



RECOMMENDATION

6th December 2017

Vilnius, Lithuania

The Board of UAB INVL Asset Management, the Management Company of the special closed end investment company INVL Baltic Real Estate (hereinafter referred to as the Management Company), taking into consideration the Clause 123 of the Articles of Association of INVL Baltic Real Estate and having assessed the comments of the Investment Committee of INVL Baltic Real Estate, also amendments in the Articles of Association and the Depository Services Agreement of INVL Baltic Real Estate, which are submitted for approval to the General Shareholders Meeting of the INVL Baltic Real Estate to be held on 29 December 2017, **informs** that:

1. The Management Company does not consider changes in the incorporation documents of INVL Baltic Real Estate (hereinafter referred to as Company) to be material, as changes will have no negative impact on the financial position of the Company or shareholders, they do not restrict the rights of shareholders or impose new obligations.
2. The Management Company suggests to approve the decisions of the General Shareholders Meeting to be held on 29 December 2017.
3. The Management Company provides the following information to the Company's shareholders meeting about the consequences of the changes.

Amendments to the Depository Services Agreement are made due to the fact that the provisions of the Law on the Management Companies of Collective Investment Undertakings for professional investors of the Republic of Lithuania are applicable to the management activities of an investment company and it is necessary to align the text of the depository agreement with the requirements of the said law. The amendment of the Articles of Association would make it possible to consolidate changes that should increase the attractiveness of share price in the market in the long run, reduce stock price fluctuations and increase liquidity on the stock exchange.

On behalf of UAB INVL Asset Management
Darius Sulnis