



**INVALDA** **INL**

**AB INVALDA INVL**

**Consolidated Interim Condensed Not-audited Financial  
Statements for the six months ended 30 June 2019**

prepared in accordance with International Financial Reporting Standards as adopted  
by the European Union

AB INVALDA INVL

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 30 JUNE 2019

(all amounts are in EUR thousand unless otherwise stated)

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## GENERAL INFORMATION

### Board of Directors

Mr. Alvydas Banys (chairman of the Board)  
Ms. Indrė Mišeikytė  
Mr. Darius Šulnis

### Management

Mr. Darius Šulnis (president)  
Mr. Raimondas Rajeckas (chief financial officer)

### Principal place of business and company code

Gynėjų Str. 14,  
Vilnius,  
Lithuania

Company code 121304349

### Banks

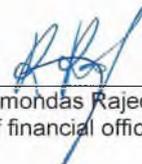
AB Šiaulių Bankas  
AB SEB Bankas  
Luminor Bank AS Lithuania Branch  
"Swedbank" AS  
Luminor Bank AS Latvian Branch  
"Swedbank", AB  
AS "Meridian Trade Bank"

The financial statements were approved and signed by the Management and the Board of Directors on 30 August 2019.



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Mr. Darius Šulnis  
President



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Mr. Raimondas Rajeckas  
Chief financial officer

**Condensed consolidated and Company's income statements**

	Notes	Group		Company	
		I Half Year 2019	I Half Year 2018	I Half Year 2019	I Half Year 2018
Revenue from contracts with customers	3	4,708	3,450	18	16
Other income	8.3	1,924	8,643	1,749	8,596
Net changes in fair value of financial assets at fair value through profit or loss	6, 8.1	5,667	(7,948)	5,376	(8,025)
Employee benefits expenses		(2,840)	(2,230)	(211)	(197)
Funds distribution fees		(134)	(239)	-	-
Amortisation of costs to obtain contracts with customers		(109)	(74)	-	-
Information technology maintenance expenses		(182)	(170)	(5)	(4)
Depreciation and amortisation		(291)	(175)	(10)	(1)
Premises rent and utilities		(78)	(163)	(4)	(15)
Advertising and other promotion expenses		(246)	(122)	-	-
Provision for impairment of financial and contract assets		139	-	139	-
Other expenses	8.4	(1,040)	(749)	(54)	(68)
<b>Operating profit (loss)</b>		<b>7,518</b>	<b>223</b>	<b>6,998</b>	<b>302</b>
Finance costs	8.2	(60)	-	(6)	(6)
Share of net (loss) profit of subsidiaries accounted for using the equity method		-	-	425	(75)
<b>Profit (loss) before income tax</b>		<b>7,458</b>	<b>223</b>	<b>7,417</b>	<b>221</b>
Income tax expenses	7	(277)	(99)	(236)	(97)
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>7,181</b>	<b>124</b>	<b>7,181</b>	<b>124</b>
Attributable to:					
Equity holders of the parent		7,181	124	7,181	124
Basic earnings (deficit) per share (in EUR)	9	0.62	0.01	0.62	0.01
Diluted earnings (deficit) per share (in EUR)	9	0.61	0.01	0.61	0.01

**Condensed consolidated and Company's statements of comprehensive income**

	Group		Company	
	I Half Year 2019	I Half Year 2018	I Half Year 2019	I Half Year 2018
<b>Profit (loss) for the year</b>	<b>7,181</b>	<b>124</b>	<b>7,181</b>	<b>124</b>
Net other comprehensive income (loss) that may be subsequently reclassified to profit or loss	-	-	-	-
Net other comprehensive income (loss) not to be reclassified to profit or loss	-	-	-	-
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>7,181</b>	<b>124</b>	<b>7,181</b>	<b>124</b>
Attributable to:				
Equity holders of the parent	7,181	124	7,181	124

**Condensed consolidated and Company's statements of financial position**

	Notes	Group		Company	
		As at 30 June 2019	As at 31 December 2018	As at 30 June 2019	As at 31 December 2018
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		1,565	217	114	2
Intangible and costs to obtain contracts with customers assets		5,170	4,862	1	1
Investments into subsidiaries	5; 6	8,702	10,144	19,336	20,391
Investments into associates	6	25,788	22,745	25,548	22,499
Financial assets at fair value through profit loss	6	25,531	19,857	21,839	16,385
Deferred income tax asset		492	476	-	-
<b>Total non-current assets</b>		<b>67,248</b>	<b>58,301</b>	<b>66,838</b>	<b>59,278</b>
<b>Current assets</b>					
Trade, other receivables and contract assets		6,879	7,703	5,833	6,640
Prepaid income tax		186	90	166	78
Prepayments and deferred charges		123	88	33	7
Financial assets at fair value through profit loss		-	-	-	-
Other financial assets at amortized cost		374	386	-	-
Cash and cash equivalents		3,061	2,048	1,586	670
<b>Total current assets</b>		<b>10,623</b>	<b>10,315</b>	<b>7,618</b>	<b>7,395</b>
<b>Total assets</b>		<b>77,871</b>	<b>68,616</b>	<b>74,456</b>	<b>66,673</b>

*(cont'd on the next page)*

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

	Notes	Group		Company	
		As at 30 June 2019	As at 31 December 2018	As at 30 June 2019	As at 31 December 2018
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share capital	10	3,456	3,441	3,456	3,441
Own shares	10	(1,247)	(1,233)	(1,247)	(1,233)
Share premium		5,033	4,996	5,033	4,996
Reserves	10	12,991	12,748	12,955	12,718
Retained earnings		52,727	45,552	52,763	45,582
		<b>72,960</b>	<b>65,504</b>	<b>72,960</b>	<b>65,504</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred income tax liability		949	722	949	695
Lease liabilities		1,217	-	101	-
Contract liabilities		378	175	-	-
<b>Total non-current liabilities</b>		<b>1,439</b>	<b>897</b>	<b>1,050</b>	<b>695</b>
<b>Current liabilities</b>					
Current borrowings		-	-	-	-
Lease liabilities		176	-	14	-
Trade payables		454	400	6	4
Income tax payable		65	-	-	-
Contract liabilities		40	22	-	-
Other current liabilities		1,632	1,793	426	470
<b>Total current liabilities</b>		<b>2,367</b>	<b>2,215</b>	<b>446</b>	<b>474</b>
<b>Total liabilities</b>		<b>4,911</b>	<b>3,112</b>	<b>1,496</b>	<b>1,169</b>
<b>Total equity and liabilities</b>		<b>77,871</b>	<b>68,616</b>	<b>74,456</b>	<b>66,673</b>

