



PROSPECTUS OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY INVL BALTIC REAL ESTATE

KEY RISK FACTORS RELATED TO THE ACQUISITION OF THE COMPANY'S EQUITY SECURITIES:

General risk, real estate development risk, risk of inflation and deflation, macroeconomic environment risk, risk of the cyclicity of the real estate sector, risk of dependence on external financing, risk related to lease agreements, risk of reliance on the Company's property administrator, interest rate risk, leverage risk, credit risk, risk of liquidity of the Company's investments, total investment risk, investment diversification risk (further information on the risks related to investments in the Shares is provided in Section V of the Prospectus).

The Prospectus is available on the website of the Company at www.invlbalticrealestate.lt as from 13 December 2022.



I. GENERAL INFORMATION ON THE COLLECTIVE INVESTMENT UNDERTAKING

1. MAIN INFORMATION AND WARNINGS

This Prospectus has been prepared in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania and the Law on Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania as well as the Rules for the Contents and Submission of the Prospectus and Key (Investor) Information Document of the Collective Investment Undertaking approved by Resolution No. 03-150 of 12 July 2012 of the Bank of Lithuania.

UAB INVLT Asset Management, which assumed management of the Company and is its Management Company, shall be responsible for the correctness of the contents of the Prospectus. Where necessary, the contents of the Prospectus may be amended or supplemented, and notification thereof shall be provided under the procedure and the terms laid down in the applicable legislation.

This Prospectus shall not constitute an offer to buy or sell the Company's equity securities. While considering and/or evaluating the acquisition, ownership or transfer of the Company's equity securities, investors should consult their selected lawyer or provider of investment and financial services regarding the legal, tax and other consequences of the acquisition of the Company's equity securities.

The Company's equity securities are traded in on the secondary market. Decisions to acquire, hold or transfer the Company's equity securities should be made on the basis of the information provided in this Prospectus, the Company's incorporation documents and in the Key (Investor) Information Document. The information provided in the Prospectus should be interpreted as conforming to the actual circumstances as of the Prospectus announcement date. Neither the submission of this Prospectus nor the acquisition of the Company's equity securities on the secondary market or the redemption of the Company's own shares under any circumstances serve as the basis for assuming that no changes (financial or other) have taken place in the Company's activities since the Prospectus announcement date.

The Prospectus contains forward-looking statements that are based on the opinion, expectations and forecasts of the Management Company concerning future events and financial trends that might influence the Company's activities (these expectations and forecasts do not constitute the publicly non-disclosed information of the Company which is published in the manner prescribed by the legal acts). Forward-looking statements include and/or may include information on the possible or expected results of the Company's activities, investment strategy, contractual relations, borrowing plans, investment terms and conditions, future regulatory impact, and other information. Forward-looking statements are based on the information available as of the Prospectus announcement date. The Management Company shall not be obliged to specify or modify such statements, except as required by applicable legislation.

By acquiring the Shares, the investor confirms that he is aware of and agrees that the Shares held by him would be mandatorily redeemed in the cases and under the procedure laid down in the Articles of Association and/or the Prospectus.

Any disputes, controversies or claims arising in connection with the Company's equity securities or the information provided in this Prospectus shall be resolved at the competent court of the Republic of Lithuania, in accordance with the legislation of the Republic of Lithuania.

DEFINITIONS

All definitions used in this Prospectus shall be interpreted as they are defined in the Company's incorporation document (the Articles of Association) which are enclosed hereto as an Annex to the Prospectus.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE**2. MAIN DATA ON THE COLLECTIVE INVESTMENT UNDERTAKING**

2.1.	Name	Special closed-end real estate investment company INVL Baltic Real Estate.
2.2.	Legal form of activities, type, subfunds	Special closed-end investment company.
2.3.	Commencement date of the Company's activities	The date of issue of the licence (permission to approve the Company's incorporation documents and to select the depository) of the closed-end investment company is 22 December 2016.
	Term of the Company's activities	The Company will operate for 30 years after the date of the permission of the Supervisory Authority to approve the Company's incorporation documents and to select the depository for the first time (i.e. 22 December 2016). The duration of the Company's activities may be extended for a period not exceeding 20 years.
2.4.	Name of the Management Company Registered address Telephone Fax E-mail Website	UAB INVL Asset Management Gynėjų St. 14, LT-01109 Vilnius +370 700 55 959 +370 5 279 0602 info@invl.com www.invl.com

3. BRIEF DESCRIPTION OF THE INVESTMENT STRATEGY

The purpose of the Company is to accumulate and invest the Shareholders' funds in order to earn the largest return from investments into the investment objects specified below. By diversifying investments and managing risks, the Management Company shall seek to reduce the risk and to prevent possible reduction of the Company's investments value and to create value by selecting investment objects and relying on other market participants' experience.

The aim of the Company is to earn a return for the Shareholders' benefit from investments into land, buildings and/or premises that make up individual real estate properties, real estate properties under construction which are planned to be constructed within an acceptable period, securities and money market instruments of real estate companies, if assets of such companies are invested into real estate corresponding to the investment strategy of the Company, investment units or shares of real estate collective investment undertakings established in the European Union Member States, supervision of which is no less strict than in the Republic of Lithuania, movable property and facilities necessary for operating real estate properties in the investment portfolio of the Company, transferrable securities and money market instruments admitted to trading on the multilateral trading facility and other investment objects not prohibited by law. In order to implement the Company's investment strategy, the Company's assets can be invested in any real estate property of any purpose (land, building or any other property that is defined as real estate property by the law of the jurisdiction where the property is located) that is located in any Member State of the European Union.

The Management Company shall invest up to 100 per cent of the Net Asset Value into the investment objects specified above directly or through Real Estate Companies.

When investing directly or using Real Estate Companies, the Management Company shall (acting on behalf of the Company) seek to acquire investment objects indicated above, which generate or can generate regular income.

The Company shall seek to increase return on investments, making efforts that the assets under its management would generate regular long-term income and their value would grow. Therefore, the assets held by the Company shall be managed and acquisition of new assets shall be made taking into account the creation of value for the Shareholders.

4. CHARACTERISTICS OF THE INVESTOR WHO IS RECOMMENDED TO ACQUIRE THE SHARES IN THE COLLECTIVE INVESTMENT UNDERTAKING

The equity securities issued by the Company shall be intended only for investors who are able to tolerate investment-related risk specified in the Articles of Association and in this Prospectus. The Shares should be acquired only by the person who can tolerate a higher-than-average risk. The Shares should be acquired in order to keep them until the expiration of the activities of the Company. Investors should invest in the Shares only in such case if they have accumulated sufficient experience in investing into equity securities issued by public limited liability companies and collective investment undertakings and are able to assume the risk related to the decrease in the value or loss of these investments, i.e. the loss of the partial or whole invested amount is acceptable to them.



5. INFORMATION ON WHERE AND HOW ONE CAN GET FAMILIARISED WITH THE PROSPECTUS, THE INCORPORATION DOCUMENTS OF THE COLLECTIVE INVESTMENT UNDERTAKING AND ANNUAL AND SEMI-ANNUAL REPORTS AS WELL AS ON WHERE ONE CAN OBTAIN INFORMATION ON THE COLLECTIVE INVESTMENT UNDERTAKING

This information shall be publicly announced on the website of the Company at www.invlbalticrealestate.lt. The shareholders shall have the right, upon the written request, to arrive in the registered office of the Management Company and receive paper copies of these documents free of charge.

6. STATE TAX POLICY IN RESPECT OF THE COLLECTIVE INVESTMENT UNDERTAKING AND THE STAKEHOLDERS OF THIS UNDERTAKING

This paragraph of the Prospectus contains only a brief summary of certain tax implications related to the acquisition and transfer of the Shares. It has been prepared in accordance with the legislation applicable as of the Prospectus announcement date which may be amended, including the amendments which are applicable to the circumstances until the entry into force of such legal acts. This summary does not purport to be a detailed description of all tax implications that would be sufficient to adopt decisions regarding the acquisition, ownership and transfer of the Shares. The shareholders and the persons who consider the possibility of acquiring the Shares should seek advice from tax advisors to consider relevant circumstances related to the calculation and payment of taxes.

Taxation on the Company's activities. The Company operates in compliance with all requirements of the applicable legislation; therefore, its activities shall be subject to the regular taxation policy established for investment companies. The Company shall not pay any corporate income tax. The rates of other taxes shall be equal to those established in the legislation of the Republic of Lithuania.

Taxation on dividends. Legal persons. Income received by Lithuanian and foreign legal persons as dividends from the legal persons registered in the Republic of Lithuania is subject to the corporate income tax at the rate of 15 %. This tax shall not be applicable where the recipient of dividends was or intends to be the owner of at least 10 % of the shares of the legal entity registered in the Republic of Lithuania for 12 consecutive calendar months (including the moment of disbursement of dividends). It is important to note that this exception is not applied if dividends are paid out to the legal persons established in tax haven jurisdictions (as they are defined in the legislation of the Republic of Lithuania). Having regard to the fact that the Company operates as an investment company which has obtained the permission of the Supervisory Authority to approve its incorporation documents and select the depository, the legal persons who received the dividends paid out by it shall not be subject to the corporate income tax. Natural persons. Income received by Lithuanian and foreign natural persons as dividends from the legal persons registered in the Republic of Lithuania is subject to the personal income tax at the rate of 15 %. If dividends are received as income by the residents of foreign countries with which the Republic of Lithuania has concluded a treaty for avoidance of double taxation, the residents and such treaty shall restrict the right of the Republic of Lithuania to impose taxation on dividends – the provisions of such treaty shall apply. When paying dividends to a natural person, the legal person registered in the Republic of Lithuania shall have the duty to calculate and pay the tax.

Taxation on capital gains. Legal persons. Capital gains received from investment units, shares, or stakes of collective investment undertakings (including the Company) shall not be subject to the tax. Capital gains from the sale in the Republic of Lithuania of the shares of the legal persons registered in the Republic of Lithuania shall not be subject to the tax. Natural persons. Capital gains received by the Lithuanian residents from the sale of the shares shall be subject to the personal income tax at the rate of 15 % or 20 %, having regard to the particular resident's actual situation in terms of taxes in a particular year. However, if the amount of such gains is below EUR 500 within a single calendar year, the tax shall not be applied. This exemption shall not be applicable if the shares are transferred by the Lithuanian resident to the issuing company. The payable personal income tax shall be calculated and paid by 1 May of each calendar year for the previous full calendar year. Capital gains received by foreign natural persons from the sale in the Republic of Lithuania of the shares of the legal persons registered in the Republic of Lithuania shall not be subject to the tax.

Taxation on gifts and inheritance. If the Shares are given to a natural person as a gift, such acquisition would be subject to the personal income tax at the rate of 15 %. The tax shall not be applicable where the Shares are given as a gift by the beneficiary's spouse, children (adopted children), parents (adoptive parents), brothers, sisters, grandchildren, grand-grandchildren, or grand-grandparents, or where the shares are given by a non-Lithuanian resident., donation income shall not be subject to taxation unless their value exceeds EUR 2,500 per calendar year. In the case of inheritance where the value of the Shares is below EUR 150,000, the 5 % inheritance tax shall be applicable, and if the value of the Shares exceeds this amount, the 10 % inheritance tax shall be imposed. The property shall be exempt from the tax where the property is inherited by a surviving spouse, parents (adoptive parents), children (adopted children), grandparents, grandchildren, brothers, sisters, guardians (foster parents), wards (foster children), or where it is inherited by foreign residents, or the value of the inherited property (the Shares) does not exceed EUR 3,000.

Value-added tax. in the Republic of Lithuania, the acquisition or transfer of the Shares is not subject to value-added tax.



7. STAKEHOLDER'S RIGHTS.

The Shareholders shall have the following property rights:

- 7.1. to receive a share of the Company's profit (dividend) if the General Meeting of Shareholders decides to distribute it to the Shareholders during the term of the Company's activities.
- 7.2. to sell or otherwise transfer all or some of their Shares to the ownership of other persons on the secondary market or to the Company when it carries out the redemption of the Shares.
- 7.3. under the procedure laid down in the legislation of the Republic of Lithuania and in the Articles of Association, to receive a part of the Company's funds disburseable in case of winding up the Company (i.e., liquidation of the Company);
- 7.4. other property rights provided for in the legal acts and in the Articles of Association of the Company.

The Shares shall confer to the Shareholders the following non-property rights:

- 7.5. to participate in General Meetings.
- 7.6. to vote in General Meetings according to the rights conferred by the Shares. One Share shall give one vote at the General Meeting.
- 7.7. to obtain information about the Company under the procedure established by the legislation of the Republic of Lithuania.
- 7.8. to give questions to the Management Company in advance, related to issues on the agenda of General Meetings.
- 7.9. other non-property rights provided for in the legislation and in the Articles of Association.



II. DATA ON THE CAPITAL, DISTRIBUTION OF INCOME AND EXPENSES

8. EQUITY

8.1. The number of the Shares issued by the Company is 8,061,414 units, and the authorised capital of the Company amounts to EUR 11,689,050.30. The Company issues ordinary registered Shares. The Shares are intangible. They are recorded by making entries in the Shareholders' personal securities accounts. These accounts are managed under the procedure laid down in the legal acts regulating the financial instruments market. The par value per Share is EUR 1.45. The par value of all the Shares is the same. The value of the Shares varies according to the Net Asset Value

8.2. –

9. SPECIFICATION OF THE PROPERTY VALUATION PROCEDURE; SPECIFICATION OF THE DETERMINATION (CALCULATION) RULES; PROCEDURE FOR CALCULATION OF THE VALUE PER INVESTMENT UNIT OR SHARE.

The Company maintains its financial books and records and prepares financial statements in compliance with the IAS, the Law on Accounting of the Republic of Lithuania, the Law on Collective Investment Undertakings of the Republic of Lithuania, the legal acts adopted by the Board of the Bank of Lithuania defining the keeping of financial accounting and preparation of statements as well as other legal acts regulating financial accounting and statements. The currency in which the Net Asset Value is calculated shall be the euro. The Net Asset Value shall be calculated by subtracting the liabilities from the Company's assets, including the Management Fee liabilities and the Performance Fee liabilities.

The Company's assets and liabilities shall be stated at a fair value, except for the cases established in the IAS. Fair value shall be the value at which the assets would be sold, or the liability would be transferred in an orderly transaction between the market participants as of the measurement date. The calculations of the Net Asset Value shall be performed at least once per 3 months on the basis of the property valuation conducted by an independent property valuator who has the right to engage in such activity.

The property appraiser shall meet the following requirements:

- 9.1. an external property appraiser must be competent and have the right to engage in property or business valuation activity under the procedure laid down by law.
- 9.2. an external property appraiser must have valid professional indemnity insurance for at least EUR 100,000.
- 9.3. an external property appraiser must have an impeccable reputation.
- 9.4. an external property appraiser is not a co-owner of the property being valued and is not related by blood or kinship to the owner (co-owner) of the property being valued or the managers of the Management Company.
- 9.5. an external property appraiser meets and complies with the requirements of the legal acts applicable to an external property valuator of the Company.

An external property appraiser can be replaced by reason of negative comments of the auditor or the Bank of Lithuania, a material breach or improper performance of the agreement for provision of services, material deterioration of the appraiser's reputation, cancellation of the qualification certificate issued by a competent governmental authority, discontinuation of the appraiser's business and in other cases for important reasons.

