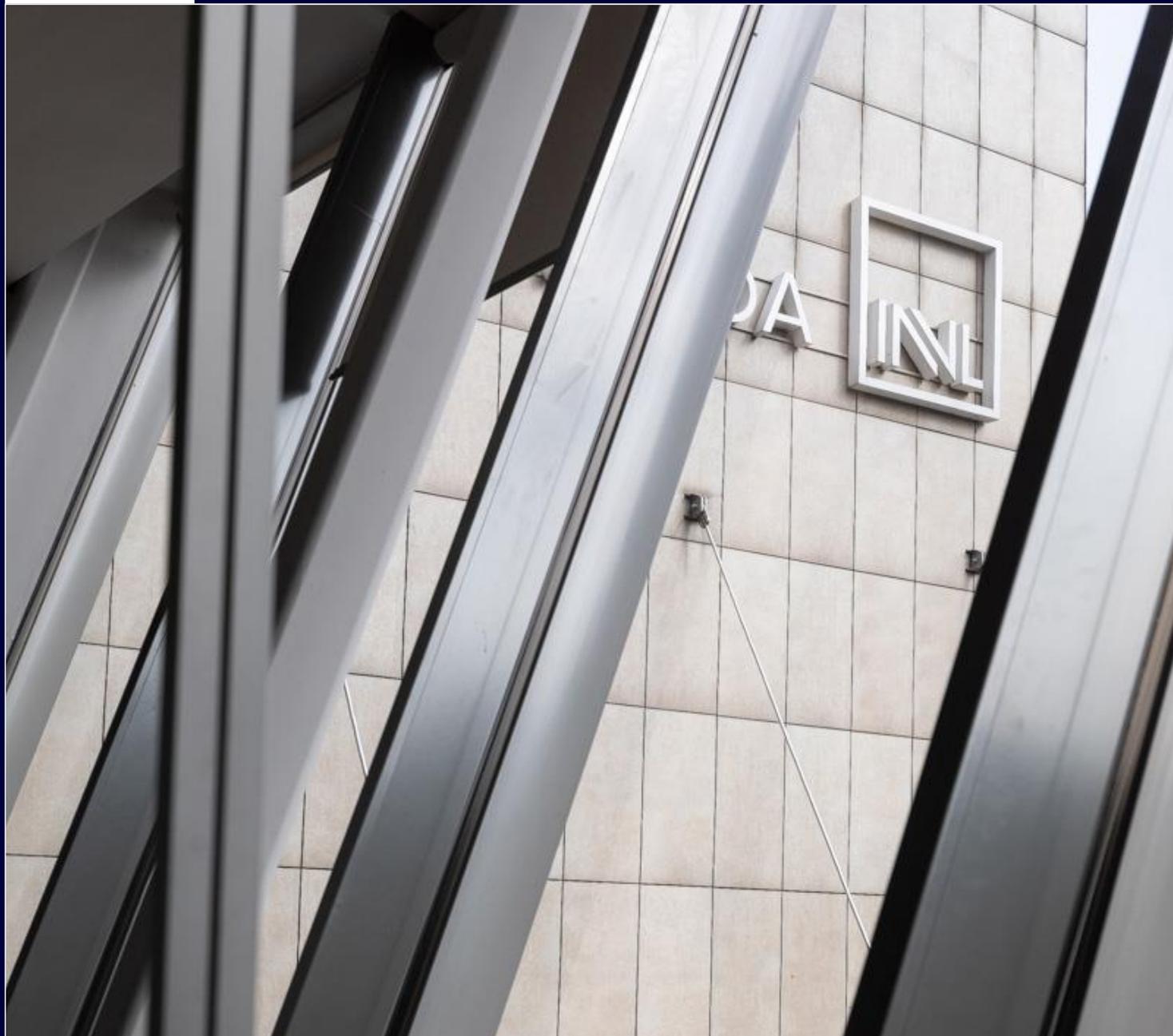


The logo consists of the letters 'INVL' in a bold, white, sans-serif font, enclosed within a white square border.

BALTIC REAL ESTATE



Special Closed-End Type Real Estate Investment Company's „INVL Baltic Real Estate“

Consolidated Interim Report for the six months of 2021 and Consolidated Interim Condensed Not-audited Financial Statements for the six months ended 30 June 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Vytautas Bakšinskas,
Real estate fund manager of the Management Company of INVL Baltic Real Estate, signs the Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2021, also Consolidated Interim Report for the 6 months of 2021 and Confirmation of responsible persons with a qualified electronic signature.

Agnė Vainauskienė,
Chief financier of the Management Company of INVL Baltic Real Estate, signs the Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2021, and Confirmation of responsible persons with a qualified electronic signature.

CONFIRMATION OF RESPONSIBLE PERSONS

23 August 2021

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (article 13) of the Republic of Lithuania, management of INVL Baltic Real Estate hereby confirms that, to the best of our knowledge, the attached Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2021 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of INVL Baltic Real Estate and Consolidated Group.

Presented Consolidated Interim Report for the 6 months of 2021 includes a fair review of the development and performance of the business and position of the Company and the consolidated group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSURE:

1. Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2021.
2. Consolidated Interim Report for the 6 months of 2021.

Real estate fund manager of the Management Company
INVL Asset Management

Vytautas Bakšinskas

Chief financier of the Management Company
INVL Asset Management

Agnė Vainauskienė

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GENERAL INFORMATION

Management

Management Company

UAB INVL Asset Management

Investment Committee

Mr. Vytautas Bakšinskas
Mr. Andrius Daukšas

Supervisory Board

Mr. Raimondas Rajeckas
Mr. Audrius Matikiūnas
Mrs. Eglė Surplienė

Address and company code

Gynėjų Str. 14,
Vilnius,
Lithuania

Company code 152105644

Banks

AB Šiaulių Bankas
AB SEB Bankas
AS "SEB banka"

The financial statements were authorised for issue by the Management Company on 23 August 2021.

Mr. Vytautas Bakšinskas
Real estate fund manager at UAB
INVL Asset Management

Agnė Vainauskienė
Chief financier at UAB INVL Asset
Management

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of comprehensive income

| | Notes | Group | | Company | |
|--|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 1 st Half Year 2021 | 1 st Half Year 2020 | 1 st Half Year 2021 | 1 st Half Year 2020 |
| Revenue | 4, 5 | 1,238 | 2,293 | 731 | 1,571 |
| Interest income | | 9 | 12 | 9 | 12 |
| Other income | | 1 | 2 | - | 1 |
| Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss | 3 | - | - | 534 | 263 |
| Net profit from fair value adjustments on investment property | | 529 | (79) | 167 | (42) |
| Premises rent costs | 4, 5 | (34) | (11) | (33) | (12) |
| Utilities | 4 | (118) | (253) | (2) | (16) |
| Repair and maintenance of premises | 4 | (244) | (541) | (118) | (320) |
| Management and Performance Fee | 5, 16 | (196) | 223 | (196) | 223 |
| Property management and brokerage costs | 4 | (12) | (19) | (77) | (179) |
| Taxes on property | 4 | (56) | (120) | (49) | (115) |
| Employee benefits expenses | | (70) | (112) | - | - |
| Provision for impairment of trade receivables (reversal of impairment) | 9 | - | (2) | - | (2) |
| Depreciation and amortisation | | (51) | (50) | (13) | (21) |
| Other expenses | | (123) | (149) | (66) | (85) |
| Operating profit | | 873 | 1,194 | 887 | 1,278 |
| Finance costs | 6 | (141) | (274) | (141) | (258) |
| Profit before income tax | | 732 | 920 | 746 | 1,020 |
| Income tax credit (expenses) | 7 | - | - | - | - |
| NET PROFIT FOR THE PERIOD | | 732 | 920 | 746 | 1,020 |
| Other comprehensive income for the period, net of tax | | 14 | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 746 | 920 | 746 | 1,020 |
| Attributable to: | | | | | |
| Equity holders of the parent | 13 | 746 | 920 | | |
| Basic and diluted earnings per share (in EUR) | | 0.07 | 0.07 | | |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of financial position

| | Notes | Group | | Company | |
|---|-------|-----------------------|---------------------------|-----------------------|---------------------------|
| | | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | | 449 | 480 | 106 | 117 |
| Investment properties | 8 | 24,662 | 24,133 | 15,941 | 15,774 |
| Intangible assets | | 15 | 17 | - | - |
| Investments into subsidiaries measured at fair value through profit or loss | 3 | - | - | 9,650 | 9,026 |
| Financial lease receivables-long term | | 684 | 778 | 684 | 778 |
| Deferred tax asset | | 48 | 37 | - | - |
| Total non-current assets | | 25,858 | 25,445 | 26,381 | 25,695 |
| Current assets | | | | | |
| Inventories, prepayments and deferred charges | | 29 | 37 | 11 | 24 |
| Short-term loans | 3 | - | - | 1,800 | 5,000 |
| Trade and other receivables | 9 | 212 | 228 | 118 | 606 |
| Financial lease receivables – short term | | 188 | 186 | 188 | 186 |
| Other receivables | 12 | 5 | 5 | - | - |
| Cash and cash equivalents | | 4,152 | 16,034 | 1,798 | 10,392 |
| Total current assets | | 4,586 | 16,490 | 3,915 | 16,208 |
| TOTAL ASSETS | | 30,444 | 41,935 | 30,296 | 41,903 |

(cont'd on the next page)

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

**Condensed consolidated and Company's statements of financial position
(cont'd)**

| | Notes | Group | | Company | |
|--|-------|-----------------------|---------------------------|-----------------------|---------------------------|
| | | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity attributable to equity holders of the parent | | | | | |
| Share capital | 10 | 19,068 | 19,068 | 19,068 | 19,068 |
| Own shares | 10 | (11,204) | (187) | (11,204) | (187) |
| Share premium | 10 | 2,478 | 2,478 | 2,478 | 2,478 |
| Reserves | 10 | 6,305 | 1,755 | 6,545 | 1,995 |
| Retained earnings | 10 | 986 | 5,757 | 746 | 5,517 |
| Total equity | | 17,633 | 28,871 | 17,633 | 28,871 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Non-current borrowings | 12 | 8,949 | 9,121 | 8,949 | 9,121 |
| Non-current lease liabilities | | 707 | 816 | 707 | 816 |
| Provisions | 5 | 177 | 1,617 | 177 | 1,617 |
| Deferred tax liability | | - | - | - | - |
| Trade payable | | - | - | - | - |
| Advances received | | 96 | 162 | 96 | 162 |
| Total non-current liabilities | | 9,929 | 11,716 | 9,926 | 11,716 |
| Current liabilities | | | | | |
| Current portion of non-current borrowings | 12 | 364 | 365 | 364 | 365 |
| Current portion of lease liabilities | 12 | 222 | 220 | 222 | 220 |
| Lease liabilities | 5 | - | - | - | - |
| Trade payables | | 113 | 83 | 53 | 117 |
| Income tax payable | | - | 7 | - | - |
| Provisions | 5 | 24 | 23 | 24 | 23 |
| Advances received | | 85 | 40 | 55 | 11 |
| Other current liabilities | 15 | 2,074 | 610 | 2,016 | 580 |
| Total current liabilities | | 2,882 | 1,348 | 2,734 | 1,316 |
| Total liabilities | | 12,811 | 13,064 | 12,663 | 13,032 |
| TOTAL EQUITY AND LIABILITIES | | 30,444 | 41,935 | 30,296 | 41,903 |

(the end)

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of changes in equity

| Group | Notes | Share capital | Share premium | Own Shares | Reserves | | Retained earnings | Total |
|---|-------|---------------|---------------|-----------------|---------------|-----------------------------------|-------------------|-----------------|
| | | | | | Legal reserve | Reserve of purchase of own shares | | |
| Balance as at 31 December 2020 | | 19,068 | 2,478 | (187) | 1,316 | 439 | 5,757 | 28,871 |
| Net profit for the six months ended 30 June 2021 | | - | - | - | - | - | 746 | 746 |
| Total comprehensive income for the six months ended 30 June 2021 | | - | - | - | - | - | 746 | 746 |
| Purchase of own shares | 10 | - | - | (11,017) | - | - | - | (11,017) |
| Dividends approved | 11 | - | - | - | - | - | (967) | (967) |
| Transfer to reserves | 10 | - | - | - | 276 | 4,274 | (4,550) | - |
| Total transactions with owners of the Company, recognised directly in equity | | - | - | (11,017) | 276 | 4,274 | (5,517) | (11,984) |
| Balance as at 30 June 2021 | | 19,068 | 2,478 | (11,204) | 1,592 | 4,713 | 986 | 17,633 |

| Group | Notes | Share capital | Share premium | Own shares | Reserves | | Retained earnings | Total |
|---|-------|---------------|---------------|------------|---------------|-----------------------------------|-------------------|-----------------|
| | | | | | Legal reserve | Reserve of purchase of own shares | | |
| Balance as at 31 December 2019 | | 19,068 | 2,478 | - | 784 | 3,532 | 18,162 | 44,024 |
| Net profit for the six months ended 30 June 2020 | | - | - | - | - | - | 920 | 920 |
| Total comprehensive income for the six months ended 30 June 2020 | | - | - | - | - | - | 920 | 980 |
| Dividends approved | 11 | - | - | - | - | - | (20,382) | (20,382) |
| Transfer to reserves | 10 | - | - | - | 532 | (3,093) | 2,561 | - |
| Total transactions with owners of the Company, recognised directly in equity | | - | - | - | 532 | (3,093) | (17,821) | (20,382) |
| Balance as at 30 June 2020 | | 19,068 | 2,478 | - | 1,316 | 439 | 1,261 | 24,562 |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of changes in equity (cont'd)

| Company | Notes | Reserves | | | | | | Total |
|---|-------|---------------|---------------|-----------------|---------------|-----------------------------------|-------------------|-----------------|
| | | Share capital | Share premium | Own shares | Legal reserve | Reserve of purchase of own shares | Retained earnings | |
| Balance as at 31 December 2020 | | 19,068 | 2,478 | (187) | 1,556 | 439 | 5,517 | 28,871 |
| Net profit for the six months ended 30 June 2021 | | - | - | - | - | - | 746 | 746 |
| Total comprehensive income for the six months ended 30 June 2021 | | - | - | - | - | - | 746 | 746 |
| Purchase of own shares | 10 | - | - | (11,017) | - | - | - | (11,017) |
| Dividends approved | 11 | - | - | - | - | - | (967) | (967) |
| Transfer to reserves | 10 | - | - | - | 276 | 4,274 | (4,550) | - |
| Total transactions with owners of the Company, recognised directly in equity | | - | - | (11,017) | 276 | 4,274 | (5,517) | (11,984) |
| Balance as at 30 June 2021 | | 19,068 | 2,478 | (11,204) | 1,832 | 4,713 | 746 | 17,633 |

| Company | Notes | Reserves | | | | | | Total |
|---|-------|---------------|---------------|------------|---------------|-----------------------------------|-------------------|-----------------|
| | | Share capital | Share premium | Own shares | Legal reserve | Reserve of purchase of own shares | Retained earnings | |
| Balance as at 31 December 2019 | | 19,068 | 2,478 | - | 1,024 | 3,532 | 17,822 | 43,924 |
| Net profit for the six months ended 30 June 2020 | | - | - | - | - | - | 1,020 | 1,020 |
| Total comprehensive income for the six months ended 30 June 2020 | | - | - | - | - | - | 1,020 | 1,020 |
| Dividends approved | 11 | - | - | - | - | - | (20,382) | (20,382) |
| Transfer to reserves | 10 | - | - | - | 532 | (3,093) | 2,561 | - |
| Total transactions with owners of the Company, recognised directly in equity | | - | - | - | 532 | (3,093) | (17,821) | (20,382) |
| Balance as at 30 June 2020 | | 19,068 | 2,478 | - | 1,316 | 439 | 1,261 | 24,562 |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of cash flows

| | Notes | Group | | Company | |
|---|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 1 st Half Year 2021 | 1 st Half Year 2020 | 1 st Half Year 2021 | 1 st Half Year 2020 |
| Cash flows from (to) operating activities | | | | | |
| Net profit for the period | | 746 | 920 | 746 | 1,020 |
| Adjustments for non-cash items and non-operating activities: | | | | | |
| Net gains from fair value adjustments on investment property | | (529) | 79 | (167) | 42 |
| Depreciation and amortization | | 51 | 50 | 13 | 21 |
| Net loss from sale of non-current assets | | - | - | - | - |
| Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss | 3 | - | - | (534) | (263) |
| Interest income | | (9) | (12) | (9) | (12) |
| Finance costs | 6 | 141 | 274 | 141 | 258 |
| Deferred taxes | 7 | (11) | - | - | - |
| Current income tax expenses | 7 | (3) | - | - | - |
| Provisions | 5 | (77) | (434) | (77) | (434) |
| Provision for impairment of trade receivables (reversal of impairment) | 9 | - | 2 | - | 2 |
| Changes in working capital: | | | | | |
| Decrease (increase) in inventories | | - | - | - | - |
| Decrease (increase) in trade and other receivables | | 15 | (57) | 487 | (145) |
| Decrease (increase) in other current assets | | 8 | 129 | 13 | 143 |
| (Decrease) increase in trade payables | | 30 | (1,472) | (64) | (1,345) |
| (Decrease) increase in other current liabilities | | (77) | (170) | (106) | (204) |
| Cash flows from(to) operating activities | | 439 | (691) | 597 | (917) |
| Income tax paid | | (4) | - | - | - |
| Net cash flows from (to) operating activities | | 435 | (691) | 597 | (917) |

(cont'd on the next page)

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of cash flows (cont'd)

| | Notes | Group | | Company | |
|---|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 1 st Half Year 2021 | 1 st Half Year 2020 | 1 st Half Year 2021 | 1 st Half Year 2020 |
| Cash flows from (to) investing activities | | | | | |
| Acquisition of non-current assets (except investment properties) | | (16) | (158) | - | - |
| Proceeds from sale of non-current assets (except for investment properties) | | - | 44 | - | 44 |
| Acquisition of (investment in existing) investment properties | 8 | - | (393) | - | (389) |
| Proceeds from sale of investment properties | 8 | - | 32,909 | - | 32,502 |
| Loans granted | | - | - | (7,502) | (12,300) |
| Repayment of loans granted | | - | - | 10,610 | 11,186 |
| Interest received | | 10 | 10 | 12 | 28 |
| Proceeds from settlement of finance lease receivables | | 92 | 90 | 92 | 90 |
| Net cash flows from (to) investing activities | | 86 | 32,502 | 3,212 | 31,161 |
| Cash flows from (to) financing activities | | | | | |
| Cash flows related to Group owners: | | | | | |
| Purchase of own shares | | (11,017) | - | (11,017) | - |
| Dividends paid to equity holders of the parents | | (963) | (20,028) | (963) | (20,028) |
| | | (11,980) | (20,028) | (11,980) | (20,028) |
| Cash flows related to other sources of financing | | | | | |
| Proceeds from loans | 12 | - | - | - | - |
| Repayment of loans | 12 | (172) | (9,320) | (172) | (7,484) |
| Lease payments | | (109) | (99) | (109) | (99) |
| Interest paid | 12 | (142) | (282) | (142) | (264) |
| | | (423) | (9,701) | (423) | (7,847) |
| Net cash flows from (to) financing activities | | (12,403) | (29,729) | (12,403) | (27,875) |
| Net increase (decrease) in cash and cash equivalents | | (11,882) | 2,082 | (8,594) | 2,369 |
| Cash and cash equivalents at the beginning of the period | | 16,034 | 1,039 | 10,392 | 459 |
| Cash and cash equivalents at the end of the period | | 4,152 | 3,121 | 1,798 | 2,828 |

(the end)

Notes to the interim condensed financial statements

1 General information

Special Closed-Ended Type Real Estate Investment Company INVL Baltic Real Estate (hereinafter 'the Company', previous name AB Invaldos Nekilnojamojo Turto Fondas, code 152105644) is a joint stock company registered in the Republic of Lithuania. It was established on 28 January 1997.

On 22 December 2016 the Company was issued a closed-end investment company (UTIB) licence by the Bank of Lithuania. Under the Company's Articles of Association, the Company will operate until 22 December 2046, with an extension possibility for additional term of twenty years.

