



BALTIC
REAL ESTATE

INVL BALTIC REAL ESTATE

VALUE CREATION 2016-2020

*Based on the information available
to INVL Baltic Real Estate as of
30 September 2020

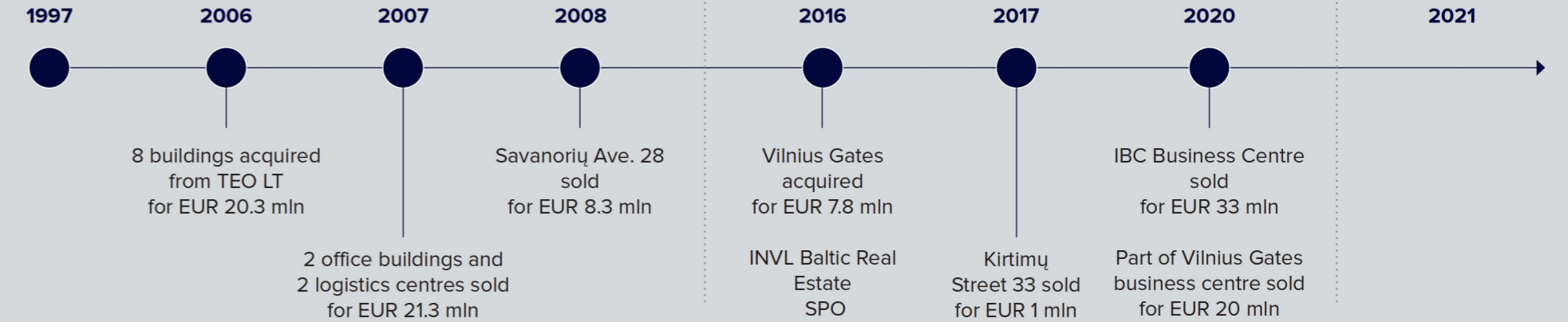


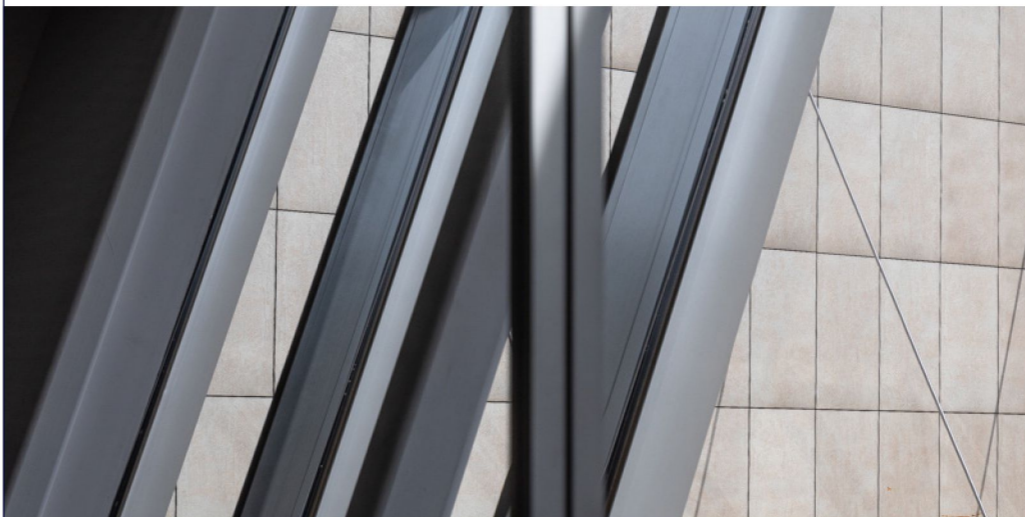


PERIOD OF INVESTMENT AND
VALUE CREATION

PERIOD OF VALUE CREATION
AND EXITS

PERIOD OF
INVESTMENT





**VALUE CREATED
CONSISTENTLY since 2016**

1

**OUR SUCCESS STORY:
TRANSACTIONS AND FUND RETURN
2016 - 2020**

VALUE CREATED

100

percent

Since 2016,
SPO investors have earned
a 100% return.

15.2

mln euros

Successful deal to sell
the IBC Business Centre –
we earned EUR 15.2 mln.

11.0

mln euros

Successful acquisition,
renovation and sale of part
of the Vilnius Gates business centre –
we earned EUR 11 mln.