Real estate properties making up the assets of the Company shall be deemed as having been valued if their value has been determined no earlier than 6 months before and only in case there have been no material economic changes or material changes in real estate market prices due to which a new valuation must be performed. In case of a material change in the value of a real estate property, the Management Company shall take it into account.

The value of Real Estate Companies shall be determined based on the values established by the independent business valuator entitled to engage in such activities. The business appraiser must comply with the requirements for qualifications, transparency and experience provided for in the Accounting Policy of the Company and the Rules for Calculation of the Net Asset Value and in the applicable legal acts.

The calculation of the Net Asset Value shall be carried out as of the last day of the quarter of the calendar year and the established value shall be announced:

- 9.6. for the first quarter of the calendar year and the first three quarters of the calendar year – no later than within a month after the end of the reporting quarter.
- 9.7. for six months – no later than within 2 months after the end of the six-month reporting period.
- 9.8. for a year – no later than within 4 months after the end of the reporting year.



10. COLLECTIVE INVESTMENT UNDERTAKING'S ANNUAL FINANCIAL STATEMENT PREPARATION AND PROFIT DISTRIBUTION DATES, FINANCIAL YEAR.

The Company's financial year shall coincide with the calendar year. Annual financial statements for the previous financial year shall be prepared no later than within four calendar months after the end thereof. The decision on profit distribution can be adopted only by the General Meeting; therefore, the profit distribution dates are not known beforehand.

11. RULES FOR INCOME DISTRIBUTION AND USE.

Decisions on the Company's income distribution and use shall be made by the Management Company, having regard to the Company's investment strategy. Income shall be used for the covering of the Company's operating expenses, investment (reinvestment). No income use targets have been expressed as a percentage. No allocation of new Shares has been foreseen.

12. DIVIDENDS.

Dividend shall be a share of profit allocated to the Shareholder of the Company pro rata to the nominal value of the Shares held by the Shareholder. A decision on the payment of dividends shall be adopted by the General Meeting, having regard to the recommendations provided by the Management Company and after considering the recommendations and responses of Supervisory Board. Where interim dividends are paid, the set of the Company's financial statements shall be prepared and audited by the auditor no earlier than 30 days prior to the decision to distribute dividends. The Company shall pay out the distributed dividends within one month from the date of the decision of the General Meeting to pay out dividends, except for the cases where the Management Company adopts a decision to postpone the payment of dividends in compliance with the Articles of Association. The Management Company can, by its reasoned decision, postpone the payment of dividends if the payment of dividends:

- 12.1. results in the violation of the requirements for diversification of investments of the Company.
- 12.2. poses a threat to the sustainability of the Company's finances.
- 12.3. poses a risk to the proper fulfilment of the obligations assumed by the Company or poses a risk that the Company is unable to complete the transactions for the acquisition of investment objects or of additional investment into them (in this case the implementation of the transaction is understood as a process from the commencement of negotiations with the counterparty until the completion (implementation) of the transaction)).

The Management Company shall adopt the respective decision and renew the payment of dividends in order to ensure that dividends are paid to the Shareholders no later than within one month from the moment where the grounds that have determined the suspension of the payment of dividends have disappeared; however, in any case the payment of dividends cannot be postponed for a period exceeding one year after the date of adoption by the General Meeting of the decision to pay out dividends. The dividends payable to the Shareholders shall be transferred into the accounts indicated by the Shareholders or (if the Shareholder's data are not known) into the deposit account, under the procedure laid down by law. The Company shall pay out dividends in Euros. The right to receive dividends shall be vested in persons who were Shareholders of the Company or had the right to dividends on any other lawful grounds at the end of the record day of the General Meeting.

13. EXPENSES

13.1. The total amount of expenses covered from the Company's assets and related to the Company's activities shall not exceed 10 per cent of the average annual Net Asset Value. This expense limit shall not include expenses incurred by the Company, exclusively related to maintenance and/or development of real estate entities owned by it (including but not limited to expenses of construction of real estate properties, utilities, cleaning services, expenses for manned security, expenses of geodesic and cadastre measurements, etc.). Expenses of the Company related exclusively to improvement of a specific real estate property shall be deemed a part of the Company's investments into a relevant real estate property and shall not be subject to the total limit of expenses. The Management Company shall receive the Performance Fee. The Performance Fee and the expenses related to the discounting of the Performance Fee shall not be included into the specified maximum amount of expenses.

13.1.1. The Management Fee is the remuneration paid to the Management Company for management of the Company's assets, which shall be payable for each quarter of a calendar year. The Management Fee for the entire quarter of a calendar year shall be equal to 0.375 per cent of the Company's weighted average capitalisation. Its amount shall be calculated as a value according to the following formula:

$$VM_{ketv} = VSK_{ketv} * A$$

where:

VM_{ketv} – the amount of the Management Fee.

A – the quarterly amount of the Management Fee in percentage terms, used for the calculation of the quarterly Management Fee.

VSK_{ketv} – quarterly weighted average capitalisation of the Company calculated according to the formula:

$$VSK_{ketv} = \frac{T_{ketv}}{Q_{ketv}} * \sum_{i=1}^{n_{ketv}} \frac{Vnt_i}{n_{ketv}}$$

where:

Vnt_i – the number of Shares of the Company at the end of business day.

Q_{ketv} – the number of Shares transferred on the regulated market during the respective quarter.

n_{ketv} – the number of business days per respective quarter, irrespective of the number of trading days (except when the Management Fee is calculated not for a full quarter of a calendar year, in this case the number of business days in a relevant period shall be used for calculation).

T_{ketv} – turnover of the Shares during the respective quarter according to the Shares trading data on the regulated market, calculated according to the following formula:

$$T_{ketv} = \sum_{j=0}^k (P_j * Q_j)$$

where:

k – the number of transactions on the regulated market during the respective quarter.

P_j – Share price of transaction j on the regulated market.

Q_j – the number of Shares traded in transaction j on the regulated market.

If the Management Fee is calculated only for a part of a calendar quarter of the year, the Management Fee in percentage terms shall be recalculated by dividing it by the number of all business days in the calendar quarter and multiplying by the number of business days in the period for which the Management Fee is calculated. If there was no trading in Shares throughout the entire calendar quarter, the Management Fee for a quarter of the calendar year shall be equal to 0.375 per cent of the average Net Asset Value of the Company which is calculated as the arithmetic average of the values at the beginning and at the end of the quarter.

The calculation, accounting and inclusion of the Management Fee in the Net Asset Value is detailed in the Company's Accounting Policy and Net Asset Value Calculation Rules established by the Management Company.

Performance Fee

The share of the Company's profit due to the Management Company – the Performance Fee – is subject to the Company's return which is calculated in respect of the entire Company rather than in respect of an individual Shareholder. The return of the Company shall be determined using the Microsoft Excel XIRR formula which estimates the time of positive and negative flows (i.e., due account is taken of periodicity) and their size.

The Company's profit is the amount of positive and negative flows in respect of the Shareholders during the entire period of the Company's activities, where:

- Initial negative flow:
 - o until the last day of the reporting period (a calendar quarter of the Company's activities), at the end of which the Performance Fee is paid to the Management Company for the first time, the initial negative flow is deemed equal to the Net Asset Value as of the last day of the previous month before the Company was issued a closed-end investment undertaking's licence.
 - o after the date indicated in paragraph above, the initial negative flow is deemed equal to the amount of funds used for the calculation of the Performance Fee paid to the Management Company (if the Net Asset Value was used for the calculation of the paid Performance Fee, then the initial negative flow for the next calculation shall be the Net Asset Value determined at the end of the reporting period (for which the Performance Fee had to be paid last time) reduced by the amount of the Performance Fee paid to the Management Company after the reporting period for which the Performance Fee had to be paid last time).

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

- Positive flow – the dividends paid out to the Shareholders, if any was paid out when distributing the Company's net profits.
- Positive flow – the funds disbursed to the Shareholders by the Company when redeeming its Shares.
- Positive flow – – the funds disbursed to the Shareholders by the Company when mandatorily redeeming its Shares.
- Positive flow – the funds disbursed to the Shareholders by the Company when reducing the Company's authorised capital.
- Positive flow – the Net Asset Value increased by the Performance Fee liability recognised on the Company's balance sheet as of the end of the calculation of the Performance Fee attributed to the Management Company.
- Positive flow – any other payments to the Shareholders.
- Negative flow – the size of each new Share issue.

Profit of the Company shall be distributed as follows:

- the Company's profit shall be assigned to the Shareholders until the share of the Company's profit assigned to them reaches the average return of 8 per cent on the negative flows indicated above (the amount of funds invested by the Shareholders) during the period of calculation of the Performance Fee assigned to the Management Company.
- after the distribution of the average return pay-outs, 80 per cent of all the available funds shall be assigned to the Shareholders and 20 per cent to the Management Company as the Performance Fee. The Performance Fee calculated but not paid during the previous calculation periods shall reduce the new Performance Fee calculated during the new calculation period.

The Depository shall check the correctness of the calculation of the Performance Fee.

Until the payment of the Performance Fee, it shall be accrued, entered into financial statements and reflected as a liability to the Management Company, having regard to the requirements of the Company's Accounting Policy established in the IAS and by the Management Company.

The Performance Fee shall be paid to the Management Company every time that funds are disbursed to the Shareholders.

- if the annual return of the Company is lower or equal to 8 per cent, no Performance Fee shall be assigned to the Management Company – the whole return of the Company goes to the Shareholders.

The assignment of the Performance Fee shall be subject to the high-water mark principle, according to which the Performance Fee can be assigned only in case the Net Asset Value or the average weighted capitalisation of the Shares for the last ended quarter on the Nasdaq Vilnius Stock Exchange (whichever is less) exceeds the highest value calculated or recalculated value of these values until then, according to which the Performance Fee was paid. In such a case, in later periods the initial point for calculation of the Performance Fee shall be the value of the highest limit which was reached last (the Net Asset Value or the average weighted capitalisation of the Shares for the last ended quarter on the Nasdaq Vilnius Stock Exchange) (whichever is less) for which the Performance Fee was paid to the Management Company.

The Performance Fee commitment shall be recalculated as of the Net Asset Value calculation date. The recalculation of the Performance Fee is accompanied by a recalculation and, if necessary, determination (based on which of them was the last to be paid the Performance Fee) (a) new capped net asset value or (b) new capped cap the value of the weighted average capitalization on the Nasdaq Vilnius Stock Exchange, taking into account all amounts actually paid to the shareholders or paid by the shareholders to the Company during the period from the end of the reporting period (for which the Performance Fee was last due).

The calculation, accounting, and inclusion of the Performance Fee liability in the Net Asset Value is detailed in the Company's Accounting Policy and Net Asset Value Calculation Rules established by the Management Company.

The assigned Performance Fee shall be paid to the Management Company after the end of a calendar quarter of activities of the Company.

The Performance Fee shall be paid to the Management Company if the following conditions are met:

- the share of the Company's profit paid out to the Shareholders has reached the Company's average return of 8 per cent on the indicated negative flows.
- the return earned by the Company for the Shareholders, calculated both according to the Net Asset Value and the average weighted capitalisation on the Nasdaq Vilnius Stock Exchange for the last ended quarter exceeds the Company's average return of 8 per cent on the negative flows (the amounts of funds invested by the Shareholders).
- the Performance Fee paid to the Management Company may not exceed the Company's return to the Shareholders, calculated on the lesser of the amounts, i.e., the Net Asset Value or the average weighted capitalisation on the Nasdaq Vilnius Stock Exchange for the last ended quarter. When determining the Performance Fee amount which must be paid out to the Management Company during the nearest reporting period, the calculation rules provided for in the Articles of Association are complied with.



PROSPECTUS

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY INVL BALTIC REAL ESTATE

- the average weighted capitalisation of the Shares on the Nasdaq Vilnius Stock Exchange for the last ended quarter exceeds the highest value calculated or recalculated until then, based on which the Performance Fee was paid.
- 13.1.2. Under the agreement signed with the Depository, the annual Depository Fee established in the Depository service agreement shall be applied to the Company. The annual Depository Fee shall not exceed 0.09 per cent, calculated on the last reconciled value of the Company's net assets.
- 13.1.3. The remuneration to the auditors shall be paid under the terms and conditions of the contracts concluded by the Management Company with the respective service providers each year of the Company's activities. Remuneration shall be included into the total amount of expenses indicated in paragraph 13.1.
- 13.1.4. –
- 13.1.5. –
- 13.1.6. –
- 13.1.7. The Company's net assets shall be used to cover the following expenses:
 - 13.1.7.1. remuneration to property and business appraisers.
 - 13.1.7.2. incorporation (business structuring) of the Company.
 - 13.1.7.3. accounting expenses of the Company, expenses of services of determining the value of Shares.
 - 13.1.7.4. remuneration for audit services and consultations.
 - 13.1.7.5. remuneration to consultants for legal services and representation.
 - 13.1.7.6. expenses of litigation and legal proceedings.
 - 13.1.7.7. other legal expenses incurred by the Management Company when defending the interests of the Shareholders and/or the Company.
 - 13.1.7.8. fines and penalties (including interest) arising out of and/or related to the liabilities of the Company.
 - 13.1.7.9. remuneration to financial institutions for the services provided (opening and management of accounts, performance of cash and value transactions, fulfilment of orders, currency exchange, etc.) and expenses related to such services (commission and other fees).
 - 13.1.7.10. remuneration of the members of the Company's Supervisory Board.
 - 13.1.7.11. expenses incurred by the Investment Committee.
 - 13.1.7.12. expenses incurred by the Audit Committee.
 - 13.1.7.13. state and municipal taxes, fees and charges.
 - 13.1.7.14. expenses related to the acquisition, management, and sale of investment objects, including but not limited to expenses related to property lease, property administration, etc.
 - 13.1.7.15. expenses of preparation of information on the Company (including the Company's documents and contracts), translation and submission of such information to the Shareholders.
 - 13.1.7.16. consultancy expenses.
 - 13.1.7.17. expenses of preparing and amending Prospectuses and the Articles of Association.
 - 13.1.7.18. expenses related to obtaining and modifying licences and permits.
 - 13.1.7.19. expenses related to admission of the Company's Shares to trading on a regulated market and remuneration to the operator of the regulated market for its services.
 - 13.1.7.20. expenses related to services provided by the Lithuanian Branch of Nasdaq CSD SE.
 - 13.1.7.21. remuneration to the operator of the regulated market and financial intermediaries in connection with the placement or redemption of new Shares.
 - 13.1.7.22. expenses for notaries and registers.
 - 13.1.7.23. expenses related to the loans received in the name of the Company.
 - 13.1.7.24. expenses of insurance against any change in the rate of currency exchange and the interest rate.
 - 13.1.7.25. expenses related to the maintenance of the Company's assets.
 - 13.1.7.26. expenses related to the development of the Company's business (including expenses related to design, construction, management and sale of its property).
 - 13.1.7.27. expenses related to processing, registration and deregistration of instruments used to secure liabilities.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