As the Company obtained the status of a closed-end investment company, its management was thereafter undertaken by UAB INVL Asset Management ('the Management Company'), which is entitled to the Management Fee and the Performance Fee. Rights and duties of the Board and the head of the Company was also transferred to the Management Company.

Based on the Articles of Association, for the sake of efficiency of the Company's activities and control over its investments, an Investment Committee shall be formed by a decision of the Board of the Management Company. The Investment Committee shall consist of 3 (three) members, to the positions of which the representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company) shall be appointed. Members of the Investment Committee shall be appointed and removed from office by the Board of the Management Company. An approval of the Investment Committee must be obtained for all investments of the Company and for their sale. At the moment of the release of the financial statements two 2 (members) of the Investment Committee was operating, the third member is not nominated.

On 29 April 2021, the Ordinary General Meeting of Shareholders of the Company approved the establishment of the Supervisory Board of the Company. The Supervisory Board is a collegial body supervising the activities of Company. The Supervisory Board ensures the representation of the interests of the Company's and the company's shareholders, the accountability of this body to the shareholders and the objective and impartial supervision of Company's activities. At the moment of the release of the financial statements three (members) of the Supervisory Board was operating.

The Company also signed an agreement on depository services with AB SEB Bankas, which acts as a depository of the Company's assets.

The Group consists of the Company and its directly and indirectly owned subsidiaries (hereinafter 'the Group', Note 5 of annual financial statements for year ended 31 December 2020).

The address of the office is Gynėjų str. 14, Vilnius, Lithuania.

The Group was established on 29 April 2014 by spinning-off from AB Invalda INVL (code 121304349) the investments into entities, which business is investment into investment properties held for future development, into commercial real estate and renting thereof. On 17 August 2015 the parent entity AB INVL Baltic Real Estate (hereinafter 'the Former Parent Company', code 30329973) was merged to the Company, which continues its operations under the name INVL Baltic Real Estate and became the parent of the Group.

The Group has invested in commercial real estate: business centres and manufacturing and warehouse properties in Lithuania and Latvia. All the properties generate leasing income and most of them offer prospects for further development.

The Group seeks to earn profit from investments in commercial real estate by ensuring the growth of leasing income. When it makes business sense, the Company also considers investments in the reorganisation of its existing portfolio of properties, taking advantage of their good location.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

1 General information (cont'd)

The Management Company shall manage the Company's portfolio of investment instruments following the principles of diversification (the conformity of the Company's portfolio of investment instruments to the diversification principles shall be achieved within four years after the Bank of Lithuania has issued a permission to certify the Company's incorporation documents and to choose the Depository) as set forth in the Articles of Association. The Company cannot invest directly or indirectly more than 30% of its net asset value into a single real estate object. The total amount of investments into real estate objects under construction cannot exceed 20% of net asset value of the Company. The total amount of investments into a real estate object and movable property and/or equipment necessary for its use cannot exceed 40% of net asset value of the Company. The Company cannot invest more than 30% of its net asset value into any single issuer of the instruments. More detailed requirements are set out in the Articles of Association of the Company.

As at 30 June 2021 the Company's share capital is divided into 13,150,000 ordinary registered shares with the nominal value of EUR 1.45 each (as at 31 December 2020 13,150,000 ordinary registered shares with the nominal value of EUR 1.45 each). All the shares of the Company were fully paid. Subsidiaries did not hold any shares of the Company. As at 30 June 2021 and 31 December 2020 the shareholders of the Company were:

| | As at 30 June 2021 | | As at 31 December 2020 | |
|---|-----------------------|------------|------------------------|------------|
| | Number of shares held | Percentage | Number of shares held | Percentage |
| AB Invalda INVL | 1,889,123 | 14.37 | 3,949,123 | 30.03 |
| Mrs. Irena Ona Mišeikienė | 1,308,596 | 9.95 | 2,498,596 | 19.00 |
| UAB LJB Investments (controlling shareholder Mr. Alvydas Banys) | - | - | 2,631,695 | 20.01 |
| UAB LJB property (controlling shareholder Mr. Alvydas Banys) | 1,251,695 | 9.52 | - | - |
| Mrs. Ilona Šulnienė | 664,710 | 5.05 | 664,710 | 5.05 |
| Mr. Alvydas Banys | 663,640 | 5.05 | 663,640 | 5.05 |
| The company (own shares) | 5,088,586 | 38.70 | 100,431 | 0.76 |
| Other minor shareholders | 2,283,650 | 17.36 | 2,641,805 | 20.10 |
| Total | 13,150,000 | 100.00 | 13,150,000 | 100.00 |

The Company's shares are traded on the Baltic Secondary List of Nasdaq Vilnius from 16 September 2015. Before the merger the shares of the Former Parent Company were traded on the Baltic Secondary List of Nasdaq Vilnius from 4 June 2014 until 17 August 2015.

2 Accounting policies

Basis of preparation

The interim condensed financial statements for the 6 months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2020.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except adoption of new Standards and Interpretations as of 1 January 2021, noted below.

A number of new or amended standards became applicable for the current reporting period:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest rate benchmark (IBOR) reform – phase 2* (effective for annual periods beginning on or after 1 January 2021);
- Amendment to IFRS 4 *Insurance Contracts – deferral of IFRS 9* (effective for annual periods beginning on or after 1 January 2021).

The amendments to existing standards are not relevant to the Group and the Company for the six months ended on 30 June 2021.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

3 Investments into subsidiaries and short – term loans granted to subsidiaries

Fair value of investments into subsidiaries

Investments into subsidiaries together with loans granted to subsidiaries are measured at fair value through profit or loss in the Company's stand-alone financial statements for six months ended 30 June 2021 and for the year ended 31 December 2020. It is Level 3 fair value measurement. The fair value of investments is measured at the fair value of their net assets including loans granted by the Company. The main assets of dormant entities are cash. The main assets of active subsidiaries are investment properties, which are measured at fair value using the income approach. The main liabilities of subsidiaries are payables to external suppliers, whose carrying amount is approximated their fair value because they are short-term and the impact of discounting is immaterial.

If the Company grant short-term loans to subsidiaries for purpose not related with investment activities they are classified as financial assets measured at amortised cost, because they are solely payments of principal and interest and are held to collect contractual cash flows.

The breakdown of the carrying amounts of investments in subsidiaries by legal form is presented below:

| | <u>As at 30 June 2021</u> | <u>As at 31 December 2020</u> |
|---------------|---------------------------|-------------------------------|
| Shares | 80 | 142 |
| Loans granted | 9,570 | 8,884 |
| | <u>9,650</u> | <u>9,026</u> |

Key inputs to valuation on subsidiaries as at 30 June 2021:

| <u>Significant unobservable inputs</u> | <u>Value of input or range</u> |
|--|--------------------------------|
| Discount rate (%) | 10 |
| Capitalisation rate for terminal value (%) | 9 |
| Vacancy rate (%) | 2 |
| Increase of rents per year (%) | 1.3 |
| Inflation (%) | 1.3 |

Key inputs to valuation on subsidiaries as at 31 December 2020:

| <u>Significant unobservable inputs</u> | <u>Value of input or range</u> |
|--|--------------------------------|
| Discount rate (%) | 10 |
| Capitalisation rate for terminal value (%) | 9 |
| Vacancy rate (%) | 2 - 3 |
| Increase of rents per year (%) | 0 - 1.5 |
| Inflation (%) | 1.4 – 1.6 |

The sensitivity analysis of fair value of subsidiaries as at 30 June 2021 is as follows:

| <u>Reasonable possible shift +/- (%)</u> | <u>Increase of estimates</u> | <u>Decrease of estimates</u> |
|---|------------------------------|------------------------------|
| Change in Increase of rents per year and inflation by 100 bps | 96 | (96) |
| Change in expected vacancy rates by 20% | (27) | 27 |
| Change in discount and capitalization rate by 50 bps | (280) | 313 |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

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3 Investments into subsidiaries and short – term loans granted to subsidiaries (cont'd)

Fair value of investments into subsidiaries (cont'd)

The sensitivity analysis of fair value of subsidiaries as at 31 December 2020 is as follows:

| Reasonable possible shift +/- (%) | <u>Increase of estimates</u> | <u>Decrease of estimates</u> |
|---|-------------------------------------|-------------------------------------|
| Change in Increase of rents per year and inflation by 100 bps | 166 | (162) |
| Change in expected vacancy rates by 20% | (31) | 31 |
| Change in discount and capitalization rate by 50 bps | (267) | 298 |

The table below shows changes in financial instruments in Level 3 during the 1st Half Year of 2021:

| | |
|---|--------------|
| Fair value as at 31 December 2020 | 9,026 |
| Gains and losses recognized in profit or loss (within 'Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss') | 534 |
| Granted loan | 192 |
| Repaid loan with interest | (102) |
| Fair value as at 30 June 2021 | 9,650 |

The table below shows changes in financial instruments in Level 3 during the 1st Half Year of 2020:

| | |
|---|--------------|
| Fair value as at 31 December 2019 | 7,894 |
| Gains and losses recognized in profit or loss (within 'Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss') | 263 |
| Granted loan | 1.450 |
| Repaid loan with interest | (354) |
| Fair value as at 30 June 2020 | 9,253 |

The main part of investments into subsidiaries together with loans granted are loans granted to Latvian entities. In 2015 50% of these loans were acquired by the Former Parent Company at a price below their estimated fair value, which was measured as 50% of fair value of net assets of subsidiaries, over which control was obtained by the Former Parent Company. On the acquisition day, the difference amounted to EUR 1,014 thousand. As the fair value was not determined based on observable inputs, this '1 day profit' was not recognised immediately but is deferred and is recognised during the estimated maturity of the loans. During the 1st Half Year of 2020 the Company has recognised EUR 101 thousand of this '1 day profit' within 'Net changes in fair value of investments in subsidiaries measured at fair value through profit or loss' in the statement of comprehensive income. As at 30 June 2020 all '1 day profit' was recognised. Therefore, the total fair value of loans granted by the Company was equal to book value as at 30 June 2021 and as at 31 December 2020.

Short-term loans granted to subsidiaries

In 2020 and 2021 m. the Company has received cash from disposed investment properties and cash amount exceeded the banks limits from which negative interests are applied. The Company has transferred cash to subsidiaries' bank accounts to mitigate expenses of negative interests by granting interest-free short-term loans.

The movements of short-term loans granted to subsidiaries of the Company were:

| | Company | |
|-------------------------------|---|---|
| | <u>1st Half Year 2021</u> | <u>1st Half Year 2020</u> |
| As at 1 January | 5,000 | - |
| Loans granted during the year | 7,310 | 10,850 |
| Loans repaid during the year | (10,510) | (10,850) |
| As at 30 June | 1,800 | - |

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4 Segment information

Management of the Company has determined the operating segments based on the reports reviewed by the Investment Committee that are used to make strategic decisions. The Investment Committee analyses performance of the Group on property-by-property basis of owned premises, while leased premises are reported on a combined basis. Performance is evaluated based on net operating income. Net operating income is calculated by deducting from revenue premises rent costs (excluding provision for onerous contract), utilities expenses, repair and maintenance expenses, property management and brokerage costs, taxes on property and insurance costs. Segment assets and liabilities are not reported to the Investment Committee. Management of the Company has determined following reportable segments:

- Owned property in Lithuania. The reportable segment comprises four on a property-by-property basis (after the sale of IBC business centre and investment properties, located at Gynėjų 14, there were 2 segments left), which are aggregated. The operating segments have similar economic characteristics, because all owned premises are located in Vilnius, Lithuania. These are office buildings. Most of them have further development opportunities. All properties are multi-tenant. Corporate tenants dominate, but some premises are also leased to governmental and retail tenants.
- Owned property in Latvia. Revenue is earned from warehouse located in Riga, Latvia.

The following table presents performance of reportable segments of the Group for the six months ended 30 June 2021:

| | Owned property in Lithuania | Owned property in Latvia | Total |
|---|--------------------------------|-----------------------------|--------------|
| Six months ended 30 June 2021 | | | |
| Rent income | 519 | 277 | 796 |
| Other revenue (utilities and other service) | 406 | - | 406 |
| Revenue | 925 | 277 | 1,202 |
| Expenses | | | |
| Premises rent costs | (35) | (2) | (37) |
| Utilities | (117) | (1) | (118) |
| Repair and maintenance of premises | (277) | (9) | (286) |
| Property management and brokerage costs | - | (12) | (12) |
| Taxes on property | (49) | (7) | (56) |
| Insurance costs | (3) | (1) | (4) |
| Net operating income for the period | 444 | 245 | 689 |

From 1 January 2018 property management services is provided by subsidiary UAB Proprietas to the Company. The previous agreement for property management services with external entity ended on 31 December 2018. Therefore, from 1 January 2018 on the Group level property management costs are not incurred, but the Group has incurred additional employee benefits expenses which is not included into reportable segment expenses.

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4 Segment information (cont'd)

The following table presents performance of reportable segments of the Group for the six months ended 30 June 2020:

| | Owned property in Lithuania | Owned property in Latvia | Total |
|---|--------------------------------|--------------------------|--------------|
| Six months ended 30 June 2020 | | | |
| Rent income | 1,403 | 283 | 1,686 |
| Other revenue (utilities and other service) | 605 | - | 605 |
| Revenue | 2,008 | 283 | 2,291 |
| Expenses | | | |
| Premises rent costs | (33) | (2) | (35) |
| Utilities | (253) | - | (253) |
| Repair and maintenance of premises | (532) | (43) | (575) |
| Property management and brokerage costs | (7) | (12) | (19) |
| Taxes on property | (116) | (4) | (120) |
| Insurance costs | (6) | (2) | (8) |
| Net operating income for the period | 1,061 | 220 | 1,281 |

The following table presents reconciliation of the Group's operating profits from net operating income, rent costs and revenue.

| | 01.01.2021 – 30.06.2021 | | | | 01.01.2020 – 30.06.2020 | | | |
|--|--|--|--------------|--|--|-------------|--|--------------|
| | Net operating income to operating profit | Repair and maintenance of premises | Revenue | Net operating income to operating profit | Repair and maintenance of premises | Revenue | Net operating income to operating profit | Revenue |
| From reportable segment | 689 | (37) | (286) | 1,202 | 1,281 | (35) | (575) | 2,291 |
| Provision for onerous contracts | 3 | 3 | - | - | 24 | 24 | - | - |
| Other revenue not included in reportable segments | 2 | - | - | 2 | 2 | - | - | 2 |
| Rent revenue not included in reportable segment due to application of IFRS 16 | 34 | - | - | 34 | - | - | - | - |
| Add back insurance costs and other expenses (included within 'other expenses') | 46 | - | 42 | - | 42 | - | 34 | - |
| Management and Performance Fee | (196) | - | - | - | 223 | - | - | - |
| Impairment of trade receivables (reversal of impairment) | - | - | - | - | (2) | - | - | - |
| Employee benefits expenses | (70) | - | - | - | (112) | - | - | - |
| Depreciation and amortisation | (51) | - | - | - | (50) | - | - | - |
| Other expenses | (123) | - | - | - | (149) | - | - | - |
| Other income | 10 | - | - | - | 14 | - | - | - |
| Net gains from fair value adjustments on investment | 529 | - | - | - | (79) | - | - | - |
| Total | 873 | (34) | (244) | 1,238 | 1,194 | (11) | (541) | 2,293 |

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4 Segment information (cont'd)

The table below presents distribution of the Group non-current assets (other than financial instruments and deferred tax assets) by geographical area as at 30 June 2021 and 31 December 2020:

| | Lithuania | Latvia | Total |
|------------------------|------------------|---------------|--------------|
| As at 30 June 2021 | 16,406 | 8,720 | 25,126 |
| As at 31 December 2020 | 16,271 | 8,359 | 24,630 |

5 Revenue, lease expenses and provisions

Revenue

The Group, as a lessor, leases the Group's investment property in accordance with the lease agreements for commercial property. Most of the contracts have a maturity from 1 to 6 years.

Analysis of revenue by category:

| | Group | | Company | |
|------------------------|--|--|--|--|
| | 1st Half Year 2021 | 1st Half Year 2020 | 1st Half Year 2021 | 1st Half Year 2020 |
| Rent income | 830 | 1,686 | 727 | 1,403 |
| Utilities revenue | 74 | 225 | 1 | 6 |
| Other services revenue | 334 | 382 | 3 | 162 |
| Total revenue | 1,238 | 2,293 | 731 | 1,571 |

From 1 January 2018 subsidiary UAB Proprietas provide property management services for the Company and utilities and other services to the tenants of the Company. Therefore, from 1 January 2018 most of utilities and other services revenue is earned by the subsidiary, not by the Company.

Analysis of revenue of the Group by geographical areas:

| | Group | |
|--------------|--------------------------------------|--------------------------------------|
| | 1st Half Year 2021 | 1st Half Year 2020 |
| Lithuania | 959 | 2,008 |
| Latvia | 279 | 285 |
| Total | 1,238 | 2,293 |

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5 Revenue, lease expenses and provisions (cont'd)

Expenses and provisions

The Company was leasing premises from an external party until August 2017 under the lease agreement of 10 August 2007, except for one property, which is leased until the expiry of the current sublease agreement (31 December 2025). The Company had a one off deposit in the amount of EUR 825 thousand corresponding to the 6 months rental fee amount which will be set-off against the last part of lease payment at the termination of the lease. The rent payments are subject to an indexation at the end of August each year on the basis of harmonised consumer price index, if the latter is more than 1%, but there is a cap for annual indexation of 3.8%. In November of 2016 the amendment to the lease agreement was signed. According to the amendment, EUR 275 thousand of prepayments was set off against lease payables in 2016, EUR 450 thousand of prepayments was set off in 2017, and EUR 100 thousand of prepayments has to be set off in 2025.

The lease agreement of 10 August 2007 is an onerous contract, therefore there is a provision of EUR 46 thousand and EUR 35 thousand to cover the loss anticipated in connection with this contract recognised in the statement of financial position as at 30 June 2021 and 31 December 2020, respectively. This amount represents the present value of forecast of indexation of future rent payment, which is not measured by recognizing lease liabilities in accordance with IFRS 16. In addition, after the sale of investment property located at Gyneju 14, Vilnius, the Company/the Group is committed to further ensure to rent the parking places for one of previous tenant of Gyneju 14. The commitment is onerous contract, therefore, additional provision of onerous contract amounting for 35 thousand EUR and 49 thousand EUR was formed as at 30 June 2021 and 31 December 2020 respectively. These amounts represent the present value of future cash flows related to the lease contracts. Future cash flows projections are based on the estimates of future rent income from subleased premises, contractual lease payments.

