

The logo for INVL, consisting of the letters 'INVL' in a stylized, white, sans-serif font on a dark blue background.

BALTIC FARMLAND

An aerial photograph of a vast agricultural field, likely a cornfield, showing rows of crops stretching across the landscape. The field is divided into numerous small, rectangular plots, and the crops are in various stages of growth, creating a textured, golden-brown surface. The perspective is from a high angle, looking down at the field, which recedes into the distance.

INVL Baltic Farmland, AB

Consolidated Interim Report for the six months of 2023 and Consolidated Interim Condensed Not-audited Financial Statements for the six months ended 30 June 2023 prepared in accordance with International Financial Reporting Standards as adopted by the European Union



CONFIRMATION OF RESPONSIBLE PERSONS

25 July 2023

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (article 13) of the Republic of Lithuania, management of INVL Baltic Farmland, AB hereby confirms that, to the best of our knowledge, the attached Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2023 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of INVL Baltic Farmland and Consolidated Group.

Presented Consolidated Interim Report for the 6 months of 2023 includes a fair review of the development and performance of the business and position of the Company and the consolidated group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSURE:

1. Consolidated and Company's Consolidated Interim Condensed Unaudited Financial Statements for the 6 months of 2023.
2. Consolidated Interim Report for the 6 months of 2023.

Director

Eglė Surplienė

Person authorised to conduct accounting

Raimondas Rajeckas

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DETAILS OF THE COMPANY

Board of Directors

Mr. Alvydas Banys (chairman of the Board)
Ms. Indrė Mišeikytė
Mr. Tomas Bubinas

Management (director)

Ms. Eglė Surplienė

Principal place of business and company code

Gynėjų str, 14,
Vilnius,
Lithuania

Company code 303299781

Banks

Luminor Bank AS Lithuanian Branch
AB Šiaulių Bankas

The financial statements were approved and signed by the Management on 25 July 2023.

The document is signed with a qualified
electronic signature

Ms. Eglė Surplienė

Director

The document is signed with a qualified
electronic signature

Mr. Raimondas Rajeckas

Authorized person according to the
agreement to conduct accounting
Financial accounting service provider:
AB Invalda INVL

Condensed consolidated statement of comprehensive income

	Notes	1 st Half Year 2023	1 st Half Year 2022
Revenue		379	358
Other income		2	-
Net gain from fair value adjustments on investment property	3	-	350
Land plots administration fees		(87)	(84)
Legal, professional and securities administration fees		(43)	(53)
(Provision for) reversal of impairment of trade receivables	4	2	-
Direct property operating expenses		-	-
Employee benefits expense		(8)	(5)
Other expenses		(7)	(2)
Operating profit		238	564
Finance costs		-	-
Profit before income tax		238	564
Income tax expense	6	(20)	(81)
NET PROFIT FOR THE YEAR		218	483
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		218	483
Attributable to:			
Equity holders of the parent		218	483
Basic and diluted earnings per share (in EUR)	7	0.07	0.15

Condensed consolidated statement of financial position

	Notes	As at 30 June 2023	As at 31 December 2022
ASSETS			
Non-current assets			
Investment properties	3	18,092	18,092
Total non-current assets		18,092	18,092
Current assets			
Trade and other receivables	4	298	126
Prepayments and deferred charges		3	2
Cash and cash equivalents		140	199
Total current assets		441	327
Total assets		18,533	18,419
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent			
Share capital		955	955
Own shares		(203)	(203)
Share premium		1,387	1,387
Reserves		3,237	3,237
Retained earnings		10,493	10,759
Total equity		15,869	16,135
Liabilities			
Non-current liabilities			
Deferred income tax liability		2,012	2,023
Total non-current liabilities		2,012	2,023
Current liabilities			
Trade payables		155	47
Income tax payable		31	118
Deferred revenue	4	379	-
Other current liabilities		87	96
Total current liabilities		652	261
Total liabilities		2,664	2,284
Total equity and liabilities		18,533	18,419

Condensed consolidated statements of changes in equity

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	
Balance as at 31 December 2021		955	(203)	1,387	158	3,079	9,566	14,942
Net profit for the 6 months ended 30 June 2022		-	-	-	-	-	483	483
Total comprehensive income for the 6 months ended 30 June 2022		-	-	-	-	-	483	483
Transfer to reserves		-	-	-	-	-	-	-
Dividends approved	5	-	-	-	-	-	(775)	(775)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(775)	(775)
Balance as at 30 June 2022		955	(203)	1,387	158	3,079	9,274	14,650

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	
Balance as at 31 December 2022		955	(203)	1,387	158	3,079	10,759	16,135
Net profit for the 6 months ended 30 June 2023		-	-	-	-	-	218	218
Total comprehensive income for the 6 months ended 30 June 2023		-	-	-	-	-	218	218
Transfer to reserves		-	-	-	-	-	-	-
Dividends approved	5	-	-	-	-	-	(484)	(484)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(484)	(484)
Balance as at 30 June 2023		955	(203)	1,387	158	3,079	10,493	15,869