- 13.1.7.28. commission to real estate intermediaries.
 - 13.1.7.29. expenses of forced recovery.
 - 13.1.7.30. expenses related to preparation and provision of information on the Company.
 - 13.1.7.31. expenses of insurance for the persons responsible for the Company's activities (i.e., insurance coverage for damage and/or liability).
 - 13.1.7.32. expenses for the Company's property insurance.
 - 13.1.7.33. expenses of the Company's presentation (representation, advertising, etc.) and marketing expenses (including but not limited to assistance expenses).
 - 13.1.7.34. impact of discounting the Performance Fee (including accounting corrections that must be made according to the IAS and/or the Accounting Policy and/or the rules for calculating the Net Asset Value).
 - 13.1.7.35. other expenses incurred by the Depository and the Management Company for the benefit of the Company that are reimbursed.
- 13.2. In the event that the Management Company and/or the Depository has incurred expenses due to any reasons for the benefit of the Company and/or the Shareholders (to the extent related to their stakes in the Company), these expenses shall be compensated upon submission of the respective invoice by the Management Company and/or the Depository to the Company and/or the Management Company and by making a transfer of funds by the Management Company from the account of the Company's funds into the account of the Management Company and/or the Depository.
- 13.3. –
- 13.4. The Management Company has concluded agreements with UAB FMĮ INVL Financial Advisors regarding the distribution of the portion of the Management Fee of the Company received by the Management Company. Under these agreements, the Management Company shall pay 12.5 per cent of the received Management Fee of the Company to UAB FMĮ INVL Financial Advisors for the Shares entered into the Shareholders' securities accounts managed by it. This fee shall not create any conflict of interest between the Company and/or the Management Company and/or the Shareholders and/or UAB FMĮ INVL Financial Advisors. In the event that, when applying the conflict-of-interest management procedures, the Management Company would identify a potential conflict of interest, measures would be taken to manage it properly. When managing the Company, no hidden commission shall be received and/or paid.
- 13.5. –



III. DATA ON INVESTMENT UNITS OR SHARES

14. KEY DATA ON THE INVESTMENT UNITS OR SHARES OFFERED BY THE COLLECTIVE INVESTMENT UNDERTAKING:

- 14.1. Ordinary registered non-material share of the Company with the nominal value of EUR 1.45.
- 14.2. –
- 14.3. –
- 14.4. Each Shareholder shall have the right to select the manager of the personal accounts of the Shareholders holding the Shares. Personal value accounts shall be managed in compliance with the provisions of the applicable legislation.
- 14.5. The rights conferred and the obligations created by the issued Shares are set forth in paragraph 7 of the Prospectus, the Articles of Association and the respective legal acts regulating the Company's activities. The Shares shall confer the equal voting rights to all Shareholders, and they can be restricted only in the cases provided for in the legal acts applicable to the Company's activities. The Company and/or the Management Company shall not set any restrictions on the transfer of the Shares.
- 14.6. –
- 14.7. The nominal value per Share shall be EUR 1.45.

15. TERMS OF THE ISSUE OF INVESTMENT UNITS OR SHARES AND DECISION-MAKING PROCEDURES RELATED TO THE ISSUE OF INVESTMENT UNITS OR SHARES.

New Shares can be issued by increasing the authorised capital of the Company by a decision of the General Meeting upon a proposal of the Management Company. The proposal of the Management Company regarding the increase in the authorised capital must *inter alia* discuss in detail the procedure of issue of new Shares and terms of payment for them, as well as the reason why it is proposed to increase the authorised capital of the Company. The current Shareholders shall have the pre-emptive right to acquire the newly issued Shares pro rata to the number of Shares held by them (on the rights record date). Newly issued Shares can be offered not to the Shareholders of the Company provided that the existing Shareholders have not subscribed for all the Shares planned to be issued within the period established by the decision of the Management Company, which may not be shorter than 10 calendar days or longer than 30 calendar days. The Shares from the new issue of Shares shall be paid for within the term laid down in the Share Subscription Agreement which may not exceed 30 Business Days. The Shares may be paid for in cash or in-kind contributions. The procedure of payment for the Shares by in-kind contributions shall be established by the General Meeting, having regard to the requirements of the legal acts. New Shares shall be issued only after having received the money into the Company's account or the non-pecuniary contribution has become the property of the Company. Newly issued Shares can be offered publicly only after the Company has published the Prospectus under the procedure laid down by the laws of the Republic of Lithuania. The Company shall publish the Prospectus publicly under the procedure laid down by law no later than by the start of the public offering of the Shares or their admission to trading on the regulated market.

16. TERMS AND PROCEDURE OF THE PLACEMENT (SALE) OF INVESTMENT UNITS OR SHARES:

- 16.1. The Shares have been admitted to trading on the Nasdaq Vilnius stock exchange (the secondary market). Transactions regarding the Shares shall be concluded pursuant to the rules established by the stock exchange which are available online at: www.nasdaqbaltic.com. A Shareholder can also transfer the Shares to third parties by concluding various over the counter (direct) transactions (sale and purchase, donation, etc.). Having concluded such transactions, a Shareholder shall, no later than within 5 days after the moment of conclusion of the transaction, submit the transaction documents to an intermediary of public trading in securities so that the concluded transactions are duly accounted for by marking the change in the ownership rights to the Shares in the securities accounts.
- 16.2. Payment for the Shares sold on the Nasdaq Vilnius Stock Exchange (on the secondary market) shall be made under the procedure established by the Nasdaq Vilnius Stock Exchange and in the contract concluded with an intermediary of public trading in securities. Payment for the sold Shares shall be made to the Shareholder on the second Business Day after the date of conclusion of the Share sale transaction on the stock exchange, unless otherwise provided for in the contract concluded with the intermediary of public trading in securities. The intermediary of public trading in securities shall be held liable for the timely and proper settlement under the procedure established by the legal acts regulating public trading in securities and by the rules of the stock exchange.
- 16.3. The ownership rights of the Shares shall come into existence as from the making of the respective entry in the Shareholder's personal securities account managed by the selected intermediary of public trading in securities.



17. TERMS AND PROCEDURE OF THE REDEMPTION OF INVESTMENT UNITS OR SHARES:

- 17.1. The redemption of the Shares shall be limited. During the term of the Company's activities, no Shares of the Company shall be redeemed at the Shareholders' request. If the Shareholder wants to sell the Shares, he can do this on the secondary exchange (on the stock exchange or under over-the-counter transactions).
- 17.2. The redemption of Shares upon the expiration of the term of the Company's activities (unless it has been extended) shall be carried out by the Management Company (contact information indicated in paragraph 2.4 of the Prospectus). Redemption shall be carried out through intermediaries of public trading whose information shall be submitted to the Shareholders before the redemption of the Shares.
- 17.3. The Company shall acquire the Shares in accordance with the Law on Companies of the Republic of Lithuania. The Company can acquire the Shares either by itself or through the person acting in his own name but in the interests of the Company.

Restriction on redemption of Shares

The Company may repurchase its own shares when the Shareholders have the option to sell or not to sell their Shares to reduce the difference in the price of the Company's Shares on the Nasdaq Vilnius Stock Exchange compared to the value of the Shares calculated according to the Net Asset Value of the Company. The share repurchase price is determined and justified by the proposal of the Management Company. The Company acquires its own Shares in accordance with the requirements of the Law on Companies of the Republic of Lithuania. The Company may acquire Shares itself or through a person acting in its own name but on behalf of the Company.

During the buy-out process of the Company's own Shares, when the aim is to distribute the funds to all Shareholders proportionally, the Company acquires the Shares in accordance with the requirements of the Law on Companies of the Republic of Lithuania. The Company may acquire Shares itself or through a person acting in its own name but on behalf of the Company.

Notwithstanding the above-mentioned exceptions, the redemption of Shares is restricted and in the absence of the above-mentioned conditions. During the Company's operation, the Shares will not be redeemed on request by the Shareholder. During the period of the Company's activity, the Shares will be redeemed only in the cases provided for in the Articles of Association

Redemption of the Shares where the incorporation documents and/or the Prospectus of the Company are amended

In the event that the General Meeting of the Company adopts a decision regarding material amendments to the Company's incorporation documents that have a negative impact on the Shareholders' interests, or other decisions the adoption of which under the Law on Collective Investment Undertakings of the Republic of Lithuania grants the right to the Shareholders to demand that the Shares held by them are redeemed, the Company shall ensure the proper implementation of the Shareholders' right to demand that the Shares held by them without any deductions.

The Management Company shall inform each Shareholder about these decisions of the General Meeting by sending the respective notice no later than 1 month prior to the entry into force of the amendment to the respective documents. The Management Company shall inform each Shareholder in writing about amendments to the key documents related to the change of the Company's investment strategy by sending the respective notice no later than 2 months prior to the entry into force of the amendments to the respective documents.

The Management Company shall inform the Shareholders about its decision to merge the Company with another collective investment undertaking after the Supervisory Authority has granted the permit to merge the collective investment undertakings but no later than 30 days prior to the last day of the term during which the Shareholders are entitled to demand that their Shares be redeemed without any deductions. The Shareholder's right to exercise the right indicated in this paragraph shall expire 5 Business Days prior to the planned merger completion date. The shareholder notice shall contain the information that must be provided under the applicable legal acts and other information that is relevant to the Shareholders at the discretion of the Management Company.

The Shareholders shall have the right to voice an objection and demand that their Shares be redeemed within 1 month until the entry into force of the amendments to the respective documents, except for the cases where the Company's investment strategy is modified. Where the Company's investment strategy is modified, the Shareholders can voice an objection and demand to redeem their Shares within 2 months prior to the entry into force of the amendments to the respective documents. The Management Company may determine longer terms than those specified in this paragraph during which the Shareholders can exercise their right to redeem the Shares.

Material amendments to the Company's incorporation documents and/or the Prospectus shall be made provided that there are no objections from any Shareholder. It shall be considered that not a single Shareholder had objected if, in compliance

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

with the requirements of the legal acts, the Shareholders who objected to material amendments to the documents and demanded that their Shares be redeemed without any deductions have been granted this right.

After the General Meeting has adopted the decision regarding material amendments to the Company's incorporation documents and/or Prospectus that would have an impact on the Shareholders' interests or another decision the adoption of which, in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania, grants the right to the Shareholders to demand that the Shares held by them are redeemed, the Management Company shall take a decision that would specify the conditions under which material amendments to the Company's documents are made, including but not limited to the decision regarding the number of Shares that can be redeemed, in case of exceeding of which the Company shall not perform the mandatory redemption of Shares from the Shareholders who demanded it and, accordingly, no material amendments to the Company's documents are made.

Amendments shall be deemed material if:

- such amendments can have a negative impact on the financial situation of the Company or the Shareholders (the set fees, charges or deductions are increased, or new fees, charges or deductions are introduced, etc.);
- such amendments directly restrict or cancel the rights granted to the Shareholders or influence in any other way the Shareholders' possibilities of exercising the rights related to their investments.
- they are included into the list of material amendments approved by the Supervisory Authority.

Having regard to the content, nature, scope, and impact of the amendments to the incorporation documents and/or the Prospectus on the Shareholders' interests, the Board of the Management Company shall decide on a case-by-case basis whether such amendments to the incorporation documents and/or the Prospectus are deemed material.

Information on whether initiated amendments to the incorporation documents and/or the Prospectus are deemed material shall be provided in the agenda of the General Meeting.

The Management Company shall ensure that the draft resolutions of the organised General Meeting would separately outline the terms and conditions of the redemption of Shares. A notification on the redemption of Shares carried out by the Company shall be published publicly under the procedure established by the legal acts of the Republic of Lithuania. The Management Company shall not notify the Shareholders of material amendments to the documents if these amendments are made due to the changed provisions of the legislation of the Republic of Lithuania.

–

17.5. When redeeming the Shares, settlements with the Shareholder shall be made under the procedure established by the Nasdaq Vilnius Stock Exchange. The Shareholder shall receive funds under the terms and conditions of the agreement concluded with the selected intermediary of public trading. In the case of the Company's liquidation, settlement with the Shareholders shall be made by transferring the amounts payable to the Shareholders into the accounts indicated by the Shareholders or (if the Shareholder's data are not known) – into the depository account, under the procedure laid down by law. Payments to the Shareholders shall be effected in Euro.

17.6. The Management Company shall take economically justifiable measures to ensure that accounts with the Shareholders are settled as fast as possible when redeeming the Shares; however, the terms of settlement shall depend on those involved in the settlement and not necessarily on the persons chosen by the Management Company; therefore, the Management Company may not indicate the terms of settlement with the Shareholders. Settlement with the Shareholders shall be made upon the expiration of the term of the Company's activities.

17.7. –

18. CHANGE OF INVESTMENT UNITS OR SHARES

–

19. TERMS AND PROCEDURE OF THE SUSPENSION OF THE REDEMPTION OF INVESTMENT UNITS OR SHARES

- 19.1.1. The redemption of Shares may be suspended if: this is necessary in order to protect the interests of the public and of the Shareholders against the potential insolvency of the Company or a drop in the redemption price where the market position of investment instruments is unfavourable, and the value of the investment instruments portfolio has decreased.
- 19.1.2. there are no sufficient funds to pay for the Shares being redeemed, and the sale (realisation) of available investment instruments would be unprofitable.
- 19.1.3. such sanction is applied by the Supervisory Authority.



PROSPECTUS

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY INVLT BALTIC REAL ESTATE

At the decision of the Management Company, settlement with the Shareholders of the Company being liquidated can be suspended, or accounts can be settled only in part until the Company has obtained the tax administrator's confirmation regarding the full settlement with the state and/or municipal budgets and state monetary funds.

19.2. Information on the suspension of the redemption of Shares and/or settlement with the Shareholders of the Company being liquidated shall be provided through the Nasdaq Vilnius Stock Exchange and on the website of the Company at: www.invlbalticrealestate.lt.

20. RULES FOR THE SALE OF INVESTMENT UNITS OR SHARES AND DETERMINATION OF THE REDEMPTION PRICE:

20.1. The price of the redeemed Shares shall be calculated according to latest published the Net Asset Value if there were no material changes in economic circumstances or real estate market that might make establishment of the Net Asset Value inevitable, considering all amounts actually paid to the shareholders since the publication of the respective Net Asset Value.

20.2.

21. PROCEDURE FOR ANNOUNCEMENT OF THE SALE AND REDEMPTION PRICES AND THE VALUE PER INVESTMENT UNIT OR SHARE

The value per Share shall be announced through the Nasdaq Vilnius Stock Exchange or on the website of the Company at: www.invlbalticrealestate.lt at the frequency of announcement of the Net Asset Value set in paragraph 9 of the Prospectus.

IV. INFORMATION ON INVESTMENTS

22. OBJECTIVES AND INVESTMENT STRATEGY OF THE COLLECTIVE INVESTMENT UNDERTAKING

The purpose of the Company shall be to accumulate and invest the Shareholders' funds in order to achieve the maximum return by investing into the investment objects indicated below. By diversifying investments and managing the risks, the Management Company shall seek to reduce the risks and to prevent possible reduction of the investment value and to create value by selecting investment objects and making use of other market participants' experience.

The aim of the Company is to earn a return for the Shareholders' benefit from investments into land, buildings and/or premises that make up individual real estate properties, real estate properties under construction which are planned to be constructed within an acceptable period, securities and money market instruments of real estate companies, if assets of such companies are invested into real estate corresponding to the investment strategy of the Company, investment units or shares of real estate collective investment undertakings established in the European Union Member States, supervision of which is no less strict than in the Republic of Lithuania, movable property and facilities necessary for operating real estate properties in the investment portfolio of the Company, transferrable securities and money market instruments admitted to trading on the multilateral trading facility and other investment objects not prohibited by law.