The changes in the provision for onerous contract during the 1st Half Year of 2021 and 2020 are presented below:

| | <u>1st Half Year 2021</u> | <u>1st Half Year 2020</u> |
|--|--------------------------------------|--------------------------------------|
| As at 1 January | 84 | 62 |
| Re-estimation of provision at the end of the reporting period | 8 | - |
| Amount used (recognised as a reduction of 'Premises rent costs') | (11) | (24) |
| The reversal of the discount effect and changes in the discount rate | - | - |
| As at 30 June | 81 | 38 |
| | As at 30 June 2020 | As at 31 December 2020 |
| Non-current | 57 | 61 |
| Current | 24 | 23 |
| Total | 81 | 84 |

As at 30 June 2021 the Company recognised non-current provision for the Performance Fee of EUR 120 thousand (as at 31 December 2020 - EUR 1,556 thousand)

The changes in the provision for the Performance Fee is presented below:

| | <u>1st Half Year 2021</u> | <u>1st Half Year 2020</u> |
|---|--------------------------------------|--------------------------------------|
| As at 1 January | 1,556 | 2,486 |
| Re-estimation of provision at the end of the reporting period | 80 | (410) |
| Reclassification of payable to "Other current liabilities" | (1,516) | (1,382) |
| As at 30 June | 120 | 694 |

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6 Finance costs

| | Group | | Company | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 1 st Half Year 2021 | 1 st Half Year 2020 | 1 st Half Year 2021 | 1 st Half Year 2020 |
| Interest expenses of bank borrowings | (132) | (251) | (132) | (235) |
| Interest expenses of borrowings from related parties | - | (13) | - | (13) |
| Interest expenses arising from the lease liabilities | (9) | (10) | (9) | (10) |
| Unwinding of the discount effect of provision for onerous contract | - | - | - | - |
| Other financial expenses | - | - | - | - |
| | <u>(141)</u> | <u>(274)</u> | <u>(141)</u> | <u>(258)</u> |

7 Income tax

| | Group | | Company | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 1 st Half Year 2021 | 1 st Half Year 2020 | 1 st Half Year 2021 | 1 st Half Year 2020 |
| Components of the income tax expenses | | | | |
| Current income tax expense | - | - | - | - |
| Prior year current income tax correction | 3 | - | - | - |
| Deferred income tax expense | 11 | - | - | - |
| Income tax expense charged to profit or loss – total | <u>14</u> | <u>-</u> | <u>-</u> | <u>-</u> |

8 Investment properties

The movements of investment properties of the Group were:

| | Other investment properties valued using sales comparison method | Other investment properties valued using sales comparison method | Properties leased out by the entity | Investment properties held for future redevelopment | Total |
|---|--|--|-------------------------------------|---|---------------|
| | Level 1 | Level 2 | Level 3 | Level 3 | |
| Fair value hierarchy | | | | | |
| Balance as at 31 December 2019 | 32,904 | 4,894 | 34,086 | - | 71,884 |
| Subsequent expenditure | - | - | 38 | - | 38 |
| Sale | (32,909) | - | - | - | (32,909) |
| Gain from fair value adjustment | 5 | 20 | (104) | - | (79) |
| Loss from fair value adjustment | - | - | - | - | - |
| Balance as at 30 June 2020 | - | 4,914 | 34,020 | - | 38,934 |
| Balance as at 31 December 2020 | - | 3,629 | 20,504 | - | 24,133 |
| Subsequent expenditure | - | - | - | - | - |
| Gain from fair value adjustment | - | 168 | 361 | - | 529 |
| Disposals | - | - | - | - | - |
| Balance as at 30 June 2021 | - | 3,797 | 20,865 | - | 24,662 |
| Unrealized gains or losses for the period, included within 'Net gain (losses) on fair value adjustments of investment property' in profit or loss | - | 168 | 361 | - | 529 |

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8 Investment properties (cont'd)

The movements of investment properties of the Company were:

| | Other investment properties valued using sales comparison method | Other investment properties valued using sales comparison method | Properties leased out by the entity | Investment properties held for future redevelopment | Total |
|---|--|--|-------------------------------------|---|---------------|
| Fair value hierarchy | Level 1 | Level 2 | Level 3 | Level 3 | |
| Balance as at 31 December 2019 | 32,498 | 1,293 | 29,204 | - | 62,995 |
| Subsequent expenditure | - | - | 34 | - | 34 |
| Sale | (32,502) | - | - | - | (32,502) |
| Gain from fair value adjustment | 4 | 23 | (69) | - | (42) |
| Loss from fair value adjustment | - | - | - | - | - |
| Balance as at 30 June 2020 | - | 1,316 | 29,169 | - | 30,485 |
| Balance as at 31 December 2020 | - | - | 15,774 | - | 15,774 |
| Subsequent expenditure | - | - | - | - | - |
| Sale | - | - | - | - | - |
| Gain from fair value adjustment | - | - | 167 | - | 167 |
| Balance as at 30 June 2021 | - | - | 15,941 | - | 15,941 |
| Unrealized gains or losses for the period, included within 'Net gain (losses) on fair value adjustments of investment property' in profit or loss | - | - | 167 | - | 167 |

During the 1st Half Year of 2020 additional reconstruction expenses of EUR 34 thousand was incurred for the investment properties, located at Palangos 4, Vilnius. Also during the 1st Half Year of 2020 the Group incurred EUR 4 thousand expenses related to investment property in Latvia, which were recognized in the value of the property. During the 1st Half Year of 2020 the Group/the Company have paid outstanding payables from 2019 for subsequent expenditure for investment properties of EUR 355 thousand and the Group and the Company have paid EUR 38 thousand and 34 thousand, respectively, for subsequent expenditures during 2020.

On 6 March 2020 the IBC Business Centre on A. Juozapavičiaus and Šeimyniškių streets in Vilnius was sold to the closed-end investment fund for informed investors Lords LB Baltic Green Fund (V), which is managed by Lords LB Asset Management UAB. The real estate at the address Kalvarijų Street 11a belonging to the INVL Baltic Real Estate company Roveliija was also sold. The value of the transaction was EUR 33 million, EUR 32,909 thousand of transaction value were assigned to the value of investment property. The remaining amount was attributed to sold tangible fixed assets together with investment property and accrued rental income.

On 30 September 2020 the investment property on Gynėjų street in Vilnius was sold to the Tvarus projektas UAB. The value of the transaction was EUR 20 million, 18,842 thousand of transaction value were assigned to the value of investment property. The remaining amount was attributed to sold tangible and intangible fixed assets together with investment property and accrued rental income.

Investment properties are measured at fair value. During the 1st Half Year of 2021 and 2020, properties leased out by the entity in Lithuania were valued as at 30 April 2021 and 31 October 2020, respectively, by an accredited valuer UAB OBER-HAUS Nekilnojamas Turtas (hereinafter together with SIA OBER-HAUS Vertešanas Serviss referred to as 'Oberhaus') using the income approach. During the 1st Half Year of 2021 and 2020 investment properties located in Latvia were valued as at 30 April 2021 and 31 October 2020, respectively, by an accredited valuer SIA OBER-HAUS Vertešanas Serviss using a market approach for land and using an income approach for warehouse. Investment properties were measured at fair value. There were no significant changes in the market during period from valuation date till end of reporting periods that could have an effect on the value of investment properties, therefore the updated valuation was not performed as at 30 June 2021 and as at 31 December 2020.

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8 Investment properties (cont'd)

The split of carrying amounts of the properties leased out by the entity by type:

| | Group | | Company | |
|---|--------------------|------------------------|--------------------|------------------------|
| | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| Offices premises in city centre – Lithuania | 15,941 | 15,774 | 15,941 | 15,774 |
| Warehouse – Latvia | 4,924 | 4,730 | - | - |
| | 20,865 | 20,504 | 15,941 | 15,774 |

Description of valuation techniques used and key inputs to valuation on investment properties located in Lithuania as at 30 June 2021:

| | Valuation technique | Significant unobservable inputs | Range (weighted average) Oberhaus |
|-------------------------------------|-----------------------|--|-----------------------------------|
| Properties leased out by the entity | Discounted cash flows | Discount rate (%) | 9 |
| | | Capitalisation rate for terminal value (%) | 7.5 |
| | | Vacancy rate (%) | 0- 30 |
| | | Office premises in city centre - Rent price EUR per sq. m. (without VAT) | 5-16 (12.48) |

All inputs in the Company are the same as in the Group.

Description of valuation techniques used and key inputs to valuation on investment properties located in Lithuania as at 31 December 2020:

| | Valuation technique | Significant unobservable inputs | Range (weighted average) Oberhaus |
|-------------------------------------|-----------------------|--|-----------------------------------|
| Properties leased out by the entity | Discounted cash flows | Discount rate (%) | 9 |
| | | Capitalisation rate for terminal value (%) | 7.5 |
| | | Vacancy rate (%) | 0- 30 |
| | | Office premises in city centre - Rent price EUR per sq. m. (without VAT) | 5-16 (12.46) |

All inputs in the Company are the same as in the Group.

Description of valuation techniques used and key inputs to valuation on investment properties located in Latvia as at 30 June 2021:

| | Valuation technique | Significant unobservable inputs | Value of input or range Oberhaus |
|-------------------------------------|--|--|----------------------------------|
| Properties leased out by the entity | Discounted cash flows (five years estimated) | Discount rate (%) | 10 |
| | | Capitalisation rate for terminal value (%) | 9 |
| | | Vacancy rate (%) | 2 |
| | | Increase of rents per year (%) | 1.3 |
| | | Inflation (%) | 1.3 |

Oberhaus is used for valuation of current contractual rent prices and has indexed these prices by input of increase of rents per year.

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8 Investment properties (cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties located in Latvia as at 31 December 2020:

| | Valuation technique | Significant unobservable inputs | Value of input or range Oberhaus |
|-------------------------------------|--|--|----------------------------------|
| Properties leased out by the entity | Discounted cash flows (five years estimated) | Discount rate (%) | 10 |
| | | Capitalisation rate for terminal value (%) | 9 |
| | | Vacancy rate (%) | 2-3 |
| | | Increase of rents per year (%) | 0-1.5 |
| | | Inflation (%) | 1.4-1.6 |

The sensitivity analysis of investment properties located in Lithuania valued using income approach as at 30 June 2021 is as follows:

| Group/Company Reasonable possible shift +/- (%) | Increase of estimates | Decrease of estimates |
|--|-------------------------------------|-------------------------------------|
| | Properties leased out by the entity | Properties leased out by the entity |
| Change in future rental rates by 10 % | 1,600 | (1,500) |
| Change in expected vacancy rates by 20% | (200) | 300 |
| Change in discount and capitalization rate by 50 bps | (1,000) | 1,200 |

The sensitivity analysis of investment properties located in Latvia valued using income approach as at 30 June 2021 is as follows:

| Reasonable possible shift +/- (%) | Increase of estimates | Decrease of estimates |
|--|--|-----------------------|
| | Change in Increase of rents per year by 100 bps or change in future rental rates by 1% | 96 |
| Change in expected vacancy rates by 20% | (27) | 27 |
| Change in discount and capitalization rate by 50 bps | (280) | 313 |

The sensitivity analysis of investment properties located in Lithuania valued using income approach as at 31 December 2020 is as follows:

| Group/ Company Reasonable possible shift +/- (%) | Increase of estimates | Decrease of estimates |
|--|-------------------------------------|-------------------------------------|
| | Properties leased out by the entity | Properties leased out by the entity |
| Change in future rental rates by 10 % | 1,600 | (1,700) |
| Change in expected vacancy rates by 20% | (400) | 200 |
| Change in discount and capitalization rate by 50 bps | (1,100) | 1,100 |

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8 Investment properties (cont'd)

The sensitivity analysis of investment properties located in Latvia valued using income approach as at 31 December 2020 is as follows:

| Reasonable possible shift +/- (%) | Increase of estimates | Decrease of estimates |
|---|-----------------------|-----------------------|
| Change in Increase of rents per year and inflation by 100 bps | 166 | (162) |
| Change in expected vacancy rates by 20% | (31) | 31 |
| Change in discount and capitalization rate by 50 bps | (267) | 298 |

As at 30 June 2021 the Group's investment properties with carrying amount of EUR 15,911 thousand (EUR 15,744 thousand as at 31 December 2020) were pledged to the banks as collateral for the loans.

As at 30 June 2021 the Company's investment properties with carrying amount of EUR 15,911 thousand (EUR 15,744 thousand as at 31 December 2020) were pledged to the banks as collateral for the loans.

As at 31 December 2016 a written consent was required for sale of investment property from AB SEB bankas as a depository service provider. According to the Lithuanian Law on Collective Investment Undertakings, the sale price of investment properties may not be lower by more than 15% of the value determined by the independent qualified valuer. Having concluded a contract on sale of investment properties, when the above-described condition is not satisfied, the Management Company must, in exceptional cases and provided that interests of participants of the Company are not harmed, notify the supervisory authority thereof immediately.

There were no restrictions on the realisation of investment properties or the remittance of income and proceeds of disposals during the 1st Half Year of 2021 and 2020. No contractual obligations to purchase, construct, repair or enhance investment properties existed at the end of the period.

9 Trade and other receivables

| | Group | | Company | |
|---|-----------------------|------------------------------|-----------------------|------------------------------|
| | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| Trade receivables, gross | 139 | 164 | 91 | 613 |
| Accrued lease income, gross | 59 | 26 | 59 | 26 |
| Taxes receivable, gross | 58 | 83 | - | - |
| Total trade and other receivable, gross | 256 | 273 | 150 | 639 |
| Less: provision for impairment of trade and other receivables | (44) | (44) | (32) | (32) |
| Less: Write off still subject to enforcement activity | - | (1) | - | (1) |
| Trade and other receivable net of expected credit losses | 212 | 228 | 118 | 606 |

Changes in provision for impairment of trade and other receivables for the year 2021 and 2020 have been included within 'Provision for impairment of trade receivables' in the statement of comprehensive income.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

9 Trade and other receivables (cont'd)

Trade and other receivables are non-interest bearing and are generally with a credit term of 30 days.

Movements in the accumulated impairment losses on credit impaired accounts receivable of the Group and in the write-off were as follows:

| | Group | | |
|--|-------------------|---|-----------|
| | Impairment losses | Write off still subject to enforcement activity | Total |
| Balance as at 31 December 2019 | 37 | 33 | 70 |
| Charge for the year | 7 | - | 7 |
| Write-offs charged against the provision | - | - | - |
| Enforcement activity ended | - | (24) | (24) |
| Recoveries of amounts previously impaired or written off | - | (5) | (5) |
| Balance as at 30 June 2020 | 44 | 4 | 48 |
| Balance as at 31 December 2020 | 44 | 1 | 45 |
| Charge for the year | - | - | - |
| Write-offs charged against the provision | - | - | - |
| Enforcement activity ended | - | (1) | (1) |
| Recoveries of amounts previously impaired or written off | - | - | - |
| Balance as at 30 June 2021 | 44 | - | 44 |

Movements in the accumulated impairment losses on credit impaired accounts receivable of the Company and in the write-off were as follows:

| | Company | | |
|--|-------------------|---|-----------|
| | Impairment losses | Write off still subject to enforcement activity | Total |
| Balance as at 31 December 2019 | 32 | 18 | 50 |
| Charge for the year | 5 | - | 5 |
| Write-offs charged against the provision | - | - | - |
| Enforcement activity ended | - | (13) | (13) |
| Recoveries of amounts previously impaired or written off | - | (3) | (3) |
| Balance as at 30 June 2020 | 37 | 2 | 39 |
| Balance as at 31 December 2020 | 32 | 1 | 33 |
| Charge for the year | - | - | - |
| Write-offs charged against the provision | - | - | - |
| Enforcement activity ended | - | (1) | (1) |
| Recoveries of amounts previously impaired or written off | - | - | - |
| Balance as at 30 June 2021 | 32 | - | 32 |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

9 Trade and other receivables (cont'd)

The credit quality of trade receivables of the Group can be assessed on the ageing analysis disclosed below:

| | Current | Less than 30 days | 30–90 days | More than 90 days | Credit impaired | Total |
|---|------------|-------------------|------------|-------------------|-----------------|------------|
| Trade receivables net of write off | 44 | 30 | 9 | 4 | 52 | 139 |
| Accrued lease income | 59 | - | - | - | - | 59 |
| Expected credit losses | - | - | - | - | (44) | (44) |
| Trade and other receivable net of expected credit losses | 103 | 30 | 9 | 4 | 8 | 154 |
| Trade receivables, gross | 52 | 46 | 7 | 7 | 51 | 163 |
| Accrued lease income | 26 | - | - | - | - | 26 |
| Expected credit losses | - | - | - | - | (44) | (44) |
| Trade and other receivable net of expected credit losses | 78 | 46 | 7 | 7 | 7 | 145 |

The credit quality of trade receivables of the Company can be assessed on the ageing analysis disclosed below:

| | Current | Less than 30 days | 30–90 days | More than 90 days | Credit impaired | Total |
|---|------------|-------------------|------------|-------------------|-----------------|------------|
| Trade receivables net of write off | 30 | 16 | 9 | - | 36 | 91 |
| Accrued lease income | 59 | - | - | - | - | 59 |
| Expected credit losses | - | - | - | - | (32) | (32) |
| Trade and other receivable net of expected credit losses | 89 | 16 | 9 | - | 4 | 118 |
| Trade receivables, gross | 520 | 44 | 7 | 4 | 37 | 612 |
| Accrued lease income | 26 | - | - | - | - | 26 |
| Expected credit losses | - | - | - | - | (32) | (32) |
| Trade and other receivable net of expected credit losses | 546 | 44 | 7 | 4 | 5 | 606 |

As at 30 June 2021 and 31 December 2020 most of trade receivables were secured by advances received from tenants.

The ageing analysis of the credit impaired trade receivables of the Company disclosed below:

| | Current | Less than 30 days | 30–90 days | 91–180 days | More than 180 days | Total |
|---|---------|-------------------|------------|-------------|--------------------|-------|
| Trade receivables net of write off as at 30 June 2021 | - | 1 | 2 | 4 | 45 | 52 |
| Trade receivables net of write off as at 31 December 2020 | 5 | 1 | 2 | 2 | 41 | 51 |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

9 Trade and other receivables (cont'd)

The ageing analysis of the credit impaired trade receivables of Group disclosed below:

| | Current | Less than 30 days | 30-90 days | 91-180 days | More than 180 days | Total |
|---|---------|-------------------|------------|-------------|--------------------|-------|
| Trade receivables net of write off as at 30 June 2021 | - | - | - | 1 | 35 | 36 |
| Trade receivables net of write off as at 31 December 2020 | 1 | 1 | - | - | 35 | 37 |

10 Share capital and reserves, own shares

As at 30 June 2021 the Group's/Company's share capital is divided into 13,150,000 ordinary registered shares with the nominal value of EUR 1.45 each.

All the shares of the Company were fully paid.

Changes during the first half of 2021

On 29 April 2021 EUR the annual general meeting has decided to transfer from retained earnings EUR 276 thousand to the legal reserve and 4,274 thousand from retained earnings to reserves for purchase of own shares.

Due to resolution of the General Shareholders Meeting of the Company that was held on 14 January 2021 on material changes in the incorporation documents of the Company an obligation has arisen for the Company to buy back the shares of the Company of shareholders opposing the decisions or not participating in the meeting or abstaining from voting. The Company's shares buy-back began on 25 January 2021 and lasted till 25 March 2021. The share buy-back price per share was EUR 2.2103, according to net assets value as at 30 November 2020. The total number of shares that could be submitted for buy-back was 8,988,051. During buy-back 4,988,155 shares (37.93% of share capital) were acquired for EUR 11.047 thousand, including brokerage fees. 29 April 2021, it was determined that in 30 November 2020 the value of the net assets was overestimated. The recalculated share buy-back price per share was EUR 2.2043. EUR 30 thousand were paid to the redeemed shareholders in excess. The losses incurred by the Company due to the excessive redemption price of the unit were covered by the Management Company. Losses covered by the Management Company reduce the acquisition cost of own shares.

Changes during the first half of 2020

On 26 April 2020 EUR the annual general meeting has decided to transfer from retained earnings EUR 532 thousand to the legal reserve and 3,093 thousand from reserves for purchase of own shares to retained earnings.

11 Dividends

On 9 April 2020 the Ordinary General Meeting of the Company changed dividend payment policy by setting the minimum amount of dividends at EUR 0.09, if the legal and contractual requirements do not restrict the payment of dividends.

Payment of dividends of EUR 1.55 per share and total dividends of EUR 20,382 thousand in respect of the year ended 31 December 2019 was approved at the Annual General Meeting of Shareholders on 9 April 2020.

Payment of dividends of EUR 0.12 per share and total dividends of EUR 967 thousand in respect of the year ended 31 December 2020 was approved at the Annual General Meeting of Shareholders on 29 April 2021.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

12 Borrowings

| | Group | | Company | |
|---|-----------------------|---------------------------|-----------------------|---------------------------|
| | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| Non-current: | | | | |
| Non-current bank borrowings | 8,949 | 9,121 | 8,949 | 9,121 |
| Non-current other borrowings | - | - | - | - |
| | <u>8,949</u> | <u>9,121</u> | <u>8,949</u> | <u>9,121</u> |
| Current: | | | | |
| Current portion of non-current borrowings | 364 | 365 | 364 | 365 |
| Borrowings from related parties | - | - | - | - |
| | <u>364</u> | <u>365</u> | <u>364</u> | <u>365</u> |
| Total borrowings | <u>9,313</u> | <u>9,486</u> | <u>9,313</u> | <u>9,486</u> |

All borrowings are expressed in EUR.