6.6

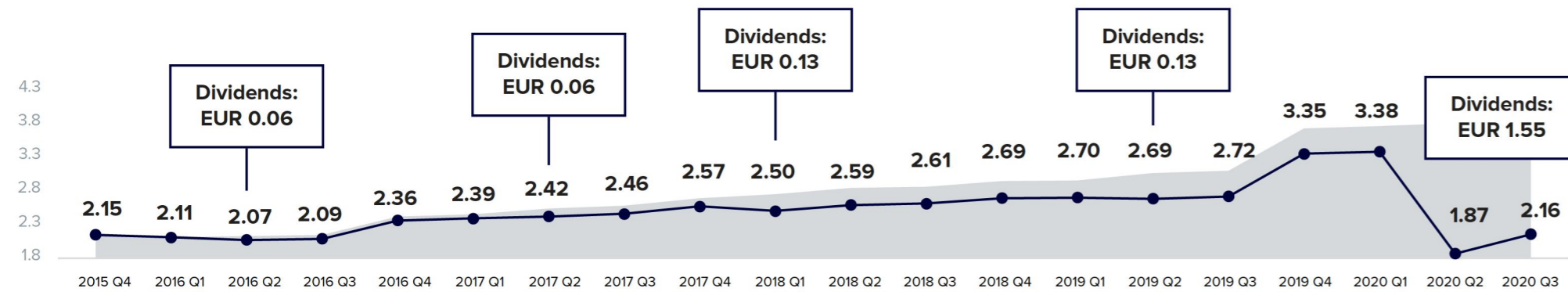
mln euros

Reforms at
the Vilnius St. 33 Business Centre,
created additional value of
EUR 6.6 mln.

RETURN SINCE THE 2016 SECONDARY PUBLING OFFERING



GROWTH OF NAV,
EUR/share



RETURN SINCE THE
2016 NEW SHARE
OFFERING

+100%

IRR 18%

ANNUAL RETURN (NAV growth + dividends)

Target >8%

12.6%	11.5%	9.4%	29.5%	10.7%
2016	2017	2018	2019	2020 Q3

DIVIDEND YIELD

Target 5% (since 2018)

3.0%	3.0%	6.5%	6.5%	77.5%	5.0%*
2016	2017	2018	2019	2020	2021-

Dividend yield = (dividends per share / SPO price (= EUR 2.00) x 100%)

*Forecast

SUCCESS STORY 1. IBC BUSINESS CENTRE SALE

- ▶ A business centre **in the central part of the city.**
- ▶ **High long-term occupancy maintained with strong tenants mix.**
- ▶ **Good timing of the sale** made it possible to maximise the sale price, selling it with a development opportunity premium.



IBC Business Centre on Šeimyniškių Street

Address
Šeimyniškių Street

Location
In Vilnius's central business district, beside Konstitucijos Avenue.
Neighbours include key government and finance institutions.



BALTIC
REAL ESTATE



Value during 2016 share offering
EUR 22.3 mln

Sale price in 2020
EUR 33 mln

VALUE CREATION

+ EUR 10.7 mln

VALUE

+ EUR 4.5 mln

NOI*

15%

IRR*

*Net operating income

**Unlevered internal rate of return

SUCCESS STORY 2. VILNIUS GATES SALE



- ▶ The property was acquired from a company in a complicated legal situation, which made it possible to get an **attractive price**.
- ▶ **The object concept was fundamentally changed.** Space for night clubs and restaurants was reconstructed, adapting it for offices and commercial needs.
- ▶ The façade was renovated, adding more windows and providing **more comfort for employees** working at the business centre.
- ▶ The property **was sold to a target buyer** that had added synergy with a neighbouring building it already owned, for an **attractive price**.

