



INVL BALTIC REAL ESTATE

THE FIRST LISTED REIT IN THE BALTIC STATES



2018

INVALDA

INVL INVESTMENT MANAGEMENT STRUCTURE



INVL PROFESSIONAL TEAM

| | Experience (years) | | | 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 joining INVL Baltic Real Estate oversaw more than 100 000 sq. m. of space as head of the leasing division at Inreal. Acquired extensive management experience working at a number of 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 board in real estate management and production companies Former director of the Treasury Department at Finasta and Investment Manager at Invalda INVL | ✓ | ✓ | ✓ | ✓ | ✓ |

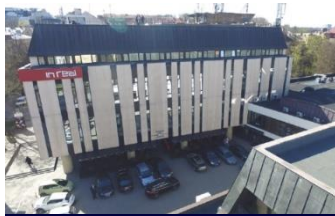
| Managing bodies | | | |
|--|---|---|--|
|  <p>Laura Križinauskienė Chief Executive Officer</p> |  <p>Darius Šulnis Chairman of the Board</p> |  <p>Nerijus Drobavičius Member of the Board</p> |  <p>Vytautas Plunksnis Member of the Board</p> |

INL QUALITY PORTFOLIO OF ASSETS IN PRIME LOCATIONS



IBC Business Centre

GFA 22 700 sq. m.
GLA 17 400 sq. m.



Office building in the centre of Vilnius, Vilniaus/ Palangos St.:

GFA 9 800 sq. m.
GLA 6 400 sq. m.



Vilnius Gates Business Centre

GFA 8 100 sq. m.
GLA 7 100 sq. m.



Žygio Business Centre

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



Dommo Business Park:

GFA 12 800 sq. m.
GLA 12 800 sq. m.

EUR 58 million
Value of investment assets

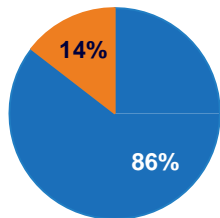
57 thousand sq. m.
Total area

47 thousand sq. m.
UFA

43 thousand sq. m.
Leased area

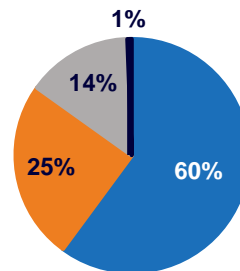
>120
Tenants

Asset value by location



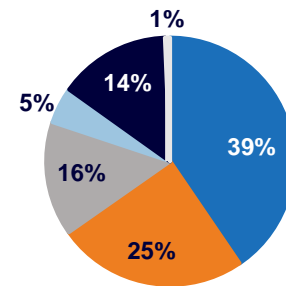
■ Vilnius
■ Ryga

Asset value by type



■ Class A and B offices
■ Mix of Class A offices, retail
■ Logistics
■ Other

Asset value by objects



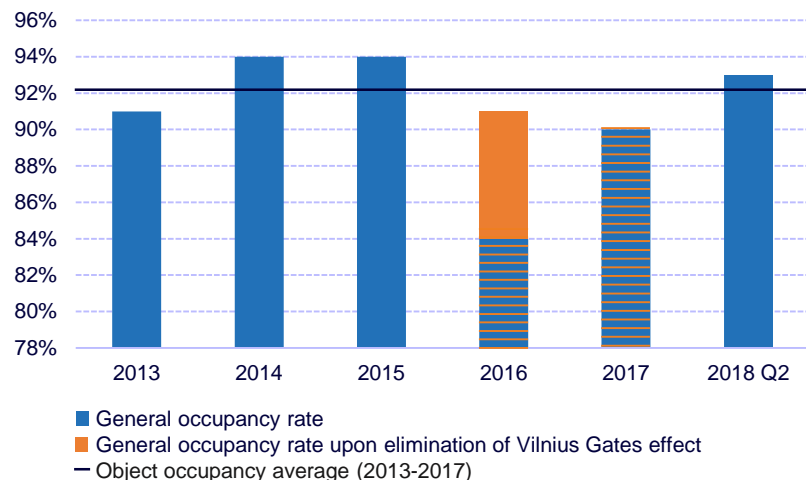
■ IBC Business Centre
■ Vilnius Gates Business Centre
■ Business centre in the old town of Vilnius, Vilnius St.
■ Žygis Business Centre
■ Dommo business park
■ Other

