



BALTIC REAL ESTATE

INVL BALTIC REAL ESTATE –
AN ALTERNATIVE FOR INVESTING
IN REAL ESTATE

2017



ABOUT INVL BALTIC REAL ESTATE

INVL Baltic Real Estate is a closed-end investment company that invests in real estate.

Key figures:

- **Market capitalization***: EUR 27.7 mln
 - **Net asset value****: EUR 31.4 mln
 - **Value of properties****: EUR 52 mln
-

INVL Baltic Real Estate invests in commercial real estate at strategically good locations in the Baltic capitals of Vilnius and Riga.

Clear dividend policy: annual payment of dividends of at least 3% (of the 2016 share offering price).

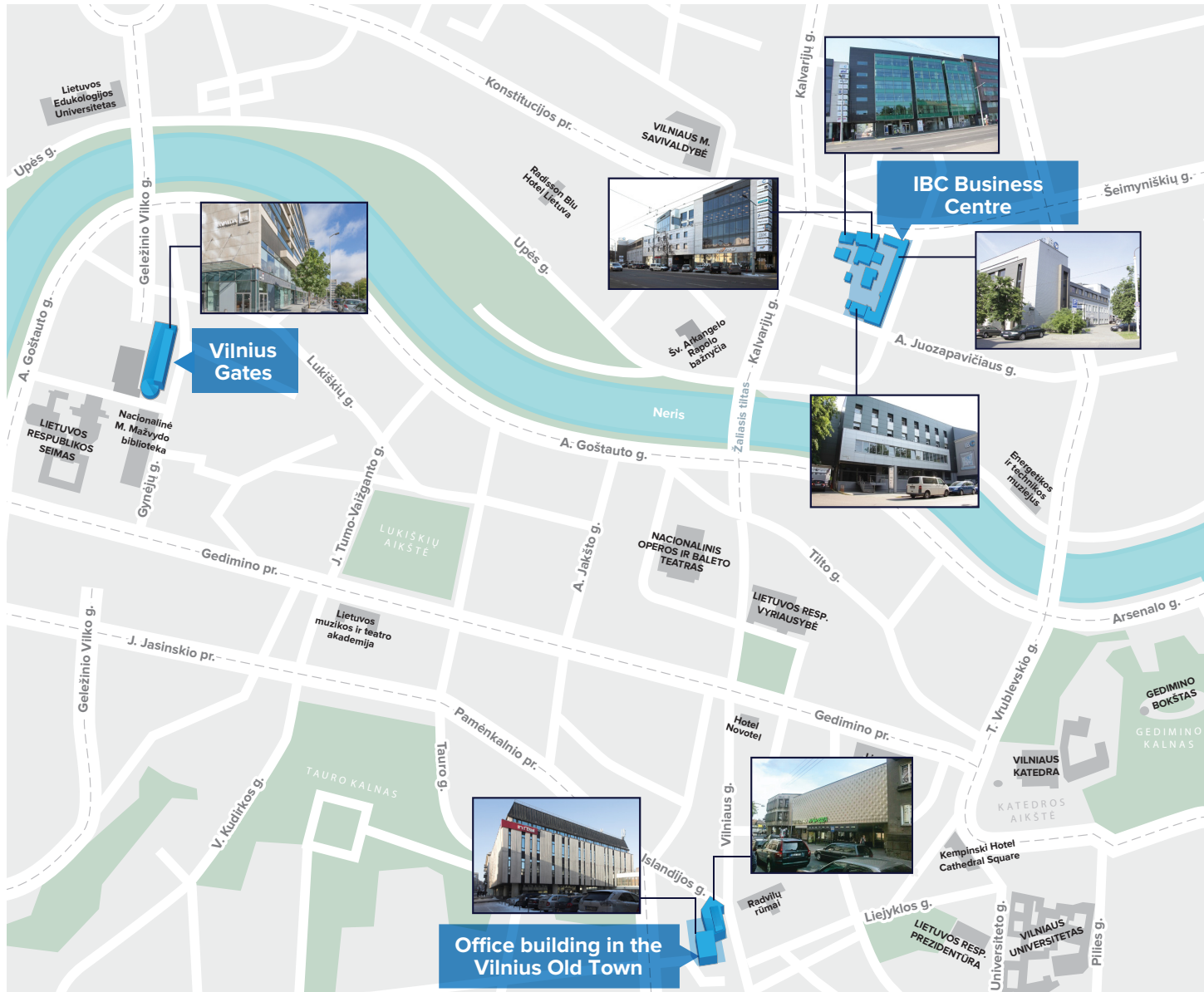
A target annual return for investors of 8+% (including the 3% annual dividends).