*(the end)*

## Condensed consolidated and Company's statements of changes in equity

Group	Notes	Reserves					Retained earnings	Total equity
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
<b>Balance as at 31 December 2018</b>		<b>3,441</b>	<b>(1,233)</b>	<b>4,996</b>	<b>1,627</b>	<b>11,121</b>	<b>45,552</b>	<b>65,504</b>
Profit for the six months of 2019		-	-	-	-	-	7,181	7,181
<b>Total comprehensive income (loss) for the six months of 2019</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,181</b>	<b>7,181</b>
Share-based payments	10	-	-	-	237	-	-	237
Changes in reserves		-	-	-	6	-	(6)	-
Increase of share capital	10	15	-	37	-	-	-	52
Acquired own shares	10	-	(14)	-	-	-	-	(14)
<b>Total transactions with owners of the Company, recognised directly in equity</b>		<b>15</b>	<b>(14)</b>	<b>37</b>	<b>243</b>	<b>-</b>	<b>(6)</b>	<b>275</b>
<b>Balance as at 30 June 2019</b>		<b>3,456</b>	<b>(1,247)</b>	<b>5,033</b>	<b>1,870</b>	<b>11,121</b>	<b>52,727</b>	<b>72,960</b>

Group	Notes	Reserves					Retained earnings	Total equity
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
<b>Balance as at 31 December 2017 (as previously reported)</b>		<b>3,441</b>	<b>(1,214)</b>	<b>4,996</b>	<b>950</b>	<b>11,121</b>	<b>44,702</b>	<b>63,996</b>
Changes in accounting policy	2	-	-	-	-	-	960	960
<b>Balance as at 31 December 2017 (restated)</b>		<b>3,441</b>	<b>(1,214)</b>	<b>4,996</b>	<b>950</b>	<b>11,121</b>	<b>45,662</b>	<b>64,956</b>
Profit for the six months of 2018		-	-	-	-	-	124	124
<b>Total comprehensive income (loss) for the six months of 2018</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>124</b>
Share-based payments	10	-	-	-	175	-	-	175
Changes in reserves		-	-	-	453	-	(453)	-
Acquired own shares	10	-	(19)	-	-	-	-	(19)
<b>Total transactions with owners of the Company, recognised directly in equity</b>		<b>-</b>	<b>(19)</b>	<b>-</b>	<b>628</b>	<b>-</b>	<b>(453)</b>	<b>156</b>
<b>Balance as at 30 June 2018</b>		<b>3,441</b>	<b>(1,233)</b>	<b>4,996</b>	<b>1,578</b>	<b>11,121</b>	<b>45,333</b>	<b>65,236</b>

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

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
<b>Balance as at 31 December 2018</b>		<b>3,441</b>	<b>(1,233)</b>	<b>4,996</b>	<b>1,597</b>	<b>11,121</b>	<b>45,582</b>	<b>65,504</b>
Profit for the six months of 2019		-	-	-	-	-	7,181	7,181
Increase of share capital	10	15	-	37	-	-	-	52
Acquired own shares	10	-	(14)	-	-	-	-	(14)
Share-based payments	10	-	-	-	237	-	-	237
<b>Balance as at 30 June 2019</b>		<b>3,456</b>	<b>(1,247)</b>	<b>5,033</b>	<b>1,834</b>	<b>11,121</b>	<b>52,763</b>	<b>72,960</b>

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
<b>Balance as at 31 December 2017 (as previously reported)</b>		<b>3,441</b>	<b>(1,214)</b>	<b>4,996</b>	<b>933</b>	<b>11,121</b>	<b>44,719</b>	<b>63,996</b>
Changes in accounting policy	2	-	-	-	-	-	960	960
<b>Balance as at 31 December 2017 (restated)</b>		<b>3,441</b>	<b>(1,214)</b>	<b>4,996</b>	<b>933</b>	<b>11,121</b>	<b>45,679</b>	<b>64,956</b>
Profit for the six months of 2018		-	-	-	-	-	124	124
Changes in reserves		-	-	-	440	-	(440)	-
Acquired own shares	10	-	(19)	-	-	-	-	(19)
Share-based payments	10	-	-	-	175	-	-	175
<b>Balance as at 30 June 2018</b>		<b>3,441</b>	<b>(1,233)</b>	<b>4,996</b>	<b>1,548</b>	<b>11,121</b>	<b>45,363</b>	<b>65,236</b>

## Condensed consolidated and Company's statements of cash flows

	Notes	Group		Company	
		I Half Year 2019	I Half Year 2018	I Half Year 2019	I Half Year 2018
<b>Cash flows from (to) operating activities</b>					
Net profit (loss) for the period		7,181	124	7,181	124
<b>Adjustments to reconcile result after tax to net cash flows:</b>					
Depreciation and amortisation including amortisation of costs to obtain contracts with customers		400	249	10	1
(Gain) loss on disposal of property, plant and equipment		2	-	-	-
Realized and unrealized loss (gain) on investments	8.1	(5,667)	7,948	(5,376)	8,025
Share of net (loss) profit of subsidiaries accounted for using the equity method		-	-	(425)	75
Interest income		(26)	(24)	(24)	(22)
Interest expenses		60	-	6	6
Deferred taxes	7	211	71	235	97
Current income tax expenses	7	66	28	1	-
Provision for impairment of financial and contract assets		(139)	-	(139)	-
Share-based payments	10	237	175	8	(1)
Dividend income	8.3	(1,882)	(8,617)	(1,714)	(8,574)
		<b>443</b>	<b>(46)</b>	<b>(237)</b>	<b>(269)</b>
<b>Changes in working capital:</b>					
(Increase) decrease in inventories		-	-	-	-
Decrease (increase) in trade, other receivables and contract assets		(267)	487	1	34
Decrease (increase) in other current assets		(35)	(84)	(26)	(17)
(Decrease) increase in trade payables		46	1	(6)	(8)
Increase (decrease) in contract and other liabilities		101	(117)	22	40
		<b>288</b>	<b>(241)</b>	<b>(246)</b>	<b>(220)</b>
<b>Cash flows (to) from operating activities</b>					
Dividends received		2,952	1,436	2,801	1,436
(Acquisition) of held-for-trading financial assets		-	-	-	-
Sale of held-for-trading financial assets		-	1,971	-	1,971
Loans granted		(405)	(55)	(405)	(55)
Repayment of granted loans		-	-	-	-
Interest received		13	13	-	-
Income tax paid		9	(40)	-	-
		<b>2,857</b>	<b>3,566</b>	<b>2,150</b>	<b>3,132</b>
<b>Net cash flows (to) from operating activities</b>					

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## Interim consolidated and Company's condensed statements of cash flows(cont'd)