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



Diversified tenant structure



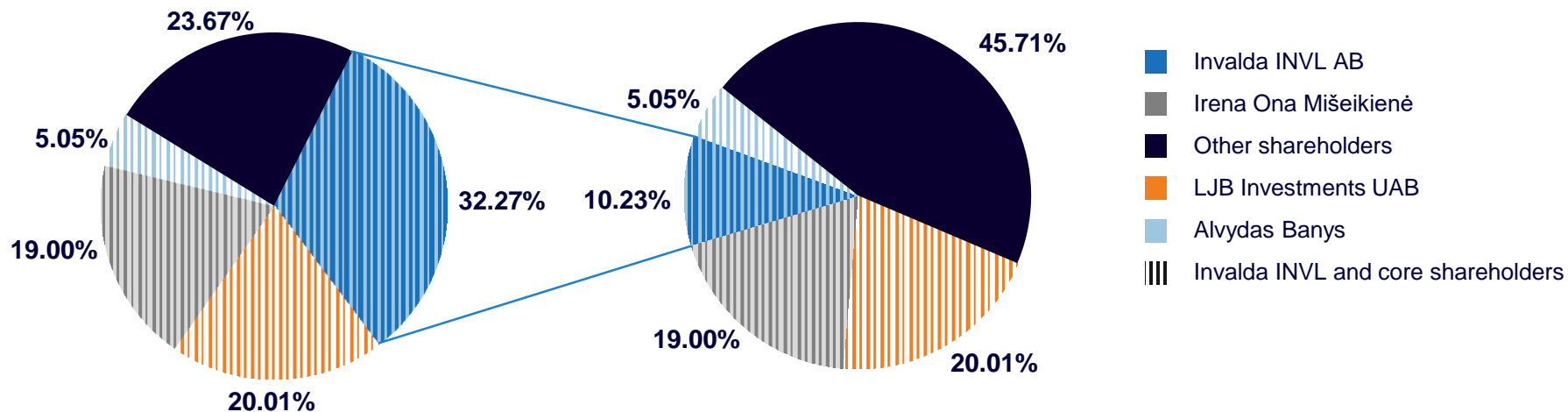
Conservative portfolio valuation

| | Relative fair market value as per Oberhaus and Newsec valuations (unless specified otherwise), average, EUR | Conditional market value according to Oberhaus and Newsec appraisal (unless otherwise determined), average, EUR/sq. m. |
|--|---|--|
| | 30-04-2018 | 30-04-2018 |
| | | |
| IBC Business Centre | 22 623 000 | 995 |
| Vilnius Gates Business Centre | 14 479 832 | 2040 |
| Dommo BusinessPpark (according to Oberhaus appraisal) | 8 181 500 | 640 |
| Office building in the centre of Vilnius on Vilniaus St. | 8 945 000 | 910 |
| Žygis Business Centre | 2 833 500 | 885 |
| Other investment property (as per Oberhaus) | 350 000 | 1270 |