* 31 05 2017

** 31 03 2017



79% OF OWNED PROPERTIES BY ASSET VALUE ARE IN THE CENTRAL PART OF THE CITY OF VILNIUS





A PROMISING REAL ESTATE PORTFOLIO



IBC Class A Business Centre

11,400 m²




IBC Class B Business Centre

11,300 m²



Office building in centre of Vilnius on Vilnius Street

9,700 m²



Vilnius Gates

6,400 m²



Žygis Business Centre

3,200 m²



Dommo Business Park

12,800 m²



Office and warehouse premises in Kirtimų Street

3,000 m²

EUR 52 mln

Value of investment properties

58,000 m²

Total area

48,000 m²

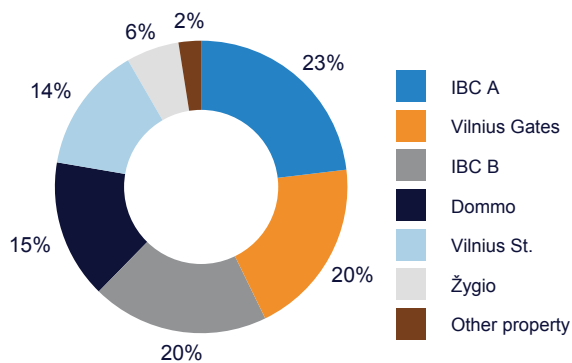
Usable area

41,000 m²

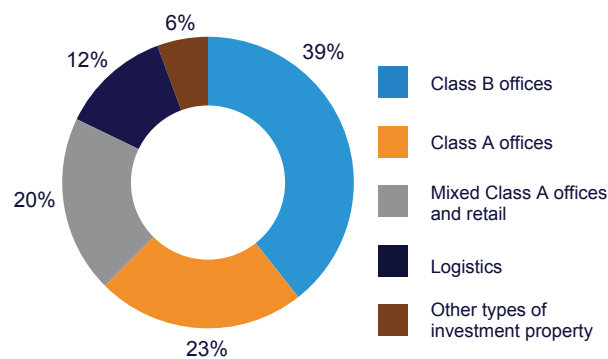
Leased area

>130

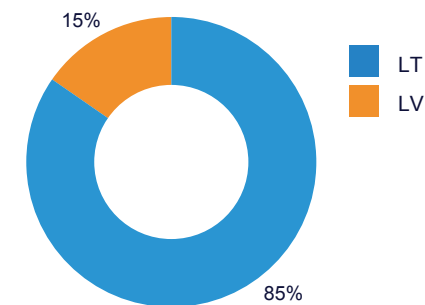
Tenants



Property value by object



Property value by type



Property value by geography



BALTIC REAL ESTATE

THE COMPANY'S PROPERTY HOLDINGS: KEY FIGURES



ACTIVE WORK WITH NEW TENANTS, GROWING PROPERTY VALUE



Vilnius Gates Business Centre
Premises on Gyneju Street

Address

Gynėjų 14, Vilnius

Location

Prestigious part of Vilnius
beside the Lithuanian parliament

Total area

6,400 m²

Usable area

6,400 m²

Market value of property at end-2016

10.9 mln €

Occupancy at end of Q1 2017

50%

Number of tenants

11

Main tenants

Rise Vilnius

Swedbank

Stebuklai

INVL Technology managed companies

INVL Asset Management

HIGH OCCUPANCY, STABLE FLOW OF LEASING INCOME



IBC Class A Business Centre

Address

Šeimyniškių 1a,
Šeimyniškių 3,
Vilnius

Location

Central Vilnius business district
by Konstitucijos Ave., in the vicinity of key
government and financial institutions.

Total area

11,400 m²

Usable area

7,100 m²

Total area of IBC land plot

1.47 ha

Market value of property at end-2016

12 mln €

Occupancy at end of Q1 2017

96%

Number of tenants

36

Main tenants

IBM Lietuva, UAB

Šiaulių bankas

European Bank for Reconstruction and Development

Amber food, UAB

Drogas, UAB



HIGH OCCUPANCY, STABLE FLOW OF LEASING INCOME



IBC Class B Business Centre

Address

Šeimyniškių 3a,
Juozapavičiaus 6,
Vilnius

Location

Central Vilnius business district
by Konstitucijos Ave., in the vicinity
of key government and financial institutions.