The Management Company shall invest up to 100 per cent of the Net Asset Value directly or through Real Estate Companies into the investment objects specified above.

By investing directly or using Real Estate Companies, the Management Company (on behalf of the Company) shall seek to acquire commercial and/or mixed purpose investment objects that generate or are capable of generating regular income.

The Company will seek to increase a return on investment by making every effort to ensure that the properties managed by it would bring regular income and their value would continue to grow. Therefore, the assets held by the Company shall be managed and the acquisitions of new properties shall be made, having regard to the creation of value for the Shareholders.

The Management Company shall manage the Company's portfolio of investment objects in compliance with the following main principles of diversification principles (the compliance of the Company's portfolio of investment objects with the principles set forth below will be achieved within four years from the date on which the Supervisory Authority issued a permit to approve the incorporation documents of the Company and to choose the Depository (the day on which the Supervisory Authority issued a permit to engage in the activities of a closed-end investment company)).

No more than 20 per cent of the value of Net Assets making up the assets of the Company can be invested in:

- transferable securities and money market instruments which are admitted to trading on the market, which is deemed, in accordance with the Law on Markets in Financial Instruments of the Republic of Lithuania, regulated and operating in the Republic of Lithuania or another Member State; and/or
- transferable securities and money market instruments admitted to trading on the market operating, recognised, supervised and available to the public in another Member State according to the set rules; and/or
- transferable securities and money market instruments admitted to trading on the market operating, recognised, supervised and available to the public in another state (other than Member States) according to the set rules and/or
- new transferable securities issued by issuers established in the EU Member States if the issue terms provide for the obligation to have these securities admitted to trading on a regulated market, and if they are admitted to trading no later than within one year from their issue; and/or
- investment units and shares of harmonised collective investment undertakings and in investment units and shares of such collective investment undertakings which meet the following conditions:
 - o the sole purpose of such undertakings is to accumulate persons' funds by public offering of investment units or shares and by splitting them to collectively invest them in transferable securities and/or other planned liquid assets and investment units or shares of which must be redeemed at any time upon request of their holder, these undertakings are licensed in the Republic of Lithuania and their supervision is no less strict than established in the European Union, and the Supervisory Authority cooperates with the relevant supervisory authority of another member state or third country.
 - o protection of the rights of participants in the undertakings, including regulation of separation of assets, borrowing, lending and gratuitous transfer of assets, is no less strict than established for harmonised collective investment undertakings under the Law on Collective Investment Undertakings of the Republic of Lithuania.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

- the undertakings present semi-annual and annual reports on their activities that allow to assess their assets and liabilities, profit, and activities within the reporting period.
- no more than 10 per cent of their net assets, according to their incorporation documents can be invested into investment units or shares of other collective undertakings and/or
- deposits for a term no longer than 12 months, which can be collected upon demand in a credit institution domiciled in a Member State or in another state where risk limiting supervision is no less strict than in the European Union and/or
- in financial derivatives (including those which entitle only to receipt of money) which meet the following conditions:
 - they are admitted to trading in markets, which are deemed regulated under the Law on Markets in Financial Instruments and which operate in the Republic of Lithuania or in another Member State, and/or in a market operating, recognised, supervised and available to the public according to the rules set in another Member State, and/or in a market operating, recognised, supervised and available to the public according to rules set in another State (other than Member States), or that are traded beyond the limits of the markets indicated above.
 - they are linked to investment instruments, financial indexes, interest rates, currencies, or exchange rates in which the Company will invest.
 - the counterparty to the transactions concluded beyond the limits of the markets permitted to the Company meet the criteria established by the Supervisory Authority and is subject to risk limiting supervision.
 - they are traded beyond the limits of the markets permitted to the Company, but they can be checked, reliably and accurately valued every day, and sold or otherwise realised for a consideration at any time at their fair value and/or
- money market instruments which are not admitted to trading on a regulated market, however, the issue or issuer of such instruments are regulated to protect investors and their savings and such instruments:
 - are issued or guaranteed by the government, regional government, municipality or the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, the government of a third country or of one of the entities forming a federal state, or an international organisation, that at least one Member State is a member of, or
 - are issued by an entity the securities of which are admitted to trading on the regulated markets permitted to the Company, or
 - are issued or guaranteed by the entity whose operational risk is supervised according to requirements of European Union law or such requirements which are no less strict than in the European Union, or
 - are issued by a company meeting the criteria approved by the Supervisory Authority the capital and reserves of which account at least for EUR 10 million and which draws up consolidated financial statements and performs the function of financing the group of companies where transferable securities of at least one company within its group are admitted to trading on a regulated market, or which is used for issuing securities financed with bank loans, and investments in such money market instruments are protected no less than indicated in paragraph 22.1.7.1 of the Articles of Association and/or
- transferable securities and money market instruments admitted to trading on the multilateral trading facility and not admitted to trading on the market permitted to the Company.

No more than 30 per cent of the Net Asset Value making up the assets of the Company may be invested in one real estate property and/or Real Estate Company. This investment restriction shall not apply to investments in Controlled Companies if these companies invest the received funds into real estate properties provided that:

- a Controlled Company meets all requirements for investing assets applicable to the Company, when the Company invests 100 per cent of net assets making up its assets in such a company.
- the Company together with a Controlled Company meets all requirements for investing assets applicable to the Company when the Company invests more than 30 per cent but less than 100 per cent of net assets making up its assets in the Controlled Company.
- the Depository is provided with all documents and information in connection with investments in the Controlled Company necessary for the proper performance of its functions.



PROSPECTUS

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY INVL BALTIC REAL ESTATE

The total amount of investments in real estate properties being constructed may not exceed 20 per cent of the value of Net Assets comprising the Company's assets.

The total amount of investments in a real estate property and movable assets and/or equipment necessary for its maintenance cannot exceed 40 per cent of the value of net assets that make up the Company's assets.

The total amount of investments in securities, money market instruments issued by the same Real Estate Company and liabilities of the Company due to financial derivatives transactions with the Company cannot exceed 30 per cent of the value of net assets making up the Company's assets.

The total amount of investments in the investment instruments and investment objects referred to in the last two paragraphs in which such Real Estate Company and the Company have invested cannot exceed 30 per cent of the net assets making up the Company's assets.

For the sake of efficiency of the Company's activities and control over its investments, an Investment Committee shall be formed by the decision of the Board of the Management Company. The Investment Committee shall consist of not more than 3 members, who will be the persons having the right to adopt investment decisions. Members of the Investment Committee shall be appointed and dismissed by the Board of the Management Company. An approval of the Investment Committee shall be obtained for all investments of the Company and their sale.

The procedure of formation, responsibilities and functions of the Investment Committee as well as its decision-making procedure and other procedures shall be established in the Regulations of the Investment Committee.

The investment strategy for the Company's property entrenched in the Articles of Association may be changed respectively by amending the Articles of Association by the decision of the General Meeting.

The investment object(s) of the Company may be transferred only after having obtained a prior consent of the Depository.

The direct ownership of the Company's investment objects and the ownership of securities of Real Estate Companies shall be possible. Where investments are made through Real Estate Companies, documents related to investments into Real Estate Companies shall be submitted to the Depository so that the Depository could perform its functions established in the applicable legal acts.

Where necessary, funds may be borrowed on behalf of the Company in order to ensure a higher investment return (by additionally financing the investment objects acquired by the Company (or using Controlled or Real Estate Companies) or to finance the activities of the Company. The Management Company can adopt a decision to borrow on behalf of the Company up to 80 per cent of the real estate value for a period not exceeding the term of the Company's activities.

The maximum possible leverage ratio under the general approach (as defined in the Regulation (EU) 231/2013) shall be 300 and 300 for the calculation of the maximum possible leverage ratio under the liability method (as defined in the Regulation (EU) 231/2013).

The Company's assets shall not be lent or used as a guarantee or a warranty to secure the liabilities of other persons, except for Controlled Companies or Real Estate Companies into which the Company invests if the property of such company is invested into the property conforming to the Company's investment strategy and the following two conditions are met:

- the amount of funds lent or a guarantee or a warranty issued by the Company makes up the portion of the loan, guarantee or warranty amount granted to the person that is not higher than the share owned by the Company by the right of ownership in that person's authorised capital.
- the total amount of funds lent, or the guarantee and warranty amount granted to that person does not exceed 50 per cent of the Net Asset Value.

The Company shall not use any benchmark.

Upon the establishment of the Company, its investment portfolio may not meet the set diversification requirements for 4 years after the date on which the Supervisory Authority issued a permit to approve its incorporation documents and to choose the Depository. In all cases, the right not to comply with the established diversification requirements shall not abolish the obligation of the Management Company to invest the Company's assets pursuant to its investment strategy.

If, upon the expiration of the set term, the investment requirements shall be violated due to the reasons beyond the control of the Management Company, such situation must be eliminated as soon as possible but no later than within 1 year from the date on which the Management Company became aware of this situation. This term may be longer only in exceptional cases where the Management Company is unable to rectify the situation due to the reasons beyond its control. In this case, upon the expiration of the 1-year term, the Management Company shall immediately notify in writing the Supervisory Authority of the existing situation and its reasons. The notice shall also specify the planned term for the fulfilment of the requirement.



23. INVESTMENT CONSULTANTS

-

24. PLACES WHERE ONE CAN GET FAMILIAR WITH THE HISTORY OF THE ACTIVITIES OF THE COLLECTIVE INVESTMENT UNDERTAKING

The history of the Company's activities shall be set forth in the Company's business and financial reports available on its website at: www.invlbalticrealestate.lt.



V. INFORMATION ON THE TYPES OF RISKS AND THEIR MANAGEMENT

25. RISK FACTORS RELATED TO THE ACQUISITION AND INVESTMENT OF INVESTMENT UNITS OR SHARES

Any kind of investment is inherently related to risk, and investment into Shares is additionally related to specific and higher-than-average long-term risk. Such type of investment is suitable only for persons who are capable of assuming this risk and understand that, by acquiring the Shares, they can lose the entire invested amount.

In addition to the risk factors listed below, there can be further risk factors that are not specified herein because, when preparing this Prospectus, the Management Company has no information about such factors or considers them to be insignificant. However, such risks can affect the Company's financial results and have an impact on the value of the Shares. Therefore, the information on risk factors provided herein should not be deemed a detailed and final description of risk factors encompassing all risk factors. Having regard to the aforesaid, the decision to acquire Shares must be adopted having considered the risk factors specified below.

The net asset value of the Company can increase or decrease; for this reason, the Shareholder may not recover the amount invested into the Company. There are no guarantees and no guarantees may be granted regarding the Company's activities and investment return or a specific investment of the Company, and the investment results of the previous period do not guarantee that they will be the same in the future as well.

The sequence of presentation (disclosure) of the risk factors is not based on the analysis of the probability of the occurrence and impact of the respective factors on the Share value and the comparison of factors because due to the specifics of the activities of the Company (activities in the particularly cyclical economic sector) such analysis and comparison could not be sufficiently grounded and could mislead the Shareholders.

The tools for the management of risk factors are not and cannot be considered as ensuring the elimination of respective risk factors.

- 25.1.1. **General risk.** The value of an investment into real estate can fluctuate in the short-term depending on the general economic situation, real estate lease and sale prices, demand and supply fluctuations. Investments into real estate should be made for a medium or long period in order that the investor could avoid the risk of short-term price fluctuations. Investments into real estate are related to higher-than-average risk. If investments are not profitable or in case of other unfavourable circumstances (inability to pay creditors in time), bankruptcy proceedings can be instituted against the Company. Redemption of the Shares is limited, i.e., a shareholder cannot demand that the Company or the Management Company, which took over its management, would redeem the Shares. But a shareholder will have a possibility to sell Shares in the secondary market. The inherent risk reflects the nature of investment into low-liquidity financial instruments; therefore, there are no effective tools for the management of such risk applicable by the Management Company.
- 25.1.2. **Real estate development risk.** Real estate projects developed by the Company can take longer than planned or cost more than planned and return on investments of the Company may decrease for this reason. Managing this risk, the Company will assign sufficient resources for control over the budgets and performance terms of real estate development projects.
- 25.1.3. **Risk of inflation and deflation.** There is a risk that in case of inflation the value of a Share will grow slower than the inflation, which would result in the return lower than inflation. In such a case, the real return earned by persons who sold the Shares of the Company in the market from increase in the value of the Shares can be smaller than expected. In case of deflation, there would be a risk that the value of the Company's investments will decrease by reason of the drop of the general price level. Managing this risk, it will be sought to ensure the efficient activities and communication of the Company, thus increasing the attractiveness of its Shares to a wider circle of investors.
- 25.1.4. **Macroeconomic environment.** Real estate development tends to follow the general developments in the macroeconomic environment. Interest rates, unemployment, inflation, private consumption, capital expenditure and other macroeconomic indicators have significant influence on real estate developments and hence the operations and the potential profitability of the Group. Favourable developments in the macroeconomic environment increase demand for real properties, allow the real estate companies to increase rent rates of properties and other prices related to activities of the Group. Adverse developments increase pressure on real estate prices, rent rates and yields. Hence the Group's results are dependent on general macroeconomic environment and adverse developments in the environment might lead to reconsideration of some of the Group's development plans, negative pressure on prices and rents of the Group's properties or other changes in relation to the Group's properties that might have a material adverse effect on the Group's business, results of operations, financial condition and profitability.
- 25.1.5. **Cyclicality of the real estate sector.** Real estate development is a cyclical sector. The number of real estate related transactions fluctuates significantly depending on the stage of the real estate cycle. In the Baltic countries has been relatively high lately as a fast growth in prices fuelled by availability of cheap financing was followed by a steep decline as a result of financial crisis. In the future the Baltic real estate market might regain the lost momentum, again inflating

the price levels, which might be followed by overheating of the market and downward pressure on the prices, thus, starting the next real estate cycle.

