and improving performance indicators. We are pleased that our clients continue to remain loyal and trust INVL Baltic Real Estate as a reliable and long-term partner. In the coming year we will strive to further meet our clients' expectations and increase value for investors.

Portfolio, thousand EUR	31.12.2017	31.12.2018	31.12.2019
Operational Property investments	51,918	53,455	34,086
Property Investment redevelopment	350	350	-
Other investment properties	4,073	4,490	37,798*
TOTAL PROPERTY VALUE	56,341	58,295	71,884*
Rent Income from own properties during 12 months period	3,978	4,514	4,633
NOI (Net Operating Income) from own properties during 12 months period	2,678	3,027	2,033
NLA (Net Leasable Area), sq.m.	46,276	46,876	46,876

Balance sheet, million EUR	31.12.2017	31.12.2018	31.12.2019
Investment properties	56.34	58.30	71.88
Cash	0.41	0.73	1.04
Other assets	1.24	0.87	2.46
TOTAL ASSETS	57.99	59.90	75.38*
Borrowings from credit institutions	20.88	22.63	24.76
Borrowings from Invalda INVL group	0.80	-	1.51
Other liabilities	2.45	1.95	5.09
TOTAL LIABILITIES	24.13	24.58	31.36
EQUITY	33.86	35.32	44.02*

Profit (loss) statement, million EUR	01.01.2017-31.12.2017	01.01.2018-31.12.2018	01.01.2019-31.12.2019
Revenue	6.20	5.82	5.90
<i>from own properties</i>	3.98	4.51	4.60
<i>from subleased properties</i>	1.17	0.20	-
<i>other revenue</i>	1.05	1.11	1.26
Investment property revaluation	2.33	1.47	11.50
Net profit	3.58	3.17	10.42
Earnings per share*	EUR 0.27	EUR 0.24	EUR 0.79

Borrowings	31.12.2017	31.12.2018	31.12.2019
Borrowings, thousand EUR	21,681	22,625	26,266
Borrowings to value of investment properties**	38.5	38.80	36.54
Gearing ratio**	0.39	0.38	0.36
Interest coverage ratio**	4.34	4.75	2.72
Bank's Debt Service Coverage Ratio**	1.71	1.59	0.99



*The increase of the results was mainly influenced by the revaluation of the assets of IBC Business Center at its actual sale price dated 06-03-2020



IBC Class A Business centre
Šeimyniškių str. 1,
Šeimyniškių str. 3
Vilnius



IBC Class B Business centre
A. Juozapavičiaus
str. 6, Vilnius



Business centre Vilnius Gates
Gynėjų str. 14
Vilnius



Office building
Palangos str. 4/
Vilniaus str. 33
Vilnius



Žygis Business centre
Žygio str. 97
Vilnius



„Dommo business park“
Rīga
Latvia

Acquired (Sold)	2003 (2020)	2003 (2020)	2015	2006	2006	2015
Net leasable area	7,100 sq.m	10,400 sq.m	7,100 sq.m	6,500 sq.m	2,900 sq.m	12,800 sq.m
Property value	Transaction value – EUR 33 million		EUR 15.3 million	EUR 12.2 million	EUR 3.0 million	EUR 8.4 million
Occupancy	100%	97%	98%	99%	67%	100%

*The nominal value per share amounted to EUR 1.45

**<https://bre.invl.com/lit/en/for-investors/reports/formulas-of-performance-indicators>

More information: www.invlbalticrealstate.com