Total area

11,300 m²

Usable area

10,600 m²

Total area of IBC land plot

1.47 ha

Market value of property at end-2016

10.2 mln €

Occupancy at end of Q1 2017

96%

Number of tenants

32

Main tenants

Sanofi-Aventis Lietuva, UAB

AC Nielsen Baltics, UAB

BAIP, UAB

State Data Protection Inspectorate

Sandoz Pharmaceuticals



Office Building in Central Vilnius
on Vilniaus Street

Address

Palangos 4,
Vilniaus 33,
Vilnius

Location

Central location in the Old Town of Vilnius.

Total area

9,700 m²

Usable area

6,200 m²

Area of land plot

0.49 ha

Market value of property at end-2016

7.6 mln €

Occupancy at end of Q1 2017

95%

Number of tenants

27

Main tenants

Grill London

Lithuanian Ministry of Healthcare

InReal, UAB

Telia, AB

Lithuanian Science Council



OPTIMIZED TENANT STRUCTURE



**Dommo Business Park
manufacturing, warehouse
and office complex**

Address

Stūnyši,
District Olaines,
Latvia

Location

Strategic location for logistics activities
beside the Riga bypass.

Total area

12,800 m²

Usable area

12,600 m²

Area of land plot

58.21 ha

Market value of property at end-2016

8 mln €

Occupancy at end of Q1 2017

80%

Number of tenants

4

Main tenants

Bohnenkamp, SIA

Tente, SIA

Rewico Balticum, SIA

DLW Latvija, SIA



THE COMPANY'S GROWING VALUE

KEY FIGURES FOR FIRST 3 MONTHS OF 2017

| Portfolio, thousand EUR | 31 03 2015 | 31 03 2016 | 31 03 2017 |
|---|---------------|---------------|---------------|
| OPERATIONAL PROPERTY INVESTMENTS | 31,375 | 46,293 | 48,282 |
| PROPERTY INVESTMENT REDEVELOPMENT | 2,473 | 1,720 | 350 |
| OTHER INVESTMENT PROPERTIES | - | 3,735 | 4,017 |
| TOTAL PROPERTY VALUE | 33,848 | 51,748 | 52,649 |
| RENT INCOME FROM OWN PROPERTIES DURING 3 MONTHS | 659 | 900 | 934 |
| NOI (NET OPERATING INCOME) FROM OWN PROPERTIES DURING 3 MONTHS* | 471 | 658 | 586 |
| NLA (NET LEASABLE AREA), M ² | 42,076 | 48,476 | 48,476 |

| Balance sheet, EUR mln | 31 03 2015 | 31 03 2016 | 31 03 2017 |
|-------------------------------------|--------------|--------------|--------------|
| INVESTMENT PROPERTIES | 33.85 | 51.75 | 52.65 |
| OTHER NON-CURRENT ASSETS | 5.04 | 0.85 | 0.22 |
| CASH | 0.43 | 1.62 | 0.57 |
| OTHER CURRENT ASSETS | 0.52 | 1.31 | 1.49 |
| TOTAL ASSETS | 39.84 | 55.53 | 55.93 |
| BORROWINGS FROM CREDIT INSTITUTIONS | 15.19 | 22.10 | 21.43 |
| BORROWINGS FROM INVALIDA INVL | 5.27 | - | - |
| OTHER LIABILITIES | 4.61 | 5.73 | 2.07 |
| TOTAL LIABILITIES | 25.07 | 27.83 | 23.50 |
| EQUITY | 14.77 | 27.70 | 31.43 |
| EQUITY PER SHARE, EUR | 0.43 | 0.42 | 0.48 |

KEY FIGURES FOR FIRST 3 MONTHS OF 2017

| Profit (loss) statement, thousand EUR | 01 01 2015– 31 03 2015 | 01 01 2016– 31 03 2016 | 01 01 2017– 31 03 2017 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| REVENUE | 1,400 | 1,610 | 1,670 |
| from own properties | 660 | 900 | 930 |
| from subleased properties | 410 | 380 | 410 |
| other revenue | 330 | 330 | 330 |
| NET PROFIT | 280 | 340 | 360 |
| EARNINGS PER SHARE, EUR | 0.01 | 0.01 | 0.01 |

| Borrowings | 31 03 2015 | 31 03 2016 | 31 03 2017 |
|---|-------------------|-------------------|-------------------|
| BORROWINGS, THOUSAND EUR | 24,616 | 22,108 | 21,435 |
| BORROWINGS TO VALUE OF INVESTMENT PROPERTIES* | 72.7 | 42.7 | 40.7 |
| GEARING RATIO* | 0.58 | 0.43 | 0.40 |
| INTEREST COVERAGE RATIO* | 2.82 | 3.23 | 4.14 |
| BANK'S DEBT SERVICE COVERAGE RATIO* | 2.27 | 2.20 | 1.51 |