Vilnius Gates Business Centre on Gynėjų Street

Address
Gynėjų Street 14, Vilnius

Location
Prestigious part of Vilnius beside the Lithuanian parliament

NOVIAN

Rockit

Go Vilnius



BALTIC
REAL ESTATE



Acquisition price in 2016

EUR 7.8 mln + EUR 3.7 mln

Investments

Sale price in 2020

EUR 20 mln

VALUE CREATION

+ EUR 8.5 mln

VALUE

+ EUR 2.4 mln

NOI*

17%

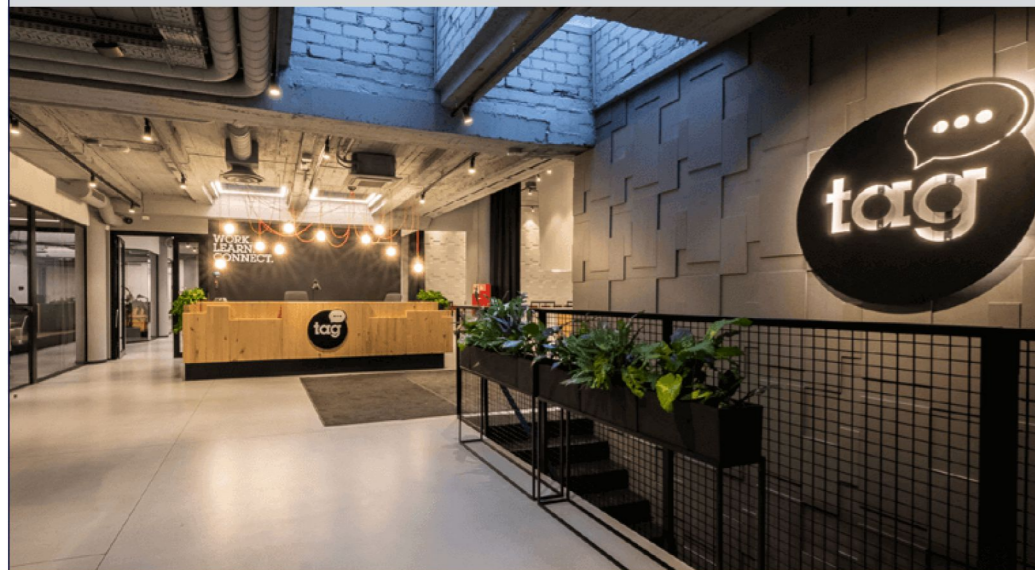
IRR**

*Net operating income

**Unlevered internal rate of return

SUCCESS STORY 3. OFFICE BUILDING AT VILNIAUS STREET 33

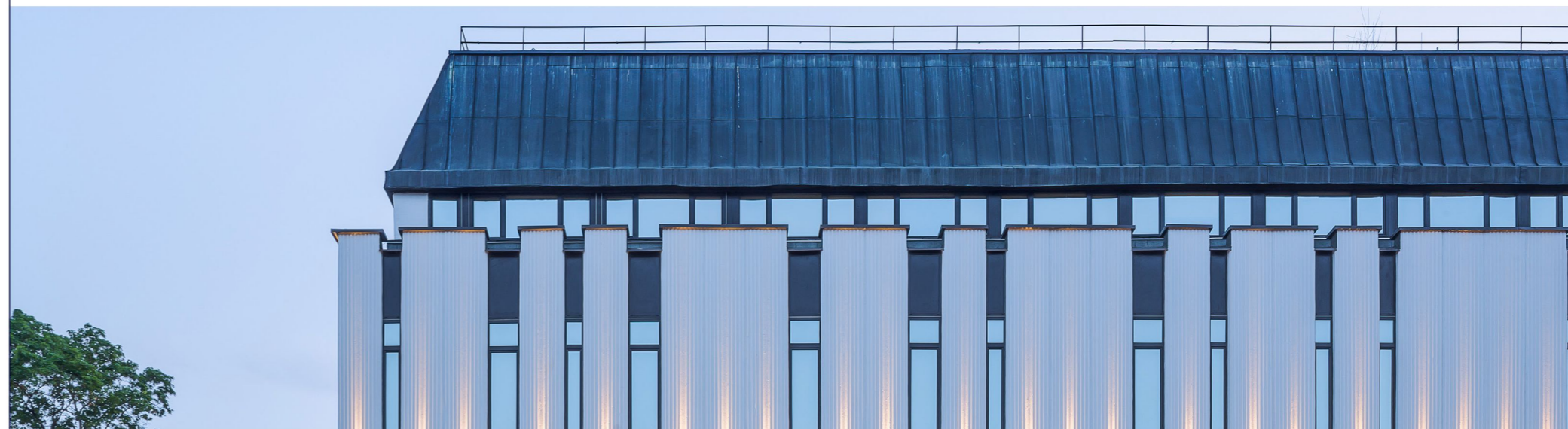
- ▶ NOI for 2021 forecast at **EUR 0.7 mln.**
- ▶ Gross leasable area **increased 10%** from 6 200 m2 to 6 800 m2.
- ▶ **Strong tenants** attracted and long-term lease agreements signed.
- ▶ Talent Garden **coworking space** launched.



