



## Information for individuals acquiring equity securities issued by INVL Baltic Real Estate, prepared according to the requirements of Article 18 of the Law on Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania

**24 January 2024**

Articles 23(1) and (2) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ 2011 L 174, p. 1), as amended by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments amending Directive 2002/92/EC and Directive 2011/61/EU (OJ 2014 L 173, p. 349), and Article 18 of the Law on Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania (hereinafter referred to as the LMACIU), which implements them, provide for the obligation of the management company to provide the information set out in this document to future investors in a collective investment undertaking before they assume the obligations to invest in the collective investment undertaking concerned.

This document was prepared by UAB INVL Asset Management (hereinafter the **Management Company**), and it is only provided to disclose the information referred to in legislation to persons who intend to acquire equity securities issued by INVL Baltic Real Estate (hereinafter **BRE**). This document contains the information required by law or provides links to where investors themselves can find certain information.

The terms used in this document, unless defined separately, shall have the meanings provided in the Articles of Association of BRE<sup>1</sup> (hereinafter the **Articles of Association**) and/or the BRE Prospectus<sup>2</sup> (hereinafter the **Prospectus**).

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<sup>1</sup> Available at [www.invlbalticrealestate.lt](http://www.invlbalticrealestate.lt).

<sup>2</sup> Available at [www.invlbalticrealestate.lt](http://www.invlbalticrealestate.lt).



LEGAL PROVISION		INFORMATION OR REFERENCE TO THE RESPECTIVE DOCUMENT
Article 18 of the LMACIU		
Paragraph 1(1)	a description of the investment strategy and objectives of the collective investment undertaking;	Paragraphs 3 and 22 of the Prospectus, chapters III and IV of the Articles of Association.
Paragraph 1(2)	the information on where the master collective investment undertaking is established;	Not applicable.
Paragraph 1(3)	if the collective investment undertaking invests in other collective investment undertakings, a description of the types of assets in which the collective investment undertaking may invest, the techniques it may employ and all associated risks, any applicable investment restrictions, the circumstances, the circumstances in which the collective investment undertaking may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage, and any collateral and asset reuse	Not applicable.



	arrangements, and the maximum level of leverage that the management company is entitled to employ on behalf of the collective investment undertaking;	
Paragraph 1(4)	a description of the procedures by which the collective investment undertaking may change its investment strategy and/or investment policy;	Chapters IV and VII of the Articles of Association.
Paragraph 1(5)	a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the collective investment undertaking is established;	<p>Information about legal implications of the contractual relationship entered for the purpose of investment</p> <p>Chapter III of the Prospectus, chapters VI and VII of the Articles of Association.</p> <p>Information about recognition of judgments</p> <p>Regulation (EC) No. 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I) is applicable in the Republic of Lithuania just like in other EU Member States (except for the Kingdom of Denmark). Taking due account of the aforesaid, in the case of legal proceedings the matters of applicable law are resolved in compliance with the aforementioned Regulation. Under this Regulation, the courts of the respective Member State can apply any mandatory rule of law of their own Member State, regardless of the governing law of the contract. Courts can also refuse to apply a rule of law applicable to the contract if they find it contrary to the public policy of the Member State in which the dispute is heard. It should also be noted that a law other than the</p>



		<p>law applicable to the contract may also be applicable when it is recognised that the legal relationship between the parties is more closely related to another Member State.</p> <p>The participant of the collective investment undertaking should also note that in the Republic of Lithuania there are a variety of legal means available for the recognition of court judgments<sup>3</sup>. Depending on the jurisdiction and nature of the original judgment, the following may apply: Council Regulation (EC) No. 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of 21 April 2004 of the European Parliament and of the Council creating a European Enforcement Order for uncontested claims, the Lugano Convention of 30 October 2007 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters and the Code of Civil Procedure of the Republic of Lithuania.</p>
Paragraph 1(6)	the name, head office of the management company, the depository of the collective investment undertaking, the name, head office of the auditor and all other service providers where they are legal persons or, where they are natural persons, their names, surnames, business addresses, a description of their duties and the investors' rights	<p>Information about the identities of the Management Company, the depository of the collective investment undertaking, the auditor, and all other service providers is provided in paragraphs 2 and 38–43 of the Prospectus.</p> <p>Information about the duties of the Management Company is provided in chapters IV, VIII and XI of the Articles of Association.</p> <p>The duties of the depository of the collective investment undertaking are the same as provided for in Chapter 3 of the Law on Collective Investment Undertakings of the</p>