Borrowings with fixed or floating interest rate (with changes in 6 months period) were as follows:

Interest rate type:

| | Group | | Company | |
|----------|-----------------------|---------------------------|-----------------------|---------------------------|
| | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| Fixed | - | - | - | - |
| Floating | 9,313 | 9,486 | 9,313 | 9,486 |
| | <u>9,313</u> | <u>9,486</u> | <u>9,313</u> | <u>9,486</u> |

As at 30 June 2021 and at 31 December 2020 all Group entities have complied with bank loan covenants.

On 23 February 2018 the Board of the Financial and Capital Market Commission in Latvia adopted a decision on the unavailability of deposits at ABLV Bank AS. On 12 June 2018 it was announced that the Financial and Capital Market Commission has approved ABLV Bank AS voluntary liquidation. Because ABLV Bank, AS ceased to be bank after voluntary liquidation process was approved, the previous deposit became as other receivables from ABLV Bank, AS. They comprise legally from three part:

- the Group claim of EUR 5 thousand from ABLV Bank, AS in liquidation process;
- blocked guaranteed compensation of EUR 100 thousand according to Latvian deposit insurance systems, which was paid at the beginning of July 2020.
- the Group owned funds of EUR 45 thousand in possession of the ABLV Bank, AS (restored amount of deposits). This amount was set off upon repayment of the borrowing.

On May 2020 the Group repaid the borrowing to ABLV Bank, AS (during the 1st Half of 2020 was paid EUR 1,880 thousand) out of which EUR 1,835 thousand was paid by the Group's owned funds and EUR 45 thousand set of with the ABLV Bank, AS (restored amount of deposits).

On 10 April 2018 the Company has signed an amendment of to the borrowing agreement with AB Šiaulių bankas. According to the amendment the new credit limit of EUR 23,926 thousand is set. It consists of two parts. The first part amounts to EUR 22,926 thousand and could be disbursed until 31 May 2019. The second part is a credit line of EUR 1,000 thousand, which could be disbursed until 22 December 2022. Furthermore, the settlement schedule and interest rate were changed. In the 1st Half 2020 the Group / Company returned the used part of the credit line to AB Šiaulių bankas (EUR 935 thousand) and EUR 4,750 thousand of the first part of the borrowing using the funds from the sale of IBC business center. Additional amendment to the borrowing agreement with AB Šiaulių bankas was signed in October 2020, the monthly credit instalment was reduced to EUR 28.6 thousand from previous EUR 50 thousand.

In November 2019 Invalda INVL granted EUR 1,500 thousand to the Company. The initial repayment term was 31 January 2020, which was extended until 31 March 2020. The loan was repaid on 9 March 2020 together with interest, in total EUR 1,519 thousand.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

13 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for the first half of 2021 and 2020 were as follows:

| Calculation of weighted average for first half of 2021 | Number of shares (thousand) | Par value (EUR) | Issued/181 (days) | Weighted average (thousand) |
|---|------------------------------------|------------------------|--------------------------|------------------------------------|
| Shares issued as at 31 December 2020 | 13.049 | 1.45 | 181/181 | 13.049 |
| Own shares acquired as at 24 February 2021 | (1.190) | 1.45 | 127/181 | (835) |
| Own shares acquired as at 10 March 2021 | (10) | 1.45 | 113/181 | (6) |
| Own shares acquired as at 29 March 2021 | (3.788) | 1.45 | 94/181 | (1.967) |
| Shares issued as at 30 June 2021 | 8.061 | 1.45 | - | 10.241 |

| Calculation of weighted average for the first half of 2020 | Number of shares (thousand) | Par value (EUR) | Issued/182 (days) | Weighted average (thousand) |
|---|------------------------------------|------------------------|--------------------------|------------------------------------|
| Shares issued as at 31 December 2019 | 13,150 | 1,45 | 182/182 | 13,150 |
| Shares issued as at 30 June 2020 | 13,150 | 1.45 | 182/182 | 13,150 |

The following table reflects the income and share data used in the basic earnings per share computations:

| | Group | |
|--|--------------------------------------|--------------------------------------|
| | 1st Half Year 2021 | 1st Half Year 2020 |
| Net profit, attributable to the equity holders of the parent | 746 | 920 |
| Weighted average number of ordinary shares (thousand) | 10,241 | 13,150 |
| Basic earnings per share (EUR) | 0.07 | 0.07 |

For the 1st Half Year of 2021 and 2020 the Group diluted earnings per share are the same as basic earnings per share.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

14 Liquidity risk

The Group's liquidity ratio (total current assets including assets held for sale / total current liabilities) as at 30 June 2021 was approximately 1.59 (as at 31 December 2020 – 12.23). The Company liquidity ratio as at 30 June 2021 was approximately 1.43 (as at 31 December 2020 – 12.32).

The table below summarises the maturity profile of the Group's financial liabilities as at 30 June 2021 and at 31 December 2020 based on contractual undiscounted payments.

| | On demand | Less than 3 months | 4 to 12 months | 2 to 5 years | More than 5 years | Total |
|---------------------------------------|------------|--------------------|----------------|---------------|-------------------|---------------|
| Interest bearing borrowings | - | 151 | 446 | 9,096 | - | 9,693 |
| Lease liabilities | - | 59 | 178 | 729 | - | 966 |
| Trade and other payables | - | 113 | - | - | - | 113 |
| Provision for onerous contract | - | 5 | 18 | 58 | - | 81 |
| Other liabilities | 456 | 1,539 | - | - | - | 1,995 |
| Balance as at 30 June 2021 | 456 | 1,867 | 642 | 9,883 | - | 12,848 |
| Interest bearing borrowings | - | 150 | 451 | 9,393 | - | 9,994 |
| Lease liabilities | - | 59 | 178 | 845 | - | 1,082 |
| Trade and other payables | - | 83 | - | - | - | 83 |
| Provision for onerous contract | - | 5 | 17 | 62 | - | 84 |
| Other liabilities | 451 | 24 | - | - | - | 475 |
| Balance as at 31 December 2020 | 451 | 321 | 646 | 10,300 | - | 11,718 |

The table below summarises the maturity profile of the Company financial liabilities as at 30 June 2021 and at 31 December 2020 based on contractual undiscounted payments.

| | On demand | Less than 3 months | 4 to 12 months | 2 to 5 years | More than 5 years | Total |
|---------------------------------------|------------|--------------------|----------------|---------------|-------------------|---------------|
| Interest bearing borrowings | - | 151 | 446 | 9,096 | - | 9,693 |
| Lease liabilities | - | 59 | 178 | 729 | - | 966 |
| Trade and other payables | - | 53 | - | - | - | 53 |
| Provision for onerous contract | - | 5 | 18 | 58 | - | 81 |
| Other liabilities | 456 | 1,525 | - | - | - | 1,981 |
| Balance as at 30 June 2021 | 456 | 1,793 | 642 | 9,883 | - | 12,774 |
| Interest bearing borrowings | - | 150 | 451 | 9,393 | - | 9,994 |
| Lease liabilities | - | 59 | 178 | 845 | - | 1,082 |
| Trade and other payables | - | 117 | - | - | - | 117 |
| Provision for onerous contract | - | 5 | 17 | 62 | - | 84 |
| Other liabilities | 451 | 20 | - | - | - | 471 |
| Balance as at 31 December 2020 | 451 | 351 | 646 | 10,300 | - | 11,748 |

Provision for onerous contract is disclosed in the tables above because it is a financial liability arising from the unavoidable cost of meeting the obligation of contract. The amounts disclosed are undiscounted future loss amounts used to calculate provision.

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CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

15 Other current liabilities

Other current liabilities are presented in the table below:

| | Group | | Company | |
|--|-----------------------|------------------------------|-----------------------|---------------------------|
| | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| Financial liabilities | | | | |
| Dividends payable | 456 | 451 | 456 | 451 |
| Performance Fee | 1,516 | - | 1,516 | - |
| Other amounts payable | 23 | 24 | 9 | 20 |
| | <u>1,995</u> | <u>475</u> | <u>1,981</u> | <u>471</u> |
| Non – financial liabilities | | | | |
| Salaries and social security contributions payable | 27 | 17 | - | - |
| Tax payable | 52 | 118 | 35 | 109 |
| | <u>79</u> | <u>135</u> | <u>35</u> | <u>109</u> |
| Total other current liabilities | <u>2,074</u> | <u>610</u> | <u>2,016</u> | <u>580</u> |

16 Related party transactions

The related parties of the Group were the shareholders of the Company, who have significance influence (note 1), key management personnel, including companies under control or joint control of key management and shareholders having significant influence. AB Invalda INVL and the entities controlled by AB Invalda INVL (hereinafter 'the Other related parties') are also considered to be related parties, because the shareholders of the Company, having significance influence, also have a joint control over AB Invalda INVL group through shareholders' agreement,

The Group transactions with related parties during the six months ended 30 June 2021 and related balances as at 30 June 2021 were as follows:

| 1 st Half Year 2021 Group | Revenue and other income from related parties | Purchases (including provision) and interest from related parties | Receivables from related parties | Payables to related parties (excluding provision) |
|--|--|---|-------------------------------------|--|
| AB Invalda INVL (accounting services) | - | 7 | - | - |
| Other related parties (maintenance and repair services) | - | 43 | - | 7 |
| Other related parties (rent, utilities and other) | 4 | 11 | - | - |
| Other related parties (management services provided by the Management Company) | - | 196 | - | 1,533 |
| | <u>4</u> | <u>257</u> | <u>-</u> | <u>1,540</u> |

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

16 Related party transactions (cont'd)

The Group transactions with related parties during the six months ended 30 June 2020 and related balances as at 30 June 2020 were as follows:

| 1st Half Year 2020 Group | Revenue and other income from related parties | Purchases (including provision) and interest from related parties | Receivables from related parties | Payables to related parties (excluding provision) |
|--|--|--|---|--|
| AB Invalda INVL (accounting services) | - | 7 | - | - |
| AB Invalda INVL (borrowings) | - | 13 | - | - |
| Other related parties (maintenance and repair services) | - | 140 | - | 20 |
| Other related parties (rent, utilities and other) | 172 | 3 | 7 | - |
| Other related parties (management services provided by the Management Company) | - | (223) | - | 48 |
| | <u>172</u> | <u>(60)</u> | <u>7</u> | <u>68</u> |

The related parties of the Company are subsidiaries, shareholders who have significant influence (Note 1), key managers, key managers and shareholders with significant influence, controlled or jointly controlled entities. AB Invalda INVL and its controlled companies are also assigned to related parties, as the Company's shareholders having significant influence also jointly control the Invalda INVL group under the shareholder agreement.

The Company transactions with related parties during the six months ended 30 June 2021 and related balances as at 30 June 2021 were as follows:

| 1st Half Year 2021 Company | Revenue and other income from related parties | Purchases (including provision) and interest from related parties | Receivables from related parties | Payables to related parties (excluding provision) |
|--|--|--|---|--|
| Loans granted to subsidiaries | - | - | 11,370 | - |
| AB Invalda INVL (accounting services) | - | 3 | - | - |
| Other related parties (maintenance and repair services) | - | 13 | - | 1 |
| Other related parties (rent, utilities and other) | 174 | 7 | 22 | - |
| Other related parties (management services provided by the Management Company) | - | 196 | - | 1,533 |
| Property administration and other services from subsidiaries | - | 77 | - | - |
| | <u>174</u> | <u>296</u> | <u>11,392</u> | <u>1,534</u> |

The Company measured the loans granted to subsidiaries at fair value and did not recognise interest income separately.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

16 Related party transactions (cont'd)

The Company transactions with related parties during the six months ended 30 June 2020 and related balances as at 30 June 2020 were as follows:

| 1st Half Year 2020 Company | Revenue and other income from related parties | Purchases (including provision) and interest from related parties | Receivables from related parties | Payables to related parties (excluding provision) |
|--|--|--|---|--|
| Loans granted to subsidiaries | - | - | 8,947 | - |
| AB Invalda INVL (accounting services) | - | 3 | - | - |
| AB Invalda INVL (borrowings) | - | 13 | - | - |
| Other related parties (maintenance and repair services) | - | 30 | - | 3 |
| Other related parties (rent, utilities and other) | 149 | - | - | - |
| Other related parties (management services provided by the Management Company) | - | 223 | - | 48 |
| Property administration and other services from subsidiaries | - | 189 | - | - |
| | 149 | 12 | 8,947 | 51 |

According to dividend distribution report, based on the shareholder list as at 13 May 2021 (the day of accounting of rights), the Company paid to AB Invalda INVL EUR 227 thousand of dividends, net of tax, and paid to other shareholders, who have significance influence, EUR 329 thousand of dividends, net of tax.

According to the dividend distribution report prepared according to the list of former shareholders as of 24 April 2020 (the day of accounting of rights), the Company paid out dividends after tax in total EUR 6,117 thousand to Invalda INVL AB and EUR 8,245 thousand to other significant shareholders.

17 Impact of COVID-19

The Group was not significantly affected by the COVID-19 virus pandemic. Due to the quarantine announced in Lithuania, Group's operations were not disrupted, as the Group can perform all the operations remotely. However, some of the Company's tenants in Lithuania operate in the field of catering, retail and their activities were banned or restricted during quarantine. In 2020 these tenants were entitled to state support (up to 50% of the rent from the start of quarantine until August 2020) if the lessor provides the tenant with at least 30% discount. The Company granted 30% discount to these tenants. Therefore, during the 1st Half of 2020 the Group/Company have provided with EUR 55 thousand of discount. During the 1st Half of 2021 the Group/Company have provided with EUR 58 thousand of discount. In addition, in the 1st Half of 2020 the Company/Group deferred rent payment to part of the tenants until the beginning of 2021. Interest are being accrued on deferred payments (EUR 2 thousand was recognized in the first half of 2020). At the Group level the impairment of trade receivables was not significantly affected by the COVID-19 virus pandemic. Prior to the issuance of these reports, tenants that had received discounts or deferred payments covered their overdue rent payments. The Group did not request or received any financial support directly due to the COVID-19 virus pandemic. Considering the tenant structure and the impact of the coronavirus pandemic at the beginning of this year on the tenants' activities and the Group results, it can be predicted that pandemic will not have a significant impact on this year's results.

Special Closed-Ended Type Real Estate Investment Company INVL BALTIC REAL ESTATE

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

18 Events after reporting period

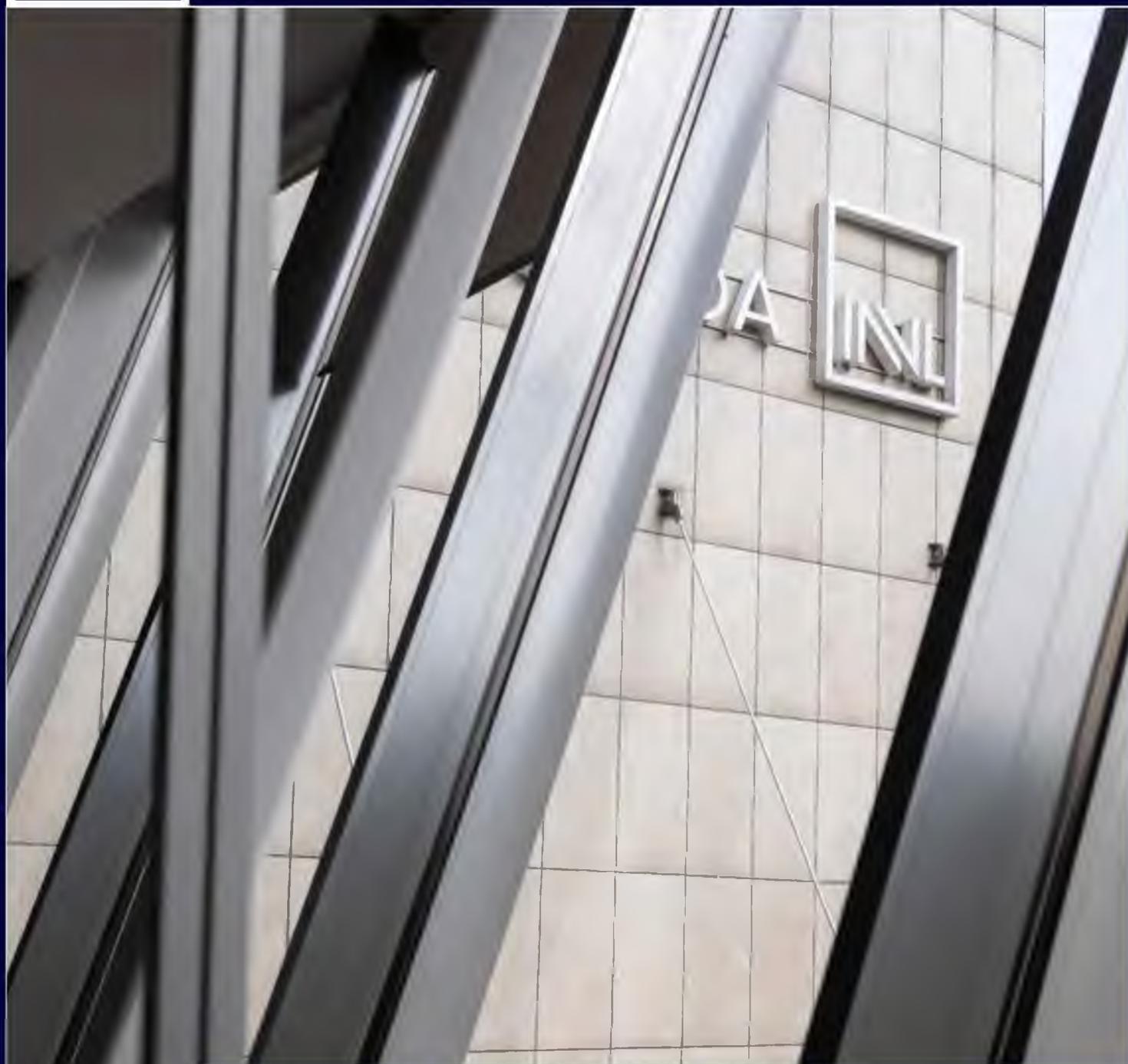
On 26 July 2021, a new wording of the Articles of Association of Company was registered in the Register of Legal Entities. The new wording of the Articles of Association was approved on 29 April 2021, during the General Shareholders Meeting. The Articles of Association of the Company are amended to comply with the legal requirements applicable to the Company, i. y. to form the Company's supervisory body - the Supervisory Board. The Articles of Association are also amended due to the reduction of the authorized capital, which was reduced in order to cancel 5,088,586 units of ordinary registered own shares acquired by the Company during the buy-back of shares process. On 3 August 2021 the Company received a notification from the Bank of Lithuania informing that the Company was allowed to change the Articles of Association of the Company. According to the data of 26 July 2021, the authorised capital of the Company amounts to EUR 11,689,050.30. The Company's capital is divided into 8,061,414 ordinary registered shares, with a nominal value of EUR 1.45 each.

Following the statutory reduction, the new shareholder structure is as follows:

| | Number of shares held | Percentage (%) |
|--|------------------------------|-----------------------|
| AB Invalda INVL | 1,889,123 | 23.43 |
| Mrs. Irena Ona Mišeikienė | 1,308,596 | 16.23 |
| UAB LJB property (controlling shareholder Mr. Alvydas Banys) | 1,251,695 | 15.53 |
| Mrs. Ilona Šulnienė | 664,710 | 8.25 |
| Mr. Alvydas Banys | 663,640 | 8.23 |
| Other minor shareholders | 2,283,650 | 28.33 |
| Total | 8,061,414 | 100.00 |

The logo consists of the letters 'INVL' in a bold, white, sans-serif font, enclosed within a white square border.