Office building in the centre of Vilnius on Vilniaus Street

Address
Vilniaus Street 33, Vilnius

Location
Central Vilnius Old Town location



Value during 2016 share offering

EUR 7.3 mln

2015 net operating income (NOI)

EUR 0.3 mln

Value in Q3 2020

EUR 12.1 mln

2020 net operating income (NOI)

EUR 0.5 mln

VALUE CREATION

+ EUR 4.8 mln

VALUE

+ EUR 1.8 mln

NOI*

17%

IRR**

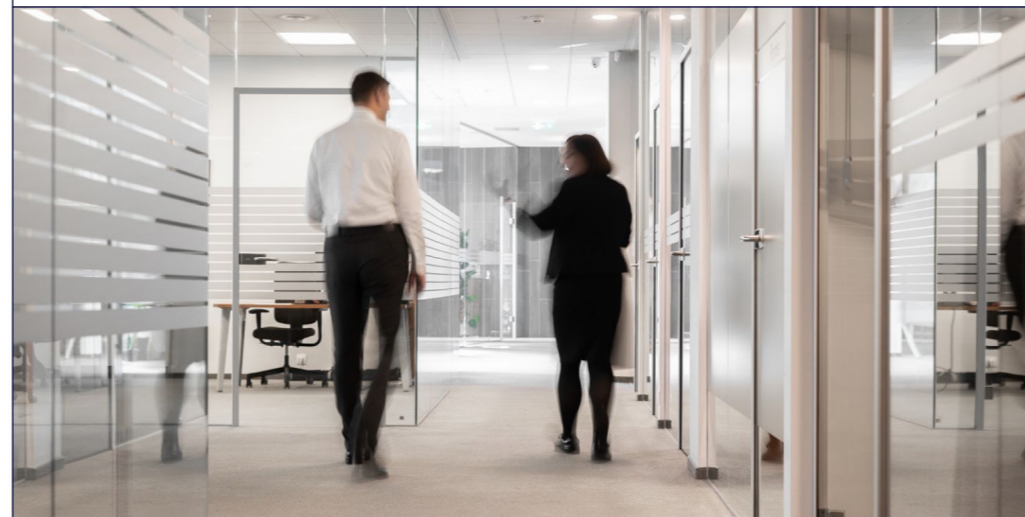
*Net operating income

**Unlevered internal rate of return



2

INVL BALTIC REAL ESTATE TODAY AND TOMORROW



ASSET PORTFOLIO

VALUE OF ASSETS by type



Vilniaus St. 33	26.4%
Dommo B. Park	18.3%
Žygis B. Centre	6.6%
Cash	35.6%
Other assets	13.1%

EQUITY AND LIABILITIES by type



Equity	61.8%
Loans	21.0%
Other liabilities	17.2%

Information is based on data for Q3 2020.

TODAY AND TOMORROW. OFFICE BUILDING at Vilniaus street 33

- ▶ We will **continue reconstruction work**, including 3rd floor renovation and renting out on better terms, and reorganisation of some commercial space on 1st floor.
- ▶ We will **continue growth of the property's value** – after reconstruction work, the property's NOI for 2021 will reach EUR 0.7 mln.
- ▶ We will prepare a **long-term development plan** for the property.



- ▶ Reorganization of the property will increase area by 3 500 m².
- ▶ Commercial-use property
- ▶ Vilnius Old Town



Office building at Vilniaus Street 33

9 700 m²

Total
area

6 800 m²

Leasable
area

0.49 ha

Land plot
size

93%

Occupancy

EUR 12.1 mln

Market value of
property in
Q3 2020

TALENT GARDEN VILNIUS, Vilniaus Street 33

COWORKING SPACE



- ▶ In late 2019, INVL Baltic Real Estate entered the promising market for coworking space with the Talent Garden franchise.
- ▶ A unique 2 200 m² space in the Vilnius Old Town in which INVL Baltic Real Estate's investments totalled approx. EUR 2 mln.
- ▶ Talent Garden Vilnius offers over 220 workplaces and a modern 175-seat conference and event hall.

- ▶ At the end of Q3 2020, the space had 82% occupancy and was one of the highest between coworking spaces in Vilnius.
- ▶ In its first year of operations, Talent Garden Vilnius managed not only to attract clients who are well-known in the market and achieve a high level of occupancy but also to justify its name as a coworking space with the highest standards of quality.



BALTIC
REAL ESTATE



TODAY AND TOMORROW. DOMMO BUSINESS PARK, Latvia

- ▶ We have the possibility to develop up to 200 000 m².
- ▶ 58 ha of land with infrastructure for the development of logistics or industrial-use facilities