<sup>3</sup> Further information is available at <https://www.apeliacinis.lt/en/court-system/recognition-and-enforcement-of-foreign-judgments/1050>



		<p>Republic of Lithuania (LCIU):</p> <ul style="list-style-type: none"><li>- The depositary shall be liable to the collective investment undertaking and participants of the collective investment undertaking for the loss of financial instruments that it safe-keeps or provides to other companies for safe-keeping;</li><li>- In case of loss of any financial instruments that are safe-kept at the depositary, including instances where the depositary assigns the asset safe-keeping function to another company, the depositary must, within the shortest time possible from the date the loss is established, return to the collective investment undertaking or to the management company acting on behalf of the collective investment undertaking financial instruments of the same type or the respective amount that shall be determined based on the market price of the financial instrument at the time of the loss;</li><li>- Where the depositary, either through negligence or intent, fails to appropriately perform its functions according to this law, the depositary must also compensate to the collective investment undertaking and/or its participant for all other damages related to the failure to appropriately perform the depositary's functions;</li><li>- The depositary's liability whereby the depositary is liable to the collective investment undertaking and participants of the collective investment undertaking for the loss of the financial instruments that are safe-kept and provided for safe-keeping to other companies may not be annulled or restricted by a written or any other</li></ul>
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		<p>arrangement. Any such arrangement shall be null and void;</p> <ul style="list-style-type: none"><li>- Participants of the collective investment undertaking may demand the depositary's liability directly from the depositary or indirectly through the management company or the investment company, the management of which has not been assigned to a management company, provided that repeat indemnification for damages does not occur and that participants are not be treated unequally as a result;</li><li>- The depositary shall be exempt from liability in cases where the depositary is liable in respect of the collective investment undertaking and participants of the collective investment undertaking for the loss of financial instruments that are safe-kept and provided for safe-keeping to other companies, if it proves that the financial instruments that are safe-kept by it and provided for safe-keeping to other companies have been lost due to an external event that it could not have reasonably controlled and the consequences of which could not have been prevented despite all the efforts reasonably made to prevent them.</li></ul> <p>The duties of auditors of BRE are the same as provided in the Law on Audit of the Republic of Lithuania, the respective audit standards, and Article 16 of the LCIU.</p> <p>The Management Company avails of the services of the parent company AB Invalda INVL for the purpose of performance of the BRE accounting functions.</p> <p>In respect of BRE, the Management Company has concluded the distribution services agreement for the</p>
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		<p>Company with UAB FMĮ INVL Financial Advisors. This agreement nominally encompasses the actions related to the distribution of Shares; however, under this services agreement only the services excluding the distribution of Shares are provided de facto (the provided services encompass the liaising with the Shareholders who are clients of UAB FMĮ INVL Financial Advisors and who keep their Shares in the securities accounts managed by UAB FMĮ INVL Financial Advisors). After the Management Company together with the Shareholders have adopted the decision regarding the issue and distribution of new Shares, a new respective agreement between the Management Company and UAB FMĮ INVL Financial Advisors will be concluded by respectively providing mandatory notifications to the Supervisory Authority under the applicable legal acts.</p>
Paragraph 1(7)	<p>a description of how the management company complies with the requirements for additional own funds and/or professional indemnity insurance;</p>	<p>The Management Company covers the possible professional civil liability risk using its own funds.</p>
Paragraph 1(8)	<p>a description of all management functions delegated by the management company to other natural persons or undertakings and of the custody functions delegated by the depository to another natural person or undertaking, specifying the name and registered office of the undertaking to which part of the management company's</p>	<p>The Management Company avails of the services of the parent company AB Invalda INVL for the purpose of performance of the BRE accounting functions.</p> <p>In respect of BRE, the Management Company has concluded the distribution services agreement for the Company with UAB FMĮ INVL Financial Advisors. This agreement nominally encompasses the actions related to the distribution of Shares; however, under this services agreement only the services excluding the distribution of Shares are provided de facto (the provided services encompass the liaising with the Shareholders who are</p>