INL PERFORMANCE INDICATORS SINCE SHARE OFFERING IN EARLY 2016

What we promised while conducting the share offering:

To become a closed-end investment company

Closed-end investment company licence obtained in December 2016

To pay dividends of at least **3%** (of the 2016 share offering price)

Dividends of EUR **789 000** were paid in both 2016 and 2017

Target annual rate of return of **8+%**

The annual investment return from the date of the share offering to 31 May 2017 was **9.5%**



NEAR-TERM PLANS

We plan:

- To complete reconstruction works at Vilnius Gates and reach 100% occupancy of the property;

- To increase the useable area at Vilnius Gates by 700 m²;

- To increase the flow of leasing income from all properties by 15%;

- To complete the reorganization of Dommo Business Park and reach 100% occupancy of the property;

- To achieve a net operating income (NOI) figure of EUR 3 mln.

Assessment of the property holdings shows there are prospects for the company's value to grow in light of the properties' good locations and development potential.

| | <u>Property value, EUR mln</u> | <u>Property value per sq. m., EUR/m²</u> |
|--|--------------------------------|---|
| IBC CLASS A BUSINESS CENTRE | 12.0 | 1,050 |
| VILNIUS GATES BUSINESS CENTRE, PREMISES ON GYNEJU ST. | 10.9 | 1,700 |
| IBC CLASS B BUSINESS CENTRE | 10.2 | 900 |
| DOMMO BUSINESS PARK MANUFACTURING, WAREHOUSE AND OFFICE COMPLEX | 8.0 | 630 |
| OFFICE BUILDING IN CENTRAL VILNIUS, VILNIAUS ST. | 7.6 | 780 |
| ZYGIS BUSINESS CENTRE IN ŠIAURĖS MIESTELIS | 2.5 | 780 |
| OFFICE AND WAREHOUSE PREMISES IN KIRTIMAI | 0.8 | 270 |

INL **INVL BALTIC REAL ESTATE** – AN ATTRACTIVE ALTERNATIVE FOR INVESTING
IN REAL ESTATE

**An alternative to direct
investments in real estate**

Investment in a publicly listed
company lets one invest much
smaller amounts than usual when
purchasing real estate.

Investment liquidity

The company is listed on
the NASDAQ BALTIC exchange.

Clear dividend policy

Under the company's dividend policy,
each year dividends are paid
of at least 3% (of the 2016 share
offering price).



IMPORTANT INFORMATION

Investments in the shares of closed-end investment companies (hereinafter “UTIB”) are associated with investment risk. The value of a company’s shares can both rise and fall, and you may recover less than you invested or even lose the entire invested amount. Past results only show the changes in the value of a company’s shares over a past period. Past results do not guarantee future performance.

The information provided does not encompass all the information disclosed by the company and should be read together with the company’s publicly announced financial information. The financial data provided should be evaluated together with the financial statements. The data presented reflect the situation for a past period of time and results for a past period are not a reliable indicator of future performance.

The UTIB does not guarantee the profitability of investments. The latest values of the shares of the UTIB are available on the website <https://bre.invl.com/lit/en>.

Before making a decision to invest, you should personally or with the help of investment advisors assess the selected UTIB’s investment strategy, applicable fees and all investment-related risks. You should also carefully read the UTIB’s Prospectus, Rules and Key Investor Information Document. These documents are available for review on the website <https://bre.invl.com/lit/en>.

All the information presented is of a promotional-informative nature and cannot be construed as a recommendation, offer or invitation to invest in the shares of the UTIB. The company is not responsible for any decisions taken by third parties on the basis of information provided in this presentation alone and assumes no responsibility for expenses or direct or indirect losses experienced when using only this information. The information provided cannot be the basis for any subsequently concluded agreement. Although the content of this information of a promotional nature is based on sources considered to be reliable, the company is not responsible for inaccuracies or changes in the information, or for losses that may arise when investments are based on this information.

The right of investors in the UTIB to demand redemption of shares which they hold is restricted.

THANK YOU
FOR YOUR ATTENTION