CHANGES IN SHAREHOLDER STRUCTURE FOR MORE LIQUIDITY

Current shareholders structure

**Expected shareholders structure
In case of selling all offering shares**



More Liquidity

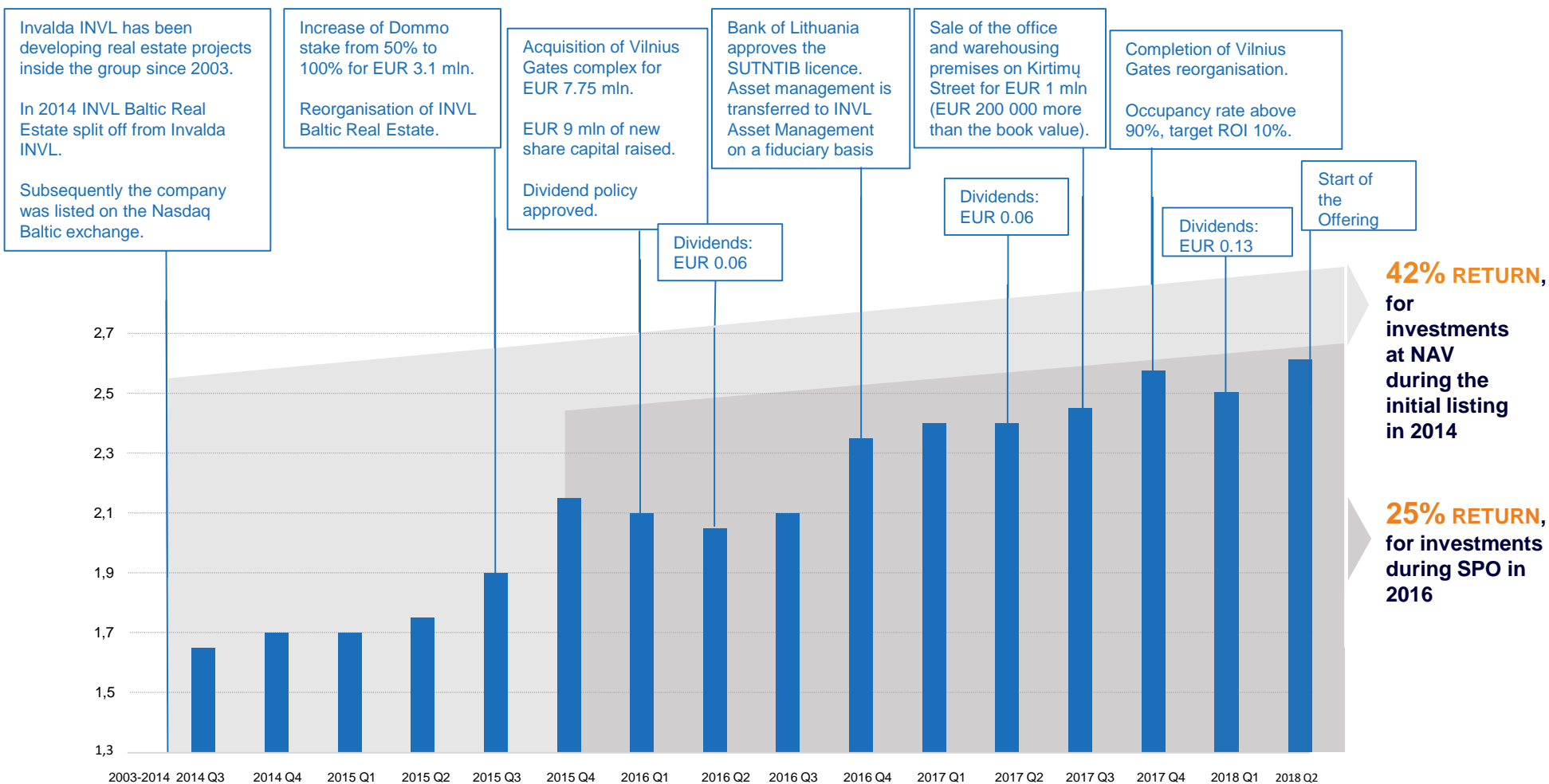
Price
Reflecting asset value

10%+
Invalda INVL stake

Core Invalda INVL shareholders
To remain main shareholders of the company

INVL CONSISTENT GROWTH STORY: THE FIRST LISTED REIT IN THE BALTICS

NAV change, EUR/share



INL INCOME FORECAST AND CAPITAL STRUCTURE

| Thousand euro | 2016 | 2017 | 2018 I Half |
|-----------------------------|--------------|--------------|--------------|
| Net operating income | 2,002 | 2,522 | 1,691 |
| Revaluation | 147 | 2,326 | 849 |
| Management and success fee | (819) | (645) | (234) |
| Other expenses/income | (279) | (153) | (172) |
| Operating profit | 1,051 | 4,050 | 2,134 |
| Net profit | 4,507 | 3,577 | 1,907 |
| Equity | 31,073 | 33,861 | 34,058 |
| NAV per share | 2.3629 | 2.5749 | 2.59 |

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

| Million euro | 31 December 2017 | 30 June 2018 |
|-------------------------------------|------------------|--------------|
| Investment properties | 56.3 | 57.5 |
| Other assets | 1.6 | 1.8 |
| Total assets: | 58.0 | 59.3 |
| Equity | 33.9 | 34.1 |
| Borrowings from credit institutions | 21.7 | 23.1 |
| Other liabilities | 2.4 | 2.1 |
| Equity and liabilities | 58.0 | 59.3 |

According to the appraisal at 30 April 2018, the value of investment property grew by 0.85 million euro in comparison to end-2017 data.

The actual debt ratio of 40% is less than the target rate of 50%.



KEY TERMS OF THE OFFERING

Target return

Net IRR¹ ≥ 8%

Payout² 5%

Main terms

Form Closed-end real estate investment company

Fund term 30 (+20) years from issuance of closed-end real estate investment company licence on 22 December 2016

Offer term³ End of 2018

Process First come first served

Size Up to 2,893,000 shares (approx. EUR 7 million)

Price Last publicly announced NAV/share

Fees

Distribution fee: 0%

Management fee⁴:

- 1% of the weighted average market capitalization, paid quarterly.

Success fee:

- 20% of profit above 8% IRR which is the minimum required rate of return.

Supervision

Supervision Bank of Lithuania

Custody SEB

Audit PwC

Quarterly, semi-annual and annual reports are published on the Nasdaq Baltic stock exchange

¹Net IRR – annual internal rate of return after fees and profit sharing.

