



**RECOMMENDATION**

24 March 2023

Vilnius

**The Investment Committee of INVL Baltic Real Estate** (hereinafter '**the Company**'), having regard to the provisions of the Articles of Association of the Company and taking account of the draft distribution of profit/loss (including the formation of the reserve) of the Company, the new wording of Articles of Association and the draft of the remuneration report, which are submitted to the Ordinary General Meeting of Shareholders of the Company of 18 April 2023 for discussion, informs that:

1. The decision on the distribution of profit/loss of the Company has been drawn up with account of:
  - a) the requirements of Art. 59 of the Law on Companies of the Republic of Lithuania concerning the formation of the legal reserve and the portion of profit allocated to the legal reserve for the acquisition of own shares.
  - b) the requirements met for the allocation of profit, as provided for in the Dividend Payment Policy of the Company.
  - c) the fact that no adverse effects on the activities of the Company are envisaged in 2022.
2. It is proposed that the Company's shareholders adopt a resolution to approve a new version of the Company's Articles of Association considering that:
  - a) a new version of the Republic of Lithuania Law on Companies took effect on 30 November 2022 wherein, under the provisions of section 1 of article 78, the requirement to form a collegial body with supervisory functions no longer applies to investment companies specified in the Law on Collective Investment Undertakings that have the legal form of a public limited liability company and whose shares are admitted to trading on a regulated market.
  - b) the Management Company does not consider the amendments to the Company's founding documents to be material as the amendments will not adversely affect the financial position of the Company or its shareholders, and do not restrict the rights of shareholders or impose new obligations.
3. The Company's remuneration report has been prepared in accordance with Article 23<sup>3</sup> of the Law on Financial Statements of Enterprises of the Republic of Lithuania.

Acting on behalf of the management company INVL Asset Management, UAB, the Investment Committee recommends that the shareholders of the Company approve the draft decision on the distribution of profit/loss of the Company, the new wording of Articles Association and the remuneration report of the Company at the Ordinary General Meeting of Shareholders of the Company to take place on 18 April 2023.

INVL Baltic Real Estate

On behalf of the Investment Committee

Vytautas Bakšinskas