

BOARD'S OF „INVL BALTIC REAL ESTATE“, AB OPINION ON ANNOUNCED TAKEOVER BID

Board of “INVL Baltic Real Estate”, AB (hereinafter referred to as the Company or “INVL Baltic Real Estate”, AB) after having familiarized with voluntary non-competitive takeover bid material submitted by the offerors – “Invalda INVL”, AB, UAB “Lucrum investicija”, UAB “LJB investments”, Indrė Mišeikytė, Greta Mišeikytė – Mayers, Irena Ona Mišeikienė and Alvydas Banys (hereinafter – the Offerors), made the following statement in the meeting held on 16 November, 2015:

1. Board's opinion on takeover bid

Takeover bid is submitted in accordance with requirements of the Republic of Lithuania Law on Securities and Rules on the preparation, approval and implementation of the takeover bid circular approved by the resolution No. 03-47 of 28 February, 2013 adopted by the Board of the Bank of Lithuania.

Voluntary takeover bid circular grants the opportunity to the shareholders of “INVL Baltic Real Estate”, AB who did not vote at all or voted “against” the 28 October, 2015 decision to reorganize the activity of „INVL Baltic Real Estate“, AB so it would operate as the closed-end investment company under the Law of the Republic of Lithuania on Collective Investment Undertakings to sell their shares at the price offered in the takeover bid circular – 0,35 euro per 1 (one) ordinary registered „INVL Baltic Real Estate“, AB share with a nominal value of 0,29 euro.

After reorganization of the activity of „INVL Baltic Real Estate“, AB so it would operate as the closed-end investment company under the Law of the Republic of Lithuania on Collective Investment Undertakings, shareholders of “INVL Baltic Real Estate”, AB will become participants of the closed-end investment company acting under the Law of the Republic of Lithuania on Collective Investment Undertakings without individual expression of will.

Shareholders of „INVL Baltic Real Estate“, AB who did not vote at all or voted “against” the 28 October, 2015 decision, before deciding to sell or not sell shares at the moment of the takeover bid shall note that offerors and „INVL Baltic Real Estate“, AB have not assessed whether „INVL Baltic Real Estate“, AB shares according to the knowledge and experience in the investment area of each individual particular shareholder will be proper for each shareholder if „INVL Baltic Real Estate“, AB will obtain the closed-end investment company license.

2. Board's opinion on plans and intentions with regard to “INVL Baltic Real Estate”, AB announced by the offerors:

2.1. Possible influence of the takeover bid implementation on the Company interests

Considering that Offerors do not intend to: (i) change areas of business of the Company, (ii) initiate restructuring (changes of the management structure), transformation, reorganization or liquidation of the Company, (iii) change the policy in respect of employees, (iv) change the policy in respect of managers, (v) initiate raising of additional equity capital, (vi) initiate approval of dividend policy, (vii) initiate changes of the Articles of Association of the Company, (viii) initiate paying of special bonuses for managers, changing of incentive schemes and etc., except changes related to decisions, adopted in the General Meeting of Shareholders held on 28 October, 2015, and decisions which are necessary for the implementation of decisions, adopted in the General Meeting of Shareholders held on 28 October, 2015,

in the opinion of the Board, implementation of the voluntary takeover bid will not have negative influence on the interests of “INVL Baltic Real Estate”, AB.

2.2. Influence on terms of recruitment

Considering that the Offerors do not intend to change areas of business and policy in respect of employees (except changes regarding the decisions of the General Meeting of Shareholder, held on 28 October, 2015), implementation of the takeover bid will not have negative influence on terms of employment.

2.3. Influence on number of employees

Considering that the Offerors do not intend to change areas of business and policy in respect of employees (except changes regarding the decisions of the General Meeting of Shareholder, held on 28 October, 2015), implementation of the takeover bid will not have negative influence on number of employees.

2.4. Board's opinion on strategic plans of the offeror and they influence on number of employees and areas of business

After implementation of decisions of the General Meeting of Shareholders held on 28 October, 2015, the Company will continue its activities as the closed-end investment company under the Law of the Republic of Lithuania on Collective Investment Undertakings.

This reorganization of the activities shall not influence negatively number of employees or areas of business.

3. Board's opinion on buy-up price of the securities of "INVL Baltic Real Estate", AB

The buy-up price of the shares of „INVL Baltic Real Estate“, AB is not less than:

- 1) the highest price of the securities acquired by the offerors in the course of 12 month. The highest price from the offerors was paid by „Invalda INVL“, AB – 0,315 euro for each share;
- 2) recalculated average weighted price of „INVL Baltic Real Estate“, AB shares in the past 6 months until General Meeting of Shareholder of „INVL Baltic Real Estate“, AB, held on 28 of October, 2015, - 0.31542 euro.

In the opinion of the Board of “INVL Baltic Real Estate”, AB price of the voluntary takeover bid is determined in accordance with requirements of the legal acts and considering all factors affecting it.

4. Recommendation of the Board for the owners of securities issued by "INVL Baltic Real Estate", AB: arguments substantiating the offer to accept or reject the takeover bid. If recommendations are not submitted, specify the reasons.

Board of “INVL Baltic Real Estate”, AB do not submit recommendations to owners of shares to accept or reject the takeover bid since two of three members of the Board are the Offerors. For this reasons, in the opinion of the Board, the Board cannot submit the recommendations regarding acceptance or rejection of the takeover bid.

Board of “INVL Baltic Real Estate”, AB draws shareholders' attention to the fact that after reorganization of the activity of „INVL Baltic Real Estate“, AB so it would operate as the closed-end investment company under the Law of the Republic of Lithuania on Collective Investment Undertakings, shareholders of the “INVL Baltic Real Estate”, AB will become participants of the closed-end investment company acting under the Law of the Republic of Lithuania on Collective Investment Undertakings without individual expression of will.