²Payout in the form of dividends is approved in the company's dividend policy.

³Open trading periods: from 2 May 2018 to 4 July 2018, from 18 August 2018 to 18 September 2018, from 2 November 2018 to 13 December 2018.

⁴Reduced on 5 January 2018 from 1.5% to 1.0% by decision of the management company.

On the exchange

- 1.** Open a securities account at your bank.

- 2.** A bank employee, based on the customer's knowledge, experience and other information, will determine what financial instruments are suitable and provide information on investing.

- 3.** You can find out what the share purchase-sale price is from customer service staff at a bank branch, from a broker at the bank by telephone, or online through your e-banking service.

- 4.** Submit an order to buy shares, specifying how many and at what price.

- 5.** The price of shares on the exchange fluctuates with every transaction and depends on demand and supply in the market.

- 6.** When the transaction is completed, the shares that are bought will be recorded in the customer's securities account.

**At a customer service office of
INVL Finasta**

- 1.** A financial broker at INVL Finasta, based on the customer's knowledge, experience and other information, will determine what financial instruments are suitable and provide information on investing.

- 2.** If the customer wishes to invest, during the meeting the broker will have a securities account opened at Šiaulių Bankas and will make arrangements for the purchase transaction.

- 3.** The share price for each stage of the offering is equal to the company's last published net asset value per share, in keeping with the prospectus for this public offering of shares which the Bank of Lithuania approved on 23 April 2018 (by decision No. 241-70 of the Director of the Supervision Service).



Shares that you have purchased will be **safeguarded** in your **securities account** at the bank, where you can always see their value. Public information about the value of the shares is also provided on INVL Baltic Real Estate's website.



Shares that you hold can be sold on the Nasdaq Vilnius exchange. To do so, you must contact the bank with the securities account where your INVL Baltic Real Estate shares were credited. Note that the price on the exchange is set based on the principles of supply and demand, thus it may fluctuate and is not known in advance.