BALTIC REAL ESTATE



THE SPECIAL CLOSED-ENDED TYPE REAL ESTATE INVESTMENT COMPANY

INVL BALTIC REAL ESTATE

CONSOLIDATED REPORT FOR 6 MONTHS OF 2021

Translation note:

This version of the Consolidated Report for the 6 months of 2021 is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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I. GENERAL INFORMATION

1. Legal basis of preparation and content of information

The semi-annual Consolidated Report of the public joint-stock company Special closed-ended type real estate investment company "INVL Baltic Real Estate" (hereinafter – "the Company", "INVL Baltic Real Estate" or "the Issuer") has been prepared by the Company in accordance with the Rules on the Disclosure of Information and the Guidelines on the Disclosure of Information approved by the Board of the Bank of Lithuania. The content of the consolidated semi-annual report is disclosed according to Law on Consolidated Financial Statements of Enterprises of the Republic of Lithuania and Law on Corporate Financial Reporting of the Republic of Lithuania.

The Company informs that after evaluating the Information Disclosure Rules approved by the Bank of Lithuania and Guidelines for Non-Financial Reporting (Methodology for Providing Non-Financial Information), the information disclosing information about the Company presented in this semi-annual Report is divided into five (V) sections. These sections disclose information on Company's securities, the Management of the Company, the Company's and the Group's activities and other information, that Company's Management values as important to disclose. The Company notes that the information presented in the Annual Report is relevant for understanding the Company's performance, condition and impact of operations.

2. Reporting period for which the report is prepared

The report covers the financial period of INVL Baltic Real Estate, starting from 1 January 2021 and ending on 30 June 2021. The report includes significant events that occurred since the end of the reporting period.

The report was not audited.

3. General information about the Issuer and other companies comprising the Issuer's group

3.1. Information about the Issuer

| | |
|---|--|
| Name | Special closed-ended type real estate investment company „INVL Baltic Real Estate“ |
| Company code | 152105644 |
| Registration address | Gynėjų str. 14, 01109, Vilnius, Lithuania |
| Telephone | +370 5 279 0601 |
| Fax | +370 5 279 0530 |
| E-mail | breinfo@invl.com |
| Website | www.invlbalticrealestate.com |
| LEI code | 529900GSTE0HKA0R1M59 |
| Legal form | joint-stock company |
| Company type | special closed-ended type real estate investment company |
| Date and place of registration | 28 January 1997; Register of Legal Entities |
| Date of the Supervisory authority approval of collective investment entity formation documents | 22 December 2016 |
| Register in which data about the Company are accumulated and stored | Register of Legal Entities |
| Management company | INVL Asset Management, UAB, code 126263073, licence No. VĮK-005 |
| Depository | SEB bankas, AB, code 112021238, bank licence No. 2* |

*On 9 April 2020 April the General Meeting of Shareholders of the Company made a decision on the change of the Company's depository from AB SEB bankas (code 112021238) to AB Šiaulių bankas (code 112025254). On 6 January 2021 the Supervisory Authority of the Bank of Lithuania has issued a permit to the Company to change the depository to AB Šiaulių bankas (code 112025254). At the time of the release of the Annual Report the change of the depository has not been implemented yet.

3.2. Information about Company's goals and strategy

INVL Baltic Real Estate – real estate investment company that was founded on 28 January 1997, former name – Invaldos Nekilnojamo Turto Fondas, AB. On 17 August 2015 the Company was merged with its parent company; therefore the Company took over all its rights and obligations.

On 22 December 2016 the Bank of Lithuania issued the closed-ended type investment company operating license enabling INVL Baltic Real Estate to engage in the closed-ended type investment company's activities under the Law of the Republic of Lithuania Collective Investment Undertakings. The special closed-ended type real estate investment company will operate 30 years from receiving the special closed-ended real estate investment company license, the term of company's activity may be further extended for a period of no longer than 20 years. Upon receipt of the license, the company's management was transferred to the Management company INVL Asset Management (hereinafter – **“the Management company”**). The rights and duties of the Board and the head of the Company were also transferred to the Management company.

According to the Articles of Association of the Company, the Management company formed an Investment Committee, which based on powers vested by the Management company, also participates in the management of the Company.

INVL Baltic Real Estate seeks to ensure the growth of rental income and earn from investments in commercial real estate. The companies owned by INVL Baltic Real Estate have invested in commercial real estate: business centers, manufacturing and warehouse properties at strategically attractive locations in Lithuania and Latvia. All the properties are characterized by high occupancy rates and generate stable financial flows. In addition, most of them has further development potential.

INVL Baltic Real Estate shares have been listed on Nasdaq Vilnius Baltic Secondary trading list since 4 June 2014. The Company has approved a Dividend Payment policy on 9th April 2020, which stipulates the annual payment of dividend per share of no less than EUR 0.09.

3.3. Information about the Issuer's group of companies

Companies of INVL Baltic Real Estate - the structure of the group companies is disclosed below - owned real estate properties in Vilnius and Riga during the reporting period.

3.3.1. Companies of INVL Baltic Real Estate" (data as of 30 June 2021)

| Company | Registration information | Shares (voting rights) directly or indirectly held by the Company | Type of activity | Contact details |
|-------------------------|---|---|--|---|
| Rovelija, UAB | Code 302575846 Address – Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 20.12.2010 | 100 percent | investments into commercial rental real estate | Tel. +370 5 2790601 breinfo@invl.com |
| Proprietas, UAB | Code 303252098 Address – Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 27.02.2014 | 100 percent | investments into commercial rental real estate | Tel. +370 5 2790601 breinfo@invl.com |
| DOMMO grupa SIA | Code 40003733866 Address – Lapegles, Stūnīši, Olaines pag., Olaines nov., LV-2127 Latvia Legal form – private limited liability company Registration date 17.03.2005 | 100 percent | investments into commercial rental real estate | Tel. +370 5 2790601 breinfo@invl.com |
| DOMMO biznesa parks SIA | Code 40003865398 Address – Lapegles, Stūnīši, Olaines pag., Olaines nov., LV-2127 Latvia Legal form – private limited liability company Registration date 13.10.2006 | 100 percent | investments into commercial rental real estate | Tel. +370 5 2790601 breinfo@invl.com |

Perspektyvi
veikla, UAB

Code 302607087
Address – Gynėjų str. 14,
Vilnius
Legal form – private
limited liability company
Registration date
25.03.2011

100 percent

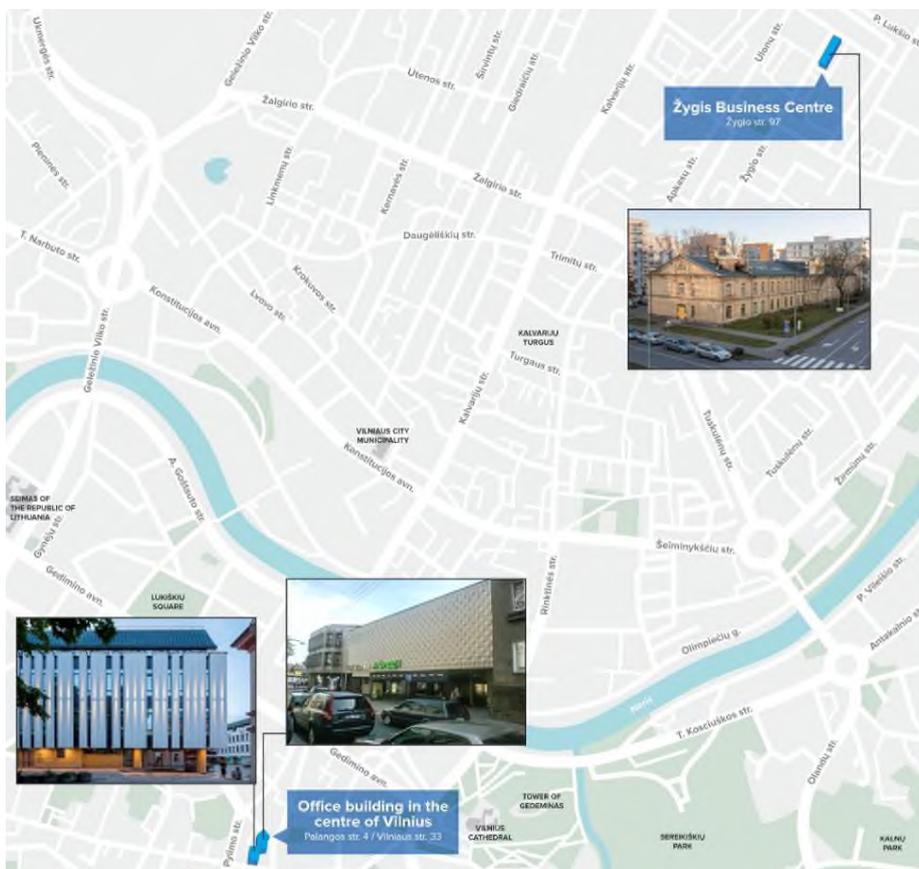
carries no activity

Tel. +370 5 2790601
breinfo@invl.com



Fig. 3.3.1. Simplified group structure of INVL Baltic Real Estate as of 30 June 2021

3.3.2. Real estate objects owned by group companies in Vilnius (Lithuania)



COMPANY'S INVESTMENTS IN REAL ESTATE AT THE END OF THE REPORTING PERIOD

**OFFICE BUILDING IN THE CENTRE OF VILNIUS
AREA 10,000 SQ.M**

Business centre is located in one of the busiest places in the Old Town of Vilnius, between Vilnius, Pamenkalnio, Islandijos and Palangos streets.

Vilnius Old Town - one of the most important components of the city and its centre, the oldest part of the city of Vilnius, situated on the left bank of the Neris River. Old Town area - protected and managed in accordance with the special heritage protection well, small business and residential function are being supported. There is a closed, guarded parking and underground garage in the area, convenient public transport access.

In the business center operates more than 2,000 square meters Talent Garden Vilnius cooperation space. In total, the space has more than 230 workplaces, more than half of which are in private offices, as well as a modern conference hall with 150 seats.

Radvilų Palace, Teacher's House, Lithuanian Technical Library, St. Catherine's Church and other cultural attractions, cafes, restaurants are located near the building.



Palangos str. 4, Part 1 basic information:

| | |
|---|---------------------------------------|
| Total area | 1,800 sq. m |
| Leased area | 1,100 sq. m |
| Land area | 0.49 ha (total area of the complex) |
| Property market value at the end of June 2021 | EUR 2.3 million |
| Occupancy at the end of June 2021 | 100 percent (total complex occupancy) |



Palangos str. 4, Part 2 basic information:

| | |
|---|---------------------------------------|
| Total area | 1,200 sq. m |
| Leased area | 1,100 sq. m |
| Land area | 0,49 ha (total area of the complex) |
| Property market value at the end of June 2021 | EUR 1.5 million |
| Occupancy at the end of June 2021 | 100 percent (total complex occupancy) |



Palangos str. 4, Part 3 basic information:

| | |
|---|--------------------------------------|
| Total area | 1,100 sq. m |
| Leased area | 900 sq. m |
| Land area | 0.49 ha (total area of the complex) |
| Property market value at the end of June 2021 | EUR 1.4 million |
| Occupancy at the end of June 2021 | 77 percent (total complex occupancy) |



Palangos str. 4, Part 4 basic information:

| | |
|---|---------------------------------------|
| Total area | 1,000 sq. m |
| Leased area | 900 sq. m |
| Land area | 0,49 ha (total area of the complex) |
| Property market value at the end of June 2021 | EUR 1.3 million |
| Occupancy at the end of June 2021 | 100 percent (total complex occupancy) |



Vilniaus str. 4, Part 1 basic information:

| | |
|---|---------------------------------------|
| Total area | 3,400 sq. m |
| Leased area | 1,400 sq. m |
| Land area | 0.49 ha (total area of the complex) |
| Property market value at the end of June 2021 | EUR 4.5 million |
| Occupancy at the end of June 2021 | 100 percent (total complex occupancy) |



Vilniaus str. 4, Part 2 basic information:

| | |
|---|---------------------------------------|
| Total area | 1,500 sq. m |
| Leased area | 1,500 sq. m |
| Land area | 0,49 ha (total area of the complex) |
| Property market value at the end of June 2021 | EUR 1.9 million |
| Occupancy at the end of June 2021 | 100 percent (total complex occupancy) |



Main tenants: Talent Garden Vilnius, TransferGo, Telia LT, Uncle Sam's.

Address: Palangos str. 4/ Vilniaus str. 33, Vilnius.



Talent Garden Vilnius' opened on 12th December 2019 and was established on a campus of more than 2,000 sq. m. on Vilniaus Street (Vilniaus g. 33). The space is also host to the first Startup Museum in the country, a creation of Vilnius's tourism and development agency Go Vilnius. The campus features a total of over 230 workplaces, more than half of which are in private offices, as well as a 150-seat modern conference hall.

More about the project: <http://talentgardenvilnius.lt/>



ŽYGIS BUSSINESS CENTRE AREA 3,300 SQ.

Zygio business centre – the yellow brick, authentic nineteenth century architecture, renovated office building, perfectly adapted to modern office activities.

The building stands in the Northern Town – in a strategically attractive, busy part of Vilnius, easily accessible by car and public transport.

Other commercial and business centres, banks, the State Tax Inspectorate, Social Insurance, Employment Exchange, medical clinics and various business services companies, attracting large flows of people, are located nearby.

Also, even four large shopping centres – Domus Gallery, Ogmios miestas, Hyper Rimi, Banginis-Senukai, are located near the business centre. Distance to the centre of Vilnius is about 3.5 km. 70 spots covered parking lot is installed next to the building.



| | |
|---|-----------------|
| Total area | 3,300 sq. m |
| Leased area | 2,900 sq. m |
| Land area | 0.4 ha |
| Property market value at the end of June 2021 | EUR 3.1 million |
| Occupancy at the end of June 2021 | 82 percent |



Main tenants: school "Žiniukas", Innoforce

Address: J. Galvydzio str. 7 / Zygio str. 97, Vilnius.



3.3.3. Real estate objects owned by group companies in Riga (Latvia)

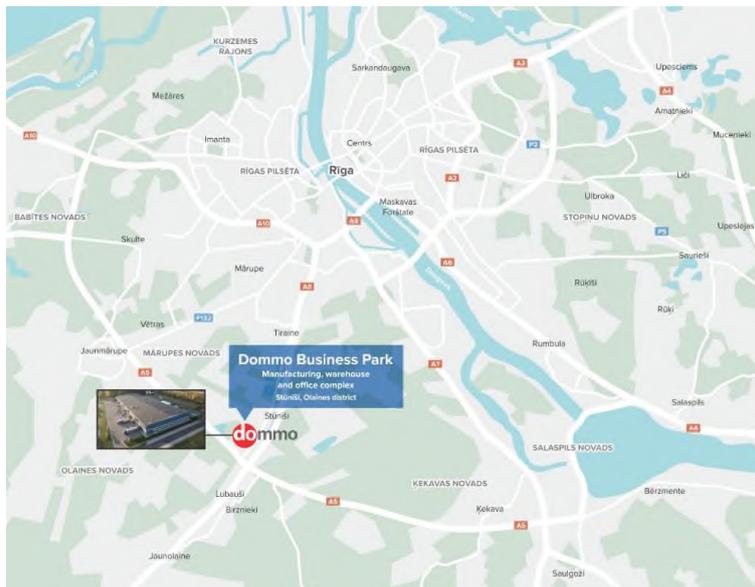


Fig. 3.3.3. Real estate objects owned by group companies of INVL Baltic Real Estate in Riga (Latvia)

DOMMO BUSINESS PARK WAREHOUSE AND OFFICE COMPLEX AREA 12,800 SQ.M.

Dommo Business Park warehouse and office premises complex in Latvia.

The area is strategically well-located, to the right of Jelgava road, in front of the intersection with Jurmala - Tallinn bypass. Distance to the centre of Riga and the airport is 13 km, the port - 16 km.

The area is suitable for the development of logistics centres.



Basic information:

| | |
|---|-----------------|
| Total area and lease area | 12,800 sq. m |
| Land area | 58.21 ha |
| Property market value at the end of June 2021 | EUR 8.7 million |
| Occupancy at the end of June 2021 | 100 percent |



Main tenant: Bohnenkamp, Tente, Rewico Baltikum, Inservis.

Address: Stūnyši, Olaines region.



II. FINANCIAL INFORMATION AND SIGNIFICANT EVENTS

4. Overview of the Issuer and its group activity

4.1. Comment made by INVL Asset Management real estate fund manager Vytautas Bakšinskas



In the first half of 2021, the consolidated net operating income of INVL Baltic Real Estate from its own properties amounted to EUR 689,000, or 46.2% less than in the respective period in 2020 (EUR 1.28 million). The consolidated income of INVL Baltic Real Estate during the first six months of 2021 was EUR 1,238,000, or 46% less than in the respective period in 2020 (EUR 2.29 million), of which the consolidated rental income from its own properties decreased by 50.8% to EUR 830,000. A drop in the rental income was caused by the sale transactions of IBC and Vilniaus Vartai completed in 2020, whereas other properties managed by INVL Baltic Real Estate managed to maintain high occupancy rates of the premises and continued to generate rental income. In the first half of the year, the net profit totalled EUR 0.75 million, or 19% less than in the respective period in 2020.

During the first six months of 2021, the rental income of the largest property managed by INVL Baltic Real Estate, namely, the office building situated at Palangos St. 4 which houses the Talent Garden Vilnius coworking space managed by the Company, amounted to EUR 753,000, or 33.7% more than in the respective period of the previous year. At the end of the six-month period, the occupancy rate of the property stood at 97%. Despite the restrictions applicable in the country during the first six months of the year, the Talent Garden Vilnius coworking space managed to maintain a particularly high occupancy rate which reached 95% at the end of the six-month period and significantly improved the operating results.

In the first half of 2021, the rental income of the Žygis Business Centre amounted to EUR 148,000, or 11.2% more than in the respective period in 2020 (EUR 133,000). At the end of the six-month period, the occupancy rate of this property stood at 82%, i.e., increased by 10 percentage points, compared to the end of the first quarter. The growth of both the rental income and the occupancy rates was determined by the completion of the renovation works on the third floor of the building and the signing of new rental agreements.

4.2. Operational environment

In 2020, 11 business centres were opened in Vilnius, with a total annual growth of a little over 120 thousand sq. m. This year, the development will remain similar, with around 110,000 sq. m expected to be added to the supply. Further expansion is not out of the question either - in the new Vilnius city centre alone, about 100,000 sq. m of offices will open in the next few years. The pandemic is likely to eat away some of the space rented by companies, although it is too early to decide on the future operating model as the relatively slow vaccination rate continues to prevent companies from returning to their offices.

Despite the pandemic, major changes in business centre occupancy have been avoided. While the second half of 2020 saw a number of sublease transactions, this year has seen a number of tenants dealing with lease space expansion issues. The relatively small price difference between Class B and Class A business centres means that older, non-upgraded offices are under the biggest pressure. On the other hand, migration between different classes of business centres is also limited by rental conditions - not all available space meets the needs of tenants. The premises vacancy level in Vilnius is currently around 4.5% in Class A business centres and around 5% in Class B1 and Class B2 business centres.

Office rents in Vilnius can be considered stable, as their change is mainly influenced by indexation indices linked to existing contracts. Long-term discounts have a much greater impact on the annual income flow, which is why short-term discounts are more common, exempting of tenants from the first months of billing and securing a higher income flow in the future. Class A office space is priced at 14-17 EUR/sq. m, Class B1 at 11-14 EUR/sq. m, Class B2 at 7-10 EUR/sq. m.

Due to the pandemic, it is likely that no significant development of new business centres will take place in Kaunas this year, with project openings postponed until 2022 or 2023. Business centre vacancy in the temporary capital has decreased slightly this year. The most striking changes have been in Class A, where vacancy rates are around 8%. Vacancy rates in Class B1 and Class B2 have fallen to 9%. Although these indicators are higher than those currently seen in the capital, they are sufficient to ensure that developers are willing to develop further. As in the case of Vilnius, office rents can be considered as well established, amounting to 12-13 EUR/sq. m in Class A centres, 9-11 EUR/sq. m in Class B1 and 6-9 EUR/sq. m in Class B2.

The vacancy rate in Klaipėda is gradually decreasing and currently is about 25% in Class A segment, 7% in B1 and 6% in B2 business centres. Given the relatively small total area of business centres, new projects can significantly increase vacancy rates or modern offices can attract more activity to the port city. Price changes have been avoided this year. Class A space is currently still available for EUR 9-12 per sq. m, Class B1 space is available for EUR 7-11 per sq. m, and Class B2 space is available for EUR 5-7 per sq. m.