RISK FACTORS CHARACTERISTIC OF THE GROUP (COMPANY AND HER SUBSIDIARIES)

- 25.1.6. **Dependence on external financing.** The Group's cash inflows currently are sufficient to finance operating cash outflows and to pay monthly instalments of repayments and interests' payments of bank borrowings. However, further development of the Group's activities will require substantial amounts of capital to fund capital expenditures. For this reason, failure to secure adequate levels of external financing might limit the Group's growth plans and place it at competitive disadvantage as compared to well-capitalized peers. Failure to obtain external financing may lead to forced sale of assets at unfavourable prices or even cause insolvency which may have a material adverse effect on the Group's business, results of operation or financial condition and may destroy the shareholders' value.
- 25.1.7. **Risk related to lease agreements.** The Group's lease agreements may be divided into two categories: non-cancellable fixed-term lease agreements and cancellable lease agreements entered for an unspecified term. For the cancellable lease agreements, tenants must notify the administrator 1-6 months in advance if they wish to cancel the rent agreement. The Group seeks to use both types of agreements, depending on the market situation and the properties in question. Lease agreements entered for an unspecified term involve nevertheless a risk that many such agreements may be terminated within a short period of time. The Group aims at renewing the fixed term lease agreements flexibly in cooperation with its tenants. There are, however, no guarantees that the Group will be successful in this. To prevent tenants from terminating the lease agreements, the Group may also be forced to agree on the reduction of rent fees. The reduction of rent fees payable to the Group under a large number of lease agreements and/or concurrent termination of a large number of lease agreements could have a material adverse effect on the Group's business, results of operations and financial condition.
- 25.1.8. **Risk of reliance on the Company's property administrator.** On 2 January 2013 the Company has entered into an agreement with a third party for property management and administration services on part of Company's asset portfolio. An agreement was terminated on 1 January 2018, after the Company's subsidiary Proprietas, UAB and the Company signed a property management and administration agreement. The detailed list of buildings, administered, based on this agreement is provided in Section 2.3. of the Company's consolidated annual report "Information about the Issuer's group of companies". Under this agreement the third party, as an administrator of the property, is committed to increase Company's value and maintain high quality of service for buildings' tenants and employees. In case of change in administrative prices in the market, new contracts under less favourable conditions can be entered into with administrator, which may directly influence the increase in Company's costs.
- 25.1.9. **Interest rate risk.** There is a risk that in case of fast recovery of the global economy or increase in inflation, central banks will increase interest rates and it will be more expensive to service loans in connection with the Company's investments, therefore, the value of the Company's investments can decrease. To avoid this risk, the Management Company shall seek that the Company would get most of its loans at fixed interest rates. If it seems necessary, the Company shall hedge against interest rate risk when entering relevant transactions.
- Rising interest rates will increase the Group's debt service costs, which will reduce the return on investment. If considered necessary, the Group will manage interest rate risk by entering financial derivatives' contracts.
- 25.1.10. **Leverage risk.** Leverage risk is related to possible depreciation of real estate objects acquired with borrowed money. The bigger the leverage, the higher probability of this risk is. To manage this risk, the Management Company will seek to use the financial leverage of such level that it would be reasonably expected to be refinanced even if the macroeconomic situation has changed.
- 25.1.11. **Credit risk.** The Company has given and may have given loans to other companies, therefore, in case of deterioration of the financial condition of those companies, there is a risk that the Company will not get back all the loans granted by it.
- 25.1.12. **Risk of liquidity of the Company's investments.** This is a risk to incur losses due to low liquidity of the market when it becomes difficult to sell assets at the desired time at the desired price. In management of this risk, the Company will regularly monitor the real estate market, will get ready for the property sale process in advance, in this way reducing the liquidity risk. Acquiring Shares, the shareholders also assume the risk of securities liquidity – in case of a drop in demand for Shares or delisting them from the stock exchange, investors would find it difficult to sell them. In case of deterioration of the Company's financial situation, the demand for Shares, as well as their price may decrease. Liquidity risk also covers the cash flow disruption risk incurred by the Company due to late payments and/or full default on monetary obligations by insolvent tenants. In order to manage this risk, the Management Company will take measures so that the Company would have sufficient information about the market situation and could make decisions regarding the realisation of the Company's investments on the basis of such information.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

- 25.1.13. **Total investment risk.** The value of the investment in real estate can vary in the short term, depending on the general economic conditions, rent and purchase prices of real estate, demand and supply fluctuations, etc. Investment in real estate should be carried out in the medium and long term, so that the investor could avoid short-term price fluctuations. Investing in real estate is related to higher than medium risks. Failure of investments of the Group or under other ill-affected circumstances (having been unable to pay for the creditors) can have a significant adverse effect on the Group's performance and financial situation or in the worst-case scenario bankruptcy proceedings may be initiated.
- 25.1.14. **Investment diversification risk.** This is a risk that one bad investment can have a significant effect on the results of the Company. To reduce this risk, the Company will have a sufficient number of different real estate objects in its portfolio, in this way maintaining the proper diversification level.
- 25.1.15. **Tenants' risk.** The Company will seek to let real estate objects at as high prices as possible. Though currently the rent is paid in time (overdue obligations of tenants are very small and are not significant for activities of the Company), there is a risk that upon change (deterioration) of the economic situation the tenants will default on their obligations – this would have a negative impact on the profit and cash flows of the Company. In case of late performance of a large part of obligations, the ordinary business of the Company may be disrupted, it may be necessary to search for additional sources of financing, which may be not always available. The Company, in case of failure to earn planned income from lease or to maintain a high percentage of occupation of the buildings, can face the problem of costs that are not compensated by permanent tenants. This risk may manifest itself in case of big increase in the supply of rented premises and reduction in demand, drop-in rental fees. In case of a failure to let the premises at planned prices or in planned scopes, also in case current tenants terminate their lease agreements, the income of the Company could decrease, whereas fixed costs would remain the same. Accordingly, the profit of the Company would decrease. Seeking to avoid such situations, the Management Company will constantly monitor the status of the Company's property with the tenants so that the tenants who pose a threat of default on their obligations would be replaced by tenants who would pose a lower risk. Despite this, this risk is not and cannot be eliminated.
- 25.1.16. **Risk of valuation of the Company's assets.** The assets of the Company will be evaluated according to the main rules set in the Articles of Association and the Accounting Policy of the Management Company. Valuation of individual assets held by the Company shall be performed by the independent appraiser, however such valuation of assets shall be only determining the value of the assets, which does not automatically mean the exact sale price of an investment held by the Company, which depends on many circumstances, for example, economic and other conditions, which cannot be controlled. Thus, the sale price of investments held by the Company can be higher or lower than the value of assets determined by a property appraiser. In order to manage this risk, only the property appraisers who can ensure the high quality of services will be selected.
- 25.1.17. **Competition risk.** The Company, investing into investment objects, will compete with other investors, including, without limitation, with other investment companies or real estate investment funds. Thus, there is a risk that competition with other investors will demand that the Company would conduct transactions at less favourable conditions than it would be possible in other cases. When managing this risk, the Management Company will seek to use the maximally broad network of business contacts in order to conduct transactions the knowledge of which is not sufficiently wide to create significant competition.

RISK FACTORS RELATED TO THE COMPANY'S SHARES (INVESTMENTS THERETO)

- 25.1.18. **Market risk.** Acquisition of Shares entails the risk to incur losses due to unfavourable changes in the Share price in the market. A drop in the price of the Shares can be caused by negative changes in the value of assets and profitability of the Company, general share market trends in the region and in the world. Trade in Shares can depend on comments of financial brokers and analysts and announced independent analyses about the Company and its activities. If the analysts give an adverse opinion about prospects of the Shares, this can also have a negative effect on the price of Shares in the market. In assessing Shares, non-professional investors are advised to address intermediaries of public trading or other specialists in this field for help.
- 25.1.19. **Dividend payment risk.** Though the Company has approved its dividend payment policy, payment of dividend to Shareholders is not guaranteed and will depend on profitability of activities, investments plans and the general financial situation. Managing this risk, the Management Company will seek to inform the Shareholders, within the terms established by law, about the Company's financial results so that the Shareholders could plan their cash flows accordingly.
- 25.1.20. **Liquidity of the Issuer's Shares is not guaranteed.** It may be possible that in case an investor wants to urgently sell the Issuer's securities (especially many them), demand for them on the exchange will not be sufficient. Therefore, sale of shares can take some more time, or the investor may be forced to sell shares at a lower price. Analogous consequences could appear after the exclusion of the Company's Shares from the Secondary List of Nasdaq. Besides,



in case of deterioration of the Company's financial situation, demand for the Shares of the Company and, at the same time, their price may decrease.

OTHER RISKS

- 25.1.21. **Risk of conflict of interest.** There is a risk that there will be such situations where the interests of the Management Company (or related persons) and of the Company or the Shareholders will differ or the interests of individual Shareholders will differ, i.e., a conflict of interest will occur. Where it is impossible to prevent a conflict of interest, the Management Company shall ensure that the Shareholders are treated fairly. In accordance with the legal acts regulating the organisation of the activities of collective investment undertakings, the Management Company has implemented proper tools to prevent conflicts of interest which allow to carry out the activity of preventing and managing conflicts of interest independently in order to prevent or reduce the risk of conflicts of interest or to properly manage any existing conflict of interest. The service providers of the Company and/or the Management Company (to the extent related to the management of the Company) may provide services also to other collective investment undertakings which have similar investment targets, investment strategy and investment policy as the Company. Thus, there may be such situations where any service provider, while carrying out its activities and providing its services to the Company, would have a potential conflict of interest in respect of the Company. In such situations each of them will have to act having regard to the provisions of the contracts concluded by the Company and/or the Management Company for the benefit of the Company (including the confidentiality undertakings).
- 25.1.22. **Risk related to uncertainty of legal regulation of the Company's activities.** The legal acts of the Republic of Lithuania do not clearly regulate the legal status and activities of closed-end investment undertakings. Thus, there is a risk that legal actions may be taken against the Company and/or the Management Company including but not limited to disputing the issue of a licence of a closed-end investment undertaking (the permit to approve the incorporation documents of the Company and to choose the depository) or the powers of the Management Company to manage the Company, also enforcing recovery from the assets of the Company for fulfilment of the obligations to creditors of Shareholders and/or the Management Company or demanding that Shareholders and/or the Management Company fulfil the outstanding obligations of the Company.
- 25.1.23. **Risk of suspension of the redemption of Shares and full or partial non-redemption of Shares.** The Management Company, having regard to the activities of the Company and the circumstances established in the legislation under which the redemption of Shares may be suspended, can at any time adopt a decision to suspend the redemption of Shares. The Management Company may not take the decision to suspend the redemption of Shares and Shares will not be redeemed from the Shareholders (the redemption of Shares will be cancelled), before the disappearance of the reasons which determined the decision to suspend the redemption of Shares. All or part of the Shares can be not redeemed from the Shareholders if the Company encounters the lack of liquidity, or the Company becomes insolvent (the Company is not protected against bankruptcy and its insolvency process can be initiated in the cases established in the legal acts). When managing this risk, the Management Company will comply with the obligations provided for in the applicable legislation and related to the management of the Company's assets and it will seek to ensure that, if there are any preconditions for the circumstances specified above that are known to the Management Company, actions would be taken to protect the interests of the Shareholders and/or the Company's creditors; however, this is not and may not be deemed as the obligation of the Management Company to ensure the proper performance of the Company's liabilities.
- 25.1.24. **Risk of major shareholders.** Most Shares (around 80 per cent) and votes conferred by them are held by several major Shareholders who control AB Invalda INVL and the Management Company as of the date of the entry into force of the Articles of Association; therefore, these Shareholders can exercise significant influence on the Company's activities. There are no guarantees that the position of these Shareholders will always coincide with the opinion and interests of the Management Company and minor shareholders.
- 25.1.25. **Risk of changes in laws and regulations.** There is a risk that upon changes in the legislation of the Republic of Lithuania or of the states in which the Company's profit is invested, these changes can negatively affect the protection of the Company's investments, their profitability and value, or the changes in the legislation can have a different negative impact on the Company's rights and interests. Managing this risk, it will be sought to have in place an effective regulation monitoring system and participate in associated business structures which can have a lawful impact on legislative processes that are significant to the Company.
- 25.1.26. **Tax risk.** There is a risk that, upon changes in the country's economic conditions, political situation or due to other reasons, new taxes applicable to the Shareholders or the Company will be introduced or the rates of the existing taxes will increase; therefore, the Share price, liquidity and/or attractiveness can decrease or the value of the Company's investments can decrease as a result of this. Managing this risk, the Management Company will seek to organise the Company's activities by ensuring the optimal tax regime applicable to it.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

- 25.1.27. **Risk of transactions with related parties.** The Company and/or Controlled Companies and/or Real Estate Companies conclude and/or may conclude mutual transactions which can be declared by the tax administrator as non-compliant with the requirements of the legal acts applicable to such transactions (e.g. failure to comply with the arms-length rule). In such case the Company and/or Controlled Companies and/or Real Estate Companies may have to pay the respective fines and/or interest established in the legal acts. In order to manage this risk, the Management Company will seek to follow the most recent practice in the application of the tax legal acts reasonably articulated by the tax administrator; however, it cannot be considered that this risk has been eliminated.
- 25.1.28. **Geopolitical risk.** There is a risk that the activities of the Company may be affected by geopolitical changes (e.g. conflicts between states, internal conflicts of neighbouring states, insurrections, wars) and for this reason the value of the Company's investments can decrease or it may be impossible to sell the Company's investments at the preferred time for the desired price. The usual monitoring of the geopolitical situation carried out by the Management Company should contribute to the management of this risk.
- 25.1.29. **Risk related to forward-looking statements.** Forward-looking statements are based on estimates, opinion, expectations and forecasts regarding future events and financial trends that will possibly have an impact on the Company's activities. Future-looking statements include information about potential or presumable results of the Company's activities, investment strategy, contractual relationships, borrowing plans, investment conditions, effect of future regulation and other information. The Company is unable to ensure that forward-looking statements will fully and correctly reflect future events and circumstances. The Company, the Management Company and its employees are under no obligation to specify or alter forward-looking statements except to the extent required by laws and the Articles of Association. It is sought to avoid misleading the Shareholders or the persons who intend to become Shareholders by informing them about the conditionality of forward-looking statements.
- 25.1.30. **Risk related to possible liability of the Company.** There is a risk that the activities of the Company and the general performance results of the Company can be negatively affected by demands and claims regarding the non-disclosed or non-identified obligations and/or violations related to the investments acquired by the Company which may result in the Company's liability for such obligations and/or violations and, therefore, the value of the Company's investments and the price of Share can decrease significantly. When managing this risk (to the possible extent of acting reasonable and having regard to economic efficiency criteria), it will be sought not to assume any liability obligations or limit them significantly.
- 25.1.31. **Risk of the Company's insolvency.** In case of realisation of one or several of the risks indicated above, which would have a negative effect on the value and/or liquidity of Controlled Companies and/or Real Estate Company, this can result in the Company's solvency problems when the Company is incapable of fulfilling the assumed obligations. In such a case, the Company's shareholders can lose all their funds invested in the Company. The Management Company will provide the Shareholders with all information specified by law which would enable the Shareholders to take respective decisions regarding the possession or sale of Shares, having regard to the Company's financial situation.
- 25.1.32. **Risk related to the duty to redeem the Company's shares.** The applicable legal acts provide for the duty of the Company in certain circumstances to redeem its shares from the shareholders who demanded such redemption. Accordingly, if the Company becomes subject to the duty to offer to the Shareholders redemption of its own Shares and if such a redemption is requested by the Shareholders holding a significant number of Shares, the Company may be forced to sell its investments urgently, which can significantly reduce the return earned by the Company from the sale of investments. The respective measures are provided for the management of this risk in the Articles of Association.
- 25.2. Investments into the Shares are related to higher-than-average long-term risk. The Company cannot guarantee that the Shareholders will recover the invested funds.
- 25.3. –
- 25.4. –

26. SUSTAINABILITY RISK FACTORS AND THEIR IMPACTS

- 26.1. **Sustainability risk.** Sustainability risk means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The materialisation of this risk could have a negative impact on the value of the Company's net assets and the assets of the Company's shareholders. In order to mitigate this risk, the Management Company also assesses the sustainability factors and associated sustainability risks relevant to the specific investment being analysed and applies its Policy on Responsible Investment and Integration of Sustainability Risks.
- 26.2. **Waste risk.** There is a risk that Operating Companies will not properly manage computer waste or other electronic waste. This waste contains hazardous metals that, if not handled properly, can pose a risk to the environment and health. In order



to avoid this risk, the Company will encourage the Operating Companies to recycle computer waste and other electronic waste (if possible).

26.3. Risk of illegal work. There is a risk that due to a shortage of skilled labour, the Company's service providers and/or contractors may employ persons: (i) who are not citizens of the European Union or who enjoy freedom of movement under European Union law without recruiting, or (ii) will not be contracted in writing. This risk may affect the Company's reputation.