	Notes	Group		Company	
		I Half Year 2019	I Half Year 2018	I Half Year 2019	I Half Year 2018
<b>Cash flows from (to) investing activities</b>					
Acquisition of non-current assets (intangible and property, plant and equipment)		(19)	(27)	-	-
Proceeds from sale of non-current assets (intangible and property, plant and equipment)		-	-	-	-
Costs to obtain contracts with customers		(561)	(251)	-	-
Acquisition and establishment of subsidiaries, net of cash acquired	5	-	(3)	-	(525)
Proceeds from sales of subsidiaries, net of cash disposed	5	2,036	-	2,036	-
Acquisition of associates	5	(41)	(251)	(41)	(63)
Proceeds from sales of associates	5	-	20	-	20
(Acquisition) of financial assets designated at fair value through profit and loss (except held-for-trading)		(3,351)	(299)	(3,351)	(49)
Sale of financial assets designated at fair value through profit and loss (except held-for-trading)		202	202	99	-
<b>Net cash flows (to) investing activities</b>		<b>(1,734)</b>	<b>(609)</b>	<b>(1,257)</b>	<b>(617)</b>
<b>Cash flows from (to) financing activities</b>					
Cash flows related to Group owners					
Issue of shares	10	52	-	52	-
Acquisition of own shares	10	(14)	(19)	(14)	(19)
Dividends paid to equity holders of the parent		(3)	(3)	(3)	(3)
		35	(22)	35	(22)
Cash flows related to other sources of financing					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-	-	-	-
Lease payments		(85)	-	(6)	-
Interest paid		(60)	-	(6)	-
		(145)	-	(12)	-
<b>Net cash flows (to) from financing activities</b>		<b>(110)</b>	<b>(22)</b>	<b>23</b>	<b>(22)</b>
<b>Impact of currency exchange on cash and cash equivalents</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>1,013</b>	<b>2,935</b>	<b>916</b>	<b>2,493</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2,048</b>	<b>2,133</b>	<b>670</b>	<b>1,050</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,061</b>	<b>5,068</b>	<b>1,586</b>	<b>3,543</b>

(the end)

## AB INVALIDA INVL

### INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

(all amounts are in EUR thousand unless otherwise stated)

## Notes to the interim condensed financial statements

### 1 General information

AB Invalda INVL (hereinafter the Company) is a joint stock company registered in the Republic of Lithuania on 20 March 1992. The address of the office is as follows:

Gynėjų g. 14,  
Vilnius,  
Lithuania.

The Group consists of the Company and its directly and indirectly owned consolidated subsidiaries (hereinafter the Group, Note 1 of annual financial statements for year ended 31 December 2018).

The Company is incorporated and domiciled in Lithuania. AB Invalda INVL is one of the leading asset management groups and one of the major companies investing in other businesses in the Baltic whose primary objective is to steadily increase the investors equity value, solely for capital appreciation or investment income (in the form of dividends and interest). The Company's main investments are in asset management, agriculture, facility management and real estate (from 2016) segments. Asset management segment is strategic investment of the Company. The entities of the asset management segment manage pension, bond and equity investments funds, alternative investments, individual portfolios, private equity and other financial instruments. They serve more than 200 thousand clients in Lithuania and Latvia, plus international investors, with total assets under management of over EUR 900 million.

In respect of each business the Company defines its performance objectives, sets up the management team, participates in the development of the business strategy and monitors its implementation. The Company plays an active role in making the decisions on strategic and other important issues that have an effect on the value of the Group companies.

The Company's shares are traded on the Baltic Secondary List of Nasdaq Vilnius.

As at 30 June 2019 and 31 December 2018 the shareholders of the Company were (by votes)\*:

	30 June 2019		31 December 2018	
	Number of votes held	Percentage	Number of votes held	Percentage
UAB LJB Investments	3,515,855	30.28%	3,515,855	30.41%
Mrs. Irena Ona Mišeikienė	3,369,435	29.02%	3,369,435	29.15%
UAB Lucrum Investicija	2,401,442	20.68%	2,401,442	20.77%
Mr. Alvydas Banys	910,875	7.85%	910,875	7.88%
Ms. Indrė Mišeikytė	236,867	2.04%	236,867	2.05%
Other minor shareholders	1,176,017	10.13%	1,125,663	9.74%
Total	11,610,491	100.00%	11,560,137	100.00%

\*Votes were calculated according to law applicable on 30 June 2019 and 31 December 2018, respectively.

The shareholders of the Company – Mr. Alvydas Banys, UAB LJB Investments, Mrs. Irena Ona Mišeikienė, Ms. Indrė Mišeikytė, Mr. Darius Šulnis and UAB Lucrum Investicija – have signed the agreement on the implementation of a long-term corporate governance policy. So their votes are counted together (89.87%).

## **2 Basis of preparation and accounting policies**

### **Basis of preparation**

The interim condensed financial statements for the six months ended 30 June 2019 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 annual financial statements as at 31 December 2018.

### **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 and the Company's annual financial statements for the year ended 31 December 2018, except adoption of new Standards and Interpretations as of 1 January 2019, noted below.

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

- IFRS 16 *Leases* (effective for annual periods beginning on or after 1 January 2019);
- IFRIC 23 *Uncertainty over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019);
- *Annual Improvements* to IFRSs 2015-2017 cycle (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures* (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation* (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement* (effective for annual periods beginning on or after 1 January 2019).

#### **IFRS 16 Leases**

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group and the Company has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The Group and the Company recognized right of use assets and lease liability of EUR 1,478 thousand and EUR 121 thousand, respectively (in the caption 'Property, plant and equipment' of the statements of financial position). In the income statement depreciation of lease assets (the Group: EUR 109 thousand, the Company: EUR 9 thousand) and interest on lease liabilities (the Group: EUR 60 thousand, the Company: EUR 6 thousand) replaced previously recognised lease expenses (the Group: EUR 144 thousand, the Company: EUR 12 thousand). The maturity of lease agreements is until 2025. The Group's and Company's weighted average of the lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 8.85 percent and 10.29 percent, respectively.

The other amendments to existing standards and interpretation are not relevant to the Group and the Company.

Quantitative information for 1<sup>st</sup> Half Year of 2018, related with application of IFRS 15, has been restated in these financial statements, given that, following the audit, impact of application of IFRS 15 was revised in the financial statements for 2018.

### **3 Segment information**

The Board of Directors monitors the operating results of the business units of the Group separately for the purpose of making decisions about resource allocations and performance assessment. After becoming investment entity the performance of segments excluding asset management segment is evaluated based on changes in fair value of investments, including dividends income received by the Company. Asset management segment's performance is evaluated based on net profit or loss. Group financing (including finance costs and finance income) and income taxes are allocated between segments as they are identified on basis of separate legal entities. Consolidation adjustments and eliminations are not allocated on a segment basis. Segment assets are measured in a manner consistent with that of the financial statements. All assets are allocated between segments, because segments are identified on a basis of separate legal entities. The granted loans by the Company are allocated to segment's, to which entities they are granted, assets. The impairment losses of these loans are allocated to a segment to which the loan was granted initially.

For management purposes, the Group is organised into following operating segments based on their products and services:

#### Asset management

The asset management segment includes pension, investment funds, private equity, alternative investments and portfolio management, financial brokerage and land administration services.

#### Agriculture

Agricultural activities include the primary crop and livestock (milk) production, feed production and grain processing and agricultural services.

#### Facility management

The facility management segment includes facility management of dwelling-houses, commercial and public real estate properties.

#### Real estate

The real estate segment is investing in investment properties held for future development and in commercial real estate and its rent.

#### All other segments

All other segments are involved in road signs production, wood manufacturing. The Group also presents investment, financing and management activities of the holding company in this column, as these are not analysed separately by the Board of Directors.

Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in column 'Inter-segment transactions and consolidation adjustments'.

