



BALTIC FARMLAND

INVL Baltic Farmland, AB Consolidated Interim Report for 6 months of 2019

Approved by the Board of INVL Baltic Farmland, AB on 23th July 2019

Translation note:

This version of the Consolidated Interim Report for 6 months of 2019 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.

CONTENTS

I. GENERAL INFORMATION.....	3
1 Reporting period for which the report is prepared	3
2 General information about the Issuer and other companies comprising the Issuer's group.....	3
2.1. Information about the Issuer	3
2.2. Information on company's goals, philosophy and strategy.....	3
2.3. Information about the Issuer's group of companies.....	4
3 Agreements with intermediaries on public trading in securities	6
4 Information on Issuer's branches and representative offices.....	6
II. INFORMATION ABOUT SECURITIES	7
5 The order of amendment of Issuer's Articles of Association	7
6 Structure of the authorized capital	7
6.1. Information about the Issuer's treasury shares	7
7 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	7
8 Dividends.....	9
9 Shareholders.....	10
9.1. Information about company's shareholders	10
III. ISSUER'S MANAGING BODIES	11
10 Structure, authorities, the procedure for appointment and replacement	11
11 Information about the Audit Committee of the company and Members of the Audit Committee	14
12 Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Members of the Board, director and company providing accounting services	16
IV. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY	17
13 Overview of the Issuer and its group activity.....	17
13.1. Business environment	17
Group key figures.....	18
The balance sheet and profit (loss) summary reports.....	19
13.2. Significant Issuer's and its group events during the reporting period, affect on the financial statement	19
13.2.1. The Company	19
Financial results and information related to the dividends	19
General Shareholders Meeting	20
13.2.2. The group.....	20
14 A description of the principal advantages, risks and uncertainties.....	20
15 Significant investments made during the reporting period	20
16 Information on the related parties' transactions	20
17 Activity plans and forecasts	20
18 Information regarding transactions with related parties	20

I. GENERAL INFORMATION

1 Reporting period for which the report is prepared

The report covers the financial period of INVL Baltic Farmland, starting from 1 January 2019 and ending on 30 June 2019. The report also discloses information from the end of the reporting period to the release of the report.

The report was not audited.

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

2.1. INFORMATION ABOUT THE ISSUER

Name of the Issuer	The public joint-stock INVL Baltic Farmland, hereinafter INVL Baltic Farmland, AB
Company's code	303299781
Registered address	Gynėjų str. 14, 01109, Vilnius, Lithuania
Telephone	+370 5 279 0601
Fax	+370 5 279 0530
E-mail	farmland@invaldainvl.com
Website	www.invlbalticfarmland.com
LEI code	5299000AUE9M1W13ZQ36
Legal form	public joint-stock company
Date and place of registration	29 April 2014. Register of Legal Entities
Register in which data about the Company are accumulated and stored	Register of Legal Entities

2.2. INFORMATION ON COMPANY'S GOALS, PHILOSOPHY AND STRATEGY

The main goal of INVL Baltic Farmland – to invest into agricultural land in Lithuania and, after renting it to farmers and agricultural companies, to ensure that income from rent will exceed inflation and make a profit from agricultural land price growth. Since prices of agricultural products are determined in the world markets, this investment allow to participate in the world food supply chain.

The public joint-stock company INVL Baltic Farmland was established on 29 April 2014 on the basis of a part of assets split-off from one of the leading asset management groups in the Baltic region Invalda INVL. INVL Baltic Farmland manages shares of 18 companies investing into agricultural land that are owning more than 3 thousand hectares of agricultural land in Lithuania. More than 98% of land is rented to farmers and agricultural companies.

Shares of INVL Baltic Farmland are listed on Nasdaq Vilnius stock exchange since 4 June 2014.

The administration of the INVL Baltic Farmland group owned land, according to the basic property administration agreement signed on 30 June 2015, is transmitted to the owned company INVL Farmland Management. Management fees paid for INVL Farmland Management are 7 percent of annual rental income of the companies - land owners as well as 0.5 percent of INVL Baltic Farmland market capitalization. Moreover there is a success fee which becomes valid only when consolidated equity of companies - land owners annual growth is higher than 5 percent plus inflation (High-Water Mark principle is applicable). Success fee is 20 percent of the consolidated equity in excess of the above mentioned benchmark.

As the company has signed the property administration agreement it employs a minimum number of people.

It is prohibited for one person to have more than 500 hectares of land in Lithuania since 2014. That's why INVL Baltic Farmland development is limited and the generated funds are directed to the payment of dividends to shareholders.

Investments into agricultural land are classified as long term and are recommended for investors who are satisfied with the return on rent and possible income from increase of agricultural land prices.

2.3. INFORMATION ABOUT THE ISSUER'S GROUP OF COMPANIES

INVL Baltic Farmland has 100% in 18 companies owning more than 3 thousand hectares of agricultural land in the most fertile regions of Lithuania. More than 98% of land is rented to farmers and agricultural companies. Companies - land owners and joint-stock company INVL Baltic Farmland, whose shareholder is Invalda INVL – one of the leading asset management groups in the Baltic region, on 30 June 2015 have signed a basic property administration agreement with INVL Farmland Management which administrates agricultural land owned by the companies in order to ensure steady growth of income for the shareholders and the value of the land.