26.4. Management and human resources risks. The success of the Company's investment will largely depend on the decisions made by the managers of the companies controlled (directly or indirectly) by the Company, as well as the decisions made by the people responsible for the management of the Company, and the experience and abilities of the said people. There is no guarantee that the same persons will manage the companies controlled (directly or indirectly) by the Company, as well as the Management Company for the entire term of the Company's activities. The Management Company will seek to implement a promotion policy that ensures that key personnel motivation to participate in the Company's and its investment activities until the end of the term of the Company's activities.

Assessment of the likely impact of sustainability risk on return on the Fund's investments. Taking due account of the Company's investment strategy in respect of sustainability factors, the Management Company is of the opinion that the impact of sustainability risk on the potential return on the Company's investments corresponds with the impact of general investment risks, including market risk, credit risk and liquidity risk.

27. WHERE AND HOW ADDITIONAL INFORMATION ON THE TYPES OF RISKS CAN BE OBTAINED.

The Shareholders can find additional information about the risks related to the Shares in the Articles of Association and historical Prospectuses which were announced in order to admit the Shares to trading on a regulated market. In addition, such information will be made available subject to request to the Management Company.



VI. INFORMATION ON FINANCING AND FINANCED COLLECTIVE INVESTMENT
UNDERTAKINGS

28. –

29. –

30. –

31. –

32. –

33. –

34. –



VII.SUSTAINABILITY

35. SUSTAINABILITY REQUIREMENTS INTO INVESTMENT DECISIONS

In carrying out its activities, the Company's Investment Committee shall evaluate the investment decisions, which consists of: (i) financial, market and/or product analysis; (ii) due diligence of the investment object; and (iii) setting the requirements of compliance of the investment decision with ESG (environmental, social and governance) or sustainability requirements (hereinafter – the **ESG requirements**).

In accordance with the regulations of the Company's Investment Committee and Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, the Company's Investment Committee shall assess the compliance of the investment decision with the following ESG requirements prior to adopting an investment decision:

- Environmental requirements:
 - o sustainability of waste management organisation.
 - o ensuring the energy sustainability of the Company's investment object (legal entity).
- Requirements for the sustainable development of society:
 - o compliance of the working conditions of employees and/or external service providers and/or contractors with legal requirements.
 - o compatibility of the real estate projects being developed with the interests of local communities.
- Requirements for effective management:
 - o effectiveness of prevention of corruption and bribery.
 - o opportunities to disclose the results of the execution of the investment decision fully and transparently to the Company's investors.
 - o conformity of the investment decision with the interests of both large and small shareholders of the Company.

Assessment of negative impact on sustainability. Although the Management Company has integrated an assessment of sustainability risks into its investment decision-making procedures and applies some other ESG practices, but no account is currently taken of principal adverse impacts of investment decisions on the sustainability factors, as defined in Regulation (EU) 2019/2088 of 27 November 2019 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector. In the opinion of the Management Company, currently, the possibilities of collecting necessary information are limited.

The Company's objective is not sustainable investment as defined in Regulation (EU) 2019/2088 of 27 November 2019 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, nor is it intended to promote environmental or social performance or any combination thereof. The investments related to this financial product do not take into account the EU criteria for environmentally sustainable economic activity.



VIII.GOVERNANCE

36. GENERAL MEETING OF SHAREHOLDERS

The competence of the General Meeting and its convening and decision-making procedures shall not differ from the competence and procedure established by the Law on Companies of the Republic of Lithuania to the extent the Articles of Association or the Law on Collective Investment Undertakings of the Republic of Lithuania do not indicate otherwise. The right of initiative to convene the meeting shall be vested in the Management Company, Company's Supervisory Board and the Shareholders whose Shares confer at least 1/10 of all the votes at the General Meeting. The convening of the General Meeting shall be organised by the Management Company.

All decisions of the General Meeting shall be adopted by a 3/4 majority of votes conferred by the Shares held by the Shareholders present at the Meeting, except for the decisions specified below which are taken by a 2/3 majority of votes carried by the Shares held by the Shareholders participating at the Meeting, i.e., decisions:

- to elect and remove a certified auditor or audit firm and establish terms of payment for audit services.
- to approve sets of annual and interim financial statements.
- on extension of the term of the Company's activities and making of related amendments to the Articles of Association.

The decisions of the General Meeting specified below can be adopted only after considering the recommendations provided by the Board of the Management Company and/or the Investment Committee of the Company and with regard to consequences of the respective decision, namely, decisions regarding:

- amendment to the Articles of Association.
- redemption of Shares.
- formation, use, reduction and cancellation of reserves.
- increase or reduction of the authorised capital.
- reorganisation, spin-off or transformation of the Company.
- merger of the Company with other collective investment undertakings.
- approval of the agreement with the Depository, appointment of the person authorised to sign the approved agreement with the Depository on behalf of the Company, change of the Depository.
- liquidation of the Company or extension of the term of activities of the Company.
- restructuring of the Company.

The Management Company must present its recommendations on draft decisions on issues indicated above together with the announced draft decisions proposed by the Management Company. The Board of the Management Company shall determine the issues on which recommendations will be provided by the Investment Committee of the Company.

The below-indicated decisions of the general meeting of Shareholders of the Company can be taken only after considering the recommendations given by the Board of the Management Company and/or the Investment Committee of the Company, and after considering the recommendations and responses of Supervisory Board, and with regard to specified consequences of a relevant decision, i.e., decisions regarding:

- annual consolidated financial statements, draft profit (loss) distribution and the annual report of the Company.
- draft distribution of dividends for a period of less than one financial year as well as the interim consolidated financial statements and the interim report drawn up for the purpose of adopting the draft.
- draft rules for granting shares.
- draft remuneration policy and a draft remuneration report.

The Management Company and the Supervisory Board must present its recommendations on draft decisions on issues indicated above hereof together with the announced draft decisions proposed by the Management Company.

In case draft decisions are proposed not by the Management Company but by the Shareholders, the Management Company must, no later than within 5 (five) business days after presentation of such a draft decision to the Company, prepare a relevant recommendation and announce it in the way draft decisions are announced. In any case recommendations of the Management Company regarding all draft decisions on relevant issues of the agenda must be announced no later than 3 (three) business days until the date of the General Meeting.

If the General Meeting adopts a decision not following the recommendations provided by the Management Company, the Management Company shall not be responsible if such decisions violate the requirements for management of the Company, or there are other negative consequences.

An ordinary General Meeting shall take place no later than by 30 April of the current year.

Representatives of the Management Company shall have the right to participate in the General Meetings.

An extraordinary General Meeting shall be convened if:

- that is requested by the Shareholders who have the right to initiate the convening of the General Meeting or the Management Company.
- the auditor or audit firm terminates its agreement with the Company and/or the Management Company or for any other reasons cannot audit the set of the Company's annual financial statements.
- when the Supervisory Board of the Company resigns, or when the number of members of the Supervisory Board becomes less than three.
- the Management Company seeks to terminate the management agreement with the Company, or there are reasons why the agreement between the Company and the Management Company cannot be performed.
- in other cases, provided for in the legislation of the Republic of Lithuania and in the Articles of Association.

The General Meeting can take decisions and shall be deemed to have taken place irrespective of the number of votes conferred by the Shares held by the Shareholders present at the meeting.

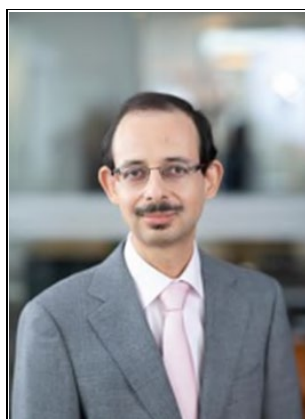
The General Meeting shall have no right to adopt decisions which are assigned to the competence of the Management Company by the Articles of Association, or which are management decisions in their essence.

37. MEMBERS OF THE MANAGEMENT BODIES AND THE SUPERVISORY COUNCIL

A collegial supervisory body - the Supervisory Board shall be formed at the Company. Management bodies of the Company shall not be formed. Management of the Company shall be transferred to the Management Company; therefore, in accordance with the Law on Collective Investment Undertakings of the Republic of Lithuania, the rights and obligations of the Board and the Manager of the Company established in the Law on Companies of the Republic of Lithuania shall be transferred to the Management Company.



The Company management fee provided for in paragraph 13.1.1 of the Prospectus shall be paid to the Management Company for the management of the Company. The Management Company shall also have the right to the share of the Company's profit established according to the provisions of paragraph 13.1.1 of the Prospectus.

INFORMATION ON MEMBERS OF SUPERVISORY BOARD:



Raimondas Rajeckas – Member of the Supervisory Board
Main workplace – Invalda INVL, AB (code 121304349, Gynėjų 14, Vilnius, Lithuania)
CFO

The term of office	Since 2021 till 2025
Educational background and qualifications	2001 Vilnius University, Faculty of Economics, Master of Science in Accounting and Auditing 1999 Vilnius University, Faculty of Economics, Bachelor of Science in Business Administration and Management
Work experience	Since 2006 CFO at Invalda INVL, AB 2001 – 2006 CFO at Valmeda, AB 2000 – 2001 CFO at Galincius, AB 2000 – 2001 CFO at Invaldos Marketingas, UAB (current name Inreal Valdymas. UAB)

	2000 – 2002 Accountant at Gildeta, AB 1998 – 2000 Accountant at Invalda, AB
Owned amount of shares in INV L Baltic Real Estate	-
Participation in other companies	Raimondas Rajeckas holds management positions in companies controlled by Invalda INV L: director at MD PARTNERS, UAB director at Invalda INV L Investments, UAB director at Cedus, UAB director at Cedus Invest, UAB director at Regenus, UAB director at Consult Invalda, UAB director at RPNG, UAB director at MGK invest, UAB director at MBGK, UAB director at Aktyvo, UAB director at Aktyvus valdymas, UAB director at public institution Iniciatyvos Fondas
	<p>Mantad Gofmanas – Candidate to Supervisory Board Members <i>(On 9 December 2022, the Company's General Meeting of Shareholders elected Mantas Gofmanas as a member of the Company's Supervisory Board until the end of the current term of the Supervisory Board. Mantas Gofmanas will take up his position as a member of the Supervisory Board only after receiving the permission of the Supervisory Authority).</i></p> <p><i>Main workplace</i> – INV L Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Head of Legal and Product Development team in Private Equity unit at INV L Asset Management, UAB</p>
The term of office	Since 2022 till 2025
Educational background and qualifications	2007 Vilnius University, Master of Laws
Work experience	Since 2022 Head of Legal and Product Development team in Private Equity unit at INV L Asset Management, UAB 2006 – 2022 Associate Partner, Lawyer at Law Firm TGS Baltic
Owned amount of shares in INV L Baltic Real Estate	-
Participation in other companies	The candidate is an employee of INV L Baltic Real Estate management company UAB INV L Asset Management; The candidate does not own any shares in INV L Baltic Real Estate;
	<p>Eglė Surplienė – Chairman and Independent member of the Supervisory Board <i>Main workplace</i> - Gerovės valdymas, UAB FPJ (code 302445450, Gedimino pr. 20-27, Vilnius) – Director</p>



PROSPECTUS
OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

The term of office	Since 2021 till 2025
Educational background and qualifications	Vilnius University, Faculty of Economic Cybernetics and Finance, Economic Cybernetics studies, Economics – mathematics diploma (equivalent of Master's degree) 2009 – Award in Financial Planning (CII program and exam) certificate. 2005 – OMX Vilnius dealer certificate 1996 – General financial broker license
Work experience	Since 2018 general partner at limited partnership Gerovės partneriai Since 2015 director INVL Baltic Farmland, UAB Since 2014 Chairman of the Board at Atelier Investment management, UAB Since 2009 wealth manager at UAB FPI Geroves Valdymas 2006 - 2009 wealth manager, VIP Clients manager at AB FBC Finasta, AB bank Finasta 2005 - 2006 project manager at Zabolis ir partneriai, UAB 1999 – 2005 member, Deputy Director of the Commission at Securities Commission of Lithuania 1995 - 1999 Head of Issuer Division at UAB FMI Vilfima 1993 - 1995 member of Market Regulation Division at Securities Commission of Lithuania
Owned amount of shares in INVL Baltic Real Estate	-
Participation in other companies	Atelier Investment Management, UAB (code 303335430, Žemaitijos str. 8-20, Vilnius) – Chairman of the Board Gerovės valdymas, UAB FPĮ (code 302445450, Jogailos str. 3-103, LT-01116) – Director Gerovės partneriai, KŪB (code 304746185, Jogailos str. 3-103, LT-01116) – Full member DIM investment, UAB (code 301145749, Pasakų str. 5, Vilnius) – Director INVL Baltic Farmland, AB (code 303299781, Gynėjų str. 14, LT- Vilnius) - Director

On 29 April 2021 April, the Company's General Meeting of Shareholders approved the remuneration policy of the Company's Supervisory Board.

According to the decision of the General Meeting of the Shareholders of the Company hold on 29 April 2021 it was set the hourly remuneration of the elected independent member of the Supervisory Board at EUR 145 per hour. The other Members of the Supervisory Board do not receive remuneration for these duties.

Detailed information on the remuneration paid by the Company to the Supervisory Board members is published in the remuneration report, which is approved every year by the Company's General Meeting of Shareholders.

INFORMATION ON THE MANAGER AND CFO OF THE MANAGEMENT COMPANY:



Laura Križinauskienė – General Manager of the Management company
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius)
 General manager

Educational background and qualifications	and	Vilnius Gediminas Technical University, Master's degree in Management and Business Administration
--	------------	---

Work experience	2016-2017 Danske Bank A/S Lithuanian branch – Operational manager, Head of Global Function 2012-2016 Baltpool UAB – general manager, member of the Board 2010-2012 Finasta bank AB – Director of the Capital market department 2005-2012 held various positions in Finasta FMĮ AB, Finasta bank AB, Finasta investicijų valdymas (currently INVL Asset Management)
------------------------	---

Participation in other companies	FMI Financial Advisors, UAB (code 304049332, Gynėjų str. 14, Vilnius) – Member of the Board IPAS INVL Asset Management (code 40003605043, Smilšu iela 7-1, Rīga, Latvia) – Member of the Supervisory Board AS INVL atklātais pensiju fonds (code 40003377918, Smilšu iela 7-1, Rīga, Latvia) – Member of the Supervisory Board
---	--



Vytenis Lazauskas – Head of Finance of the Management Company
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius)
 Head of Finance of INVL Group.

Educational background and qualifications	and	1999 – 2005. Vilnius University. Master's degree in Finance. Bachelor's degree in Accounting and Audit.
--	------------	---

Work experience	Since 2018. UAB INVL Asset Management. Head of Finance of INVL Group. 2003 – 2018. PricewaterhouseCoopers, UAB. Senior manager.
------------------------	--

38. INFORMATION ON THE MANAGEMENT COMPANY

38.1. Information on the Management Company is provided in Section 2 of the Prospectus. The numbers of the licence of the Management Company to engage in the activities of a management company: VĮK-005 (Licence of the Management Company acting in compliance with the Law on Collective Investment Undertakings) and 3 (Licence of the Management Company acting in accordance with the Law on the Managers of Alternative Collective Investment Undertakings).