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**3 Segment information (cont'd)**

The following table presents measurement of segments results after becoming investment entity on the basis of changes in fair value:

	Agriculture	Facility management	Real estate	All other segments	Total
<b>Reporting period ended 30 June 2019</b>					
Net changes in fair value on financial assets	2,923	41	84	2,328	5,376
<b>Total changes in fair value</b>	<b>2,923</b>	<b>41</b>	<b>84</b>	<b>2,328</b>	<b>5,376</b>

	Agriculture	Facility management	Real estate	All other segments	Total
<b>Reporting period ended 30 June 2018</b>					
Net changes in fair value on financial assets	196	(1,328)	(318)	(6,575)	(8,025)
<b>Total changes in fair value</b>	<b>196</b>	<b>(1,328)</b>	<b>(318)</b>	<b>(6,575)</b>	<b>(8,025)</b>

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2019:

	Asset management	Agriculture	Facility management	Real estate	All other segments	Inter-segment transactions and consolidation adjustments	Total
<b>Period ended 30 June 2019</b>							
<b>Revenue</b>							
Sales to external customers	4,691	-	-	-	17	-	4,708
Inter-segment sales	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>4,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>4,708</b>
<b>Results</b>							
Other income	175	-	205	554	990	-	1,924
Net changes in fair value of financial assets	291	2,923	41	84	2,328	-	5,667
Impairment of financial assets	-	-	-	-	139	-	139
Segment expenses	(4,690)	-	-	-	(290)	-	(4,980)
Profit (loss) before income tax	467	2,923	246	638	3,184	-	7,458
Income tax credit (expenses)	(41)	-	-	-	(236)	-	(277)
<b>Net profit (loss) for the period</b>	<b>426</b>	<b>2,923</b>	<b>246</b>	<b>638</b>	<b>2,948</b>	<b>-</b>	<b>7,181</b>
Attributable to:							
Equity holders of the parent	426	2,923	246	638	2,948	-	7,181
Non-controlling interest	-	-	-	-	-	-	-

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**3 Segment information (cont'd)**

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2018:

	<b>Asset management</b>	<b>Agriculture</b>	<b>Facility management</b>	<b>Real estate</b>	<b>All other segments</b>	<b>Inter-segment transactions and consolidation adjustments</b>	<b>Total</b>
<b>Period ended 30 June 2018</b>							
<b>Revenue</b>							
Sales to external customers	3,434	-	-	-	16	-	3,450
Inter-segment sales	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>3,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>3,450</b>
<b>Results</b>							
Other income	47	-	535	551	7,510	-	8,643
Net changes in fair value of financial assets	77	196	(1,328)	(318)	(6,575)	-	(7,948)
Segment expenses	(3,636)	-	-	-	(286)	-	(3,922)
Profit (loss) before income tax	(78)	196	(793)	233	665	-	223
Income tax credit (expenses)	(2)	-	-	-	(97)	-	(99)
<b>Net profit (loss) for the period</b>	<b>(80)</b>	<b>196</b>	<b>(793)</b>	<b>233</b>	<b>568</b>	<b>-</b>	<b>124</b>
Attributable to:							
Equity holders of the parent	(80)	196	(793)	233	568	-	124
Non-controlling interest	-	-	-	-	-	-	-

The following table represents segment assets of the Group operating segments as at 30 June 2019 and 31 December 2018:

<b>Segment assets</b>	<b>Asset management</b>	<b>Agriculture</b>	<b>Facility management</b>	<b>Real estate</b>	<b>All other segments</b>	<b>Elimination</b>	<b>Total</b>
At 30 June 2019	14,168	15,146	4,343	10,402	33,941	(129)	77,871
At 31 December 2018	12,174	12,223	3,996	10,276	29,966	(19)	68,616

The following table represents segment liabilities of the Group operating segments as at 30 June 2018 and 31 December 2017:

<b>Segment liabilities</b>	<b>Asset management</b>	<b>Agriculture</b>	<b>Facility management</b>	<b>Real estate</b>	<b>All other segments</b>	<b>Elimination</b>	<b>Total</b>
At 30 June 2019	3,544	-	-	-	1,496	(129)	4,911
At 31 December 2018	1,942	-	-	-	1,189	(19)	3,112

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#### 4 Dividends

In 2019 and 2018 dividends were not declared.

#### 5 Investment into subsidiaries and associates

##### 1<sup>st</sup> Half Year of 2019

In February 2019 the subsidiaries UAB BSGF Sanus and BSGF Fortis were sold to a closed-end private equity fund INVL Baltic Sea Growth Fund for EUR 304 thousand. Entities were established for the benefit of this fund and, therefore, were sold for price equalled to investment amount.

In 1<sup>st</sup> Half Year of 2019 convertible bonds of UAB MD Partners were redeemed for EUR 1,732 thousand.

During the six months of 2019 the Company has additionally acquired shares of INVL Baltic Real Estate for EUR 41 thousand on the stock exchange.

In 1<sup>st</sup> Half Year of 2019 the Company has granted loans of EUR 105 thousand to UAB Kelio ženklai and loans of EUR 300 thousand to UAB Įmonių grupė Inservis. Latter loan was used to acquire from the state 51.67% stake in UAB Informacinio Verslo Paslaugų Įmonė for EUR 352 thousand. The transaction with the state entity Turto Bankas was completed on 31 January 2019. After this transaction, the Group increased its shareholding in UAB Informacinio Verslo Paslaugų Įmonė up to 88.7 percent. UAB Informacinio Verslo Paslaugų Įmonė has a licence of payment institution issued by the Bank of Lithuania. The company administers taxes on energy and utilities provided to residents, provides services to companies and institutions.

In March 2019 UAB Litagra is acquired additional 10% of own shares from its other shareholders. Therefore, owned voting rights of UAB Litagra is increased to 45.53%.

##### 1<sup>st</sup> Half Year of 2018

##### Increase of share capital

In May 2018 the Company has additional invested EUR 522 thousand into the share capital of UAB INVL Asset Management.

In May 2018 the Company has established UAB MD Partners by investing EUR 3 thousand. The entity has owned 37.5% of HEIM Partners Limited shares (other shareholders is the European Bank for Reconstruction and Development (37.5% of shares) and subsidiary of fund managed by Ukrainian private equity manager Horizon Capital (25% of shares)). On 22 June 2018 HEIM Partners Limited signed a Pre-Contract with the Moldovan Agency for Public Property regarding the participation in the auction to acquire a stake of 41.09% in the largest Moldovan bank Moldova-Agroindbank (MAIB). The acquisition was completed on 2 October 2018.

##### Acquisition of shares of INVL Baltic Real Estate

During the six months of 2018 the Company has additionally acquired shares of INVL Baltic Real Estate for EUR 63 thousand on the stock exchange. From 2 May 2018 the Company publicly offered to buy shares of INVL Baltic Real Estate in accordance with the approved Prospectus. During the six months of 2018 the shares in accordance with the Prospectus were sold for EUR 20 thousand.