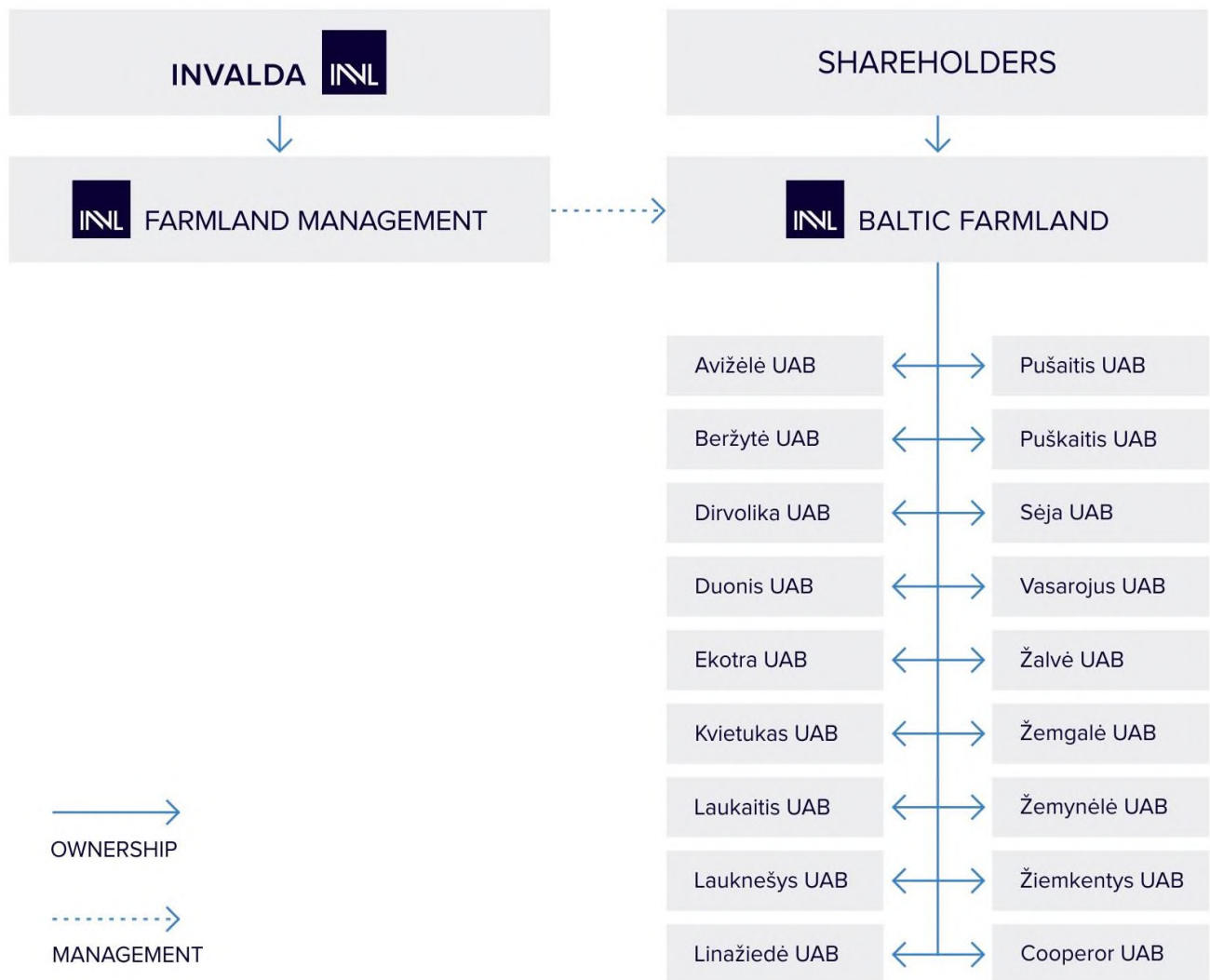


Fig. 2.3.1. Group structure of INVL Baltic Farmland, AB as of 30 June 2019

INVL Baltic Farmland's landholdings

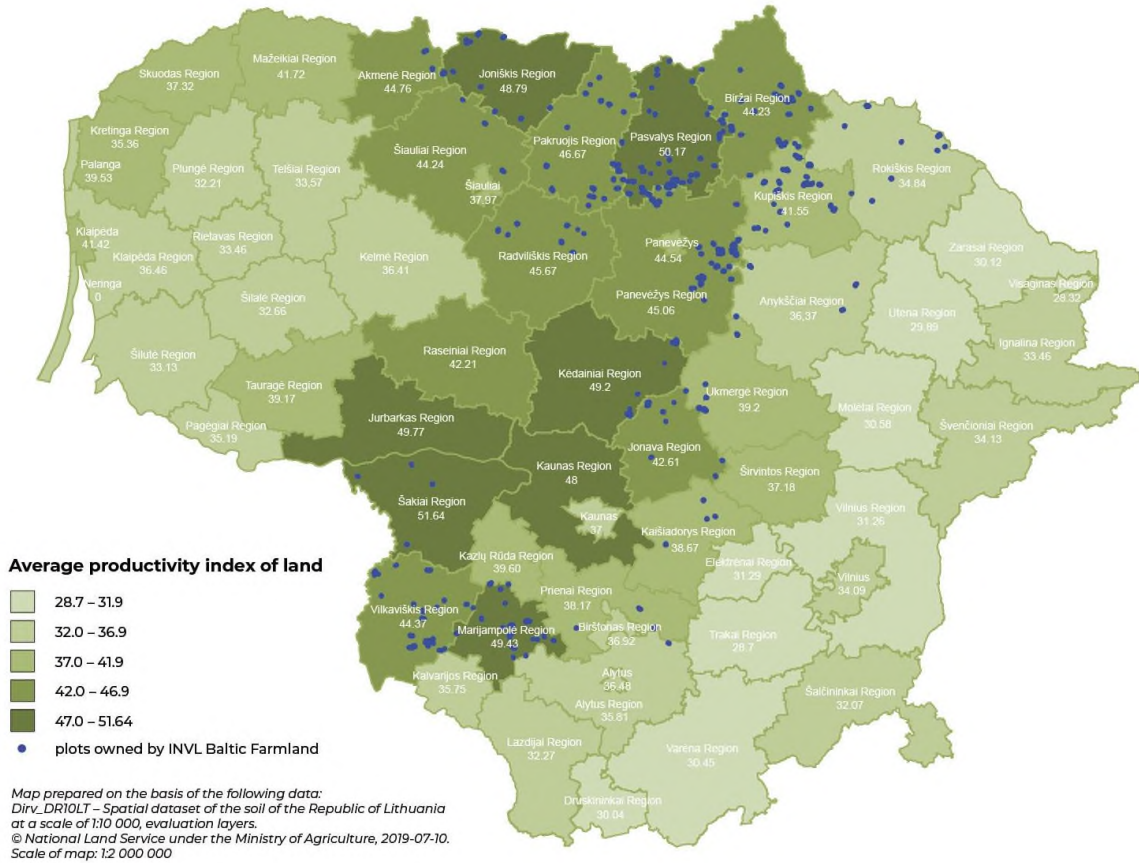


Fig. 2.3.2. Agricultural land portfolio and agricultural land fertilisation of INVL Baltic Farmland, AB
Plots belonging to the company are in the most fertile areas of Lithuania. They are highlighted in blue.

Table 2.3.3. Information about companies of INVL Baltic Farmland group.

Company name	District of company's activities	Owned land plot, hectares	Cultivated cropland area, hectares
Avizele, UAB	Rokiskis dist., Anyksciai dist.	113.82	107.51
Berzyte, UAB	Birzai dist.	150.49	145.99
Dirvolika, UAB	Akmene dist., Joniskis dist., Siauliai dist.	199.44	192.03
Duonis, UAB	Jonava dist., Kedainiai dist., Ukmerge dist.	182.38	174.64
Ekotra, UAB	Vilkaviskis dist.	238.76	228.70
Kvietukas, UAB	Pakruojis dist., Pasvalys dist.	119.55	114.22
Laukaitis, UAB	Pakruojis dist., Pasvalys dist., Siauliai dist.	204.10	193.44
Lauknesys, UAB	Birzai dist., Pasvalys dist.	109.94	107.83
Linaziede, UAB	Alytus dist., Jonava dist., Kaisiadorys dist., Prienai dist.	85.13	80.75
Pusaitis, UAB	Radviliskis dist.	82.44	81.10
Puskaitis, UAB	Marijampole dist., Prienai dist., Vilkaviskis dist.	210.74	204.20
Seja, UAB	Kedainiai dist.	86.59	83.71
Vasarojus, UAB	Anyksciai dist., Panevezys dist., Ukmerge dist.	375.73	364.85
Zalve, UAB	Kupiskis dist.	216.88	201.73
Zemgale, UAB	Birzai dist., Kupiskis dist., Panevezys dist.	241.80	232.06
Zemynele, UAB	Sakiai dist., Vilkaviskis dist.	72.57	70.81
Ziemkentys, UAB	Panevezys dist., Pasvalys dist.	414.70	402.18
Total:		3,105.06	2,985.75

3 Agreements with intermediaries on public trading in securities

INVL Baltic Farmland has signed the agreements with these intermediaries:

- Šiaulių bank, AB (Tilžės str. 149, Šiauliai, Lithuania, tel. +370 41 595 607) – the agreement on investment services, the agreement on management of securities accounting and agreement on dividend distribution.