	<p>functions is delegated and the information about any conflicts of interest that may arise from such delegations;</p>	<p>clients of UAB FMĮ INVL Financial Advisors and who keep their Shares in the securities accounts managed by UAB FMĮ INVL Financial Advisors). After the Management Company together with the Shareholders have adopted the decision regarding the issue and distribution of new Shares, a new respective agreement between the Management Company and UAB FMĮ INVL Financial Advisors will be concluded by respectively providing mandatory notifications to the Supervisory Authority under the applicable legal acts. The provider of the depositary services, AB SEB Bankas, is entitled to assign its functions, subject to giving prior notice to that effect to the Management Company.</p> <p>The Management Company has not identified any conflicts of interest due to assignment of the functions referred to above.</p>
Paragraph 1(9)	<p>a description of the collective investment undertaking's net asset valuation procedure and of the pricing methodology for valuing assets;</p>	<p>A description of the collective investment undertaking's net asset valuation procedure and of the pricing methodology for valuing assets is provided in part 9 of the Prospectus and Chapter XII of the Articles of Association.</p>
Paragraph 1(10)	<p>a description of the collective investment undertaking's liquidity risk management, including redemption rights in both normal and exceptional circumstances, and the existing redemption arrangements with investors;</p>	<p>The liquidity risk that the Management Company may encounter in the process of managing BRE is and will be managed to assure the appropriate and timely performance of BRE's and/or the Management Company's obligations to owners of the equity securities issued by BRE (investors). With consideration of the fact that BRE will engage in its activities for an exceptionally long term and that BRE's shares will be redeemed from investors by decision of the Management Company rather than at the request of investors, the liquidity risk that BRE will encounter in its activities is the risk that it will be impossible to sell, realise, or, with reasonable expenses</p>





		and within a reasonably short time, close the financial instrument positions, for which reason INVL BRE will be unable to perform its short-term obligations. This risk will be managed according to the liquidity risk management policy approved by the Management Company, which policy provides for liquidity risk procedures and liquidity restoration methods. The main BRE liquidity restoration methods include the effective use of leverage and the appropriate management of the portfolio of real estate development projects implemented by BRE. No redemption agreements with investors have been provided for. BRE's shares may not be redeemed before the end of activities of BRE, except in the cases listed in the Articles of Association. Furthermore, in the cases listed in the Articles of Association, BRE's activities (and redemptions of shares) may be suspended.
Paragraph 1(11)	a description of all fees, charges and expenses which are directly or indirectly borne by investors and of the maximum amounts thereof;	Chapter XII of the Articles of Association.
Paragraph 1(12)	a description of how the management company ensures a fair treatment of investors and, whenever an investor obtains more favourable conditions are applied or they are granted the right to apply such more favourable conditions - a description of the more favourable conditions granted to them and information about the types of investors who are	<p>BRE shareholders have pre-emption right to acquire shares issued by the Company. Any preferential treatment other than the one referred to in the Law on Companies of the Republic of Lithuania is not provided for. Notice about the proposal to avail of preferential treatment to acquire shares and the time-limit for availing of this right must be published on BRE's website and via the Nasdaq Vilnius information system.</p> <p>BRE shareholders are entitled, according to the procedure prescribed by the Bank of Lithuania, to assign to other persons their pre-emption right to acquire</p>