##### Acquisition of UAB Mundus

On 2 February 2018 the Group has acquired 51% shares of UAB Mundus for EUR 265 thousand (all amount would be paid in cash, contingent consideration is amounted to EUR 77 thousand). Until 30 June 2018 EUR 188 thousand was paid. At 30 June 2018 was not satisfied one of condition of contingent consideration and, therefore, the obligation to pay contingent consideration is lapsed. Therefore, the Group has recognised gain from changes in fair value of contingent consideration of EUR 50 thousand in 1<sup>st</sup> Half Year of 2018. The acquiree operates in Lithuania and has managed one investment fund, which invest into private debt investments of fast growing alternative finance companies. As of 31 December 2017 the entity managed EUR 13.7 million of assets. The 49% shares of UAB Mundus are owned by two key management personnel of entity. With them is signed shareholders agreement in November 2017. According to the agreement it is required consent of one of other shareholder to direct the relevant activities of the entity. In the agreement is not specified with which of other shareholder have to be agreed decisions regarding the relevant activities of the entity. Therefore, the Group had not control or joint control over entity and accounted the investment as associate at fair value, because the Company is investment entity.

## **6 Financial assets and fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As the Split-off completed in 2014 the Company is investment entity in accordance with IFRS 10. Subsidiaries and associates are measured at fair value through profit or loss.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on arm's length basis. The quoted market price used for financial assets held by the Group is the measurement date exchange closing price.

The valuation of Level 3 instruments are performed by the Company's employees, analysts, every quarter. The value are estimated as at the last day of quarter. The management of the Company review the valuations prepared by analysts.

Investment into shares of UAB Litagra (agriculture segment) was measured by average of two methods - using EBITDA multiplier method with deduction of net debt and using Price to book value (P/BV) multiplier method. It was used EBITDA for last three trailing 12 months periods ended at the end of reporting period with bigger weight for last 12 months period figures.

Investment in facility management entities was measured using trailing twelve months EBITDA and applying a multiplier of comparable entity City Service SE, operating in Lithuania and listed on the Warsaw Exchange. It was decided not to use other foreign companies' multipliers, which were higher than the one used in the calculations due to the fact that facility management is local business dependent on varying Lithuanian legal and business environment. Other facility management entities operating in Lithuania are not public companies.

UAB Kelio Ženklaai was measured according to fair value of its assets and liabilities. The main assets - buildings - of UAB Kelio Ženklaai was valued using sales comparison method. On the assessment the value of UAB Kelio Ženklaai reflects its liquidation value.

UAB Mundus was measured using its assets under management and applying a multiplier of assets under management and discount for the small size of the entity and lack of marketability. The multiplier of assets under management is based on ratio between market value of comparable assets management entity and its assets under management.

Investments into UAB MD Partners are measured as fair value of net assets value of entity, where main indirectly owned assets – investment into MAIB bank – are measured by average as two methods – using price to earnings (P/E) and P/BV multiplier method of comparable banks and applying discount at which investment was acquired.

Dormant entities are measured according to its equity, because they have only cash and current liabilities.

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**6 Financial assets and fair value hierarchy (cont'd)**

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company as at 30 June 2019:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Facility management (Level 3)	4,343	Comparable companies in the market	EBITDA multiple	11.3
			EBITDA, EUR thousand	329
Agriculture (UAB Litagra) (Level 3)	15,146	Comparable companies in the market	EBITDA multiple	10.63-12.28
			P/BV	0.6-0.96
			EBITDA, EUR thousand	3,162
			Discount for lack of marketability	10%
Assets management (UAB Mundus) (Level 3)*	240	Comparable companies in the market	Assets under management, EUR thousand	22,304
			Assets under management multiple	0.0208
			Discount for the small size of the entity and lack of marketability	20%
			Fair value of net assets	-
Road signs production, wood manufacturing and dormant SPEs (Level 3)	556	Fair value of net assets	-	-
Investment entity (UAB MD partners, investment into MAIB) (Level 3)	3,709	Comparable companies in the market	P/BV multiple	0.70
			P/E multiple	5.64
			Net profit, EUR thousand	29
			Equity, EUR thousand	197
			Discount for the small size of the entity and lack of marketability	69%
Investment entity (UAB Cedus Invest) (Level 2)	84	Fair value of net assets	-	-
Dormant SPEs (Level 2)	10	Fair value of net assets	-	-

\*Actual only to the Group

**6 Financial assets and fair value hierarchy (cont'd)**

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company as at 31 December 2018:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Facility management (Level 3)	3,996	Comparable companies in the market	EBITDA multiple	11.9
			EBITDA, EUR thousand	310
Agriculture (UAB Litagra) (Level 3)	12,223	Comparable companies in the market	EBITDA multiple	8.85-10.97
			P/BV	0.67-0.85
			EBITDA, EUR thousand	2,805
Assets management (UAB Mundus) (Level 3)*	246	Comparable companies in the market	Discount for lack of marketability	10%
			Assets under management, EUR thousand	18,634
			Assets under management multiple	0.0248
			Discount for the small size of the entity and lack of marketability	20%
Road signs production, wood manufacturing and dormant SPEs (Level 3)	518	Fair value of net assets	-	-
			Fair value of net assets	
Investment entity (UAB MD partners, investment into MAIB) (Level 3)	5,314	Fair value of net assets	P/BV multiple	0.81
			P/E multiple	7.3
			Net profit, EUR thousand	27
			Equity, EUR thousand	199
			Discount for the small size of the entity and lack of marketability	69%
Dormant SPEs (Level 2)	316	Fair value of net assets	-	-

\*Actual only to the Group

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**6 Financial assets and fair value hierarchy (cont'd)**

The table below presents the effect of changing one or more those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions:

Profile of activities	Unobservable inputs	Reasonable possible shift +/- (absolute value/bps/%)	Change in Valuation +/-	
			As at 30 June 2019	As at 31 December 2018
Facility management (Level 3)	EBITDA multiple	1	310/(310)	310/(310)
	EBITDA	5 %	186/(186)	184/(184)
Agriculture (UAB Litagra) (Level 3)	EBITDA multiple	0.5	235/(235)	179/(179)
	P/BV multiple	0.1	763/(763)	712/(712)
	EBITDA	5 %	390/(390)	275/(275)
	Discount for lack of marketability	100 bps	(168)/168	(136)/136
Investment entity (UAB MD partners, investment into MAIB) (Level 3)	P/BV	0.1	239/(239)	242/(242)
	P/E	1	354/(354)	330/(330)
	Net profit, EUR thousand	5%	100/(100)	120/(120)
	Equity, EUR thousand	5%	84/(84)	98/(98)
	Discount for lack of marketability and country risk	100 bps	(120)/120	(142)/142

The Management Board of the Company on 5 February 2019 approved entering into INVL Baltic Sea Growth Fund Partnership Agreement and a Subscription Agreement related to investment in the closed-end private equity fund INVL Baltic Sea Growth Fund (hereinafter – BSGF), which is managed by subsidiary UAB INVL Asset Management. The Company will invest EUR 19.15 million in BSGF. It is provided that the capital committed to the fund will be called in stages, for the execution of specific transactions. After the investment in BSGF is made, the Company undertakes not to invest in private equity assets that comply with the fund's strategy and to conduct its main investment activity through this fund. Initially the Company's investment will comprise less than 20 per cent of the capital committed to the fund, while after the second closing it is envisaged that the Company's investment may decrease to less than 10 per cent of the total capital committed to the fund.