4 Information on Issuer's branches and representative offices

INVL Baltic Farmland, AB has no branches or representative offices.

II. INFORMATION ABOUT SECURITIES

5 The order of amendment of Issuer's Articles of Association

The Articles of Association of INVL Baltic Farmland, AB may be amended by resolution of the General Shareholders' Meeting, passed by more than 2/3 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

Taking into accordance the provisions of the Law on Companies of the Republic of Lithuania, after the approval of the shareholders meeting, the updated Articles of Association of INVL Baltic Farmland AB were registered on 18 April 2018. The Company's Articles of Association are published on the Company's web page.

6 Structure of the authorized capital

Table 6.1. Structure of INVL Baltic Farmland, AB authorised capital as of 30 June 2019.

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, EUR	Total nominal value, EUR	Portion of the authorised capital, %
Ordinary registered shares	3,291,549	3,228,510	0.29	954,549.21	100

All shares are fully paid-up and no restrictions apply on their transfer.

6.1. INFORMATION ABOUT THE ISSUER'S TREASURY SHARES

Subsidiaries of INVL Baltic Farmland have not implemented acquisition of shares in INVL Baltic Farmland directly or indirectly under the order of subsidiary by persons acting by their name. The company itself has acquired its own shares. Company's acquired own shares (units) – 63,039.

Detailed information about the Company's acquisitions of own shares since 2015 is provided in the company's annual reports, published on the company's website.

During the reporting period, the General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2019 approved resolution to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00.

INVL Baltic INVL Farmland, AB did not initiate any acquisition of own shares during the reporting period.

At the end of the reporting period amount of company's acquired own shares stayed the same and amounted to 63,039 (units).

7 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

Table 7.1. Main characteristics of INVL Baltic Farmland, AB shares admitted to trading

Shares issued, units	3,291,549
Shares with voting rights, units	3,228,510
Nominal value, EUR	0.29
Total nominal value, EUR	954,549.21
ISIN code	LT0000128753
LEI code	5299000AUE9M1W13ZQ36
Name	INL1L
Exchange	AB Nasdaq Vilnius, XLIT
List	Baltic Secondary list
Listing date	4 June 2014

Company uses no services of liquidity providers.

Table 7.2. Trading in INVL Baltic Farmland, AB shares

	6 months of 2017	6 months of 2018	6 months of 2019
Share price, EUR			
- open	3.340	4.300	3.500
- high	4.300	4.800	4.000
- low	3.150	3.900	3.420
- medium	3.645	4.284	3.376
- last	3.880	4.080	3.580
Turnover, units	10,759	3,415	4,313
Turnover, EUR	40,557.17	14,832.92	16,179.54
Traded volume, units	112	58	45

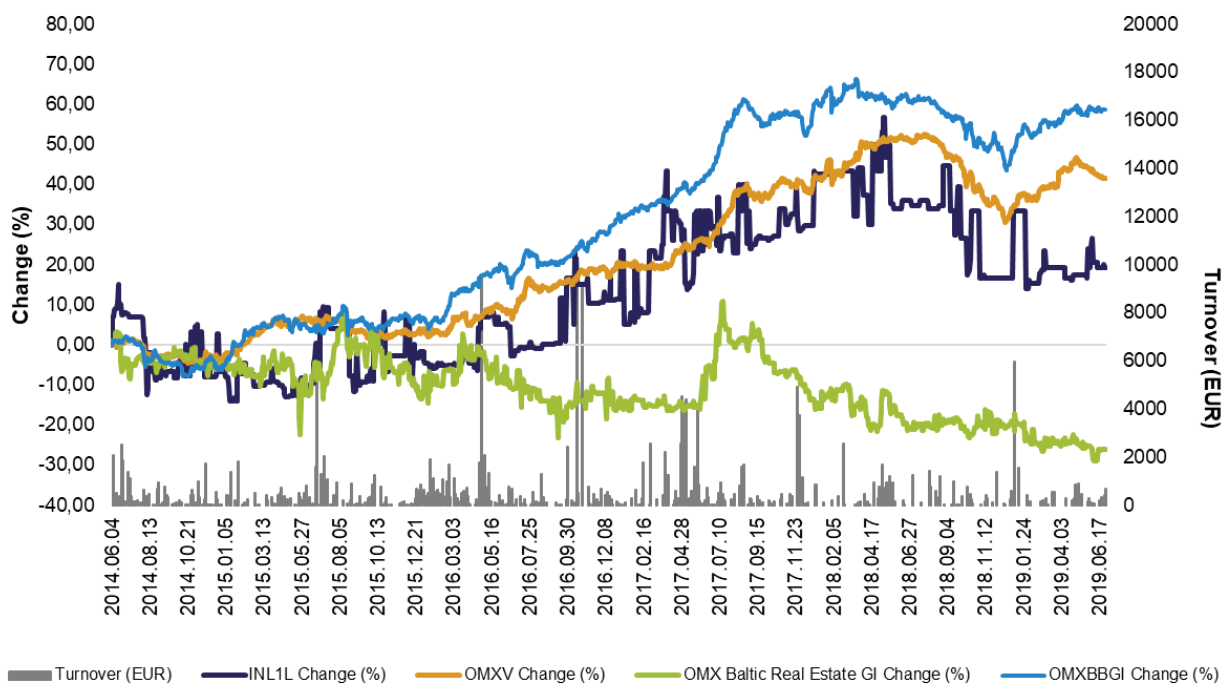


Fig. 7.3. Turnover of INVL Baltic Farmland, AB shares, change of share price and indexes¹

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).