Condensed consolidated statement of cash flows

	Notes	<u>1st Half Year 2023</u>	<u>1st Half Year 2022</u>
Cash flows from (to) operating activities			
Net profit for the period		218	483
Adjustments for non-cash items and non-operating activities:			
Net gains from fair value adjustments on investment property		-	(350)
Deferred taxes	6	(13)	(12)
Current income tax expenses	6	33	93
Allowances	4	(2)	-
Changes in working capital:			
Decrease (increase) in trade and other receivables		209	112
Decrease (increase) in other current assets		(1)	(1)
(Decrease) increase in trade payables		108	93
(Decrease) increase in other liabilities		(21)	4
Cash flows (to) from operating activities		531	422
Income tax paid		(117)	(53)
Net cash flows (to) from operating activities		414	369
Cash flows from (to) investing activities			
Acquisition of investment properties		-	-
Proceeds from the sale of investment properties	3	-	450
Net cash flows from (to) investing activities		-	450
Cash flows from (to) financing activities			
Cash flows related to Group owners			
Acquisition of own shares		-	-
Dividends paid to equity holders of the parent		(473)	(756)
		(473)	(756)
Net cash flows (to) from financing activities		(473)	(756)
Net increase (decrease) in cash and cash equivalents		(59)	63
Cash and cash equivalents at the beginning of the period		199	144
Cash and cash equivalents at the end of the period		140	207

Notes to the interim condensed financial statements

1. General information

AB INVL Baltic Farmland (hereinafter the Company) is a joint stock company registered in the Republic of Lithuania. It was established on 29 April 2014, following the split-off of 14.45% assets, equity and liabilities from AB Invalda INVL (company code 121304349). Entities, which business is investment into agricultural land and its rent, were transferred to the Company.

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

The Group consists of the Company and its directly owned subsidiaries (hereinafter the Group, Note 5 of annual financial statements for year ended 31 December 2022).

The Company manages shares of entities investing into agricultural land and provides finance. Now the Company has 100% in 18 companies owning more than 3 thousand hectares of agricultural land in Lithuania, that is rented to farmers and agricultural companies. The Company focuses on growth of quality of owned land and environmental sustainability. The Group is operated in one segment – agricultural land segment.

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. Since prices of agricultural products are determined in the world markets, this investment allow to participate in the world food supply chain.

The Company's share capital is divided into 3,291,549 ordinary registered shares with the nominal value of EUR 0.29 each. All the shares of the Company were fully paid. Subsidiaries did not hold any shares of the Company. As at 30 June 2023 and 31 December 2022 the shareholders of the Company were:

	As at 30 June 2023		As at 31 December 2022	
	Number of shares held	Percentage	Number of shares held	Percentage
UAB LJB Investments (controlling shareholder Mr. Alvydas Banys)	977,751	29.70	977,751	29.70
Mrs. Irena Ona Mišeikienė	931,831	28.31	931,831	28.31
UAB Lucrum Investicija (sole shareholder Mr. Darius Šulnis)	415,628	12.63	415,628	12.63
Mr. Alvydas Banys	252,875	7.68	252,875	7.68
Ms. Ilona Šulnienė	239,000	7.26	239,000	7.26
Ms. Greta Mišeikytė	65,758	2.00	65,758	2.00
Ms. Indrė Mišeikytė	64,450	1.96	64,450	1.96
The Company (own shares)	63,039	1.92	63,039	1.92
Other minor shareholders	281,217	8.54	281,217	8.54
Total	3,291,549	100.00	3,291,549	100.00

The Company's shares are traded on the Baltic Secondary List of NASDAQ Vilnius from 4 June 2014.

2. Accounting policies

Basis of preparation

The interim condensed financial statements for the 6 months ended 30 June 2023 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 2022.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except adoption of new Standards and Interpretations as of 1 January 2023, noted below.

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

- Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting policies* (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8: *Definition of Accounting Estimates* (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective for annual periods beginning on or after 1 January 2023);
- IFRS 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2023).

The amendments to existing standards are not relevant to the Group.

3. Investment properties

During 1st Half Year of 2023 and 2022 the Group has not acquired investment properties. In March 2022 the Group sold 17.2882 ha land for EUR 450 thousand to UAB Mantinga. In 1st Half year of 2022 was recognised profit of EUR 350 thousand from the sale. It should be noted that the difference between the sale price and carrying amount of the land is based on the fact that the buyer of the land does not plan to use the land according to its agricultural purpose. Therefore, the transaction does not have impact to fair value of other land, owned by the Group. During 1st Half year of 2023 the Group has not sold any investment properties.

Investment properties are stated at fair value and are valued by accredited valuer UAB korporacija Matininkai using sales comparison method. The valuation was performed in December 2022. There were no significant changes in the market since the end of 2022 that could have an effect on the value of those investment properties, therefore the updated valuation was not performed as at 30 June 2023.