In February 2019 was completed first closing of BSGF at 106 EUR million. Until issue of financial statements, the Company has transferred EUR 3,342 thousand of cash into BSGF.

During 1<sup>st</sup> Half Year 2019 and 1<sup>st</sup> Half Year 2018 the Company has additionally acquired shares of INVL Technology for EUR 9 thousand and for EUR 39 thousand on the stock exchange, respectively. During 1<sup>st</sup> Half Year 2018 The Company has sold all owned shares of AB Žemaitijos pienas for EUR 1.971 thousand.

**6 Financial assets and fair value hierarchy (cont'd)**

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2019:

	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
<b>Subsidiaries</b>				
- Facilities management	-	-	4,343	4,343
- Bank sector	-	-	3,709	3,709
- Other activities	-	94	556	650
<b>Associates</b>				
- Agriculture	-	-	15,146	15,146
- Real estate	10,402	-	-	10,402
- Asset Management	-	-	240	240
<b>Financial assets at fair value through profit or loss</b>				
- Information technology	3,393	-	-	3,393
- Bank sector	16,789	-	-	16,789
- Other ordinary shares	1	80	494	575
- Collective investment undertaking - funds	-	328	4,446	4,774
<b>Total Assets</b>	<b>30,585</b>	<b>502</b>	<b>28,934</b>	<b>60,021</b>
<b>Liabilities</b>	-	-	61	61

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2019:

	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
<b>Subsidiaries</b>				
- Facilities management	-	-	4,343	4,343
- Bank sector	-	-	3,709	3,709
- Other activities	-	94	556	650
<b>Associates</b>				
- Agriculture	-	-	15,146	15,146
- Real estate	10,402	-	-	10,402
<b>Financial assets at fair value through profit or loss</b>				
- Information technology	3,010	-	-	3,010
- Bank sector	14,992	-	-	14,992
- Other ordinary shares	-	80	494	574
- Collective investment undertaking - funds	-	-	3,263	3,263
<b>Total Assets</b>	<b>28,404</b>	<b>174</b>	<b>27,511</b>	<b>56,089</b>
<b>Liabilities</b>	-	-	-	-

**6 Financial assets and fair value hierarchy (cont'd)**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018:

	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
<b>Subsidiaries</b>				
- Facilities management	-	-	3,996	3,996
- Bank sector	-	-	5,314	5,314
- Other activities	-	316	518	834
<b>Associates</b>				
- Agriculture	-	-	12,223	12,223
- Real estate	10,276	-	-	10,276
- Asset Management	-	-	246	246
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>				
- Information technology	2,833	-	-	2,833
- Bank sector	14,796	-	-	14,796
- Other ordinary shares	1	167	494	662
- Collective investment undertakings - funds	-	396	1,170	1,566
<b>Total Assets</b>	<b>27,906</b>	<b>879</b>	<b>23,961</b>	<b>52,746</b>
<b>Liabilities</b>	-	-	52	52

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2018:

	Level 1	Level 2	Level 3	Total balance
<b>Assets</b>				
<b>Subsidiaries</b>				
- Facilities management	-	-	3,996	3,996
- Bank sector	-	-	5,314	5,314
- Other activities	-	316	518	834
<b>Associates</b>				
- Agriculture	-	-	12,223	12,223
- Real estate	10,276	-	-	10,276
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>				
- Information technology	2,512	-	-	2,512
- Bank sector	13,212	-	-	13,212
- Other ordinary shares	-	167	494	661
<b>Total Assets</b>	<b>26,000</b>	<b>483</b>	<b>22,545</b>	<b>49,028</b>
<b>Liabilities</b>	-	-	-	-

During the 1<sup>st</sup> Half Year of 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

**6 Financial assets and fair value hierarchy (cont'd)****Financial instruments in Level 3**

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The following table presents the changes in Level 3 instruments of Company and Group for the period ended 30 June 2019:

	Facilities management	Agriculture	Assets management*	Bank sector	Other activities	Collective investment undertakings**	Total
<b>Balance at 31 December 2018</b>	<b>3,996</b>	<b>12,223</b>	<b>246</b>	<b>5,314</b>	<b>1,012</b>	<b>1,170</b>	<b>23,961</b>
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	41	2,923	(6)	127	(85)	(66)	2,934
Loans granted	300	-	-	-	105	-	405
Interest charged	6	-	-	-	18	-	24
Redemption of convertible bonds	-	-	-	(1,732)	-	-	(1,732)
Acquisition	-	-	-	-	-	3,342	3,342
<b>Balance at 30 June 2019</b>	<b>4,343</b>	<b>15,146</b>	<b>240</b>	<b>3,709</b>	<b>1,050</b>	<b>4,446</b>	<b>28,934</b>
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	41	2,923	(6)	127	(85)	(66)	2,934

\* This caption are actual only to the Group.

\*\*In this caption the Company's numbers are: acquisition – EUR 3,342 thousand, net changes in fair value – EUR (79) thousand, balance at 30 June 2019 – EUR 3,263 thousand.

The following table presents the changes in Level 3 instruments of Company and Group for the period ended 30 June 2018:

	Facilities management	Agriculture	Assets management*	Other activities	Collective investment undertakings*	Total
<b>Balance at 31 December 2017</b>	<b>3,579</b>	<b>9,972</b>	<b>-</b>	<b>972</b>	<b>554</b>	<b>15,077</b>
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	(1,328)	196	(27)	(198)	48	1,309
Loans granted	-	-	-	55	-	55
Interest charged	-	-	-	22	-	22
Reclassification from available-for-sale	-	-	-	494	-	494
Acquisition	-	-	265	-	150	415
<b>Balance at 30 June 2018</b>	<b>2,251</b>	<b>10,168</b>	<b>238</b>	<b>1,345</b>	<b>752</b>	<b>14,754</b>
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	1,328	196	(27)	(198)	48	1,309

\* These captions are actual only to the Group.