As a shareholder of the company, **you have the right to receive dividends** that INVL Baltic Real Estate pays. They can be paid every year by decision of the general meeting of shareholders. If a decision to pay dividends is adopted, they will be **automatically transferred to your account**. More details about the dividend policy are available [on the company's website](#).

For more about risks see on the [Company's website](#).

| | |
|---|--|
| <p>Closed-end investment company</p> | <p>Investments in the shares of a closed-end investment company 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 all the money that was invested. Past results only show the changes in the value of the company's shares over a past period. Past results do not guarantee future performance.</p> |
| <p>Real estate</p> | <p>The value of investments in real estate may fluctuate in the short term depending on general economic conditions, real estate leasing and sale prices, and variations in supply and demand.</p> <p>Investments in real estate should be made for the medium or long term so that the investor can avoid the risk of short-term price fluctuations.</p> <p>Investments in real estate are associated with higher-than-average risk. If the company makes unprofitable investments or encounters other unfavourable circumstances (inability to pay creditors on time), bankruptcy proceedings may be launched against the company.</p> |
| <p>Redemption of shares</p> | <p>The redemption of shares is restricted, i.e., a shareholder may not demand the redemption of shares by the Company or by the management company which has assumed its management. Shareholders do, however, have the possibility of selling shares in the secondary market.</p> |

Team

INVL Baltic Real Estate's management company is INVL Asset Management.

The management company has been working with real estate portfolios for more than 14 years.

INVL Baltic Real Estate operates as a REIT (real estate investment trust) and its' managers have more than 10 years of experience in real estate management which they are successfully applying to increase the value of INVL Baltic Real Estate.

Established portfolio of assets

The portfolio comprises 5 main investment properties with a total value of EUR 58 million as of 30 June 2018.

The occupancy of the properties is stable and regularly exceeds 90%.*

*Occupancy estimates for 2016-2017 excluding the Vilnius Gates business center which was under construction.

** BNP Paribas information, 2017 March

Economic environment

The real estate market in Vilnius is characterized by high occupancy levels at commercial premises.**

Rental prices of commercial properties in prime locations are well below those both in Central and Eastern Europe and Scandinavia.**

Properties in Vilnius typically offer a yield premium of 200-300 basis points over those in Central and Eastern Europe and Scandinavia.**

An attractive investment

Rational use of debt:

- Target – < 50%
- Actual – 40%

Liquidity and transparency through listing on the Nasdaq Baltic exchange.

An approved dividend policy and regular payment of dividends. The dividend yield proposed in the policy is 5% on the basis of the NAV per share at the end of 2017.

A target return to investors of 8%+:

- Dividends
- NAV growth



KEY TARGETS IN 2018

Increased share liquidity

Target return >8%

2018 and beyond

Dividend yield 5%

Modest leverage policy



INTELLIGENT
INVESTING

ALL RELEVANT INFORMATION IS
AVAILABLE ON THE WEBSITE
invl.com/bre



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PROPERTIES



17 400 sq. m.
GLA

EUR 23 million
Value of investment property

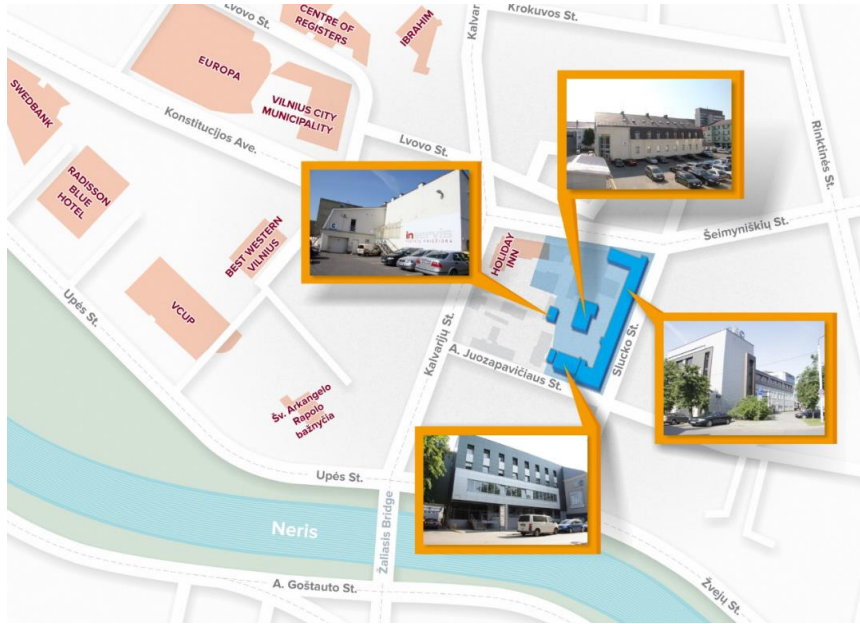
95%
2018 Q2 occupancy rate

39%
Income from TOP 5 tenants

1.4
WALT 2017



INL **POTENTIAL OF THE PROPERTY**



| | | |
|---|--|--|
| <p>Development potential of up to 40 000 sq. m. under the detailed plan</p> | <p>Commercial real estate property</p> | <p>Vilnius central business district</p> |
|---|--|--|