Bohnenkamp
Moving Professionals

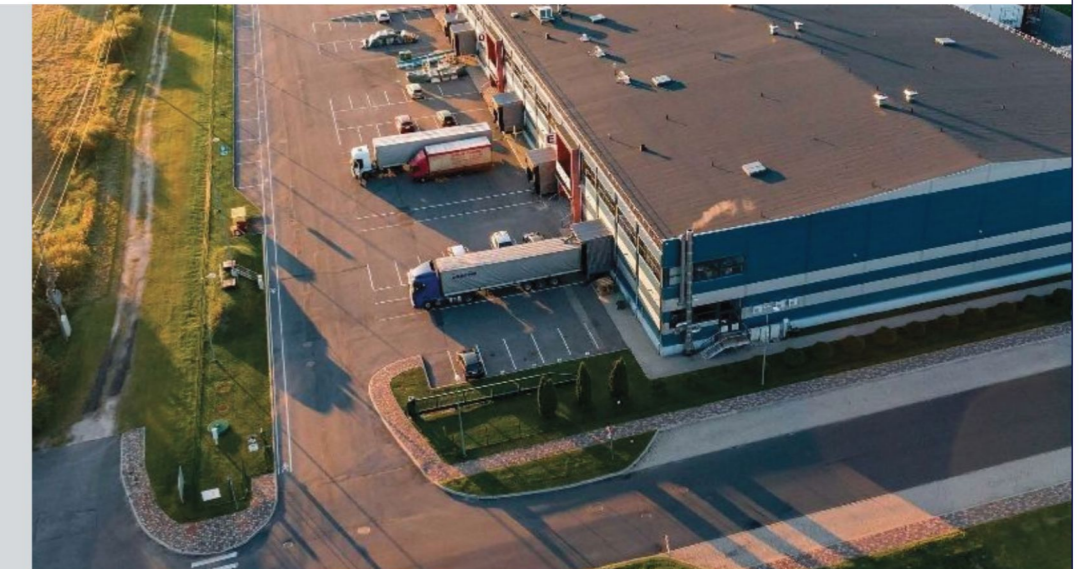
TENTE
BETTER MOBILITY. BETTER LIFE.

REWICO Baltikum



**BALTIC
REAL ESTATE**

- ▶ We will work **with potential tenants seeking opportunities to develop new buildings** on the land and thus increase the property's leasable area and market value.
- ▶ **A long-term lease agreement** is signed with the building's main tenant and the property generates a stable flow of rent.



DOMMO BUSINESS PARK

12 800 m²

Total
area

12 600 m²

Leasable
area

58.21 ha

Land plot
size

100%

Occupancy

EUR 8.4 mln

Market value of
property in
Q3 2020

TODAY AND TOMORROW. ŽYGIO BUSINESS CENTRE, Žygio Street 97A

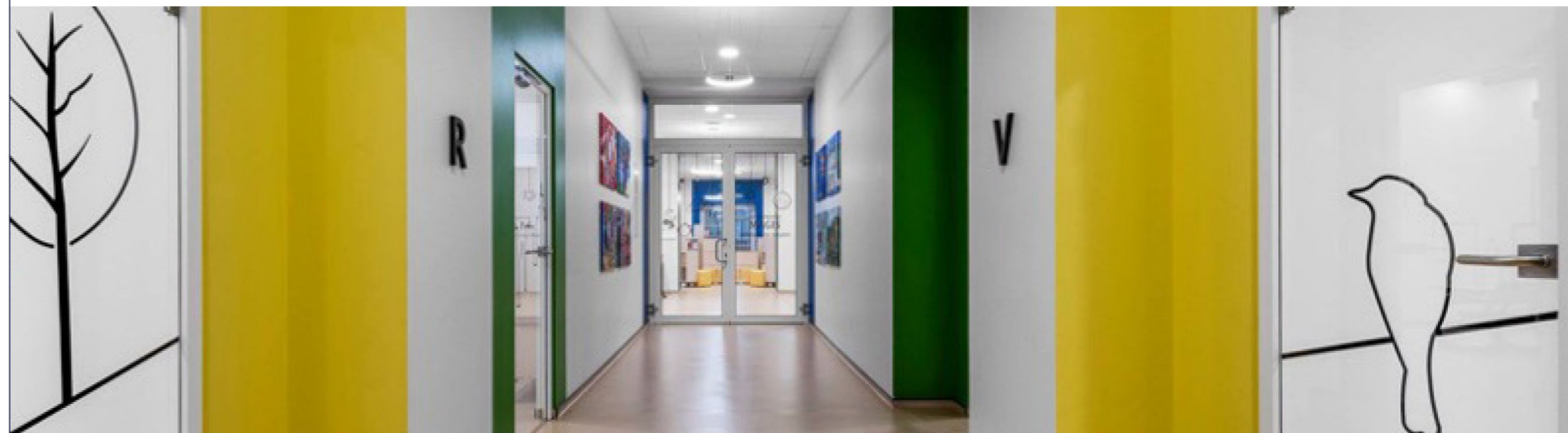


- ▶ Completion of 3rd-floor renovation work in Q1 2021 and leasing of free space **will bring renovation of the property to completion.**
- ▶ **Long-term lease agreements are signed** with the building's main tenants and the property generates a stable flow of rent.