**6 Financial assets and fair value hierarchy (cont'd)****Financial instruments in Level 3 (cont'd)**

The following table presents the changes in the contingent consideration (Level 3 financial liability measurement) of the Group for the period ended 30 June 2018 and 2019:

	<u>I Half Year 2019</u>	<u>I Half Year 2018</u>
<b>At 1 January</b>	<b>(52)</b>	-
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	(27)	50
Paid	18	-
Contingent consideration for acquisition of associate (Note 5)	-	(77)
<b>At 30 June</b>	<b>(61)</b>	<b>(27)</b>
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(27)	50

**7 Income tax**

	<b>Group</b>		<b>Company</b>	
	<u>I Half Year 2019</u>	<u>I Half Year 2018</u>	<u>I Half Year 2019</u>	<u>I Half Year 2018</u>
<b>Components of income tax expense</b>				
Current income tax charge	(66)	(28)	(1)	-
Prior year current income tax correction	-	-	-	-
Deferred income tax credit (expense)	(211)	(71)	(235)	(97)
Income tax (expenses) credit charged to the income statement	<u>(277)</u>	<u>(99)</u>	<u>(236)</u>	<u>(97)</u>

**8 Other revenues and expenses****8.1. Net changes in fair value on financial assets**

	<b>Group</b>		<b>Company</b>	
	<u>I Half Year 2019</u>	<u>I Half Year 2018</u>	<u>I Half Year 2019</u>	<u>I Half Year 2018</u>
Net gain (loss) from revaluation of subsidiaries and associates	3,168	(9,047)	3,173	(9,071)
Gain (loss) from financial assets designated at fair value through profit and loss on initial recognition	2,499	687	2,203	634
Net gain (loss) from financial assets held for trading	-	412	-	412
<i>Net gain (loss) from financial assets at fair value through profit and loss, total</i>	<u>5,667</u>	<u>(7,948)</u>	<u>5,376</u>	<u>(8,025)</u>

During the 1<sup>st</sup> Half Year of 2018 loss from revaluation of subsidiaries was determined by approved dividends of EUR 7,200 thousand from UAB Cedus Invest recognised as dividend income.

**8 Other revenues and expenses (cont'd)****8.2. Finance expenses**

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>
Interest expenses	(60)	-	(6)	(6)
	<u>(60)</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>

**8.3. Other income**

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>
Interest income	26	24	24	22
Dividend income	1,882	8,617	1,714	8,574
Other income	16	2	11	-
	<u>1,924</u>	<u>8,643</u>	<u>1,749</u>	<u>8,596</u>

**8.4. Other expenses**

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>
Vehicles maintenance costs	(103)	(93)	(1)	(1)
Repairs and maintenance cost of premises	(45)	(20)	(2)	-
Taxes	(224)	(171)	(10)	(9)
Professional services	(98)	(96)	(5)	(2)
Fees for securities	(173)	(163)	(12)	(11)
Other expenses	(397)	(206)	(24)	(45)
	<u>(1,040)</u>	<u>(749)</u>	<u>(54)</u>	<u>(68)</u>

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**9 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 six months ended 30 June 2019 and 2018 were as follows:

<b>Calculation of weighted average for the six months ended 30 June 2019</b>	<b>Number of shares (thousand)</b>	<b>Par value</b>	<b>Issued/181 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2018	11,560	0.29	181/181	11,560
Increase of share capital as at 23 May 2019	52	0.29	38/181	11
Own shares acquired as at 12 June 2019	(2)	0.29	18/181	0
Shares issued as at 30 June 2019	11,610	-	-	11,571

<b>Calculation of weighted average for the six months ended 30 June 2018</b>	<b>Number of shares (thousand)</b>	<b>Par value</b>	<b>Issued/181 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2017	11,564	0.29	181/181	11,564
Own shares acquired as at 23 May 2018	(4)	0.29	38/181	(1)
Shares issued as at 30 June 2018	11,560	-	-	11,563

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

	<b>Group</b>		<b>Company</b>	
	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>
Net profit (loss), attributable to equity holders of the parent for basic earnings (EUR thousand)	7,181	124	7,181	124
Weighted average number of ordinary shares (thousand)	11,571	11,563	11,571	11,563
Basic earnings (deficit) per share (EUR)	0.62	0.01	0.62	0.01

9 Earnings per share (cont'd)

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2019:

	Number of shares (thousand)	Issued/181 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	11,571
Potential dilutive shares from share-based payment (granted on 2 May 2016)	43	142/181	34
Potential dilutive shares from share-based payment (granted on 3 May 2017)	11	181/181	11
Potential dilutive shares from share-based payment (granted on 16 May 2017)	53	181/181	53
Potential dilutive shares from share-based payment (granted on 03 May 2018)	49	181/181	49
Potential dilutive shares from share-based payment (granted on 6 May 2019)	58	55/181	18
Weighted average number of ordinary shares for diluted earnings per share	-	-	11,736

The following table reflects the income data used in the diluted earnings per share computations during the six months of 2019:

	Group	Company
Net profit, attributable to the equity holders of the parent	7,181	7,181
Weighted average number of ordinary and potential shares (thousand)	11,736	11,736
Diluted earnings per share (EUR)	0.61	0.61

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2018:

	Number of shares (thousand)	Issued/181 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	11,563
Potential dilutive shares from share-based payment (granted on 2 May 2016)	43	181/181	43
Potential dilutive shares from share-based payment (granted on 3 May 2017)	12	181/181	12
Potential dilutive shares from share-based payment (granted on 16 May 2017)	53	181/181	53
Potential dilutive shares from share-based payment (granted on 03 May 2018)	49	58/181	16
Weighted average number of ordinary shares for diluted earnings per share	-	-	11,687

The following table reflects the income data used in the diluted earnings per share computations during the six months of 2018:

	Group	Company
Net profit, attributable to the equity holders of the parent	124	124
Weighted average number of ordinary and potential shares (thousand)	11,687	11,687
Diluted earnings per share (EUR)	0.01	0.01

**10 Acquisition of own shares and share capital**

*1<sup>st</sup> Half Year of 2019*

On 23 May 2019 the Register of Legal Entities has registered an increased authorised capital of the Company. Since that date the total number of issued shares is 11,918,899 with a par value of EUR 0.29 per share. Authorised share capital of the Company is amounted to EUR 3,456,480.71. has changed. It was issued 52,906 ordinary registered shares with an issue price of EUR 1. The shares were issued in order to realise the stock options granted in 2016 to the employees of the Group.

From 28 May 2019 until 10 June 2019 the Company implemented share buy-back through the tender offer market. Maximum number of shares to be acquired was 200,000. Share acquisition price established at EUR 5.67 per share. During buy-back 2,552 shares (0.02% of share capital) were acquired for EUR 14 thousand, including brokerage fees. The acquired shares were settled on 12 June 2019.

*1<sup>st</sup> Half Year of 2018*

From 7 May 2018 until 21 May 2018 the Company implemented share buy-back through the tender offer market. Maximum number of shares to be acquired was 200,000. Share acquisition price established at EUR 5.53 per share. During buy-back 3,396 shares (0.03% of share capital) were acquired for EUR 19 thousand, including brokerage fees. The acquired shares were settled on 23 May 2018.

Share based payments reserve

The share-based payment transactions reserve is used to recognise the value of equity-settled share-based payment transactions provided to key management personnel.

The Company every year offered to employees of the Group the share options transaction. The main conditions of transactions were:

- The employee has the right to acquire the shares after three years after conclusion of the share options agreements, early exercising is not allowed;
- Option exercise price – EUR 1;
- Some transactions have service vesting condition. The right to acquire share in the part of transactions come in to force in future in three years, if the employment contract is not terminated until mentioned dates.
- When the time to exercise is matures the right to acquire the shares will be realized by selling of own shares of the Company or by offering to sign newly issued shares of the Company to employee;
- The options could not be sold.

The value of share-based payments was calculated using the Black-Scholes formula. For volatility input is used historical shares volatility on exchange.