38.2. Managers of the Management Company and information on the activities of the managers of the Management Company in other companies (the information on the members of the Board of the Management Company is only presented below. Information on the Manager of the Management Board could be find above):



Darius Šulnis – Chairman of the Board of the Management company
Main workplace – Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) - president

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – the President
Šiaulių bankas, AB (code 112025254, Tilžės str. 149, Šiauliai) – Member of the Supervisory Board
Litagra, UAB (code 304564478, Savanorių ave. 173, Vilnius) – Member of the Board
INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member
FERN Group, UAB (code 306110392, Granito str. 3-101, Vilnius) – Chairman of the Supervisory Board



Nerijus Drobavičius – Member of the Board of the Management company
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Private Equity Partner

Participation in other companies

INVL Technology, CEF (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee
BSGF Sanus, UAB (code 304924481, Gynėjų str. 14, Vilnius) – Director
InMedica, UAB (codas 300011170, L. Asanavičiūtės str. 20-201, Vilnius) – The Chairman of the Board
INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member
MBL A/S (CVR-no 12825242) – Member of the Board
MBL Poland Sp. z.o.o. (ul. Sulejowskiej 45d, 97-300 Piotrków Trybunalski, Polska, KRS 0000065219) – Member of the Supervisory Board
Reneso, UAB (code 302941941, Gynėjų str. 14, Vilnius) – Director
Sugrasta, MB (code 305287386, Pranapolio str. 11, Vilnius) - Director



Vytautas Plunksnis – Member of the Board of the Management company
Main workplace – INVLT Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Head of Private Equity

Participation in other companies

INVLT Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVLT Baltic Sea Growth Fund – Investment Committee Member
Eco Baltia AS (Maskavas str. 240-3, Rīga, Latvia 40103446506) – Chairman of the Supervisory Board
Eco Baltic vide, SIA (code 40003309841, Ropažu nov., Stopiņu pag., Rumbula, Getliņu iela 5) – Member of the Supervisory Board
Ecoservice, UAB (code 123044722, Dunojaus str. 29, Vilnius) – Chairman of the Board
B2Y, SIA (code 40103243404, Maskavas iela 322A, Rīga) – Chairman of the Board
INVLT Technology (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee
Norway Registers Development AS (code 985 221 405 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board
NRD Systems, UAB (code 111647812, Gynėjų str. 14, Vilnius) – Member of the Board
NRD CS, UAB (code 303115085, Gynėjų str. 14, Vilnius) – Member of the Board
Novian Systems, UAB (code 125774645, Gynėjų str. 14, Vilnius) – Chairman of the Board
NRD Companies AS (code 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board
BC Moldova-Agroindbank SA (MAIB) (code 1002600003778, Constantin Tănase str. 9/1, Chisinau, Moldova) – Chairman of the Supervisory Board
Investuotoju Asociacija (code 302351517, Konstitucijos av. 23, Vilnius) – Chairman of the Board

With a view to ensure the effectiveness of the Company's activities and investment control, the Investment Committee shall be formed by the decision of the Board of the Management Company. An approval of the Investment Committee must be obtained for all investments of the Company and their sale.

The procedure of formation, responsibility and functions of the Investment Committee as well as its decision-making and other procedures shall be established in the Regulations of the Investment Committee.

As of the Prospectus announcement date, the Investment Committee consists of:



Vytautas Bakšinskas – Chairman of the Investment Committee

Main workplace – INVLT Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Real estate fund manager

Participation in other companies

Proprietas, UAB (code 303252098, Gynėjų str. 14, Vilnius) – Director

RE 1, AB (code 302622705, Gynėjų str. 14, Vilnius) – Director, member of the Board



Andrius Daukšas – Member of the Investment Committee

Main workplace – INVLT Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Investment manager

Participation in other companies

IPPG, UAB (code 301673796, Gynėjų str. 14, Vilnius) - Director

Vernitas, AB (code 193052526, Stoties str. 16, Marijampolė) - Member of the Supervisory Board

RE 1, AB (code 302622705, Gynėjų str. 14, Vilnius) - Member of the Board

As of the Prospectus date, the Management Company has no information on any significant conflicts of interest between the members of the Investment Committee of the Company and the Company or its Shareholders.

38.3. On 11 November 2016, the Management Company and the Company concluded the Investment Company Management Agreement in which it is agreed that the Management Company will receive the management fee and acquire the right to the share of the Company's profit (as defined in paragraph 13.1.1 of the Prospectus) for the management of the Company, i.e. the Company's investment management, administration, marketing and other related activities as defined in the Law on Collective Investment Undertakings of the Republic of Lithuania. The Company Management Agreement between the Company and the Management Company was amended on 29 December 2017 after the approval of the General Meeting (hereinafter the Agreements dated 11 November 2016 and 29 December 2017 collectively referred to as the *Agreements*).

Under the above Agreement, the Management Company acquired the right:

- To perform all actions of the management bodies of the Company and other actions assigned to the competence of the Management Company under the applicable legal acts and/or the Articles of Association.
- To represent the Company's interests in the relations with the Supervisory Authority, the Depository of the Company, other institutions, bodies, and organisations as well as natural and legal persons.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

- To conclude and implement transactions on behalf, at the expense and in the interests of the Company as well as perform other actions related to the management of the Company's assets.
- To make deductions from the Company's assets provided for in the Articles of Association.
- To receive the remuneration comprised of the Management Fee and the Performance Fee.
- To delegate some of its functions to the company entitled to provide respective services.
- To initiate and carry out the issue, distribution, and subscription of the Company's shares under the procedure established in the Articles of Association.
- To suspend and/or resume the payment of dividends to the Shareholders on the grounds and under the procedure established in the Articles of Association.

The Agreement shall be valid until the full discharge of the obligations of the Parties or until the termination or other expiration of the Agreement on the grounds established in the Agreement, the Articles of Association or in the applicable legislation.

The Agreement may be terminated on the initiative of the Company after the General Meeting has decided under the procedure established by the Company in the Articles of Association to replace the Management Company of the Company and hand over the management of the Company to another management company when:

- the Management Company is liquidated.
- the Management Company undergoes restructuring.
- bankruptcy proceedings have been initiated against the Management Company.
- the Supervisory Authority takes a decision to restrict or cancel the rights provided for in the licence of the Management Company related to management of investment companies.
- the Management Company commits a material breach of the Agreement, the Articles of Association or legal acts which is not eliminated within a reasonable period (if it is possible to eliminate it).

The Agreement may be terminated on the initiative of the Management Company only due to important reasons. In such a case the Management Company shall convene the General Meeting which would resolve the issues related to the termination of the Agreement, replacement of the Management Company, handover of the management of the Company to another company and the approval of such actions by the Supervisory Authority. In any case the Management Company shall notify the Company and the Shareholders of its intention to terminate the Agreement and inform the Supervisory Authority about such notification no later than 6 months in advance.

In the event that the Agreement is terminated due to reasons for which the Management Company is not responsible (irrespective of which Party initiates the termination of the Agreement), the Management Company shall receive compensation amounting to the sum of management fees for the last 4 full quarters. In addition, the Management Company shall receive the full Performance Fee due until the Agreement termination date (accrued and not paid).

The new wording of the Agreement was approved on 29 December 2017.

38.4. Other collective investment undertakings managed by the Management Company:

HARMONISED INVESTMENT FUNDS:

The open-ended harmonised investment fund INVL Baltic Fund is oriented towards investors with limited investment experience. Monetary resources of the Fund are invested into the shares of companies listed on the Baltic stock exchanges or of companies actively operating in the Baltic countries, aiming to achieve maximum return and assuming high risk. The Fund is focussed on long-term investments by identifying attractive economic sectors and specific companies.

INVL Umbrella Fund is a harmonised umbrella investment fund which consists of the following two subfunds:

- INVL Emerging Europe Bond Subfund – funds are invested into debt securities of developing European country governments and companies indicated by the credit analysis as the most promising. The Subfund combines the riskier (bonds of companies) and safer (bonds of governments) investments in order to ensure a stable return on investment. The purpose of the Subfund is to ensure balanced growth of the Subfund's assets;
- INVL Global Emerging Markets Bond Subfund – funds are invested in the debt securities of governments, municipalities and companies in emerging countries selected by the manager as the most promising. The Subfund combines the riskier (bonds of companies) and safer (bonds of governments and municipalities) investments in order to ensure a stable return on investment. The purpose of the Subfund is to ensure balanced growth of its assets.

SPECIAL COLLECTIVE INVESTMENT UNDERTAKINGS:

INVL Alternative Investment Fund, a closed-end special investment fund investing in other collective investment undertakings

- Fund will invest 100% of its assets in other collective investment undertakings, including qualifying special collective investment undertakings, collective investment undertakings for informed investors and collective investment undertakings other than harmonised collective investment undertakings (hereinafter – the Alternative CIUs), which in turn invest the majority

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVLT BALTIC REAL ESTATE

of their assets in the alternative asset class, which includes private equity, energy and infrastructure, tangible assets (real estate, forests, land), private debt and other alternative asset classes. At the start of the Fund's operations and/or in the absence of the possibility to invest the Fund's assets in Alternative CIUs and/or to manage the Fund's liquidity risk, up to 100% of the Fund's assets may be invested directly or through other collective investment undertakings in debt securities of governments and/or companies of emerging Europe and/or other money market instruments (including deposits).

SUTPKIB INVLT Technology is an ICT investment company listed on AB Nasdaq Vilnius. INVLT Technology operates as a cluster of IT companies oriented towards the major business and state segments the main four fields of activities are as follows: improvement of the business climate and e-management, IT infrastructure, cyber security and solutions for IT-susceptible industries. With a view to create a significant return on the attracted investments for investors, INVLT Technology invests in mature IT companies operating in the fields of solutions for major businesses and the public sector having the industrial capacities in the Baltic countries and in Eastern and Central Europe and the synergy potential in cooperation with other INVLT Technology companies. INVLT Technology seeks to increase the value of its managed companies by providing a financial and intellectual capital and state aid for their growth and additional acquisitions as well as by helping to globalize the activities through the sale channels on the markets in East Africa and Southeast Asia.

The closed-end umbrella investment fund intended for informed investors INVLT Alternative Assets Umbrella Fund, which consists of the following 6 subfunds:

- The purpose of the investment activity of INVLT Special Opportunities Fund is to collectively invest accrued monetary resources into risky companies generating higher-than-average return. Investments can be made either directly or using special purpose vehicles. The geography of the investment activity of the Subfund is the underdeveloped countries which have a higher growth potential. A major focus and the highest priority will be given to companies operating in Eastern Europe and in the Commonwealth of Independent States.
- INVLT Baltic Sea Growth Capital Fund – the Subfund seeks to earn return on investment into the companies operating in the states of the Baltic Sea region whose equity securities are not traded on regulated markets and which can become regional leaders of a particular business sector. These investments should bring adequate, risk-adjusted return to its Participants. The target return should be achieved through the investments of the Subfund not directly into the specified assets but through investments into the securities – investment units issued of the Main Collective Investment Undertaking. Investments will make up to 95 per cent of the assets comprising the NAV. Due attention should be paid to the fact that the Subfund's assets will not be directly diversified. Sufficient diversification of the assets comprising the Subfund will be achieved through compliance by the Main Collective Investment Undertaking with the investment policy and strategy provided for in its incorporation documents. The incorporation documents of the Main Collective Investment Undertaking will be made available to the Investors together with the Rules and the Prospectus.
- INVLT Partner Global Distressed Debt Fund I – Subfund seeks long-term increase in the value of the capital invested in the Subfund by its participants while receiving a steady return on the Subfund's assets. The Subfund intends to achieve this investment objective indirectly through the acquisition, holding and transfer of Authorised Investments related to Distressed Entities. Directly Authorised Investments will be acquired, held and transferred by the master CIU and/or another collective investment undertaking in which the master CIU will invest. In exceptional cases (e.g., after the master CIU has exercised the right to distribute the unrealised assets of the master CIU to the participants of the master CIU (including the Subfund) at the end of the term of the master CIU activities), the Subfund may temporarily acquire the Authorised Investments directly, however, take prior economically reasonable measures to prevent the Subfund from acquiring ownership of the Authorised Investments directly (e.g., shall exercise the right for the Manager of the master CIU to find a purchaser for such Authorised Investments before their ownership passes to the Subfund), given that the Subfund does not intend to acquire the Authorised Investments directly.
- INVLT Sustainable Timberland and Farmland Fund II – Capital Fund – Subfund seeks long-term increase in the value of the capital invested in the Subfund by its Participants while receiving a steady return on the Subfund's assets. The Subfund intends to achieve this investment objective through the indirect acquisition, holding and transfer of agricultural and forestry land in the Member States of the European Union. These assets shall be acquired, held and transferred directly (or through controlled persons) to the Funded CIU. The Subfund shall not acquire land directly for agricultural and forestry purposes, but shall act as a financing collective investment undertaking for the Funded CIU. In exceptional cases (e.g., after the master CIU has exercised the right to distribute the unrealised assets of the master CIU to the participants of the master CIU (including the Subfund) at the end of the term of the master CIU activities), the Subfund may temporarily acquire agricultural and forestry land (or equity and/or debt securities issued by the legal entities that manage them) directly, however, shall take prior economically reasonable measures to prevent the Subfund from acquiring ownership of these assets directly, given that the Subfund does not intend to acquire agricultural and forestry land directly.
- INVLT Renewable Energy Fund I - Subfund seeks a long-term increase in the value of the capital invested in the Subfund by the investors while receiving a steady return on the Subfund's assets. The Subfund intends to achieve this investment objective by investing in existing (or future) renewable energy and/or other infrastructure in the Investment Area and earning an above average risk-adjusted return thereon. The assets comprising the Subfund will be invested in green field and brown field renewable energy (solar, wind, biogas, etc.) projects, which will include but be not limited to (i) the

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVL BALTIC REAL ESTATE

construction of new power plants, (ii) the acquisition of existing power plants, (iii) the development and/or acquisition of infrastructure necessary for the operation of power plants, and (iv) the efficient management of existing power plants. Investment returns will be generated by (i) receiving compensation for the energy produced by the renewable energy facilities (power plants) controlled by the Subfund, and (ii) increasing the value of these facilities and their associated infrastructure. Please note that the Subfund's assets at the end of the Investment Period, after having been guaranteed by the Management Company, will comply with the risk diversification provisions set out in the Subfund's Rules.

- INVL Partner Global Infrastructure Fund I - Subfund seeks to achieve a long-term increase in the value of the capital invested in the Subfund by investors while generating regular income from the Subfund's assets. The Subfund intends to achieve this investment objective by indirectly acquiring, holding and disposing of interests in the CIUs comprising the Portfolio that invest in core infrastructure (the CIUs comprising the Portfolio are collective investment undertakings whose interests are committed to be acquired by the Management Company for the account and benefit of the Subfund or whose interests will at any time form part of the Subfund's assets). The Subfund will acquire interests in the Portfolio CIUs whose portfolio consists of infrastructure assets (including securities issued by legal entities directly and/or indirectly managing such assets) that have (i) strong market exposure, (ii) high barriers to entry to the relevant markets, (iii) limited demand elasticity, (iv) a long lifetime, and (v) a correlation with inflation.

The Subfund itself will not directly acquire infrastructure objects, except in exceptional cases. The Management Company will in all cases take economically reasonable measures to prevent the Subfund from acquiring ownership of these assets directly. The Subfund's assets will not be directly diversified, i.e. the Subfund's assets will consist directly only of investments in the CIUs comprising the Portfolio.

The closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund II, which consists of a one subfund:

- - INVL Partner Energy and Infrastructure Fund - Subfund seeks to earn returns from investments in infrastructure facilities and assets related to them. The desired return is not intended to be achieved by investing in the specified assets directly, but by investing in the securities of the Master Fund, in which up to 95% of all assets constituting NAV will be invested. The Master Fund invests in economic and social infrastructure objects and related assets. The assets of the Subfund will not be directly diversified. Sufficient diversification of the assets constituting the SubFund will be achieved for the Master Fund in accordance with the investment policy and strategy provided for in its founding documents.

COLLECTIVE INVESTMENT UNDERTAKINGS INTENDED FOR PROFESSIONAL INVESTORS:

INVL Baltic Sea Growth Fund will invest in medium-sized companies with an attractive risk-return ratio, providing them with capital for further growth. The Fund will seek to form a diversified portfolio of Baltic Sea region companies and will focus on growth capital, buyout, and "buy and build" investments.

38.5. As of the Prospectus publishing date, the subscribed and fully paid-up authorised capital of the Management Company amounts to EUR 5,452,000.00, and it is divided into 18,800,000 ordinary registered shares with the nominal value of EUR 0.29.

38.6. The Management Company has approved the Policy on Remuneration to employees adopting decisions regarding risk assumption which complies with the requirements of the legal acts applicable to the Management Company and to the management of the Company. The fixed remuneration of an employee of the Management Company shall include the employee's official monthly salary and additional benefits assigned to the employee irrespective of his/her performance and paid to all employees who meet the established criteria according to the procedure applicable at the Management Company (e.g. pension contributions to voluntary pension funds). An official monthly salary and its amount shall be established in the employment contracts concluded with employees and shall be paid under the procedure laid down by the applicable legislation. An official monthly salary shall be determined in compliance with the job requirements and the nature of work, the employee's professional qualifications and capacities. Official monthly salaries of individual employees in the same position may differ; when determining the amount of such salary, due account shall be taken of the employee's professional qualifications, available experience and personal professional activity, previous work of the employee at the company and in related (daughter, parent, sister) companies, other skills and capacities; the amount of the official monthly salary can be also influenced by the demand and supply for labour on the labour market. Besides the official monthly salary or remuneration paid in any other form, an additional share – an annual extra pay may be paid as well; the annual extra pay shall be assigned depending on the implementation of the annual business plan and/or budget of the Management Company, achievement of annual goals set by the employee's division and realisation of the employee's individual plans and tasks specified in the employee's individual evaluation plan. The official monthly salary shall be determined so that the appropriate proportions of the official monthly salary and its extra pays are ensured. The official monthly salary shall comprise a significant portion of the entire salary paid to the employee so that the Management Company could implement a flexible incentive policy. The extra pay shall be paid according to the following terms:

- the portion equal to 60 per cent of the extra pay amount is paid as a lump-sum under the procedure and within the time frames established in the order of the General Manager or in the decision of the Board of the Company.



PROSPECTUS

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY INVL BALTIC REAL ESTATE

- the remaining portion of the extra pay (i.e. the remaining 40 per cent of the extra pay) is paid to the employee pro rata within three years, i.e. the carried forward portion of the extra pay is pro rata distributed within the entire carry-forward period and it is started to be paid no earlier than 1 year after the evaluation of the employee's operating results and it will be paid yearly by paying out the proportionally calculated portion of the extra pay. In individual cases, the competent management body of the Management Company which takes a decision regarding the assignment of the extra pay shall have the right to decide on a longer carry-forward period (which usually does not exceed 5 years), having regard to the business cycle and the nature of activities of the Management Company and/or the respective collective investment undertaking or pension fund, the risk assumed by the employee, his/her performance and other criteria established in the applicable legislation.

Usually, the extra pay is paid in cash. Acting in compliance with the principle of proportionality, the Management Company shall not apply the requirement to mandatorily pay a certain portion of the extra pay in financial instruments. However, if the Management Company provides such possibility, the extra pay may, at the employee's choice, be paid in financial instruments or equivalent instruments (share options, contributions to the private pension fund). An extra pay, including its carry-forward portion, may be assigned and/or paid out to the employee provided that the Management Company is in a sustainable financial position, having regard to the operating results of the Management Company and/or its division and only in the case that the results of the employee's annual individual evaluation are positive. Having regard to the size and organisational structure of the Management Company, no remuneration committee shall be formed. Remuneration of the General Manager, Internal Auditor and other employees of the Management Company whose subordination (responsibility) is assigned to the Board according to the management structure approved by the Board of the Management Company (both the official monthly salary and annual extra pays) shall be determined (allocated) by the Board of the Management Board. The remuneration of all other employees shall be determined by the General Manager of the Management Company. The list of these persons is provided in subparagraph 38.2 of the Prospectus.

The Management Company must follow the Management Company's remuneration policy for employees making decisions on risk assumption.



IX. OTHER IMPORTANT INFORMATION

39. DELEGATION OF FUNCTIONS

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 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 Management Company can delegate functions to third parties entitled to provide respective services in compliance with the requirements of the applicable legal acts.

The Management Company shall have no right to delegate so many of its management functions to another company that it would have practically no management functions left.

The delegation of some of the functions to another company shall not exempt the Management Company from its liability.

40. INFORMATION ABOUT DISTRIBUTORS OF INVESTMENT UNITS OR SHARES

See the note in paragraph 39 of the Prospectus.

41. INFORMATION ON THE DEPOSITORY

41.1. AB SEB Bankas, Gedimino Ave. 12, LT-01103 Vilnius, (8 5) 268 2800, (8 5) 268 2333, info@seb.lt, www.seb.lt.

41.2. The Depository has undertaken to perform the following functions:

- 41.2.1. based on the documents and information presented by the Company, to keep records of the Company's assets which cannot be entered into cash and securities accounts of the Company opened with AB SEB Bankas. The Depository's duty to keep records of such assets of the Company appears only at the moment when the Depository is provided with documents confirming which assets make up the Company's assets.
- 41.2.2. to accept the Company's assets (cash and securities which can be entered into cash and securities accounts of the Company opened with AB SEB Bankas) for keeping and to keep their records separately from other assets of the Management Company and the Depository. Having regard to the fact that the securities account under the Securities Account Management Agreement and the bank account under the Bank Account Agreement are opened in the name of the Company, it means that in this way the Depository separates the Company's cash and securities from the assets of the Depository, other clients of the Depository and the Management Company.
- 41.2.3. to credit cash and securities owned by the Company (which can be kept in the securities account opened in the name of the Company) to the cash and securities accounts opened with AB SEB Bankas in the name of the Company.
- 41.2.4. the Depository or the third person to whom the custody functions are delegated hereby undertakes not to use the Company's assets transferred for safekeeping for its/his own purposes.
- 41.2.5. to keep securities that are kept in the securities account opened in the name of the Company as a custodian according to the Securities Account Management Agreement, the general rules for the provision of services approved by the Depository and other internal legal acts of the Depository regulating keeping of securities at the Depository.
- 41.2.6. to keep the Company's cash in the bank account opened in the name of the Company under the Bank Account Agreement and the general rules for the provision of services approved by the Depository and other internal legal acts of the Depository regulating recording of cash and cash transactions. The Depository would like to note that the Company's cash in the bank account opened under the Bank Account Agreement, deposits formed on behalf of the Company and other cash of the Company kept at the Depository (if any) are not covered by deposit insurance by the state enterprise Indėlių ir Investicijų Draudimas under the Law on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania.
- 41.2.7. to fulfil instructions of the Management Company if they are not in conflict with the requirements of the legal acts of the Republic of Lithuania and the Articles of Association.
- 41.2.8. to make payments and non-payment transfers of securities from the Company's cash and securities accounts no later than on the next working day after the receipt of a relevant instruction of the Company, unless the Management Company indicates another date and time for the fulfilment of the instruction.

OF THE SPECIAL CLOSED-END REAL ESTATE INVESTMENT
COMPANY INVLT BALTIC REAL ESTATE

- 41.2.9. to ensure that the payment for the transferred assets of the Company would be assigned to the Company within the time set by the applicable legal acts of the Republic of Lithuania and the Articles of Association. In case other assets than the assets of the Company kept in the cash and securities accounts opened with AB SEB Bankas are transferred, the Depository has the duty to ensure that the proceeds for such transferred assets of the Company would be assigned to the Company appears only from the moment when the cash is transferred into the Company's cash account opened with AB SEB Bankas.
- 41.2.10. to check whether the Company's income (cash) is used according to the requirements of the legal acts of the Republic of Lithuania and the Articles of Association.
- 41.2.11. immediately, but no later than within 5 (five) business days, to notify the Management Company by e-mail of any violations of the legal acts of the Republic of Lithuania or the documents of the Company; also after the Depository has received the respective information from a third party, to inform the Management Company that the separation of assets is insufficient to ensure protection against the insolvency of the third party to whom the custody functions in a particular jurisdiction have been delegated;
- 41.2.12. after informing the Management Company, to notify the Bank of Lithuania of any noticed violation of the applicable legal acts or the Articles of Association.
- 41.2.13. to ensure that the value of Shares is calculated according to the requirements of the legal acts of the Republic of Lithuania and the Articles of Association.
- 41.2.14. to ensure that the sale, issue, redemption or cancellation of Shares would be carried out according to the requirements of the legal acts of the Republic of Lithuania and the Articles of Association.
- 41.2.15. no later than on the last business day of the calculation of net assets, to check the value of the Company's net assets and the value of Shares on the basis of the information provided by 10:00 and to inform the Management Company about this by 14:00.
- 41.2.16. upon request of the Management Company or upon receipt of important information which is necessary in order for the Management Company to perform its duties, to immediately transfer such information to the Management Company, as well as to give the Management Company reports on the Company's assets, their change and accounts.
- 41.2.17. upon request of the Company, to provide information about the third parties used by the Depository for the performance of the respective functions and information on the criteria used for the selection of the third party and the actions to be taken to monitor the activity of the chosen third party.

During the preparation of the Prospectus, the Management Company has not received any information about any potential conflicts of interest related to the Depository; however, there is a probability that the Depository can provide services to other collective investment undertakings which have similar investment objectives, investment strategy and investment policy as the Company. Thus, there might be situations when the Depository will have a potential conflict of interest in respect of the Company during the provision of its services to the Company. In such situations, the Depository will have to take into account the provisions of the agreements concluded by the Company and/or the Management Company with the Depository for the benefit of the Company. Moreover, the Depository will have to ensure that the Management Company, the Company and the Shareholders are treated fairly and in their best interests, as this is practically feasible in a particular situation.

- 41.3. As of the Prospectus date, the Management Company has not received any information about the functions of the Depository delegated to other entities.
- 41.4. More detailed and/or updated information on the data provided in paragraphs 41.2 - 41.3 of the Prospectus shall be made available to the Shareholders subject to their respective written request to the Management Company.

42. INFORMATION ON THE AUDIT COMPANY

In 2021, the audit of the Company was performed by an independent audit company UAB PricewaterhouseCoopers, J. Jasinskio St. 16B, LT-03163 Vilnius, +370 5 239 2300, No. 001273, 20 December 2005.

43. INFORMATION ON FINANCIAL INTERMEDIARIES

-

44. INFORMATION ON PROPERTY APPRAISERS

The valuation of the Company's investment portfolio is performed by OBER-HAUS nekilnojamosis turtas, UAB (+370 5 2109 700, Geležinio Vilko str. 18a, Vilnius 08104), OBER-HAUS Vertešanas serviss, SIA (+371 67 28 45 44, Ieriku street 5, Riga, 1084), Merhels Revidenti Konsultanti, SIA (Republikas laukums street 3-124, Riga, 1010). Further information is available in the consolidated annual reports and in the Company's consolidated financial statements (announced on the website: www.invlbalticrealestate.lt).

**45. LIQUIDATION OR WINDING-UP**

The Company can be liquidated:

- when there is a decision of the court or creditors to liquidate the bankrupt Company;
- at the end of the term of activities of the Company;
- in other cases established by law.

Upon decision to liquidate the Company, the Management Company shall automatically become the liquidator of the Company which shall perform all the liquidator's functions.

The Company shall operate for 30 years after the date of the permission of the Supervisory Authority to approve the incorporation documents of the Company and to choose the depository for the first time (i.e. 22 December 2016). The term of the Company's activities can be additionally extended for a period not exceeding 20 years. The decision regarding the extension of the term of the Company's activities can be adopted by the General Meeting no later than 6 months prior to the expiration of the term of the Company's activities or the extended term of the Company's activities (provided that the term of the Company's activities has been extended for a period shorter than 20 years). At least 3 months prior to the expiration of the term of the Company's activities, the General Meeting shall adopt a decision regarding the liquidation of the Company. In case of liquidation of the Company, accounts with the Shareholders shall be settled in accordance with the procedure laid down by the Articles of Association.

After the decision to liquidate the Company has entered into force, the liquidator shall immediately submit to the Supervisory Authority a set of financial statements of such Company prepared on the basis of the data as of the adoption of the decision to liquidate the Company, the audit opinion on this set and the audit report. Assets of the Company being liquidated shall be sold while acting under the best conditions and in the best interests of the Shareholders. The General Meeting shall have no right to adopt decisions that would oblige the liquidator to act otherwise than under the best conditions and in the best interests of the Shareholders, including but not limited to the setting of deadlines for the completion of the liquidation procedure as well as the procedure and terms for the sale of the Company's assets. Accounts with the Shareholders shall be settled in cash.

Upon liquidation of the Company, the assets of the Company shall be sold and the cash remaining after the performance of the debt obligations shall be divided among the Shareholders pro rata to the number of shares held by them. In the case of the Company's liquidation, accounts with the Shareholders shall be settled by transferring the amounts payable to the Shareholders into the bank accounts indicated by the Shareholders or (if the Shareholder's data are not known) to the depository account under the procedure established by the legal acts. Accounts with the Shareholders shall be settled in Euro. Settlement with the Shareholders of the Company can be suspended or effected only in part by the decision of the Management Company until the Company has received the tax administrator's confirmation regarding the settlement with the state and/or municipal budgets and state money funds.

46. OTHER RELEVANT INFORMATION WHICH, IN THE OPINION OF THE MANAGEMENT, COULD HAVE AN IMPACT ON THE DECISION OF INVESTORS

-

45. PERSONS RESPONSIBLE FOR THE INFORMATION PROVIDED IN THE PROSPECTUS:

45.1. The Manager and the Chief Finance Officer of the Management Company shall be held responsible for the information provided in the Prospectus:

45.1.1. General Manager Laura Križinauskienė, tel: (8~7) 005 5959, fax: (8~5) 279 0602.

45.1.2. Head of the Financial Division Vytenis Lazauskas, tel: (8~7) 005 5959, fax: (8~5) 279 0602.

45.2. No advisor services have been sought for the preparation of the Prospectus.

I, Laura Križinauskienė, General Manager of UAB INVL Asset Management, hereby confirm that the information provided in the Prospectus is true and correct and that it contains no concealed facts that could have a material impact on investor decisions

[SIGNATURE]

(Signature)

I, Vytenis Lazauskas, Head of the Financial Division of UAB INVL Asset Management, hereby confirm that the information provided in the Prospectus is true and correct and that it contains no concealed facts that could have a material impact on investor decisions

[SIGNATURE]

(Signature)