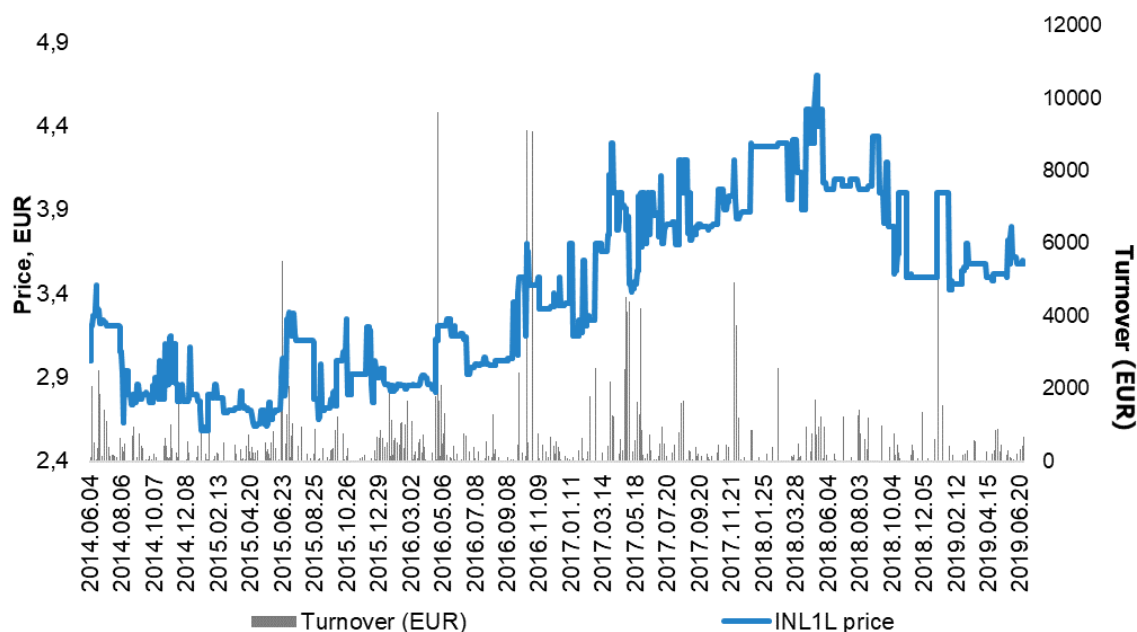


Fig. 7.4. Change of share price of INVL Baltic Farmland, AB

8 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.

The General Shareholders Meeting of the Company held on 10 April 2018 approved the new wording of the Dividend Payment Policy. According to the Policy, it is decided to allocate EUR 0.10 dividend per share (exceptions, which state decrease / increase of the allocated dividend is disclosed in the Company's dividend payment policy).

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.

According to the Law on Personal Income Tax and the 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 taxes².

The General Shareholders Meeting of INVL Baltic Farmland, AB held on 22 March 2019, decided to allocate EUR 0.10 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 5 April 2019 were shareholders of INVL Baltic Farmland, AB.

On 17 April 2019 the company announced that will start to allocate dividends from 18 April 2019. Dividends were allocated to those shareholders of the company, who has 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.

² This information should not be treated as tax consultation.

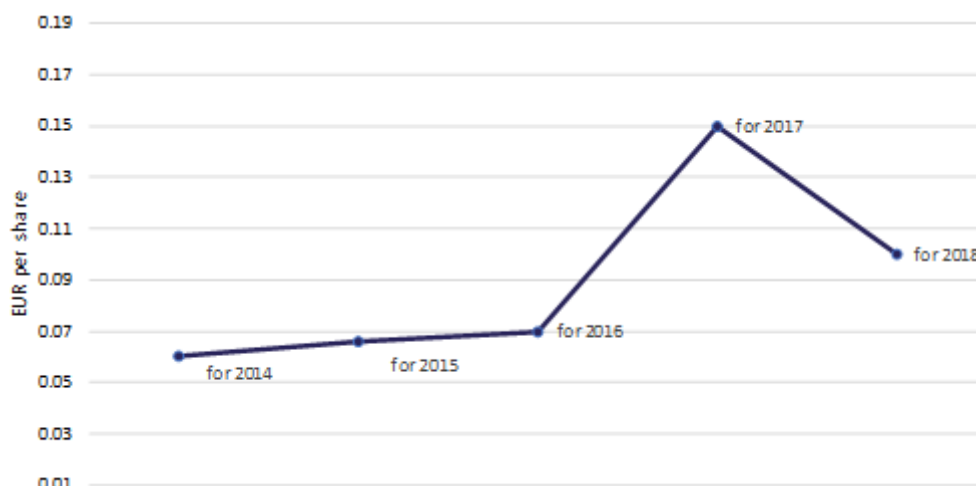


Fig. 8.1. Dividend paid per share

9 Shareholders

9.1. INFORMATION ABOUT COMPANY'S SHAREHOLDERS

The total number of shareholders of the INVL Baltic Farmland, AB was about 3,400 on 30 June 2019. There are no shareholders entitled to special rights of control.

Table 9.1.1. Shareholders who held title to more than 5% of the Company's authorised capital and/votes as of 30 June 2019.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership, %	Netiesiogiai turimi balsai, proc.	Balsų dalis iš viso, proc.
LJB Investments, UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	977,751	29.70	30.28	0	30.28
Irena Ona Mišeikienė	931,831	28.31	28.86	0	28.86
Lucrum Investicija, UAB code 300806471, Šeimyniškių str. 3, Vilnius	479,310	14.56	14.85	0	14.85
Alvydas Banys	252,875	7.68	7.83	47,13 ¹	54.96
Darius Šulnis	0	0.00	0.00	54,96 ²	54.96
Indrė Mišeikytė	64,450	1.96	2.0	52,96 ³	54.96
Eglė Surplienė	0	0.00	0.00	54,96 ⁴	54.96
Ilona Šulnienė	185,000	5.62	5.73	0	5.73

¹ According to Part 6 of Paragraph 1 of Article 26 and Paragraph 2 of Article 26 of the Law on Securities of the Republic of Lithuania, valid at the end of the reporting period, it is considered that Alvydas Banys has votes of LJB Investments, a company controlled by him, and also votes of Darius Sulnis and Indrė Mišeikyte, managers of INVL Baltic Farmland.

² According to Part 6 of Paragraph 1 of Article 26 and Paragraph 2 of Article 26 of the Law on Securities of the Republic of Lithuania, valid at the end of the reporting period, it is considered that Darius Sulnis has votes of Lucrum Investicija, a company controlled by him, and also votes of Alvydas Banys and Indrė Mišeikyte, managers of INVL Baltic Farmland. According to Paragraph 2 of Article 26 of the Law on Securities of the Republic of Lithuania, it is considered that Indrė Mišeikyte has votes of Alvydas Banys and Darius Sulnis, managers of INVL Baltic Farmland.

³ According to Paragraph 2 of Article 26 of the Law on Securities of the Republic of Lithuania, valid at the end of the reporting period, it is considered that Indrė Mišeikyte has votes of Alvydas Banys and Darius Sulnis, managers of INVL Baltic Farmland.

⁴ According to Paragraph 2 of Article 26 of the Law on Securities of the Republic of Lithuania, valid at the end of the reporting period, it is considered that Eglė Surplienė has votes of Alvydas Banys, Darius Sulnis and Indrė Mišeikyte, managers of INVL Baltic Farmland.