INL VILNIUS GATES BUSINESS CENTRE



7 100 sq. m.
GLA

EUR 14 million
Value of investment
property

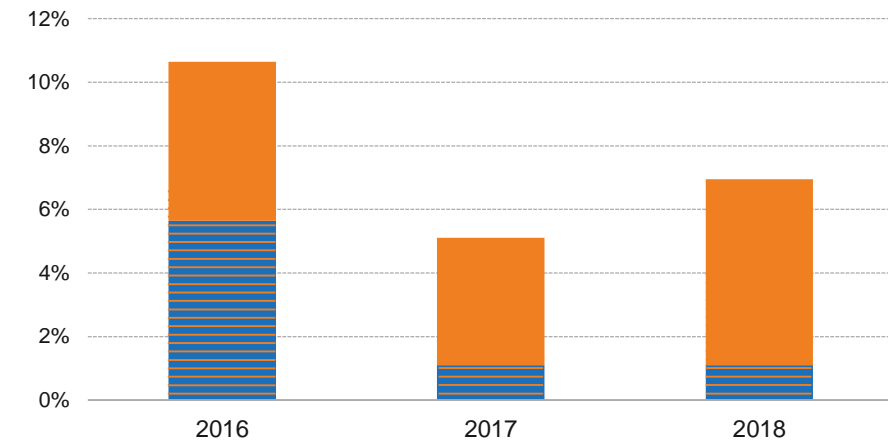
91%
2018 Q2
occupancy rate

84%
Income from TOP 5
tenants

4.8
WALT 2017



Lease agreements ending, %



- Ending lease agreements, %
- Extended lease agreements, %

WALT – weighted average lease term
GLA – Gross Leaseable Area



6 400 sq. m.
GLA

9 million euro
Value of investment
property

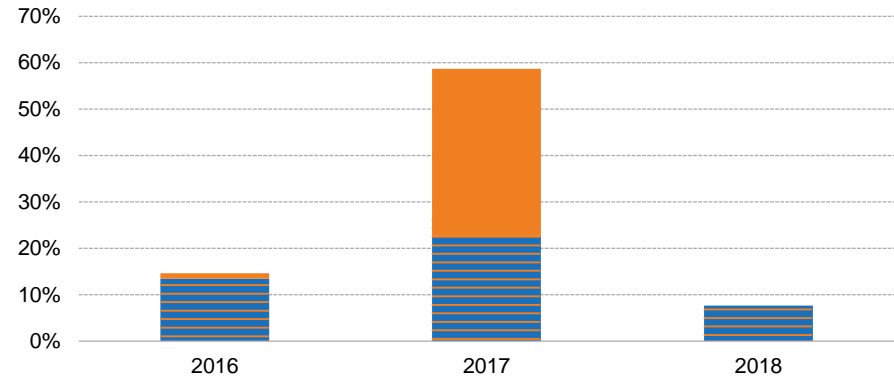
77%
2018 Q2
occupancy rate

77%
Income from TOP 5
tenants

4.4
WALT 2017



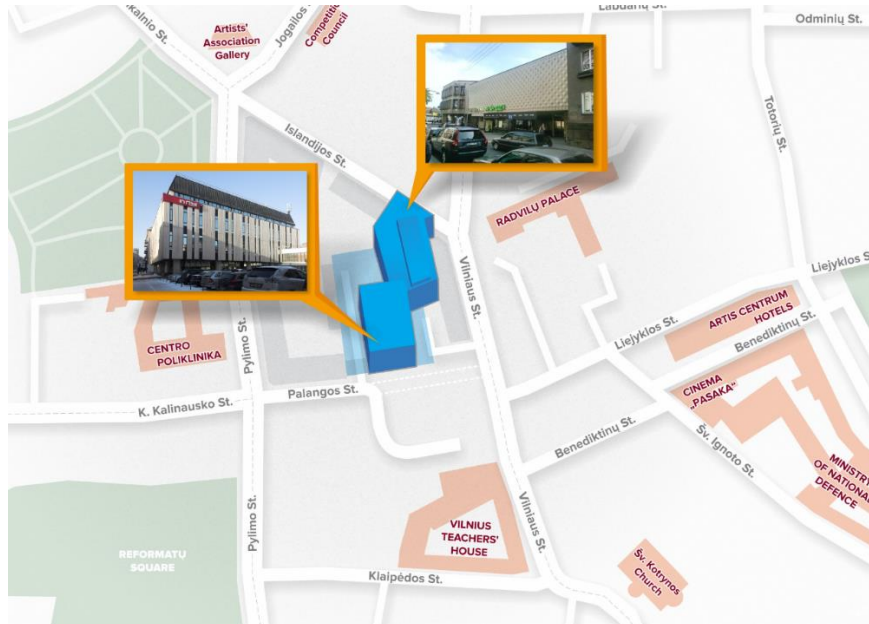
Lease agreements ending, %



- Ending lease agreements, %
- Extended lease agreements, %

WALT – weighted average lease term
GLA – Gross Leaseable Area

INL POTENTIAL OF THE PROPERTY



Legislation permits reconstruction, during which the area of the property may be increased by 3 500 sq. m.