In 2020, the warehouse space market in Riga was expanded with new facilities with an area of over 130 000 sq. m. Although the market was quite active, the new supply increased the logistics vacancy rate from 2.5% to 4%. Due to the relatively high demand, rental prices remained stable at EUR 3.5 - 4.8 per sq. m in Riga and around the city.

Sources:

https://www.inreal.lt/file/1/9/3/7/Ekonomikos-ir-NT-rinkos-apzvalga-2021-H1_INREAL-Siauliu-bankas-COBALT-CityNow_2021-08-10_compressed.pdf

https://www.ober-haus.lt/rinkos_apzvalga/metine-baltijos-saliu-nt-rinkos-apzvalga-2021-anglu-kalba/

4.3. Key figures of INVL Baltic Real Estate

| EUR million | Group | | |
|-------------------------------------|------------------|-----------------|----------------------|
| | 30.06.2019 | 30.06.2020* | 30.06.2021* |
| Managed common area | 56,876 sq. m | 33,900 sq. m | 26,100 sq. m. |
| Managed rental area | 46,876 sq. m | 29,700 sq. m | 22,600 sq. m. |
| The real estate value | 60.0 | 38.9 | 24.7 |
| Cash | 0.7 | 3.1 | 4.2 |
| Other assets | 2.0 | 2.3 | 1.5 |
| Assets | 62.7 | 44.3 | 30.4 |
| Equity | 35.3 | 24.6 | 17.6 |
| Borrowings from credit institutions | 24.2 | 16.9 | 9.3 |
| Other payables | 3.2 | 2.8 | 3.5 |
| Total equity and liabilities | 62.7 | 44.3 | 30.4 |
| Total equity for one share | EUR 2.685 | EUR 1.87 | EUR 2.19 |

* The decrease of the results was mainly influenced by sales transactions of IBC and Vilnius Gate business centers implemented in 2020.

4.4. Results of INVL Baltic Real Estate

| EUR million | Group | | |
|--|----------------------------|-----------------------------|-----------------------------|
| | 01.01.2019 – 30.06.2019 | 01.01.2020 – 30.06.2020* | 01.01.2021 – 30.06.2021* |
| Revenue | 3.0 | 2.3 | 1.2 |
| <i>rental income from owned premises</i> | 2.3 | 1.6 | 0.8 |
| <i>rental income from subleased premises</i> | - | - | - |
| <i>other revenue</i> | 0.7 | 0.7 | 0.4 |
| Investment property revaluation | 1.6 | (0.1) | 0,5 |
| Net operating income from owned properties | 0.8 | 1.3 | 0.7 |
| Profit before tax | 1.7 | 0.9 | 0.75 |
| Net profit | 1.7 | 0.9 | 0.75 |
| Earnings per share | EUR 0.13 | EUR 0.07 | EUR 0.07 |

* The decrease of the results was mainly influenced by sales transactions of IBC and Vilnius Gate business centers implemented in 2020.

Net asset value of the Company amounted to EUR 17,633,254 or EUR 2.1874 per share on 30th June 2021. At the same period in 2020, the net asset value amounted to EUR 24,561,436 or EUR 1.8678 per share.

More detail information on the net asset value of the Company as well as change of the net asset value per share is stated in the website of the Company (the Company's web site section "for investor" → "Financial information and reports" → "net asset value"). Link <https://bre.invl.com/lit/en/for-investors/reportsfinancial-information-and-reportsfinancial-information-and-reports/net-asset-value>

4.5. Significant Issuer's and its group events during the reporting period, effect on the financial statement

4.5.1. Significant Issuer's events

The Company discloses publicly available information in Nasdaq Vilnius stock exchange news section (link), Central Storage Facility database (link), and in Company's web site (link).

4.5.2. Significant group's events

There were no important events in the activities of the real estate companies in the first half of 2021. The companies performed usual activity during the reporting period.

5. Significant events of the Issuer and its group since the end of the reporting period

After the reporting period until the release of the report the Issuer and the group companies performed usual activity. No significant events were noted.

6. Estimation of Issuer's and Group's activity last year and activity plans and forecasts

6.1. Evaluation of implementation of goals

INVL Baltic Real Estate has succeeded in achieving the essential goals of improving the company's performance, as well as to start successful operations of the Talent Garden Vilnius cooperation space.

6.2. Activity plans and forecast

INVL Baltic Real Estate will seek to continue to earn from investment in commercial real estate, ensuring rental income growth, cost optimization. Investments managed by INVL Baltic Real Estate allows us to expect a constant increase in the value of the property.

III. INFORMATION ABOUT SECURITIES

7. The order of amendment of Issuer's Articles of Association

According to the Articles of Association of the Company, the Articles of Association of INVL Baltic Real Estate may be amended by the decision of the General Shareholders' Meeting, passed by more than 3/4 of votes (except in cases stated in the Law on Companies of the Republic of Lithuania and in cases stated in Company's Articles of Association).

During the reporting period, Company's Articles of Association was amended twice:

- On 6 April 2021, new wording of Articles of Association of the Company has been registered with the Register of Legal Entities, which entered into force after an approval to change the Company's Article of Association was given by the Bank of Lithuania. The wording of this Articles of Association was approved by the General Shareholders Meeting held on 14 January 2021. Amendments to the Articles of Association were made (i) to indicate the right of the Company to acquire its own shares in order to reduce the difference between their price and the net asset value of the Company, which arises (or may arise) at the trading venue where the Company's shares are traded, and (ii) to ensure that the rules for calculating and paying the performance fee paid by the Company comply with good international practice.
- On 26 July 2021, new wording of Articles of Association of the Company has been registered with the Register of Legal Entities, which entered into force after an approval to change the Company's Article of Association was given by the Bank of Lithuania. The wording of this Articles of Association was approved by the General Shareholders Meeting held on 29 April 2021. The Articles of Association of the Company were amended to comply with the legal requirements applicable to the Company, i. y. to form the Company's supervisory body - the Supervisory Board. The Articles of Association were also amended due to the reduction of the authorized capital, which was reduced in order to cancel 5,088,586 units of ordinary registered own shares acquired by the Company during the buy-back of shares process.

Currently actual wording of the Articles of Association of INVL Baltic Real Estate is dated as of 26 July 2021. The Articles of Association is available on the Company's website (Section in the website For investors → Legal documents → Articles of Association. Link: <https://bre.invl.com/lit/en/for-investors/articles-of-association>)

8. Structure of the authorized capital

Table 8.1. Structure of INVL Baltic Real Estate authorized capital as of 30 June 2021.

| Type of shares | Number of shares and total voting rights granted by the issued shares, units | Number of votes for the quorum of the General Shareholders Meeting, units* | Nominal value, EUR | Total nominal Value and authorised capital, EUR | Portion of the authorised capital, % |
|----------------------------|--|--|--------------------|---|--------------------------------------|
| Ordinary registered shares | 13,150,000 | 8,061,414 | 1.45 | 19,067,500 | 100 |

* During the share redemption procedure of the Company from 25 January 2021 to 25 March 2021, the Company until 25 March 2021 acquired 4,988,155 of own shares. Calculated together with the Company's shares redeemed from the Company's shareholders during the Company's share redemption process in 2020, the amount of the Company's own shares increased to 5,088,586 units of shares (after the completion Company's share redemption process on 9 November 2020, the Company acquired 100,431 of own shares). According to the Law on Securities of the Republic of Lithuania, it is considered that the Company's own shares are not deducted from the total number of votes granted by the Company's shares and are not included in the calculation of the quorum of the Company's general meeting of shareholders.

Table 8.2. Structure of INVL Baltic Real Estate authorized capital as of 26 July 2021.

| Type of shares | Number of shares and total voting rights granted by the issued shares, units | Nominal value, EUR | Total nominal Value and authorised capital, EUR | Portion of the authorised capital, % |
|----------------------------|--|--------------------|---|--------------------------------------|
| Ordinary registered shares | 8,061,414 | 1.45 | 11,689,050.30 | 100 |

* The current share capital structure of the Company is presented at the time of issue of the report, which changed after the registration of the new wording of INVL Baltic Real Estate Articles of Association on 26 July 2021 and the end of the Company's share capital reduction procedure, during the procedure 5,088,586 of ordinary registered shares of the Company were cancelled during the share redemption processes. All shares are fully paid-up and no restrictions apply on their transfer.

8.1. Information about the Issuer's treasury shares

During the share redemption process, which took place between 25 January 2021 and 25 March 2021 (inclusive), the Company acquired 4,988,155 units of own shares from the Company's shareholders. The Company's share redemption process was carried out in compliance with the resolution adopted by the Company's General Meeting of Shareholders on 14 January 2021 to amend

the material provisions of the Company's incorporation documents and, if such duty of the Company arises, to redeem the Company's shares from the shareholders who object to the Company's decisions, or who were absent from the General Meeting, or who have abstained from voting at the General Meeting. On 15 January 2021, UAB INVL Asset Management, the Management Company, approved and announced the Procedure for Redemption of the Company's Shares which was followed during the Company's share redemption process.

After the share redemption process has ended, the number of own shares held by the Company increased to 5,088,586 shares (calculating together with the Company's shares redeemed from the Company's shareholders during the Company's share redemption process in 2020, when the Company acquired 100,431 units of own shares).

On 29 April 2021, the ordinary general meeting of shareholders adopted the decision to reduce the authorised capital of the Company in order to annul 5,088,586 units of own ordinary registered shares acquired by the Company during the share redemption processes. On 26 July 2021, a new wording of the Company's Articles of Association was registered with the Register of Legal Entities, the Company's authorised capital reduction procedure was completed, and the shares acquired by the Company during the share redemption processed were annulled.

Based on the data as of 26 July 2021, the Company's authorised capital amounts to EUR 11,689,050.30. The authorised capital of the Company is divided into 8,061,414 units of ordinary registered shares with the par value of EUR 1.45 each. The Company has not acquired any of its shares.

9. Trading in Issuer's securities as well as securities, which are deemed to be a significant financial investment to the Issuer on a regulated market

9.1. table. Main characteristics of INVL Baltic Real Estate shares admitted to trading

| | 30 June 2021 | 26 July 2021 |
|---|--|---------------|
| Shares issued, shares with voting rights, units | 13,150,000 | 8,061,414 |
| Number of votes for the quorum of the General Shareholders Meeting, units | 11,859,434 | 8,061,414 |
| Nominal value, EUR | 1.45 | 1.45 |
| Authorised capital, EUR | 19,067,500 | 11,689,050,30 |
| ISIN code | LT0000127151 | |
| LEI code | 529900GSTE0HKA0R1M59 | |
| Name | INR1L | |
| Exchange | AB Nasdaq Vilnius, XLIT | |
| List | Baltic Secondary list | |
| Listing date | 04.06.2014 | |
| Included into indexes | B8600GI, OMX BALTIC REAL ESTATE GI, (SE0004384188) B8600PI, OMX BALTIC REAL ESTATE PI, (SE0004384477) OMXBGI, OMX BALTIC ALL SHARE GROSS INDEX, (SE0001849977) OMXBPI, OMX BALTIC ALL SHARE PRICE INDEX, (SE0001849985) VILSE, OMX VILNIUS INDEX, (LT0000999963) | |

Table 9.2. Trading in INVL Baltic Real Estate shares

| | 6 months of 2019 | 6 months of 2020 | 6 months of 2021 |
|--------------------------|------------------|------------------|------------------|
| Share price, EUR: | | | |
| - open | 2.420 | 3.000 | 2.220 |
| - high | 2.540 | 3.880 | 2.470 |
| - low | 2.100 | 1.890 | 2.180 |
| - medium | 2.466 | 2.663 | 2.325 |
| - last | 2.440 | 1.900 | 2.340 |

| | | | |
|-----------------------------|------------|------------|------------|
| Turnover, units | 97,241 | 239,127 | 235,488 |
| Turnover, EUR | 239,751.00 | 636,853.71 | 535,296.04 |
| Traded volume, units | 227 | 1,414 | 1,423 |

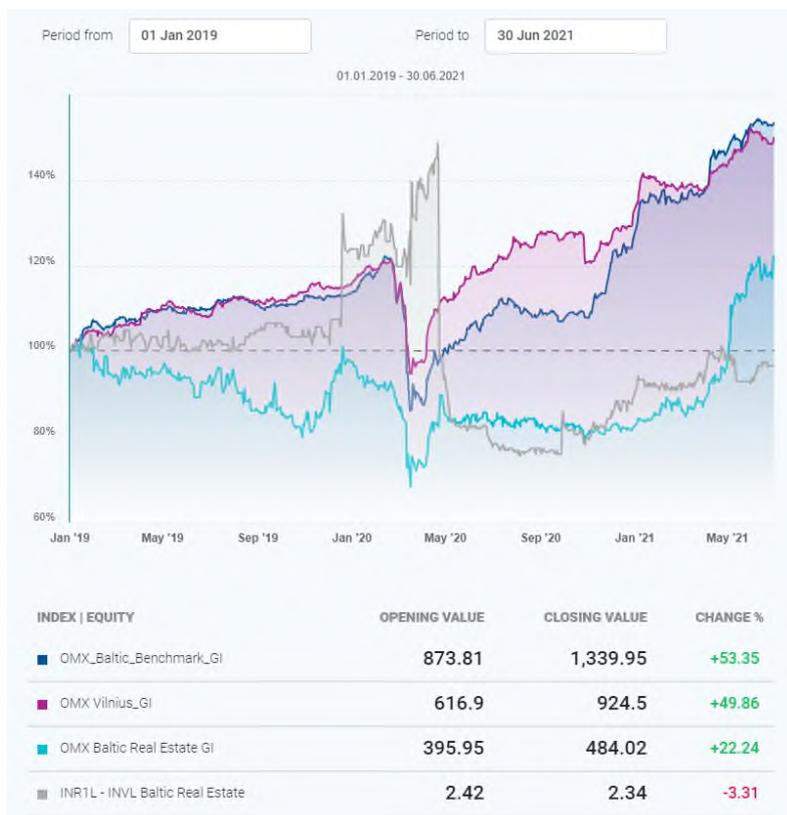


Fig 9.1. „INVL Baltic Real Estate change of share price and indexes ¹ (source Nasdaq indexes)



Fig. 9.2. Change of share price of INVL Baltic Real Estate and turnover*

* The decrease of the results was mainly influenced by sales transactions of IBC and Vilniaus Gate business centers implemented in 2020.

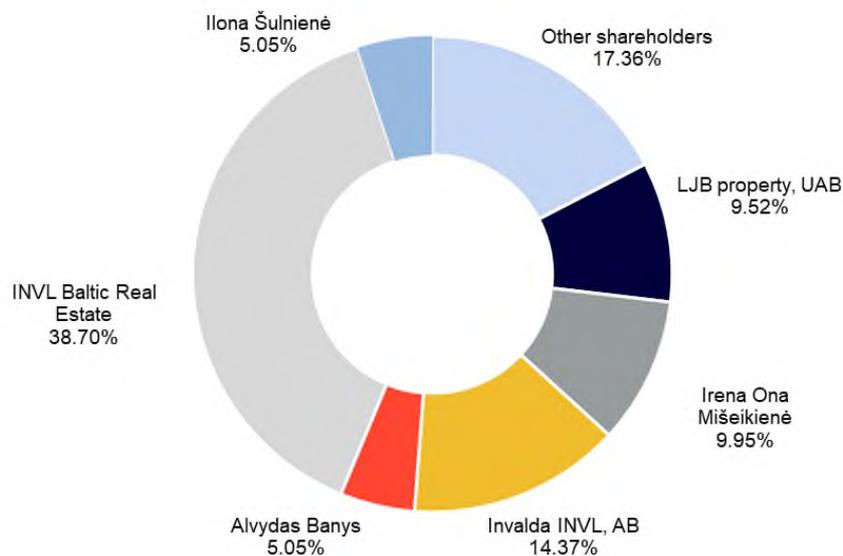
¹ OMX index is an all-share index which includes all the shares listed on the Main and Secondary lists on the NASDAQ Vilnius with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares. The OMX Baltic Real Estate GI index is based on the Industry Classification Benchmark (ICB) developed by FTSE Group (FTSE)

10. Shareholders
10.1. Information about Company's shareholders

The total number of shareholders in INVL Baltic Real Estate was 3,895 on 30 June 2021. There are no shareholders entitled to special rights of control.

10.1.1. table. Shareholders who held title to more than 5% of INVL Baltic Real Estate authorised capital and/or votes as of 30 June 2021.

| Name of the shareholder or company | Number of shares held by the right of ownership, units | Share of the authorised capital held and share of votes given by the shares held by the right of ownership, % | Indirectly held votes, % | Total votes, % |
|------------------------------------|--|---|--------------------------|----------------|
| LJB property, UAB, code 300822529 | 1,251,695 | 9.52 | 0 | 9.52 |
| Alvydas Banys | 663,640 | 5.05 | 9.52 ² | 14.57 |
| Irena Ona Mišeikienė | 1,308,596 | 9.95 | 0 | 9.95 |
| INVL Baltic Real Estate | 5,088,586 | 38.7 | 0 | 38.7 |
| Invalda INVL, AB, code 121304349, | 1,889,123 | 14.37 | 0 | 14.37 |
| Ilona Šulnienė | 664,710 | 5.05 | 0 | 5.05 |

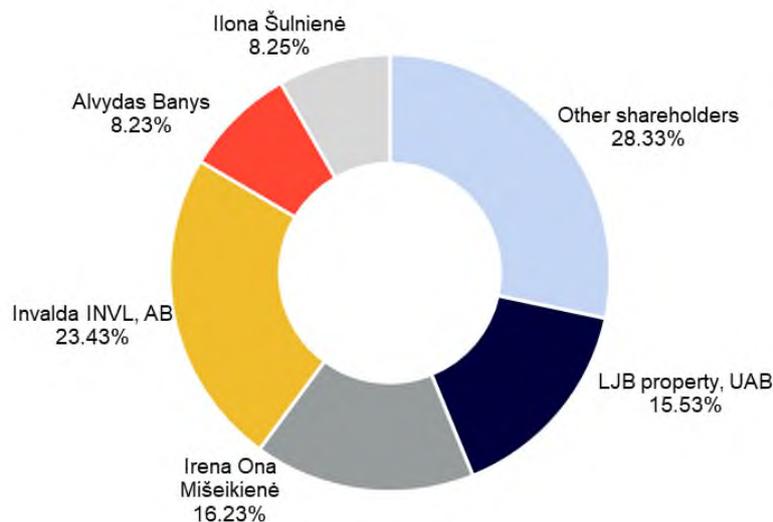


10.1.2. Fig. Votes as of 30 June 2021

² According to section 1 of article 16 of the Law on Securities of the Republic of Lithuania, Alvydas Banys is considered to hold the voting rights of the controlled company UAB LJB property.

10.1.2. table. Shareholders who held title to more than 5% of INVL Baltic Real Estate authorised capital and/or votes as of 26 July 2021*.

| Name of the shareholder or company | Number of shares held by the right of ownership, units | Share of the authorised capital held and share of votes given by the shares held by the right of ownership, % | Indirectly held votes, % | Balsų dalis iš viso, proc. |
|------------------------------------|--|---|--------------------------|----------------------------|
| LJB property, UAB, code 300822529 | 1,251,695 | 15.53 | 0 | 15.53 |
| Alvydas Banys | 663,640 | 8.23 | 15.53 ³ | 23.76 |
| Irena Ona Mišeikienė | 1,308,596 | 16.23 | 0 | 16.23 |
| Invalda INVL, AB, code 121304349, | 1,889,123 | 23.43 | 0 | 23.43 |
| Ilona Šulnienė | 664,710 | 8.25 | 0 | 8.25 |



10.1.2. pav. . Fig. Votes as of 26 July 2021*

* The information of the Company's shareholders relevant at the time of the report is presented, which changed after the registration of the new wording of INVL Baltic Real Estate Articles of Association on 26 July 2021 and the end of the Company's share capital reduction procedure, during the procedure 5,088,586 of ordinary registered shares of the Company were cancelled during the share redemption processes.