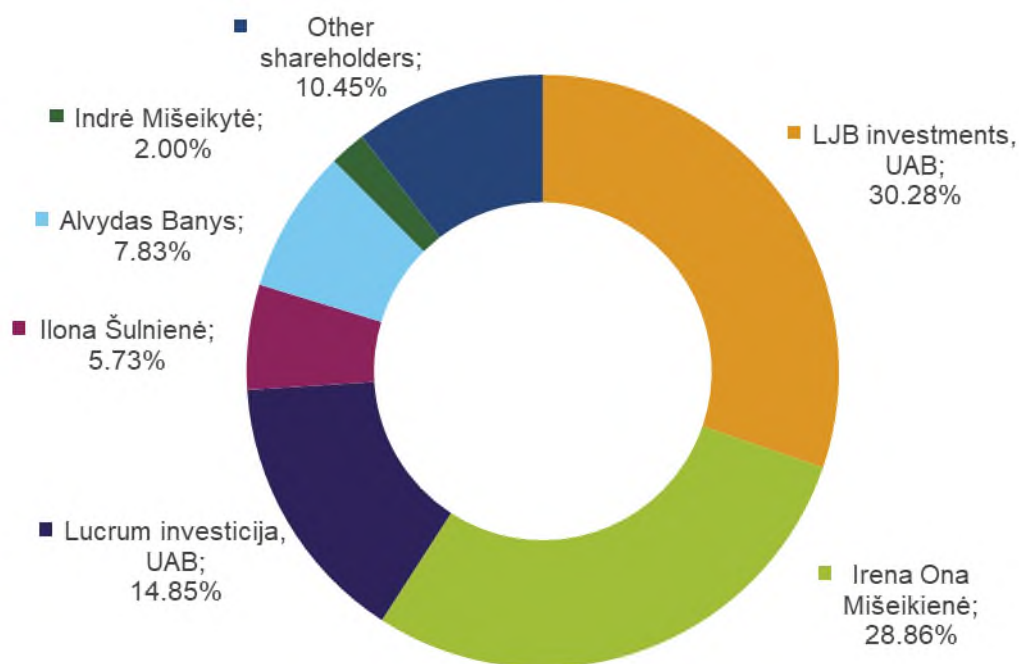
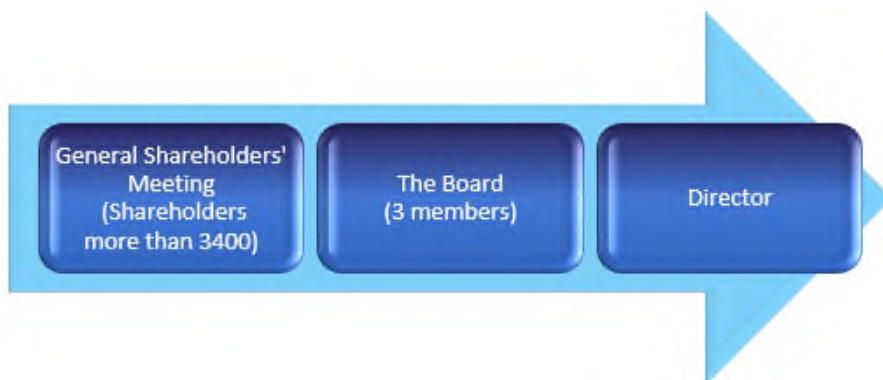


Fig. 9.1.2. Votes as of 30 June 2019

III. ISSUER'S MANAGING BODIES

10 Structure, authorities, the procedure for appointment and replacement



The governing bodies of INVL Baltic Farmland, AB are: the General Shareholders' Meeting, sole governing body – the director and a collegial governing body – the Board. The Supervisory Board is not formed.

The Board of INVL Baltic Farmland, AB for the new four (4) years old term of office was elected during the General Shareholders' Meeting of INVL Baltic Farmland, AB held on 10 April 2018. The shareholders of the Company's elected the Board consisting of the same composition as it was in 2014-2018: Mr. Banys was elected as the Chairman of the Board, Mr. Šulnis and Ms. Mišeikytė were elected as the Members of the Board. From 30 June 2015 Egle Surpliene holds position as a director of the company.



Alvydas Banys – Chairman of the Board

The term of office	From 2018 until 2022
Educational background and qualifications	Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy.
Work experience	Since July 2013 Invalda INVL, AB – Advisor Since 2007 LJB Investments, UAB – Director Since 2007 JLB Property, UAB – Director 1996 – 2006 Invalda, AB – Vice President 1996 – 2007 Nenuorama, UAB – President
Owned amount of shares in INVL Baltic Farmland, AB	Personally: 252,875 units of shares, 7.68 % of authorised capital, 7.83 % of votes. Together with controlled company LJB Investments: 1,230,626 units of shares, 37.38 % of authorized capital, 38.11 % of votes. Total votes (together with Members of the Board of INVL Baltic Farmland) – 54.96 %.
Participation in other companies	Invalda INVL, AB – Chairman of the Board Litagra, UAB – Member of the Board CEF INVL Technology – Member of the Advisory Committee Montuotojas, AB– Member of the Supervisory Board (from 5 July 2019)




Indrė Mišeikytė – Member of the Board

The term of office	From 2018 until 2022
Educational background and qualifications	Vilnius Gediminas Technical University. Faculty of Architecture. Master in Architecture
Work experience	Since May 2012 Invalda INVL, AB – Advisor From 2013 June until 29 April 2019 Invalda Privatus Kapitalas, AB – Advisor From 2002 until 29 April 2019 Inreal Valdymas, UAB – Architect 2000- 2002 Gildeta, UAB – Architect
Owned amount of shares in INVL Baltic Farmland, AB	Personally: 64,450 units of shares, 1.96 % of authorised capital, 2 % of votes. Total votes (together with Members of the Board of INVL Baltic Farmland) – 54.96 %.

Continued on the next page

Beginning of the table is on the previous page

Participation in other companies	Invalda INVL, AB – Member of the Board Invalda Privatus Kapitalas, AB – Member of the Board (until 29 April 2019) CEF INVL Technology – Member of the Advisory Committee
	Darius Šulnis - Member of the Board
The term of office	From 2018 until 2022
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	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 Farmland, AB	Personally: 0 units of shares, 0.00 % of authorised capital and votes. Together with controlled company Lucrum Investicija: 479,310 units of shares, 14.56 % of authorised capital. Total votes (together with Members of the Board of INVL Baltic Farmland) – 54.96 %.
Participation in other companies	Invalda INVL, AB – Member of the Board, the president INVL Asset Management, UAB - Chairman of the Board Šiaulių bankas, AB – Member of the Supervisory Board Litagra, UAB – Member of the Board



Eglė Surplienė – Director

The term of office	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
--------------------	--

Continued on the next page

Beginning of the table is on the previous page

Educational background and qualifications	<p>October 2009 - present – Wealth manager, UAB FPI Geroves Valdymas March 2009 - present – Director, UAB DIM investment September 2014 - June 2016 – Director, UAB Margio investicija August 2006 - October 2009 – Wealth manager, VIP Clients manager, AB FBC Finasta, AB bank Finasta June 2005 - July 2006 – Project manager, UAB Zabolis ir partneriai June 1999 - June 2005 – Member, Deputy Director of the Commission, Securities Commission of Lithuania June 1995 - June 1999 – Head of Issuer Division, UAB FMI Vilfima June 1993 - June 1995 - Member of Market Regulation Division, Securities Commission of Lithuania</p>
Work experience	<p>Personally: 0 units of shares, 0.00 % of authorised capital and votes. Total votes (together with Members of the Board of INVL Baltic Farmland) – 54.96 %.</p>
Owned amount of shares in INVL Baltic Farmland, AB	<p>Atelier investment management, UAB (till January 2018 operated under the name Gerové kūrimas, UAB) – Chairman of the Board Ars Lab limited IE – Member of the Board Gerovės valdymas, UAB FPI – director Gerovės partneriai, KŪB – full member Iniciatyvos fondas, VŠĮ – director DIM investment, UAB – director</p>

Invalda INVL, AB provides accounting services and preparation of the documents related with bookkeeping for INVL Baltic Farmland, AB according to an agreement signed on 30 April 2014 No. 20140430/03.

