

Activity: operating since 1997, real estate investment company “INVL Baltic Real Estate”, AB seeks to ensure the growth of leasing income and to profit on investments in commercial real estate.

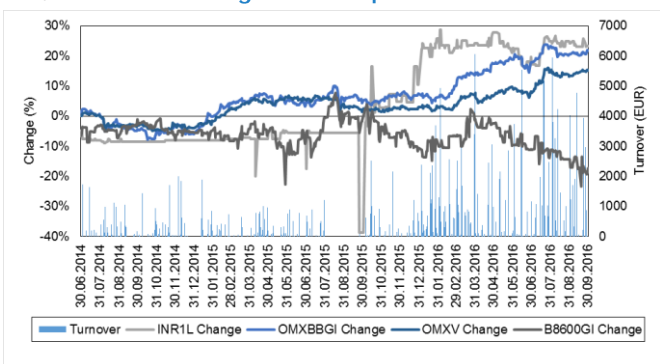
Shares: listed on the Baltic Secondary List of Nasdaq Vilnius, AB stock exchange since 2014.

Assets under management: about 58,000 sq. m. of real estate in Vilnius and Riga – mostly business centres, manufacturing, warehouse properties and other commercial premises. These properties have high occupancy rates and generate stable cash flows. In addition, some of them have further development potential.

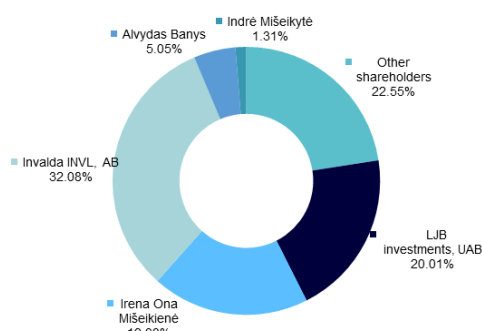
Pagrindinė informacija	
ISIN code	LT0000127151
Par value of Share, EUR	0.29
Share price 30.09.2016, EUR	0.402
Last paid out dividends (EUR per share)	0.012
Number of Shares	65,750,000
Consolidated equity, thousand EUR	27,475

Board (the term of office - from 2015 until 2019)
Alvydas Banys (Chairman)
Indrė Mišeikytė
Egidijus Damulis
CEO – Egidijus Damulis

INR1L Turnover of INVL Baltic Real Estate, AB shares, change of share price and indexes



Votes as of 30 September, 2016



Management’s commentary

We’re pleased with the company’s results for nine months of this year. Compared to the same period last year, revenue increased by EUR 0.45 million (11 per cent), net leasing revenue by EUR 0.28 million (22 per cent) and pre-tax profit excluding the impact of one-off transactions in 2015 by EUR 0.52 million (88 per cent). At the end of the third quarter, the occupancy rate of the company’s properties was 85 per cent (in 2015 it was 86 per cent).

The nine-month rent revenue for the largest property owned by INVL Baltic Real Estate – the 23,000 sq. m. (total area) IBC Business Centre on Šeimyniškių Street in the capital – grew by 7 per cent compared to the same period last year, while its net operating income grew by more than 3 per cent. Continuing successful collaboration with AC Nielsen, in the third quarter of this year a long-term contract for the lease of more than 1,200 sq. m. of premises was extended. Early next year we plan to start working on a feasibility study for further development of the entire business centre. We’re currently consulting with existing tenants on their needs and how services could be improved, with plans in the near future to reorganise common areas. Moreover, we seek to attract more providers of food, sport and other services that appeal to tenants.

In September we completed the first phase of reconstruction of the 6,500 sq. m. Vilnius Gates complex acquired early this year (Gynėjų St. 14). The works involved facade renovation and the adaptation of more than 3,000 sq. m. of commercial premises for use as offices. By year-end we intent to complete the technical design for the next phase. After these works, leasable space should grow by about 1,000 sq. m. The ground floor will be dedicated to restaurants and other providers of services, and the first floor to exclusive offices. With technology companies showing interest in Vilnius Gates – including the “Rise Vilnius” innovation and IT startup space which was opened there in July – the complex is becoming increasingly attractive for the formation of a FINTECH cluster. Pending successful completion of negotiations with potential tenants, it’s planned that by year-end more than 3,000 sq. m. of newly renovated premises should be leased out and occupancy at the property should exceed 70 per cent.

Following its 9-million-euro share offering in March 2016, INVL Baltic Real Estate is seeking to become a closed-end investment company. In May the company’s board applied to the Bank of Lithuania for a closed-end investment company license. On obtaining that status, management of the company would be transferred to INVL Asset Management, one of the country’s leading asset management firms.

Real Estate Market Overview

We’re seeing rapid expansion in the Vilnius office market. It’s estimated that over the coming two years about 180,000 sq. m. of modern office space will be added to the market. The bulk of the new premises are Class A offices and they’re concentrated on the right bank of the Neris beside Konstitucijos Avenue. Since most of them will be completed only in late 2017 or early 2018, there remains a strong demand for Class A offices for occupancy immediately or in early 2017.