	<p>subject to such more favourable conditions and, when applicable, their legal or economic links with the collective investment entity or the management company;</p>	<p>shares issued by the joint-stock company.</p> <p>The shareholder's pre-emption right to acquire shares issued by the company may be revoked by decision of the general meeting of shareholders. The general meeting of shareholders may only pass such a decision if a person(s) (these persons may also be shareholders), to which the right to acquire shares or convertible bonds of the company is granted, is (are) known, except in cases where the pre-emption right to acquire shares or convertible bonds of the joint-stock company is revoked due to the intention to publicly offer shares according to the procedure prescribed by the Law on Securities. A decision of the general meeting of shareholders regarding revocation of the pre-emption right must, <i>inter alia</i>, contain the following information: 1) reasons for revoking the pre-emptio right; 2) person or persons to which the right to acquire shares or convertible bonds is granted (a natural person's name, surname, personal No. and residence address; a legal person's name, legal form, Reg. No., and registered address), if these persons and their details must be indicated according to the conditions set herein; 3) number of issued shares or convertible bonds, which each of the indicated persons may acquire (if these data must be indicated according to the conditions set herein).</p>
Paragraph 1(13)	<p>the collective investment undertaking's report of the last financial year;</p>	<p>With consideration of the fact that BRE's shares are included on the Baltic Secondary List of the Nasdaq Vilnius stock exchange, this information is provided on the website of the exchange and at <a href="http://www.invlbalticrealestate.lt">www.invlbalticrealestate.lt</a>.</p>
Paragraph 1(14)	<p>a description of the procedure and conditions for the issue and</p>	<p>Chapters VI and VII of the Articles of Association.</p>



	redemption of units or shares;	
Paragraph 1(15)	the latest net asset value of the collective investment undertaking or the latest market price of the unit or share of the collective investment undertaking calculated in accordance with the asset valuation methodology indicated in the LMACIU;	With consideration of the fact that BRE's shares are included on the Baltic Secondary List of the Nasdaq Vilnius stock exchange, this information is provided on the website of the exchange and at <a href="http://www.invlbalticrealestate.lt">www.invlbalticrealestate.lt</a> .
Paragraph 1(16)	where available, the historical performance of the collective investment undertaking;	With consideration of the fact that BRE's shares are included on the Baltic Secondary List of the Nasdaq Vilnius stock exchange, this information is provided on the website of the exchange and at <a href="http://www.invlbalticrealestate.lt">www.invlbalticrealestate.lt</a> .
Paragraph 1(17)	the identity of the prime broker, a description of any material arrangements of the collective investment undertaking with prime brokers and of the way the conflicts of interest in relation thereto are managed and, where applicable, the provision in the contract with the depository on the possibility of transfer and reuse of the collective investment undertaking's assets and the information about any transfer of liability to the prime broker that may exist;	Not applicable.



Paragraph 1(18)	the rules on the disclosure of the information about collective investment undertakings that are updated periodically.	The periodically updated information is provided on BRE's website and via the Nasdaq Vilnius information system.
Paragraph 1(19)	the information specified in Regulation (EU) 2019/2088 and Articles 5,6,7 of Regulation (ES) 2020/852	Paragraph 25.4.1 – 25.4.4 and chapter VII of the Prospectus.

This document was prepared for the sole purpose of performing the duty prescribed by legislation to disclose certain information to persons who intend to acquire equity securities of the collective investment undertaking. With that in consideration, the Management Company and its managers, to the maximum extent permitted by applicable legislation, shall not assume any liability for the use of this document against any persons, except persons who acquire equity securities issued by the collective investment undertaking. Furthermore, the Management Company and its managers shall not assume any liability for the use of this document against any persons (including persons who acquired equity securities issued by the collective investment undertaking), which will use this document for any purposes other than for the purpose of making an informed decision to acquire equity securities issued by the collective investment undertaking. All the provided information has been provided for informational purposes, and it may not be construed as a recommendation, proposal, or invitation to invest in equity securities of the collective investment undertaking. The Management Company shall not be liable for any third-party decisions taken based only on the information provided in this document, and shall not assume any liability for any costs or any direct or indirect damages sustained as a result of only using this information. The provided information may not serve as a basis for any subsequently concluded transaction. Before making a decision to invest, you should, either independently or with the assistance of investment consultants, evaluate the investment strategy and fees applied by the selected collective investment undertaking and all the risks associated with investments, and carefully read the Prospectus, the Articles of Association, and the main information for investors document of the collective investment undertaking. You can consult these documents at [www.invlbalticrealestate.com](http://www.invlbalticrealestate.com).