11 Information about the Audit Committee of the company and Members of the Audit Committee

The Audit Committee consists of 2 members. Both members of the Committee are independent. The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Committee are the following:

- provide recommendations for the Board of the company with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the preparation process of company's financial reports;
- monitor the efficiency of company's internal control and risk management systems. Once a year review the need of the internal audit function;
- monitor if the company's board and/or managers properly response to the audit firm's recommendations and comments.

The Member of the Audit Committee of INVL Baltic Farmland, AB may resign from his post before the expiry of term of office, notifying the Board of the company in writing at least 14 calendar days in advance. When the Board of the Company receives the notice of resignation and estimates all circumstances related to it, the Board may pass the decision either to convene the Extraordinary General Shareholders Meeting to elect the new member of the Audit Committee or to postpone the question upon the election of the new member of the Audit Committee until the nearest General Shareholders Meeting. In any case the new member is elected till the end of term of office of the operating Audit Committee.

The General Shareholders Meeting which took place on 22 March 2017 elected Dangutė Pranckėnienė, the partner at Moore Stephens Vilnius, UAB, and Tomas Bubinas, CFO at Biotechpharma UAB to the Audit Committee of INVL Baltic Farmland, AB for the 4 (four) years term of office. Both members are independent, having submitted an notice certifying their independence.



Danguė Pranckėnienė – Independent Member of the Audit Committee

The term of office	Since 2017 until 2021
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 Stephens Vilnius, 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 Farmland, AB	-



Tomas Bubinas – Independent Member of the Audit Committee

The term of office	Since 2017 until 2021
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, Sicor Biotech 1999 - 2001 Senior Manager, PricewaterhouseCoopers 1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand.
Owned amount of shares in INVL Baltic Farmland, AB	-

12 Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Members of the Board, director and company providing accounting services

Members of Board of INVL Baltic Farmland, AB did not receive benefit (bonus) during the reporting period.

The calculated remuneration to the director of the Company totalled to EUR 1,021, on the average EUR 170 per month. The payment for the company providing accounting services amounted to EUR 1,796 during the reporting period.

During the reporting period the Issuer transferred no assets, granted no guarantees, paid no bonuses and made no special payouts for the Company's manager and Members of the Board. The Board members, which are the shareholders of the Company, were paid EUR 27 thousand of dividends, net of tax. The entities, which are controlled by the Board members, were paid EUR 146 thousand of dividends, net of tax. Natural persons, who are related to the Board members of the company, were paid EUR 85 thousand of dividends, net of tax.

IV. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY

13 Overview of the Issuer and its group activity

13.1. BUSINESS ENVIRONMENT

According to the Lithuanian Department of Statistics, the gross domestic product (GDP) at the day prices amounted to EUR 10.6 billion in the first quarter of 2019. To compare to the first quarter of 2018, the real change in GDP made up 4.0%. On the grounds of the Lithuanian bank forecasts, the differences in the Lithuanian and global economic development will persist for some time, and yet there will be a gradual decrease in the growth of Lithuanian economy. As the activity of the market is beyond its potential, it is becoming more and more difficult to maintain the rapid growth of the economy. The potential of growth can be stimulated by investments; however the environment for investments is not the most favourable at present. Uncertainty regarding the development of global economy can restrict investing in Lithuania. The Lithuanian bank has estimated that Lithuanian real GDP grew by 3.5% in 2018; will increase by 3.2% in 2019, and the rise by 2.5% to be expected next year.

Lithuania recorded 1.9% of year-on-year inflation in 2018 (December 2018 compared with December 2017). The Lithuanian Department of Statistics reports that the general agricultural output for EUR 2.18 billion was produced in 2018, which is by 9.5% less than in 2017. The value of plant production went down by 13.6%. This was determined by 17.3% poorer crop. Leguminous plant, rye and wheat crop failed most. For now, it is very difficult to foresee the grain crop in 2019, however the forecasts show that a more abundant winter cereal crop may be expected this year to compare to 2018, whereas, due to the spring frost in individual regions and lack of humidity across the entire territory of Lithuanian since May 2019, a poorer summer cereal crop to be expected.

The value of animal production on 2018 fell by 3%. This was determined by a reduction in purchase price of animal production by 3.3%. Direct payments for agricultural production dipped by 0.6%, which made up EUR 331.1 million, while other subsidies for production rose by 4.3%, which made up EUR 191.1 million.

The liquidity in agriculture has slowed down, but the rent segment remains active. The need for agricultural parcel rent has been increased by existing restrictions on the land acquisition. Land market liquidity has slowed down but the lease segment remains active. The effective restrictions on land acquisition increase the demand for the lease of land. The supply of agricultural land is there but it keeps decreasing year after year. The reserve of the plots offered for sale in Lithuania is temporary, therefore the land available for lease becomes increasingly sought-after. The growth of the lease price for land is determined by payments to farmers. Farmers cultivating large plots of land or agricultural companies are also interested in the lease of land because it grants priority in acquiring the leased plots when opportunities present themselves.

The more stringent amendments of the provisional law on the acquisition of agricultural land which prohibit related persons from acquiring more than 500 hectares of land from the state or from other persons have come into force in May 2014. The restrictions define related persons as those holding more than 25 per cent of stock or shares in agricultural companies as well as those holding more than 25 per cent of stock in multiple companies. The provisional law on the acquisition of agricultural land was strongly criticised, therefore a more liberal law on the amendment of the law No. IX-1314 on the acquisition of agricultural land was adopted in November 2017. The law no longer provides for individual qualification requirements for acquiring agricultural land, such as mandatory agricultural education and the requirement to have been engaged in agricultural activity for 3 years in the course of the last 10 years. The range of persons having priority in acquiring land plots offered for sale has been expanded. The list of co-owners, land lessees and neighbours was supplemented with a new group – the farmers and companies receiving at least 50 per cent of their revenue from agricultural activity and registered in the municipality where the plot which is offered for sale is located as well as the bordering municipalities.