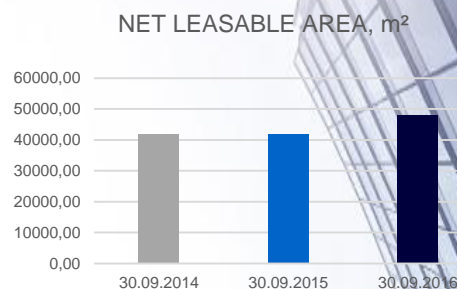
In the third quarter of this year, prime Class A office rents in Vilnius remained stable at EUR 14-16 per sq. m. and those elsewhere in the city were EUR 11-14 per sq. m., while rents for Class B offices further from the centre were EUR 8-11 per sq. m.

Due to the ECB’s continuing low interest rate policy, further downward trends in real estate yields, which correspondingly influence price growth for quality commercial properties, are being observed.

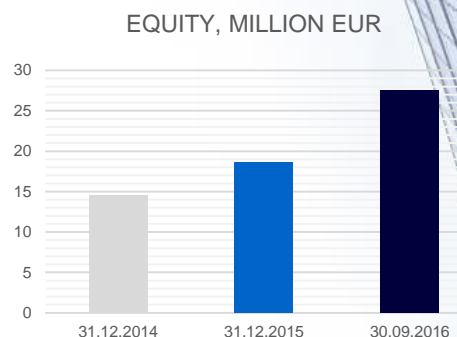
Based on Newsec information

More information: www.invlbalticrealestate.com

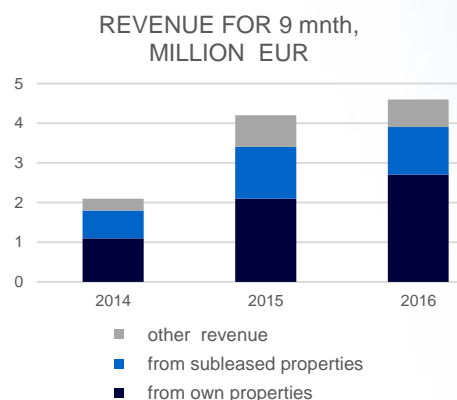
Portfolio, thousand EUR	30 09 2016	30 09 2015	30 09 2014
Operational Property investments	46,785	36,228	31,328
Property Investment redevelopment	1,720	2,533	1,906
Other investment properties	3,735	3,174	572
TOTAL PROPERTY VALUE	52,240	41,935	33,806
Rent Income during 9 months	3,868	3,412	-
NOI (Net Operating Income) during 9 months*	1,521	1,245	-
NLA (Net Leasable Area), m ²	48,135	42,076	42,076



Balance sheet, million EUR	30 09 2016	31 12 2015	31 12 2014
Investment properties	52.2	51.8	33.8
Other non-current assets	0.9	0.8	5.0
Cash	0.4	0.4	0.4
Other current assets	1.4	1.5	0.4
TOTAL ASSETS	54.9	54.5	39.6
Borrowings from credit institutions	21.8	17.8	15.3
Borrowings from Invalda INVL	-	6.8	5.2
Other liabilities	5.6	11.3	4.6
TOTAL LIABILITIES	27.4	35.9	25.1
EQUITY	27.5	18.6	14.5
Equity per share, EUR	0.42	0.43	0.34



Profit (loss) statement, million EUR	01 01 2016 - 30 09 2016	01 01 2015 - 30 09 2015	29 04 2014 - 30 09 2014
Revenue	4.6	4.2	2.1
<i>from own properties</i>	2.7	2.1	1.1
<i>from subleased properties</i>	1.2	1.3	0.7
<i>other revenue</i>	0.7	0.8	0.3
Profit before taxes	1.1	2.0	0.3
Net profit	0.9	1.9	0.3
Earnings per share, EUR	0.02	0.04	0.01



Borrowings	30 09 2016	30 09 2015	30 09 2014
Borrowings, thousand EUR	21,771	23,361	20,751
Borrowings to value of investment properties*	41.7	55.7	61.4
Gearing ratio*	0.44	0.58	0.59
Interest coverage ratio*	3.59	2.32	2.05
Bank's Debt Service Coverage Ratio*	1.81	1.83	-



IBC Class A
Business centre
 Šeimyniškių str. 1,
 Šeimyniškių str. 3
 Vilnius
 Acquired – 2003
 NLA 7,100 m²
 Property value –
 12.1 million EUR
 Occupancy – 96%



IBC Class B
Business centre
 A. Juozapavičiaus
 str. 6, Slucko str. 2
 Vilnius
 Acquired – 2003
 NLA 10,600 m²
 Property value –
 10.2 million EUR
 Occupancy – 96%



Office building
 Palangos str. 4/
 Vilniaus str. 33
 Vilnius
 Acquired – 2006
 NLA 6,200 m²
 Property value –
 7.3 million EUR
 Occupancy – 98%



Business centre
Vilnius Gates
 Gynėjų str. 14
 Vilnius
 Acquired 2015
 NLA 6,400 m²
 Property value –
 10.77 million EUR
 Occupancy – 39%



Žygis Business
centre
 Žygio str. 97
 Vilnius
 Acquired – 2006
 NLA 2,600 m²
 Property value –
 2.54 million EUR
 Occupancy – 100%



„Dommo
business park“
 Rīga
 Latvia
 Acquired – 2015
 NLA 12,600 m²
 Property value –
 8.03 million EUR
 Occupancy – 80%



Office and
warehouse premises
in Kirtimai
 Kirtimų str. 33, Vilnius
 Acquired – 2005
 NLA 2,500 m²
 Property value – 0.78
 million EUR
 Occupancy – 94%

NLA – Net Leasable Area