Set out below are summaries of options granted by the Company:

	<b>Number of options, thousand</b>	
	<b>I Half Year 2019</b>	<b>I Half Year 2018</b>
<b>Balance as at 1 January</b>	<b>201</b>	<b>140</b>
Granted during period	70	60
Change in accrued number for rendered services at year-end	(9)	(8)
Exercised during period	(53)	-
<b>Balance as at 30 June</b>	<b>209</b>	<b>192</b>
Vested and exercisable at 30 June	166	169

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**10 Acquisition of own shares and share capital (cont'd)**

Share options outstanding at the end of the year have following expiry dates and inputs to measure fair value:

<b>As at 30 June 2019</b>	<b>Expiry date</b>	<b>Share options, thousand</b>	<b>Share price</b>	<b>Volatility</b>	<b>Expected dividend yield</b>	<b>Risk-free interest rate</b>	<b>Fair value of share option</b>
Granted on 3 May 2017	3 May 2020	14	4.35	33.58%	0%	(0.641%)	3.33
Granted on 16 May 2017	3 May 2020	65	4.55	33.60%	0%	(0.578%)	3.53
Granted on 03 May 2018	3 May 2021	60	5.25	32.38%	0%	(0.423%)	4.24
Granted on 05 May 2019	6 May 2022	70	5.65	30.90%	0%	(0.566%)	4.63
<b>Total</b>	-	<b>209</b>	-	-	-	-	-

<b>As at 31 December 2018</b>	<b>Expiry date</b>	<b>Share options, thousand</b>	<b>Share price</b>	<b>Volatility</b>	<b>Expected dividend yield</b>	<b>Risk-free interest rate</b>	<b>Fair value of share option</b>
Granted on 2 May 2016	2 May 2019	53	3.91	36.52%	0%	(0.448%)	2.90
Granted on 3 May 2017	3 May 2020	14	4.35	33.58%	0%	(0.641%)	3.33
Granted on 16 May 2017	3 May 2020	65	4.55	33.60%	0%	(0.578%)	3.53
Granted on 03 May 2018	3 May 2021	60	5.25	32.38%	0%	(0.423%)	4.24
Accrued on 31 December 2018	30 April 2022	9	4.70	31.37%	0%	(0.498%)	3.68
<b>Total</b>	-	<b>201</b>	-	-	-	-	-

During the 1<sup>st</sup> Half Year of 2019 and 1<sup>st</sup> Half Year of 2018 the share-based payment expenses were recognised in the income statement of the Company and the Group within "Employee benefits expenses" as the fair value of share options right away. During the 1<sup>st</sup> Half Year of 2019 and 1<sup>st</sup> Half Year of 2018 the Group has recognized EUR 237 thousand and EUR 175 thousand of expenses, respectively. During the 1<sup>st</sup> Half Year of 2019 the Company has recognised EUR 8 thousand of expenses and EUR 229 thousand as additional investment to consolidated subsidiaries. During the 1<sup>st</sup> Half Year of 2018 the Company has recognised EUR 176 thousand as additional investment to consolidated subsidiaries.

## 11 Related party transactions

The related parties of the Group in during the 1<sup>st</sup> Half Year of 2018 and 2017 were unconsolidated subsidiaries, associates, joint ventures, the shareholders of the Company, who have joint control or significance influence (Note 1) and key management personnel, including companies under control or joint control of key management and shareholders having significant influence or joint control and including companies, where shareholders having joint control over the Company are key management personnel or having significant influence. To the other related parties are attributed entities left the Group during split-off occurred in 2014, because shareholders having joint control over the Company are key management personnel of these entities or having significant influence. To the related parties of the Company are also attributed consolidated subsidiaries.

Receivables from related parties are presented in gross amount (without allowance, with interests, which are calculated according to the agreement on gross amount disregarding the allowance). Interest income and expenses are presented in the 'revenue and other income' and 'purchases' columns, respectively.

The Company's transactions with related parties during the 1<sup>st</sup> Half Year 2019 and related half year-end balances were as follows:

<b>1<sup>st</sup> Half Year 2019 Company</b>	<b>Revenue and other income from related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	24	-	861	-
Dividends	1,026	-	5,817	-
Transfer of tax losses	19	-	17	-
Accounting services	17	-	-	-
Rent and utilities services	-	8	-	115
Information technology maintenance services	-	4	-	1
Other services	10	-	-	-
	<b>1,096</b>	<b>12</b>	<b>6,695</b>	<b>116</b>
Liabilities to shareholders and management	-	-	-	-

The Company's transactions with related parties during the 1<sup>st</sup> Half Year 2018 and related half year-end balances were as follows:

<b>1<sup>st</sup> Half Year 2018 Company</b>	<b>Revenue and other income from related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	22	6	1,028	404
Dividends	8,754	-	7,743	-
Transfer of tax losses	63	-	27	-
Accounting services	16	-	1	-
Rent and utilities services	-	14	-	-
Information technology maintenance services	-	3	1	1
	<b>8,855</b>	<b>23</b>	<b>8,800</b>	<b>405</b>
Liabilities to shareholders and management	-	-	-	-

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**11 Related party transactions (cont'd)**

The Group's transactions with related parties during the 1<sup>st</sup> Half Year 2019 and related half year-end balances were as follows:

<b>1<sup>st</sup> Half Year 2019 Group</b>	<b>Revenue and other income from related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	24	-	861	-
Dividends	812	-	5,700	-
Accounting services	17	-	-	-
Rent and utilities services	2	68	-	1,085
Information technology maintenance services	-	75	-	10
Management fee	356	-	126	-
Land administration services	51	-	154	13
Services to Mundus UAB	27	-	15	-
Other services	11	-	-	-
	<b>1,300</b>	<b>143</b>	<b>6,856</b>	<b>1,108</b>
Liabilities to shareholders and management	-	-	-	-

The Group's transactions with related parties during the 1<sup>st</sup> Half Year 2018 and related half year-end balances were as follows:

<b>1<sup>st</sup> Half Year 2018 Group</b>	<b>Revenue and other income from related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
Loans and borrowings	22	-	1,028	-
Dividends	8,286	-	7,735	-
Transfer of tax losses	27	-	27	-
Accounting services	17	-	2	-
Rent and utilities services	2	113	-	2
Information technology maintenance services	-	85	-	12
Management fee	345	-	121	-
Land administration services	55	-	78	-
	<b>8,754</b>	<b>198</b>	<b>8,991</b>	<b>14</b>
Liabilities to shareholders and management	-	-	-	-

**12 Events after the reporting period**UAB Litagra

In July 2019 UAB Litagra is acquired additional 6.7% of own shares from its other shareholders. Therefore, effectively owned part of UAB Litagra by the Group is increased to 48.81%.

UAB Mundus

In July 2019 amendment of the shareholders agreement was signed, where it is provided that in the case of the deadlock regarding decisions making, the Group has the right to buy out shares from other shareholders, who have to sold them for price described in the agreement. Therefore, the Group acquired potential voting rights and control of UAB Mundus. From 1 June 2019 the entity would be consolidated by the Group as subsidiary.