pradinė mokykla
„ŽINIUKAS“



BALTIC
REAL ESTATE



ŽYGIS BUSINESS CENTRE

3 200 m²

Total
area

2 600 m²

Leasable
area

0.4 ha

Land plot
size

69%

Occupancy

EUR 3 mln

Market value of
property in
Q3 2020

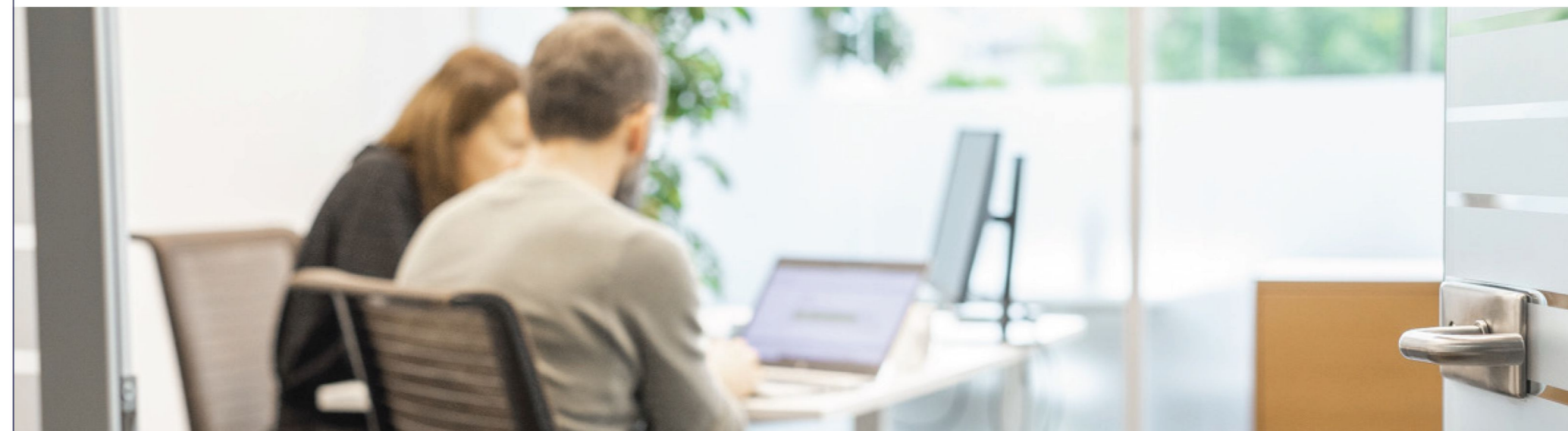
3

INVL BALTIC REAL ESTATE: EFFICIENT AND CONVENIENT WAY TO INVEST IN COMMERCIAL RE

A CONVENIENT INVESTMENT FORM

VALUE CREATION 2016-2020

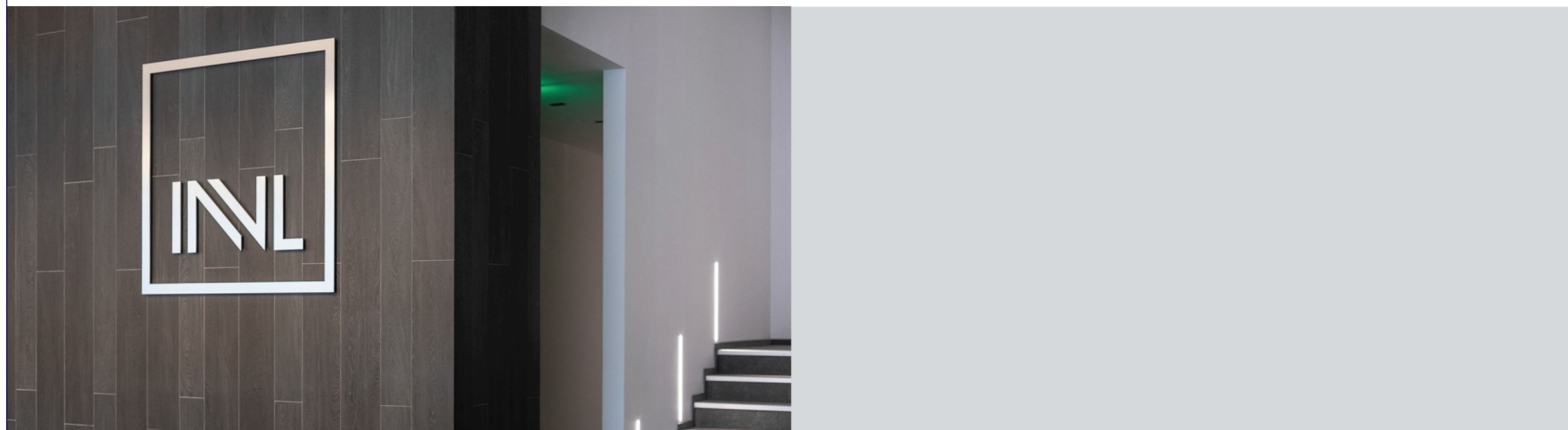
25



Return	Dividends	Liquidity	Oversight	Operational efficiency	Efficient capital structure	Management fee	Performance fee
Target annual return of 8%+* incl. 5% annual dividends**	Dividend yield of roughly 5% as per approved dividend policy	Listed NASDAQ	Supervised by the Bank of Lithuania Audited by PwC	A team of professionals handles RE search, acquisition, development, management, and sale	Balanced use of debt capital***	1% of capitalisation	20% (if minimum annual return of 8% exceeded)