10.2. Rights and obligations carried by the shares

Property, non-property rights and obligations to shareholder granted by the Company's shares in the first half of 2021 are not different from the description of the rights and obligations carried by the shares presented in the Company's consolidated annual report for 2020.

11. Dividends

The General Shareholders' Meeting decides upon dividend payment and sets the amount of dividends. The Company pays out the dividends within 1 month after the day of adoption of the resolution on profit distribution.

Persons have the right to receive dividends if they were shareholders of the Company at the end of the tenth working day after the day of the General Shareholders' Meeting which issued the resolution to pay dividends.

³ According to section 1 of article 16 of the Law on Securities of the Republic of Lithuania, Alvydas Banys is considered to hold the voting rights of the controlled company UAB LJB property

According to the Lithuanian Law on Personal Income Tax and the Lithuanian Law on Corporate Income Tax, 15 % tax is applied to the dividends since 2014. The Company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes .

The General Shareholders Meeting of the Company held on 9th April 2020 approved the new wording of the Dividend payment policy which stipulates the yearly payment of dividends per share of no less than EUR 0.09.

On 29th April 2021, the General Shareholders Meeting of INVL Baltic Real Estate decided to allocate EUR 0.12 dividend per share.

Dividends were allocated to the shareholders, who at the end of the tenth business day following the day of the General Shareholders Meeting that adopted a decision on dividend payment, i.e. on 13th May 2021 were shareholders of the Company.

The Company started to allocate dividends for the year 2020 from 27th May 2021. Dividends were allocated to those shareholders of the Company, who have provided existing bank accounts.

Information relevant to the dividends paid by the Company, as well as matter of dividend payments and valid Dividend payment policy is published on Company's web page.

11.1. Table. Indexes related with shares⁴

| Company's | 30 June 2019 | 30 June 2020* | 30 June 2021 |
|--------------------------------|--------------|---------------|--------------|
| Net Asset Value per share, EUR | 2.69 | 1.87 | 2.19 |
| Price to book value (P/Bv) | 0.91 | 1.02 | 1.07 |
| Dividend yield | 5.3 | 81.6 | 5.1 |

*Changes in financial indicators for 30 June 2020, compared to the same period in 2018 and 2019, was affected by the sale of the IBC business center on 6th March 2020, and dividend allocation for the year 2019, allocating EUR 1.55 per share.

⁴ The Company publishes Alternative performance measures (AVR), that are in use of the Company, provides indicators definitions and calculation formulas. All the information is disclosed in the Company's web site section „For Investors“ → „Financial information and reports“ → „Formulas of performance indicators“. The link is provided <https://bre.invl.com/lit/en/for-investors/reports/formulas-of-performance-indicators>

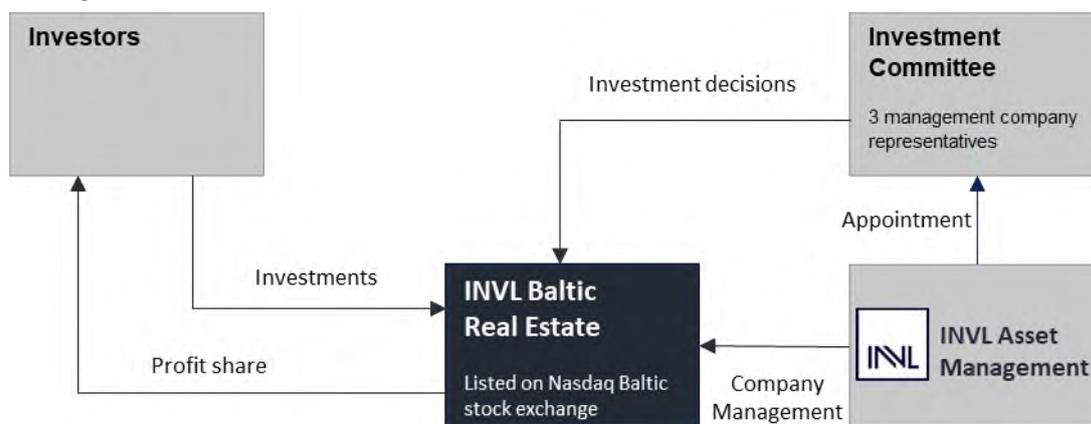
IV. ISSUER'S MANAGING BODIES

12. Issuer's managing bodies

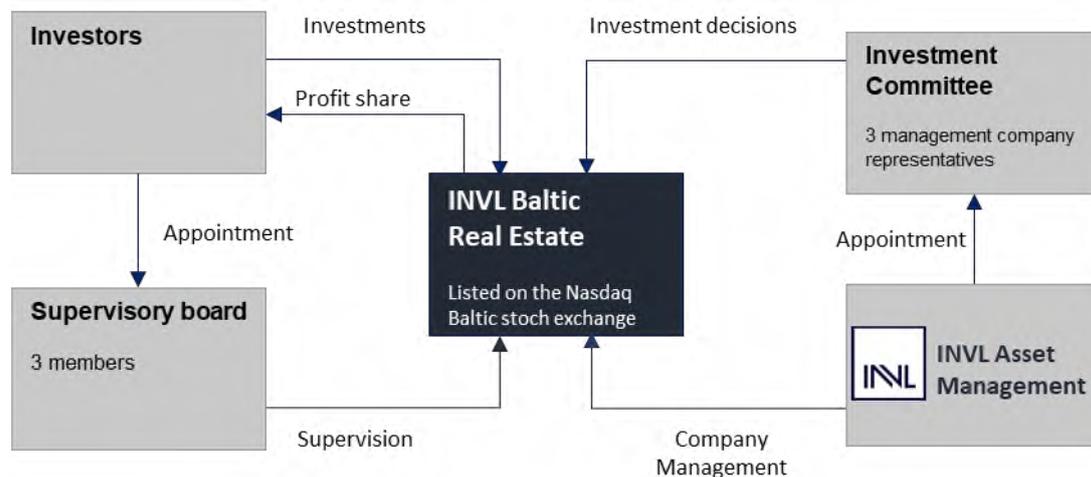
The management of INVL Baltic Real Estate was transferred to the Management company INVL Asset Management on 22 December 2016 as the Bank of the Republic of Lithuania granted INVL Baltic Real Estate with the license of the closed-ended type investment company. The rights and duties of the Board and the Manager of the Company were also transferred to the Management Company. From 26 July 2021, the Company has a collegial supervisory body - the supervisory board. The Company's management bodies are not formed.

In order to ensure management efficiency and control of investments, the Management company formed an Investment Committee of INVL Baltic Real Estate.

The Management company is responsible for convening and organizing the highest management body of the Company – the General Shareholders Meeting.



12.1. Structure of the Management of the Company on 30 June 2021



12.2. Structure of the Management of the Company on 26 July 2021*

* The information on the Company's structure of the Management relevant at the time of the report is presented, which changed after the registration of the new wording of INVL Baltic Real Estate Articles of Association on 26 July 2021.

Detailed information on the structure of the management of the Company before the CEF license was granted is published in the consolidated annual report for the year 2016 of INVL Baltic Real Estate. The report is published on the Company's website section For Investors.

The General Manager of the Management company is Laura Križinauskienė.

Darius Šulnis (the chairman), Nerijus Drobavičius and Vytautas Plunksnis are members of the Board of the Management company since 19 January 2015. On 14th January 2019 the Board of Management Company was re-elected for the new 4 years of office, after the Bank of Lithuania granted their permission. The composition of the Board remained unchanged: Darius Šulnis (the Chairman), Nerijus Drobavičius and Vytautas Plunksnis. During the reporting period the Board of the Management company remained unchanged.

Currently there are 2 (two) members in the Investment Committee: Vytautas Bakšinskas and Andrius Daukšas.

**Darius Šulnis –**

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

Educational background and qualifications

Duke University (USA). Business Administration. Global Executive MBA.
Vilnius University. Faculty of Economics. Master in Accounting and Audit.
Financial broker's license (General) No. A109.

Work experience

2015 – October 2017 General manager of INVL Asset Management, UAB
2006 – 2011 Invalda, AB – President. 2011 – 2013 Invalda, AB – Advisor. Since May 2013 Invalda INVL, AB – President
2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – Director
1994 – 2002 FBC Finasta, AB – Director

Owned amount of shares in INVL Baltic Real Estate

-

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board, the President
Šiaulių bankas, AB (code 112025254, Tilžės str. 149, Šiauliai) – Member of the Supervisory Board
INVL Baltic Farmland, AB (code 303299781, Gynėjų str. 14, Vilnius) – Member of the 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

**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

Educational background and qualifications

In 1998 graduated Vytautas Magnus University and gained his Bachelor's degree in Business management. Graduated Vytautas Magnus University in 2000 and gained his Master's degree in banking and finance.

Work experience

Since 2014 works at Invalda INVL, AB group
Since 2015 till August 2018 Head of Finance unit of INVL Asset Management, UAB. From August 2018 – Private Equity Partner of INVL Asset Management, UAB
2012 – 2014 Independent financial expert
2007 – 2011 CFO in Sanitas Group
2001 – 2007 Sampo Bank. Head of Accounting and Reporting unit, later – CFO of the bank

Owned amount of shares in INVL Baltic Real Estate

8,000 units of shares

Participation in other companies

INVL Technology, CEF (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee
Inservis, UAB (code 126180446, A. Juozapavičiaus str. 6, Vilnius) – The Chairman of the Board
Imoniu grupė Inservis, UAB (code 301673796, Gynėjų str. 14, Vilnius) – The Chairman of the Board
Jurita, UAB (code 220152850, Justiniškių str. 64, Vilnius) – The Chairman of the Board

BSGF Sanus, UAB (code 304924481, Gynėjų str. 14, Vilnius) – Director
 UAB „InMedica“ (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



Vytautas Plunksnis –

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

Educational background and qualifications

Graduated the studies in economics at Kaunas University of Technology in 2001, gained Bachelor's degree in Management.
 Financial broker's licence (General) No. G091.

Work experience

Since 2016 - INVL Asset Management, UAB, Head of Private Equity Funds
 2009 – 2015 Fund Manager at Invalda INVL, AB
 2006 – 2009 Finasta Asset Management, UAB – analyst, fund manager, strategic analyst
 2004 ELTA redactor (business news)
 2002 – 2004 Baltic News Service business journalist

Owned amount of shares in INVL Baltic Real Estate

Personally: 1,000 units of shares; 0.01% of authorised capital and votes.

Participation in other companies

INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member
 Eco Baltia AS (Maskavas str. 240-3, Rīga, Latvia 40103446506) – Chairman of the Supervisory Board
 PET Baltija AS (Aviācijas Str. 18, Jelgava, Latvia 42103029708) – Chairman of the Supervisory Board
 Montuotojas, UAB (code 121520069, Granito g. 3-10, Vilnius) – Member of the Board
 BSGF Salvus UAB (Gynėjų str. 14, Vilnius, Lithuania 305160086) - Consultant INVL Technology, CEF (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Investment Committee
 Norway Registers Development AS (code NO 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 NO 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board (from January 2019)
 BC Moldova-Agroindbank SA (MAIB) (code 1002600003778, Constantin Tănase str. 9/1, Chisinau, Moldova) – Chairman of the Supervisory Board
 Investuotoju Asociacija (code 302351517, Konstitucijos pr. 23, Vilnius) – Chairman of the Board
 Asociacija „Investuotojų Asociacija“ (kodas 302351517, Konstitucijos pr. 23, Vilnius) – valdybos pirmininkas

**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

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)

Owned amount of shares in INVL Baltic Real Estate

-

Participation in other companies

FMI Finasta, UAB (code 304049332, Gynėjų str. 14, Vilnius) – Member of the Board
IPAS INVL Asset Management (code 40003605043, Smilšu iela 7-1, Riga, Latvia) – Member of the Supervisory Board
AS INVL atklātais pensiju fonds (code 40003377918, Smilšu iela 7-1, Riga, Latvia) – Member of the Supervisory Board

**Vytautas Bakšinskas –**

Member of the Investment Committee
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Real estate fund manager

Work experience

Since 2 January 2017 – Real Estate Fund Manager at INVL Asset Management
2016 – 31.12.2016 – director at Dizaino institutas, UAB, Variagis, UAB, Riešės investicija, UAB, Dipolio valda, UAB, Tripolio valda, UAB, Paralelių valda, UAB, Etanija, UAB
2013 – 31.12.2016 – director at Etanija, UAB
2012 – 31.12.2016 – director at Justiniškių valda, UAB
2011 – 31.12.2016 – head of Lease department at Inreal valdymas, UAB
2015-06 – 2016-01 – director at Elniakampio namai, UAB
2014-03 – 2016-06 – director at Akvilas, UAB
2014-03 – 2015-07 – director at Aikstentis, UAB
2014-03 – 2015-07 – director at Trakų kelias, UAB
2013-01 – 2013-02 – project manager at Naujoji švara, UAB
2010-04 – 2013-02 – project manager at Sago, UAB
2008-11 – 2011-08 – project manager at Inreal valdymas, UAB

Owned amount of shares in INVL Baltic Real Estate

-

Participation in other companies

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

**Andrius Daukšas –**

Member of the Investment Committee

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

Investment manager

Educational background and qualifications

Master's degree in banking at the Faculty of Economics of Vilnius University.

Financial broker's license (general) No. G311

Work experience

Since 22 December 2016 – Investment Manager at INVL Asset Management

3 January 2016 – 21 December 2016 – deputy director at INVL Baltic Real Estate

December 2014 - January 2016 – director at INVL Baltic Real Estate

March 2010 – 21 December 2016 - investment manager at Invalda INVL

2008-2010 - director of the Treasury Department of the bank Finasta

2004-2008 - an accountant, later - the department manager of securities accounting at FBC Finasta

Owned amount of shares in INVL Baltic Real Estate

Personally: 5,000 units of shares, 0.04% of authorised capital and votes.

Participation in other companies

Imoniu Grupe Inservis, UAB (code 301673796, Gynėjų str. 14, Vilnius) - Member of the Board, director

Inservis, UAB (code 301673796, Gynėjų str. 14, Vilnius) - Member of the Board

Jurita, UAB (code 220152850, Justiniškių str. 64, Vilnius) - Member of the Board

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

After the reporting period, on 3 August 2021, the Bank of Lithuania approved the amendment to the Articles of Association of the Company, which were registered in the Register of Legal Entities on 26 July 2021. After the registration of the Articles of Association and the approval of the Bank of Lithuania, the members of the Supervisory Board - Raimondas Rajeckas, Audrius Matikiūnas and Eglė Surplienė - took office in the Company. The nominations of the latter were approved at the Company's shareholders' meeting held on 29th April 2021.

**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

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 INVL Baltic Real Estate

-

Participation in other companies

Raimondas Rajeckas is an employee of the Company's shareholder Invalda INVL, which holds more than 5 percent of the Company's authorized capital and / or votes.;

Raimondas Rajeckas holds management positions in companies controlled by Invalda INVL:

- member of the Board at Įmonių grupė Inservis, UAB
- director at MD PARTNERS, UAB
- director at Invalda INVL 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



Audrius Matikiūnas –

Member of the Supervisory Board

Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) Head of Legal and Product Management team in Private Equity unit at INVL Asset Management, UAB

The term of office

2021 – 2025 m.

Educational background and qualifications

2010 Mykolas Romeris university, Master of Laws
2008 Mykolas Romeris university, Bachelor of Laws

Work experience

Since 2021 Alternative Investment Selection Team Leader at INVL Asset Management, UAB
Since 2018 member of the Board at investment manager Mundus, UAB
Since 2016 Head of Legal and Product Management team in Private Equity unit at INVL Asset Management, UAB
2012 – 2016 compliance officer at SEB bankas, AB
2010 – 2012 lawyer bankas Finasta, AB
2007 – 2010 lawyer at SEB bankas, AB

Owned amount of shares in INVL Baltic Real Estate

-

Participation in other companies

Audrius Matikiūnas an employee of INVL Baltic Real Estate management company UAB INVL Asset Management;

Audrius Matikiūnas holds a managerial position in companies controlled by INVL Baltic Real Estate shareholder AB Invalda INVL, which holds more than 5 percent of the authorized capital and / or votes of INVL Baltic Real Estate:

- member of the Board at investment manager Mundus, UAB

**Eglė Surplienė –**

Independent member of the Supervisory Board
Main workplace - Gerovės valdymas, UAB FPI (code 302445450, Gedimino pr. 20-27, Vilnius) – Director

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 Gerovės 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 FPI (code 302445450, Gedimino pr. 20-27, Vilnius) – Director
Gerovės partneriai, KŪB (code 304746185, Gedimino pr. 20, Vilnius) – Full member
DIM investment, UAB (code 301145749, Pasakų str. 5, Vilnius) – Director

Power of the General Shareholders Meeting and convocation procedure of the General Shareholders Meetings of the Company, also the description of rights and obligations of the Management Company of INVL Baltic Real Estate and objectives and functions of the Investment Committee during the reporting period wasn't any different than disclosed in the Consolidated Annual Report of INVL Baltic Real Estate for the year 2020 (IV chapter 13 section „Structure, authorities, the procedure for appointment and replacement“).

A During the reporting period (starting - 1st January 2021, ending – 30th June 2021) 13 (thirteen) Investment Committee meetings were held. The Board of the Management Company is familiarized with the agenda and related material of the Investment Committee meetings.

During the reporting period 2 (two) General Shareholders Meetings were held.

On 14th January 2021, the shareholders of the Company adopted a resolution on amending the Articles of Association of the Company, as well as approving the application of the success fee principles, redeeming the Company's shares by making a substantial amendment to the Articles of Association, and establishing the basic principles of share redemption procedure.

On 29th April 2021, the shareholders of the Company got acquainted with the consolidated annual report of the Company, the audit report on the financial statements of the Company and the consolidated annual report. The shareholders approved the approval of the consolidated and the Company's financial statements and the distribution of the Company's profit for the year 2020. The shareholders got acquainted with the competence of the Company's Management Company to approve the Company's Remuneration policy. The procedure for repurchasing own shares was approved, the formation of the Supervisory Board and the election of its members were approved as well (the candidacies of Raimondas Rajeckas, Audrius Matikiūnas and Eglė Surplienė were approved), as well as the Remuneration Policy of the Supervisory Board was approved. The reduction of the Company's authorized capital, amendment of the Company's Articles of Association were approved as well, a new version of the related party transaction policy was approved during the meeting, Dangutė Pranckėnienė (independent member) and Tomas Bubinas (independent member) were re-elected for a new 4-year term being the audit committee members. Shareholders were introduced to the 2020 report of the Company's Audit Committee.

13. Information about the Audit Committee of the Company

The Audit Committee consists of 2 (two) independent members. The members of the Audit Committee are elected by the decision of the General Shareholders' Meeting. The members of the Audit Committee are proposed by the Management company and the shareholders of the company. The Audit Committee is elected for a four-year term of office.

The main functions of the Audit Committee are the following:

- provide recommendations to the Management company with selection, appointment, reappointment and removal of an external audit company of the Company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit of the Company;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the process of preparation of financial reports of the Company;
- monitor the efficiency of the internal control and risk management systems of the Management company directly related to the management of the Company. Once a year review the need of the dedicated internal audit function for the Company within the Management company;
- monitor if the Management company gives due consideration to the recommendations or comments provided by the audit company regarding management of the Company;

The Audit Committee reports its activities to the Company's ordinary General Shareholders Meeting by submitting a written report on Audit Committee activities during the last financial year.

Any member of the Audit Committee should have the right to resign upon submitting a 14 (fourteen) days written notice to the Management company. When the Management company receives the notice of resignation of a member of the Audit Committee and considers all circumstances related to the resignation, it may decide - either to convene an Extraordinary General Shareholders Meeting to elect new member of the Audit Committee, or to postpone the question on the election of the new member of the Audit Committee till the next General Shareholders Meeting of the Company. The new member is elected till the end of term of office of the operating Audit Committee.

During the General Shareholders Meeting of the Company, held on 29th April 2021, Danute Pranckeniene and Tomas Bubinas were re-elected to the audit committee of the Company for the term of 4 years. Both members are independent, submitted notification proving their independency.