Commercial real estate property

Vilnius Old Town





2 600 sq. m.
GLA

EUR 3 million
Value of investment
property

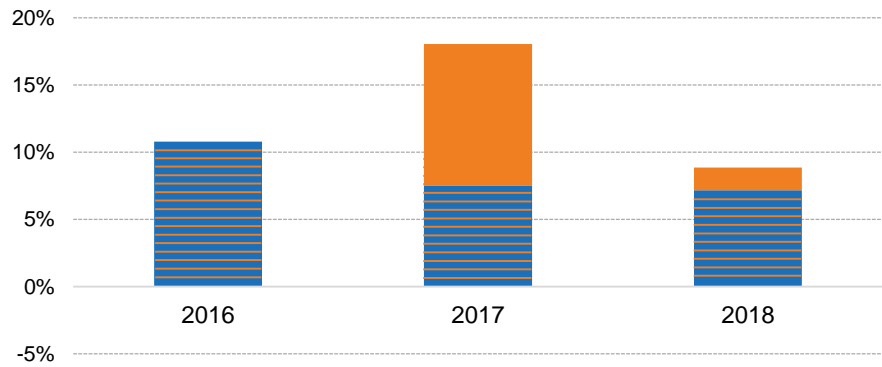
100%
2018 Q2
occupancy rate

80%
Income from TOP 5
tenants

3.8
WALT 2017



Lease agreements ending, %



- Ending lease agreements, %
- Extended lease agreements, %

WALT – weighted average lease term
GLA – Gross Leaseable Area

INL **DOMMO BUSINESS PARK**



12 800 sq. m.
GLA

EUR 8 million
Value of investment property

98%
2018 Q2 occupancy rate

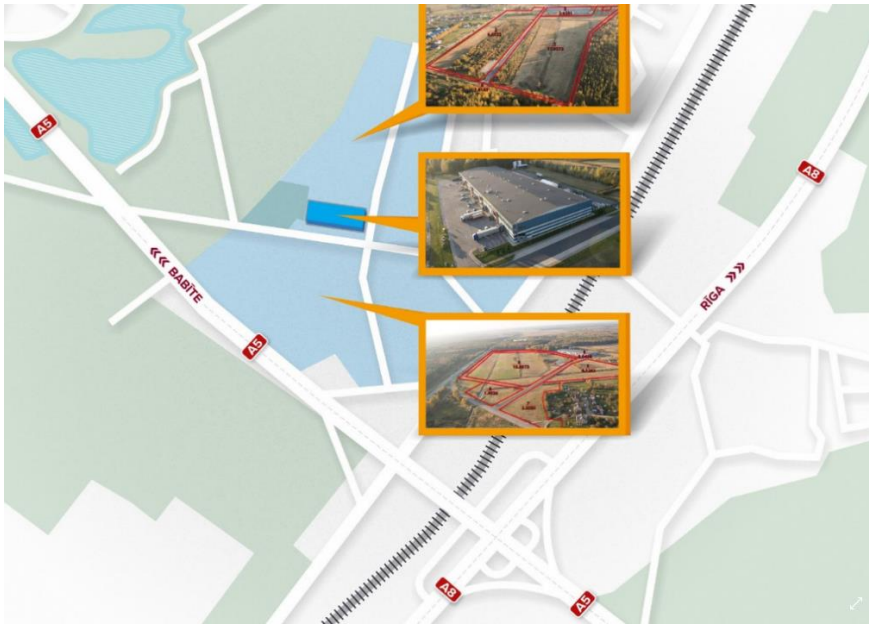
99%
Income from TOP 5 tenants

1.3
WALT 2017



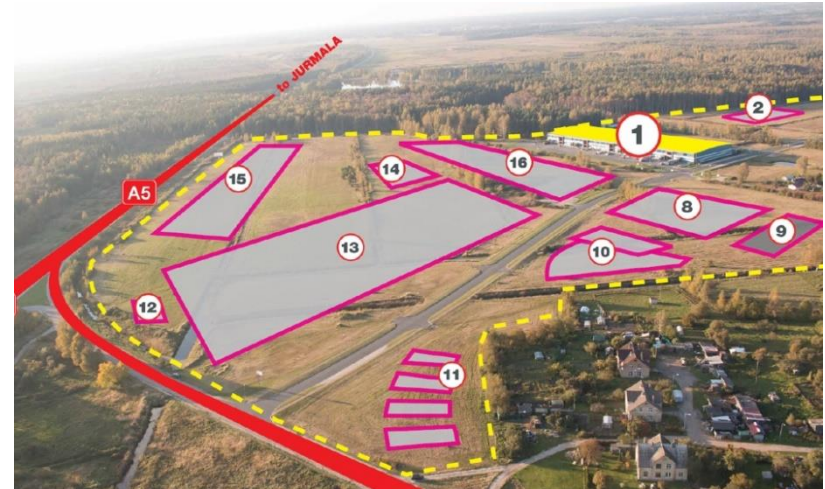
WALT – weighted average lease term
GLA – Gross Leaseable Area

INL POTENTIAL OF THE PROPERTY



Current regulations allow the development of up to 200 000 sq. m.

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





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