5. Information whether there is a written agreement between "INVL Baltic Real Estate", AB Board (members of the Board) and offerors regarding the implementation of takeover bid.

Two members of the Board, as the Offerors, signed the Agreement on 5 November, 2015 regarding the terms and conditions of the implementation of the takeover bid, according to which, at the time of the voluntary takeover bid shares of „INVL Baltic Real Estate“, AB offered for sale will purchase „Invalda INVL“, AB.

There is no other agreement between “INVL Baltic Real Estate”, AB Board (members of the Board) and the Offerors regarding the implementation of takeover bid.

6. Information whether there is a written agreement between "INVL Baltic Real Estate", AB Board (members of the Board) and offerors regarding the joint management policy.

“INVL Baltic Real Estate”, AB Board (members of the Board) and Company or/and the Offerors have not signed any other agreement regarding the joint management policy.

7. Information about the number of shares caring the voting rights and votes at the general shareholders meeting of the offerors held by "INVL Baltic Real Estate", AB.

“INVL Baltic Real Estate”, AB does not hold any shares and/or votes at the general meeting of the shareholders of the Offerors.

8. Information about the number of shares caring the voting rights and votes at the general shareholders meeting of the offerors held by members of management bodies of "INVL Baltic Real Estate", AB.

Number of shares and votes at the general meeting of the shareholders of the offeror held by the members of the Board of “INVL Baltic Real Estate”, AB indicated below:

– shares held by **Alvydas Banys**:

- (i) 910 875 ordinary registered shares of “Invalda INVL”, AB and 910 875 votes attached to the shares;

- (ii) 69 099 500 ordinary registered shares of UAB “LJB investments” and 69 099 500 votes attached to the shares.
- **Indrė Mišeikytė** holds 236 867 ordinary registered shares of “Invalda INVL”, AB and 236 867 votes attached to the shares;
- **Andrius Daukšas** does not hold any shares and votes attached to shares of the offerors.

9. Number of members of the Board and the results of the voting:

9.1. Number of members set in the Articles of Association of “INVL Baltic Real Estate”, AB

Articles of Association of „INVL Baltic Real Estate“, AB provides that the Board shall consist of 3 members.

9.2. Number of members attended the meeting

Meeting of the Board, which adopted this statement, was attended by 3 members of the Board.

9.3. Number of members approved the Board’s opinion

Board’s opinion was approved by 3 members.

9.4. Number of members disapproved the Board’s opinion

Board’s opinion was not disapproved by any member.

10. Other details by the discretion of the Board.

Number of shares and votes attached to shares of “INVL Baltic Real Estate”, AB held by members of the Board indicated below:

- (i) Alvydas Banys – 3 318 198 ordinary registered shares which constitute 7,68 pct. of all shares and grant 7,68 pct. of votes. UAB „LJB Investments“ – entity controlled by Alvydas Banys holds 13 158 474 ordinary registered shares with nominal value of 0,29 euro each, which constitute 30,44 pct. of all shares, granting 30,44 pct. of votes. According to point 6 of Paragraph 1 of Article 24 of the Republic of Lithuania Law on Securities votes held by a person shall be deemed the right to vote that are held by the entity controlled by the person. According to this provision of the law, Alvydas Banys holds 16 476 672 votes at general shareholders meetings of “INVL Baltic Real Estate”, AB, which constitute 38,12 pct. of all votes;
- (ii) Indrė Mišeikytė – 862 873 ordinary registered shares with a nominal value of 0,29 each, which constitute 2 pct. of all shares, granting 2 pct. of votes;
- (iii) Andrius Daukšas, who does not hold any shares and votes attached to shares of “INVL Baltic Real Estate”, AB.

According to the provisions of Paragraph 2 of Article 24 of the Republic of Lithuania Law on Securities, the manager of the issuer shall be considered to be holding votes of other managers of the issuer. According to the provisions of the Republic of Lithuania Law on securities, persons jointly forming the group – Alvydas Banys, UAB “LJB investments”, Indrė Mišeikytė and Andrius Daukšas, hold 40,12 pct. of all votes attached to the shares of the issuer.

Members of the Board of “INVL Baltic Real Estate”, AB – Alvydas Banys, Indrė Mišeikytė are offerors as well, who signed the Agreement on 5 November, 2015 regarding the terms and conditions of the implementation of the takeover bid, who do not purchase the shares at the moment of the takeover bid.

In the opinion of the Board, the aforementioned facts shall not cause the conflict of interests.

The Board repeatedly notes that:

- the Board do not submit recommendations for the owners of shares to accept or reject the takeover bid. Opinion of the Board on announced takeover bid cannot be interpreted and explained as an investment recommendation. Each shareholder individually decides whether to accept or reject the takeover bid;
- after reorganization of the activity of „INVL Baltic Real Estate“, AB so it would operate as the closed-end investment company under the Law of the Republic of Lithuania on Collective Investment Undertakings, shareholders of “INVL Baltic Real Estate”, AB will become participants of the closed-end investment company acting under the Law of the Republic of Lithuania on Collective Investment Undertakings without individual expression of will;

- shareholders before deciding to sell or not sell shares of „INVL Baltic Real Estate“, AB at the moment of the takeover bid shall note that offerors and „INVL Baltic Real Estate“, AB have not assessed whether „INVL Baltic Real Estate“, AB shares according to the knowledge and experience in the investment area of each individual particular shareholder will be proper for each shareholder if „INVL Baltic Real Estate“, AB will obtain the closed-end investment company license.

Chairman of the Board

Alvydas Banys

Signed on 16 November, 2015 at Vilnius.