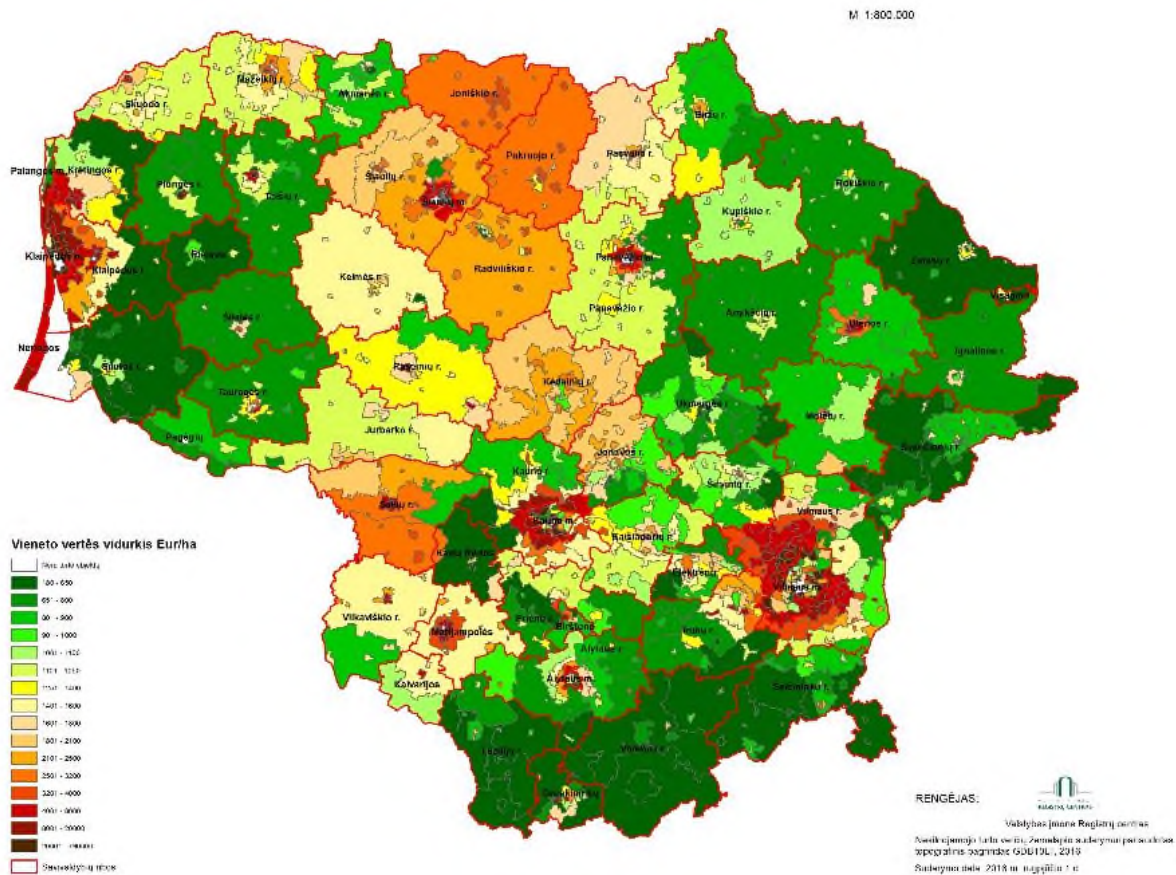
The company INVL Baltic Farmland holds 100 per cent of stock in 18 private companies which have acquired the combined total of more than 3 thousand hectares of agricultural land in Lithuania.

Since 30 June 2015 when the ordinary administration agreement was signed with the company INVL Farmland Management controlled by Invalda INVL, one of the biggest asset management groups in the Baltics, the administration of the plots has been transferred to the company.

The effective tighter land acquisition rules mean that the companies of INVL Baltic Farmland group are no longer able to make direct investments into agricultural land in Lithuania and can't take over the control of companies holding agricultural land.

In the long term, INVL Baltic Farmland aims to profit from the growth of the lease of land and the price of land. According to the data of the valuation carried out in the last quarter of 2018, the price of the plots increased by 7.4 per cent to EUR 13.92 million. On average, one hectare is valued at EUR 4.5 thousand.

In the graph below it can be observed how the price of agricultural land varies geographically:



13.1.1. Fig. Agricultural land prices in Lithuania
Source: Centre of Registers

GROUP KEY FIGURES

	30 June 2017	30 June 2018	30 June 2019
Controlled cultivated cropland area, ha	2,999	2,999	2,986
Book value of land, EUR thousand	12,335	12,964	13,860
Average rental income per hectare, EUR (not included the variable part of the rent, equal to the land lease payment payable to the state)	179	188	202
Consolidated equity, EUR thousand	11,279	11,657	12,444
Number of votes, units	3,228,510	3,228,510	3,228,510
Book value of one share, EUR*	3.49	3.61	3.85
Dividend yield, %*	1.8	3.7	2.8

* 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 Intestors“ → „Reports“ → „Indicator formulas“. The link is provided: <https://www.invlbalticfarmland.com/lit/en/investor-relations/indicator-formulas>

THE BALANCE SHEET AND PROFIT (LOSS) SUMMARY REPORTS

Balance sheet. EUR thousand	Group		
	30 June 2017	30 June 2018	30 June 2019
Investment property	12,335	12,964	13,860
Trade and other receivables	269	324	388
Cash	177	104	165
Other assets	2	1	3
Deferred income tax liabilities	1,129	1,239	1,381
Deferred revenues	269	281	302
Other liabilities	106	216	289
Consolidated equity	11,279	11,657	12,444
Profit (loss), EUR thousand	01.01.2017 – 30.06.2017	01.01.2018 – 30.06.2018	01.01.2019 – 30.06.2019
Revenue	269	281	302
Reversal of impairment (impairment) of trade receivable	(5)	(36)	(50)
Income before tax	190	171	170
Net profit	162	140	137

13.2. SIGNIFICANT ISSUER'S AND ITS GROUP EVENTS DURING THE REPORTING PERIOD, AFFECT ON THE FINANCIAL STATEMENT

13.2.1. THE COMPANY

FINANCIAL RESULTS AND INFORMATION RELATED TO THE DIVIDENDS

- On 28 February 2019 the Company announced an audited group results of 2018. The audited consolidated net profit of INVL Baltic Farmland, AB Group and the Company amounted to EUR 1,113 thousand, the revenue was EUR 615 thousand for the period of 2018 (for 2017 – consolidated net profit was EUR 885 thousand, revenue was EUR 575 thousand).
- On 28 February 2019 INVL Baltic Farmland approved its activity forecasts for 2019. Consolidated revenues of INVL Baltic Farmland are forecasted at EUR 650 thousand and net profit should amount to EUR 395 thousand. These predictions are based on the assumption that there will be no changes in land value in 2019, no land sale/acquisition transactions will be made and not predicting the changes in provision for impairment of trade receivables.
- On 28 February 2019 the Board of INVL Baltic Farmland decided to propose to the Annual General Shareholders Meeting of the Company to be held on 22th March 2019 to allocate a dividend of EUR 0.10 per share for the year 2018 (in that case the total amount allocated for dividends was EUR 323 thousand).
- On 22 March 2019 the Company announced audited annual information, confirmation of responsible persons and Audit Committee report of INVL Baltic Farmland for the year 2018.
- On 17 April 2019 INVL Baltic Farmland in order to implement resolutions of the General Shareholders Meeting regarding allocation of Company's profit, announced the procedure for the payout of dividends for 2018. On 22 March 2019, the General Shareholders Meeting of INVL Baltic Farmland, AB decided to allocate EUR 0.10 dividend per share. Dividends were paid to the shareholders who on 5 April 2019 were shareholders of INVL Baltic Farmland, AB. The Company informed that the dividends will be allocated from 18 April 2018.