Tomas Bubinas –
Independent Member of the Audit Committee

| | |
|--|--|
| The term of office | Since 2021 till 2025 |
| Educational background and qualifications | 2004 - 2005 Baltic Management Institute (BMI), Executive MBA 1997 - 2000 Association of Chartered Certified Accountants. ACCA. Fellow Member 1997 Lithuanian Sworn Registered Auditor 1988 - 1993 Vilnius University, Msc. in Economics |
| Work experience | Since 2013 Chief Operating Officer at Biotechpharma, UAB 2010 - 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA) 2004 - 2010 CFO for Baltic countries, Teva Pharmaceuticals 2001 - 2004 m. CFO, Sicom Biotech 1999 - 2001 Senior Manager, PricewaterhouseCoopers 1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand. |
| Owned amount of shares in INVL Baltic Real Estate | - |



Dangutė Pranckėnienė –
Independent Member of the Audit Committee

The term of office

Since 2021 till 2025

Educational background and qualifications

1995 - 1996 Vilnius Gediminas Technical University, Master of Business Administration.
1976 - 1981 Vilnius University, Master of Economics.
The International Coach Union (ICU), professional coucher name, license No. E-51.
Lithuanian Ministry of Finance, the auditor's name, license No. 000345.

Work experience

since 1997 the Partner at Moore Mackonis, UAB
1996 - 1997 Audit Manager, Deloitte & Touche
1995 - 1996 Lecturer, Vilnius Gediminas Technical University
1982 - 1983 Lecturer, Vilnius University

Owned amount of shares in INVL Baltic Real Estate

-

14. Information on the Issuer's payable management fee, the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Managing bodies and company providing accounting services

After the Bank of Lithuania issued the closed-ended type investment company operating license for INVL Baltic Real Estate on 22 December 2016, the rights and duties of the Board and the head of the Company are implemented by the asset management company INVL Asset Management, which took over the management of INVL Baltic Real Estate.

The management fee payable to the Management Company (hereinafter – "**Management Fee**") is the remuneration for management of the assets of the Company, which shall be payable for each quarter of a calendar year. The Management Fee for a full quarter of a calendar year shall be 0.25% of the weighted average capitalisation of the Company. The Performance Fee shall be additionally paid to the Management Company under the procedure set in the Articles of Association. During the reporting period the Management fee payable to the Management Company was EUR 116 thousand and a Performance Fee that will be paid to Management company is EUR 1,516 thousand.

The members of the Board and the members of the investment committee of the Management Company do not receive remuneration for these duties. They are paid the salary according to the employment contract with the Management Company.

Pursuant to Article 23 (3) of the Law on Financial Statements of Enterprises of the Republic of Lithuania, from 2020 the Company publishes the Remuneration Report, which is available in Appendix No. 5 to the Company's Annual Consolidated Report for 2020.

During the reporting period Company's managing bodies, which are mentioned in the section 12 of the report, were paid EUR 612 of dividends, net of tax. There were no assets transferred, no guarantees granted, no bonuses paid and no special pay-outs made by the Company to its managing bodies. The managing bodies were not granted with bonuses by other companies of INVL Baltic Real Estate group.

During the reporting period INVL Baltic Real Estate Group and the Company for the company providing accounting services respectively paid EUR 7 thousand and EUR 3 thousand (in 2020 respectively paid EUR 7 thousand and EUR 3 thousand).

V. OTHER INFORMATION

15. Agreements with intermediaries on public trading in securities

INVL Baltic Real Estate has signed these agreements with the following intermediaries:

- AB Siauliu bankas (Seimyniskiu str. 1A, Vilnius, Lithuania. tel. +370 5 203 2233) – the agreement on management of securities accounting, the market maker services agreement and service agreement on the payment of dividends.
- AB SEB bankas (Gedimino pr. 12, Vilnius, Lithuania tel. +370 5 268 2800) – agreement on depository services*.

* On 9 April 2020 April the General Meeting of Shareholders of the Company made a decision on the change of the Company's depository from AB SEB bankas (code 112021238) to AB Šiaulių bankas (code 112025254). On 6 January 2021 the Supervisory Authority of the Bank of Lithuania has issued a permit to the Company to change the depository to AB Šiaulių bankas (code 112025254). At the time of the release of the Annual Report the change of the depository has not been implemented yet.

16. Information on Issuer's branches and representative offices

INVL Baltic Real Estate has no branches or representative offices.

17. A description of the principal risks and uncertainties

During the six months of 2021 there were no significant changes from the information about the principal risks and uncertainties disclosed in the latest Consolidated annual report. For the next six months of this financial year, there aren't expecting any changes in principal risks and uncertainties rather than already disclosed in the latest annual report of the Company.

Principal risk and uncertainties of the Company are published in the web page of INVL Baltic Real Estate. All the information is disclosed in the Company's web site section „For Intestors” → „Investment risks”. The link is provided <https://bre.invl.com/lit/en/for-investors/investment-risks>

18. Significant investments made during the reporting period

During the six months of 2021 the main investments made by INVL Baltic Real Estate were in the renovation of the third floor of the building on Žygio str. 97A, the amount of investment amounted to EUR 75 thousand.

19. Information about significant agreements to which the Issuer is a party, which would come into force, be amended or cease to be valid if there was a change in Issuer's controlling shareholder

There are no significant agreements of the Company which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder.

20. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in 16 point of explanatory notes of consolidated interim condensed financial statements for the six months ended 30 June 2021.

21. Disclosure of the impact of the COVID-19 pandemic

The management of the Company evaluated the coronavirus effect on Company's performance and states that pandemic had a negative impact on the company's results, but the impact was not significant - the total amount of discounts granted to tenants whose activities were affected during quarantine amounted to about EUR 60 thousand. Considering the tenant structure of INVL Baltic Real Estate and the impact of the coronavirus pandemic at the beginning of this year on the tenants' activities and the company's results, it can be predicted that pandemic will not have a significant impact on this year's results.

22. Information related to the compliance with the Governance Code

During the six months of 2021 there were no significant changes in principles and recommendations contained in the Governance Code rather than disclosed in the latest Consolidated annual report of the Company.

23. Information regarding transactions with related parties

Information regarding Transactions with Related Parties, according to the Law on Companies article 37(2), is published on the Company's web site – „For Investors” → „Related parties transactions”. The link to the Company's website: <https://bre.invl.com/lit/en/for-investors/documentslegal-documents/related-parties-transactions>

Related party transaction policy of UTIB Baltic Real Estate was approved during the General Shareholders Meeting held on 29th April 2021. The policy is published on the Company's website: <https://bre.invl.com/lit/en/for-investors/documentslegal-documents>

At the time the report was published, the Company provides information about Company's Transactions with Related Parties published on the Company's web site: <https://bre.invl.com/lit/en/for-investors/documentslegal-documents/related-parties-transactions>

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|---|--|---|-------------------|
| Rovelija, UAB Code 302575846 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Rovelija, UAB was signed on 25th October 2018 No. BRE/181025/01 for the amount of EUR 10 thousand. The loan was received 31-12-2018. | |
| Rovelija, UAB Code 302575846 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Rovelija, UAB was signed on 28th December 2018 No. BRE/181228/01 for the amount of EUR 286,237. The loan was received 19-05-2020 | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Proprietas, UAB was signed on 28th December 2018 No. BRE/181228/02 for the amount of EUR 54,665.67. The loan was received 31-12-2020. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A settlement with Proprietas UAB on the determination of the remuneration and its payment procedure was signed on 28-12-2017, the settlement was an annex to a 28/12/2017 Property Simple Administration Agreement No. 28/12/2017 signed on 28th December 2017. Remuneration is determined on the basis of the documentation of Transaction Services of Proprietas, UAB, applying 5 percent performance overcharge. | |
| Inservis, UAB Code 126180446 Juozapavičiaus str. 6, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Proprietas, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed an annex No. 30 to Service Purchase - Sales Agreement (dated 2nd May 2011 No. 2011/05/01-03) on 9th October 2018 regarding the maintenance of engineering systems in the facility Juozapavičiaus 6, Vilnius. Transaction value EUR 145.20 with VAT per month. Annex became invalid after sale of premises. | |
| Inservis, UAB Code 126180446 Juozapavičiaus str. 6, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Proprietas, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed an annex No. 29 to Service Purchase - Sales Agreement (dated 2nd May 2011 No. 2011/05/01-03) on 9th October 2018 regarding the maintenance of engineering systems in the facility Palangos 4, Vilnius. Transaction value EUR 60.50 with VAT per month. | |
| Inservis, UAB Code 126180446 Juozapavičiaus str. 6, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | 100 percent. UAB Proprietas, a company managed by UTIB INVL Baltic Real Estate, signed an appendix no. 31 to 02/05/2011 Service purchase - Sale agreement no. 2011/05 / 01-03 on hourly rates for new technical maintenance services in serviced facilities. | |
| Inservis, UAB Code 126180446 Juozapavičiaus str. 6, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of | Rovelija, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed a settlement on 2nd January 2019 regarding supplementing and amending the lease agreement for non-residential premises dated on 1st February 2010. Transaction value EUR 592.03 with VAT per month. The contract is terminated after the sale of the object. | |

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|--|---|---|-------------------|
| | shares in UTIB INVL Baltic Real Estate | | |
| Inservis, UAB Code 126180446 Juozapavičiaus str. 6, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Rovelija, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed an agreement on 2nd January 2019 regarding the maintenance and provision of services for the facility's general use facilities for facility and facility maintenance services. Transaction value EUR 16.69 with VAT per month. The agreement was terminated after sale of the premises. | |
| Invalda INVL, AB Code 121304349 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | Shareholder of UTIB INVL Baltic Real Estate, owning 30 percent of shares in the Company | Proprietas, UAB, 100 percent owned by UTIB INVL Baltic Real Estate on 21st December 2018 signed a settlement to accounting service provision contract No. 20140531/02. Amount of salary changed to EUR 605 with VAT per month. | |
| INVL Asset Management, UAB Code 126263073 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | The Company signed a settlement to a Non-residential Lease Agreement (dated 30th October 2015 No. 2015-10-30/1) with INVL Asset Management, UAB on 28th September 2018. On the basis of the settlement additional premises was rented. Transaction value EUR 3,149.45 with VAT per month. The agreement was transferred to the third party, to whom the premises has been sold. | |
| Inservis, SIA Code 40203041770 „Lapegles“, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by the subsidiary of Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed a Services Agreement No. PL-2018/01/11 on 1st November 2018. Hourly service charges is provided in the contract. | |
| Inservis, SIA Code 40203041770 „Lapegles“, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by the subsidiary of Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Dommo Bizness parks, SIA, UAB, indirectly managed by UTIB INVL Baltic Real Estate signed a Premises Lease Agreement No. 27122018/1 on 27th December 2018. Transaction value EUR 309.60 with VAT per month. | |
| Inservis, SIA Code 40203041770 „Lapegles“, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by the subsidiary of Invalda INVL, AB. Invalda INVL, AB owns 30 percent of | Dommo Bizness parks, SIA, UAB, indirectly managed by UTIB INVL Baltic Real Estate signed a Services Agreement No. 01/01/2019-DBP on 1st February 2018, regarding repairment work in the premises. Transaction value EUR 14,001.80 with VAT. | |

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|--|---|---|-------------------|
| | shares in UTIB INVL Baltic Real Estate | | |
| Inservis, SIA Code 40203041770 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by the subsidiary of Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Dommo Bizness parks, SIA, UAB, indirectly managed by UTIB INVL Baltic Real Estate signed a Services Agreement No. 01/02/2019-DBP on 1st February 2018, regarding repairment work in the premises. Transaction value EUR 10,357.47 with VAT | |
| Inservis, SIA Code 40203041770 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by the subsidiary of Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Dommo Bizness parks, SIA, Code 40003865398, indirectly managed by UTIB INVL Baltic Real Estate signed a Services Agreement No. 01/02/2020 on 26th February 2020, regarding repairment work in the premises. Transaction value EUR 27,956.95 with VAT. | |
| DBP Invest, SIA Code 40103463830 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | Indirectly managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed a Loan Agreement No. 26062018/1 on 26th June 2018. Loan amount – EUR 200. After the merger of DBP Invest, SIA with Dommo Grupa, SIA the loan became obsolete. | |
| DBP Invest, SIA Code 40103463830 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | Indirectly managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, UAB, 100 percent owned by UTIB INVL Baltic Real Estate signed a Loan Agreement No. 16012019/1 on 16th January 2019. Loan amount – EUR 500. After the merger of DBP Invest, SIA with Dommo Grupa, SIA the loan became obsolete. | |
| DBP Invest, SIA Code 40103463830 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | Indirectly managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, 100 percent owned by UTIB INVL Baltic Real Estate signed a Loan Agreement No. 08012020/1 on 8th January 2020. Loan amount – EUR 350. After the merger of DBP Invest, SIA with Dommo Grupa, SIA the loan became obsolete. | |
| Dommo SIA Code 40003787271 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | Indirectly managed by UTIB INVL Baltic Real Estate | IPAS INVL Asset Management, Code 40003605043, 100 percent owned by Invalda INVL, AB signed a Premises Lease subagreement No. 19/12/2019 on 19th December 2019. Transaction value EUR 140 for working place without VAT per month and utility costs. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Proprietas, UAB was signed on 19th September 2019. No BRE/190919/01 for the amount of EUR 250,000. The loan was received on 31th December 2020. | |
| Invalda INVL, AB Code 121304349 Gynėjų str. 14, Vilnius, Lithuania | Shareholder of UTIB INVL Baltic Real Estate, owning | A loan agreement with Invalda INVL, AB was signed on 26th November 2019. No P/191126/01 for the amount of EUR 1,500,000. The Company is the Borrower. The loan was received on 9 th March 2021. | |

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|---|--|--|--|
| Register of Legal Entities | 30 percent of shares in the Company | | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Proprietas, UAB was signed on 8th October 2019. No BRE/191008/01 for the amount of EUR 60,000. The loan was received on 31th December 2020. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | The Company has signed a Share Purchase agreement on 12-12-2019, according to which increases Authorised capital of Proprietas UAB by additional cash contribution which amounts to EUR 232,000 (increasing the Authorised capital from EUR 20,300 to EUR 252,000, issuing 800,000 units of ordinary registered shares with the nominal value of EUR 0.29). Increased authorised capital of Proprietas UAB registered in the Register of Legal Entities on 19-12-2019. | |
| Rovelija, UAB Code 302575846 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | The Company has signed a Share Purchase agreement on 12-12-2019, according to which increases Authorised capital of Proprietas UAB by additional cash contribution which amounts to EUR 5,800 (increasing the Authorised capital from EUR 348,000 to EUR 353,800, issuing 20,000 units of ordinary registered shares with the nominal value of EUR 0.29). Increased authorised capital of Rovelija UAB registered in the Register of Legal Entities on 18-12-2019. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | The Company entered into an agreement on 09-01-2020 regarding partial amendment of the Loan Agreement No. BRE/181228/02 as of 28-12-2018 signed with Proprietas UAB. Extension of loan repayment term has been made. The loan was received 31th December 2020. | |
| Rovelija, UAB Code 302575846 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | The Company entered into an agreement on 09-01-2020 regarding partial amendment of the Loan Agreement No. BRE/181228/01 as of 28-12-2018 signed with Rovelija UAB. Extension of loan repayment term has been made. The loan was received 19th May 2020. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Proprietas, UAB was signed on 26th March 2020 No. BRE/200326/01 for the amount of EUR 10.85 million. The loan was return on 8th May 2020. | |
| Dommo Grupa SIA Code 40003733866 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, 100 percent owned by UTIB INVL Baltic Real Estate signed a Loan Agreement No. BRE/200522/1 on 22th May 2020. Loan amount – EUR 1.45 million. Loan balance as of 30th June 2021 – EUR 0.3 mln | |
| Dommo Bizness parks, SIA Code 40003865398 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent indirectly managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, 100 percent owned by UTIB INVL Baltic Real Estate and Dommo Biznesa Parks, SIA 100 percent indirectly owned by UTIB INVL Baltic Real Estate signed a Loan Agreement No. DG/25052020/1 on 25th May 2020. Loan amount – EUR 1.43 million. The loan was received on 22nd October 2020. | Loan was granted by Dommo Grupa SIA Code 40003733866 „Lapegles”, |

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|--|---|---|---|
| | | | Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia |
| Inservis, SIA Code 40203041770 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | 100 percent managed by the subsidiary of Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Dommo Bizness parks, SIA, Code 40003865398, indirectly managed by UTIB INVL Baltic Real Estate signed a Services Agreement No. 28/05/2020 on 28th May 2020, regarding repairment work in the premises. Transaction value EUR 11,040.43 with VAT. | |
| DBP Invest, SIA Code 40103463830 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | Indirectly managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, 100 percent owned by UTIB INVL Baltic Real Estate signed a Loan Agreement No. 13072020/1 on 13th July 2020. Loan amount – EUR 150. After the merger of DBP Invest, SIA with Dommo Grupa, SIA the loan became obsolete. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | A loan agreement with Proprietas, UAB was signed on 8th October 2020 No. BRE/201008/01 for the amount of EUR 5 mln. The loan is received on 25 th February 2021. | |
| SIA „Dommo Biznesa parks” Įmonės kodas 40003865398 Lapegles, Stuniši, Olaines raj., Latvija Latvijas Republikas ģimeņu reģistrs | 100 proc. UTIB „INVL Baltic Real Estate” netiesiogiai kontroliuojama ģimėnė | SIA Dommo Biznesa Parks, a company indirectly managed by UTIB INVL Baltic Real Estate by 100 percent, signed a loan agreement no. BRE / 201020/1 on 20th October 2020. The amount of the loan is EUR 1,075,000. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | On 31th December 2020, the Company entered into a loan agreement no. BRE / 201230/01 with UAB Proprietas for the amount of EUR 387,338.47. | |
| DBP Invest, SIA Code 40103463830 „Lapegles”, Stuniši, Olaines dist., Latvia The Register of Enterprises of the Republic of Latvia | Indirectly managed by UTIB INVL Baltic Real Estate | Dommo Grupa, SIA, 100 percent managed by INVL Baltic Real Estate, signed a loan agreement no. 14012021/1 on 2021 January 14. The loan amount is EUR 400. After the merger of DBP Invest, SIA with Dommo Grupa, SIA the loan became obsolete. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | On 18th January 2021, the company entered into a loan agreement no. BRE / 210118/01 with UAB Proprietas for the amount of EUR 5.5 mln. On 23 rd June 2021, an agreement was signed on the extension of the loan repayment term until 30 th June 2022. Loan balance 0.9 mln. EUR | |
| Rovelija, UAB Code 302575846 | 100 percent managed by | On 18th January 2021, the company entered into a loan agreement no. BRE / 210118/02 with UAB Rovelija in the amount of EUR 900,000. | |

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|---|--|---|---------------------|
| Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | UTIB INVL Baltic Real Estate | On 23rd June 2021, an agreement was signed on the extension of the loan repayment term until 30th June 2022. | |
| Perspektyvi Veikla, UAB Code 302607087 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent indirectly managed by UTIB INVL Baltic Real Estate | On 18th January 2021, the company entered into a loan agreement no. BRE / 210118/03 with UAB Perspektivi veikla for the amount of EUR 910,000. The loan received on 24 th May 2021 | |
| Inservis, UAB Code 126180446 Juozapavičiaus str. 6, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by Invalda INVL, AB. Invalda INVL, AB owns 30 percent of shares in UTIB INVL Baltic Real Estate | Proprietas, UAB a company 100% owned by the company, signed the appendix no. 32 to 02-05-2011 Service Purchase - Sale Agreement No. 2011/05 / 01-03 on the provision of technical farm maintenance services at the facility located at Žygio str 97, Vilnius. The subscription fee for extended services increased from EUR 421.24 plus VAT to EUR 491.24 plus VAT. | |
| Proprietas, UAB Code 303252098 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities | 100 percent managed by UTIB INVL Baltic Real Estate | On 21st June 2021, the Company entered into a loan agreement No. BRE/210621/01 with UAB Proprietas for the amount of EUR 200 thousand. | |
| Real estate fund manager of the Management Company INVL Asset Management | | | Vytautas Bakšinskas |