* These projections are not reliable indicators of future performance. ** As per the dividend policy approved on 9 April 2020. *** As of 30 September 2020, the leverage ratio was 41%.

INVL BALTIC REAL ESTATE ADDITIONAL OPPORTUNITIES



NEW INVESTMENTS

The current pandemic should make it possible to add to the RE portfolio at attractive prices.

The existing portfolio offers development opportunities.

CAPITAL

The company has the potential to quickly raise equity and debt capital to carry out new acquisitions.

SHARE BUY-BACKS

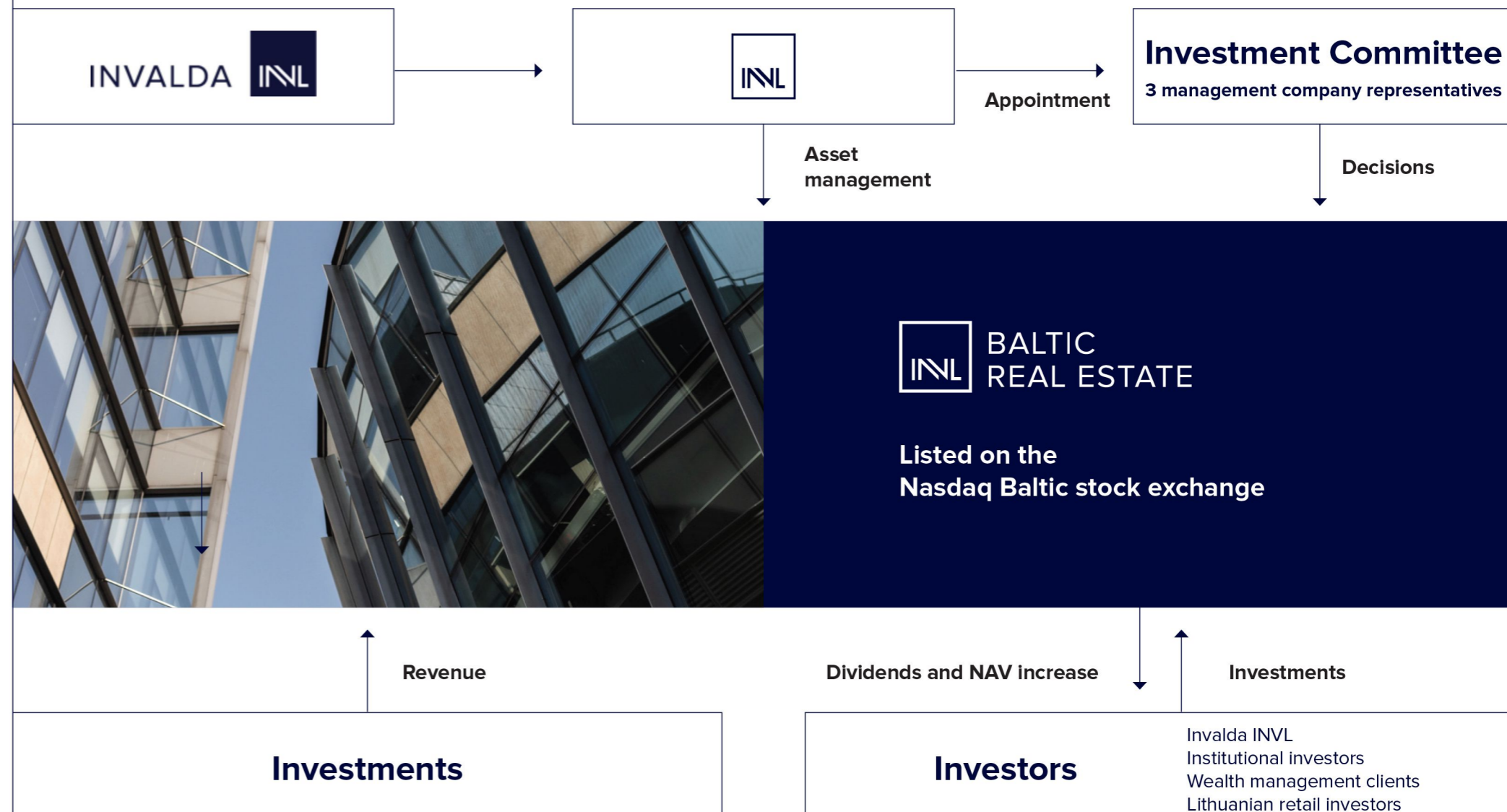
Revisions to the articles of association will make it possible to conduct share buy-backs when the price on the exchange is less than the NAV.