- On 8 May 2019 the Company announced financial results for 3 months of 2019 - the unaudited consolidated net profit of the AB INVL Baltic Farmland group was EUR 45 thousand and the revenue was EUR 151 thousand (for 3 months of 2018 consolidated net profit was EUR 71 thousand, revenue was EUR 140 thousand).

GENERAL SHAREHOLDERS MEETING

- On 22 March 2019 INVL Baltic Farmland announced about convocation of the General Shareholders Meeting and published the draft resolutions of the General Shareholders Meeting. On 22 March 2018 the Company announced resolutions of the General Shareholders Meeting: during the meeting the Shareholders of the Company were presented with the consolidated annual report of the Company and independent auditor's report on the financial statements and annual report, approved the consolidated and companies financial statements for 2018, and approved the profit distribution (allocating EUR 0.10 dividend per share). The shareholders also made a decision regarding the purchase of own shares of the INVL Baltic Farmland.

13.2.2. THE GROUP

The companies during the reporting period rented agricultural land for farmers and agricultural companies and performed usual.

14 A description of the principal advantages, risks and uncertainties

During the six months of 2019 there were no material changes from the information about the principal risks and uncertainties disclosed in the latest 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 Farmland.

15 Significant investments made during the reporting period

During the reporting period INVL Baltic Farmland, AB has not made any acquisitions.

16 Information on the related parties' transactions

Information on the related parties' transactions is disclosed in 8 point of explanatory notes of consolidated interim condensed financial statements for the six months ended 30 June 2019.

17 Activity plans and forecasts

As it was mentioned in the annual report of the company, taking into consideration the lease agreements, total income of INVL Baltic Farmland should be around EUR 650 thousand in 2019. Net profit for the year is expected to be around EUR 395 thousand. As regards the company's operating forecasts for this year, which assume no change in the value of the company's land holdings, no land purchase or sale transactions, and no changes in provisions for receivables, INVL Baltic Farmland's first-half revenue was 46.5% of the full-year forecast (EUR 650 thousand), while net profit was 34.7% of the amount forecast for the year (EUR 395 thousand). Excluding the effect of provisions for receivables in the reporting period, the net profit figure would be 47.3% of the forecast full-year amount.

18 Information regarding transactions with related parties

According to Disclosure Rules of the Bank of Lithuania and the Law on Companies of the Republic of Lithuania, information on the Company's transactions with related parties is provided.

Information regarding Transactions with Related Parties, according to the Law on Companies article 37², is published on the Company's web site – „For Investors“ → „Related parties transactions“. The link to the Company's web site: <https://invlbalticfarmland.com/lit/en/investor-relations/related-parties-transactions>

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:

Related party	Company's relationship with the other counterparty	Date and value of the transaction	Other information
Avižėlė, UAB Code 303113077 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/161230/01 of 30-12-2016 for the amount of EUR 136 thousand. On 29th January 2019 loan agreement No. BFARM/190129/01 for the amount of EUR 4 thousand.	
Beržytė, UAB Code 30112915 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/171229/01 of 29-12-2017 for the amount of EUR 305 thousand. On 29th January 2019 loan agreement No. BFARM/190129/02 for the amount of EUR 15 thousand.	
Dirvolika, UAB Code 303112954 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/141231/03 of 31-12-2014 for the amount of EUR 215 thousand.	
Duonis, UAB Code 303112790 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/161230/03 of 30-12-2016 for the amount of EUR 270 thousand. On 29th January 2019 loan agreement No. BFARM/190129/03 for the amount of EUR 10 thousand.	
Žemgalė, UAB Code 303112744 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/161230/04 of 30-12-2016 for the amount of EUR 297 thousand. On 29th January 2019 loan agreement No. BFARM/190129/04 for the amount of EUR 8 thousand.	
Linažiedė, UAB Code 303112922 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/141231/06 of 31-12-2014 for the amount of EUR 88 thousand. On 29th January 2019 loan agreement No. BFARM/190129/05 for the amount of EUR 7 thousand.	
Puškaitis, UAB Code 303112769 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/141231/07 of 31-12-2014 for the amount of EUR 320 thousand.	
Kvietukas, UAB Code 303112687, Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/161230/05 of 30-12-2016 for the amount of EUR 179 thousand. On 29th January 2019 loan agreement No. BFARM/190129/06 for the amount of EUR 11 thousand.	

Related party	Company's relationship with the other counterparty	Date and value of the transaction	Other information
Laukaitis, UAB Code 303112694 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/161230/06 of 30-12-2016 for the amount of EUR 259 thousand. On 29th January 2019 loan agreement No. BFARM/190129/07 for the amount of EUR 11 thousand.	
Vasarojus, UAB Code 303112776 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/171229/02 of 23-12-2017 for the amount of EUR 645 thousand.	
Lauknešys, UAB Code 303112655 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/141231/11 of 31-12-2014 for the amount of EUR 147 thousand.	
Žiemkentys, UAB Code 303112648 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/141231/12 of 31-12-2014 for the amount of EUR 498 thousand. On 25th Marth 2019 loan agreement No. BFARM/190325/01 for the amount of EUR 5 thousand.	
Pušaitis, UAB Code 303113102 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/141231/13 of 31-12-2014 for the amount of EUR 112 thousand.	
Sėja, UAB Code 303113013 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/171229/03 of 29-12-2017 for the amount of EUR 100 thousand. On 29th January 2019 loan agreement No. BFARM/190129/08 for the amount of EUR 10 thousand.	
Žemynėlė, UAB Code 303112559, Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 14th November 2018 loan agreement No. BFARM/181114/02 for the amount of EUR 7 thousand. On 31th December 2018 partial modification of the loan agreement No. BFARM/161230/07 of 30-12-2016 for the amount of EUR 120 thousand. On 31th December 2018 partial modification of the loan agreement No. BFARM/181114/02 of 14-11-2018 for the amount of EUR 7 thousand.	
Žalvė, UAB Code 303113045, Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INV L Baltic Farmland, AB	On 14th November 2018 loan agreement No. BFARM/181114/01 for the amount of EUR 18 thousand. On 31th December 2018 partial modification of the loan agreement No. BFARM/171229/04 of 29-12-2017 for the amount of EUR 232 thousand. On 31th December 2018 partial modification of the loan agreement No. BFARM/181114/01 of 14-11-2018 for the amount of EUR 18 thousand.	

Related party	Company's relationship with the other counterparty	Date and value of the transaction	Other information
Ekotra, UAB Code 303112623 Gynėjų str. 14, Vilnius, Lithuania Register of Legal Entities	100 percent managed by INVL Baltic Farmland, AB	On 31th December 2018 partial modification of the loan agreement No. BFARM/151231/01 of 31-12-2015 for the amount of EUR 312 thousand.	

Director



Eglė Surplienė