MORE EFFICIENT USE OF DEBT CAPITAL

Revisions to the articles of association will ensure greater possibilities to balance the risk-return ratio.

INVESTMENT MANAGEMENT STRUCTURE

VALUE CREATION 2016-2020



AN EXPERIENCED TEAM

DEVELOPMENT, FINANCING, ACQUISITION



Vytautas Bakšinskas

Fund manager, Investment Committee member

More than 10 years working with real estate investments and over 7 years of management experience. As the INVL Baltic Real Estate fund manager, ensures development of the fund's RE holdings and seeks profitable exit deals and promising new acquisitions that would increase the value of the fund's assets.



Andrius Daukšas

Investment manager, Investment Committee member

With the Invalda INVL group for 16 years, more than 8 years of RE investment experienced. Looks after INVL Baltic Real Estate's new investments and search for financing to ensure stable growth of the fund's asset holdings.

RENT AND PROPERTY MANAGEMENT



Gailė Butėnaitė - Lapienienė



Rolanda Kemeklienė

INVL Baltic Real Estate asset managers

These asset managers with almost 20 years of experience look after the maintenance of more than 25 800 m2 of real estate and the leasing of office space and signing of lease agreements, and by handling everyday facility maintenance issues, ensure smooth and convenient working conditions.



Gabrielė Kvedaraitė

Talent Garden Vilnius coworking space staff

The staff of Talent Garden Vilnius look after more than 2 000 m2 of space, ensuring the highest possible occupancy level and everything that's needed for smooth, convenient work. They also coordinate the varied events held in the space for startups, investors, and the public.



Diana Manžurinaitė



**BALTIC
REAL ESTATE**



MANAGEMENT COMPANY EXECUTIVES



Laura Križinauskienė

CEO



Darius Šulnis

Chairman of the Board



Nerijus Drobavičius

Member of the Board



Vytautas Plunksnis

Member of the Board



- ▶ This presentation is marketing material of an informational nature which is not and cannot be construed as an offer to buy shares, an investment recommendation, or investment research. The company is not responsible for any third-party decisions made on the basis of information provided solely in this presentation and does not assume responsibility for any expenses, or direct or indirect losses, which occur upon using solely this information. The information provided cannot be the basis for any later concluded transaction.
- ▶ Investments in shares of a closed-end investment company (hereinafter – CEIC) are associated with investment risk. The value of the company's shares can both rise and fall, and you may recover less than you invested or even lose the entire invested amount. Past results only show the changes in the value of a company's shares over a past period but do not guarantee future performance.
- ▶ The information provided does not encompass all the information disclosed by the company and should be read together with the company's publicly announced financial information. The financial data provided should be evaluated together with the financial statements. The data presented reflect the situation of a period in the past, and the results of a past period are not a reliable indicator of future performance.
- ▶ Before making a decision to invest, you should personally or with the help of investment advisers assess the selected CEIC's investment strategy, the applicable fees, and all investment-related risks, and carefully read the CEIC's prospectus, rules and key investor information document. These documents are available for review on the website bre.invl.com
- ▶ The CEIC does not guarantee the profitability of investments. You can find the latest values of the shares of the CEIC on the website bre.invl.com
- ▶ The right of investors in the CEIC to demand redemption of shares which they hold is restricted.
- ▶ Figures for 30 September 2020 are calculated considering the shares in fact bought back following the share buy-back process which ended on 9 November 2020.
- ▶ New valuations of the company's real estate as at end-October 2020 are being performed which may affect the value of asset holdings.



BALTIC
REAL ESTATE

bre.invl.com