On 1 May 2014 changes to the Agricultural Land Acquisition temporary law entered into force, providing restrictions of the purchase of agricultural land (including restriction of purchase of shares in the legal entity owning agricultural land). These restrictions mean that the Group cannot purchase additional agricultural land and/or acquire shares in entities owning agricultural land. As a result of restrictions, the land sale market in Lithuania became less liquid.

There were no other restrictions on the realisation of investment properties or the remittance of income and proceeds of disposals during 1st Half Year of 2023 and 2022. No contractual obligations to purchase investment properties existed at the end of the period.

4. Trade and other receivables

	As at 30 June 2023	As at 31 December 2022
Trade receivables, gross	325	152
Accrued lease income, gross	70	70
Other receivables, gross	-	-
Taxes receivable, gross	32	35
Total trade and other receivable, gross	427	257
Less: provision for impairment of trade and other receivables	(2)	(2)
Less: Write off still subject to enforcement activity	(127)	(129)
Trade and other receivable net of expected credit losses	298	126

Changes in allowance for doubtful trade and other receivables for the 1st Half Year of 2023 and 2022 have been included within 'Provision for (reversal of) impairment of trade receivables' in the statement of comprehensive income.

In the caption of statement of financial position 'Deferred revenue' is recognised current year's invoiced rental income, net of on a straight line basis recognised rental income for 1st Half Year of 2023 (EUR 379 thousand). This amount would be recognised as rental income during 3rd – 4th Quarters of current year.

The Group's trade and other receivables are non-interest bearing and are generally with a credit term of 30 days.

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

	Group		
	Impairment losses	Write off still subject to enforcement activity	Total
Balance as at 31 December 2021	2	153	155
Charge for the 6 months ended 30 June 2022	-	-	-
Enforcement activity ended	-	(24)	(24)
Recoveries of amounts previously impaired or written off	-	-	-
Balance as at 30 June 2022	2	129	131

	Group		
	Impairment losses	Write off still subject to enforcement activity	Total
Balance as at 31 December 2022	2	129	131
Charge for the 6 months ended 30 June 2023	-	-	-
Enforcement activity ended	-	-	-
Recoveries of amounts previously impaired or written off	-	(2)	(2)
Balance as at 30 June 2023	2	127	129

4 Trade and other receivables (cont'd)

The credit risk exposure of trade receivables can be assessed on the ageing analysis disclosed below:

	Current	Less than 30 days	30–90 days	91–180 days	181 – 365 days	Credit impaired	Total
As at 30 June 2023							
Trade receivables net of write off	6	-	190	-	-	2	198
Accrued lease income	70	-	-	-	-	-	70
Other receivables	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(2)	(2)
Trade and other receivable net of expected credit losses	76	-	190	-	-	-	266
As at 31 December 2022							
Trade receivables net of write off	-	-	-	-	-	23	23
Accrued lease income	70	-	-	-	-	-	70
Other receivables, gross	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(2)	(2)
Trade and other receivable net of expected credit losses	70	-	-	-	-	21	91

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

	Current	Less than 30 days	30–90 days	91–180 days	181 – 365 days	More than 1 years	Total
Trade receivables net of write off as at 30 June 2023	-	-	-	-	-	2	2
Trade receivables net of write off as at 31 December 2022	-	-	-	-	-	23	23

5. Dividends

A dividend in respect of the year ended 31 December 2022 of EUR 0.15 per share, amounting to a total dividend of EUR 484 thousand, was approved at the annual general meeting on 29 March 2023.

A dividend in respect of the year ended 31 December 2021 of EUR 0.24 per share, amounting to a total dividend of EUR 775 thousand, was approved at the annual general meeting on 27 April 2022.

6. Income tax

	1 st Half Year 2023	1 st Half Year 2022
Components of the income tax expenses		
Current year income tax	(33)	(93)
Deferred income tax expenses	13	12
Income tax expenses charged to profit or loss – total	(20)	(81)

7. 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 2022 and 30 June 2023 was 3,228 thousand.

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

	<u>1st Half Year 2023</u>	<u>1st Half Year 2022</u>
Net profit (loss), attributable to the equity holders of the parent	218	483
Weighted average number of ordinary shares (thousand)	3,228	3,228
Basic earnings (deficit) per share (EUR)	<u>0.07</u>	<u>0.15</u>

For 1st Half Year of 2023 and 2022 diluted earnings per share of the Group are the same as basic earnings per share.

8. Related party transactions

The related parties of the Group were the shareholders of the Company, who have significance influence (Note 1), key management personnel, including companies under control or joint control of key management and shareholders having significant influence. According to IAS 24, AB Invalda INVL and the entities controlled by AB Invalda INVL are also considered to be related parties, because the shareholders of the Company, having significance influence, also have a joint control over AB Invalda INVL group through shareholders' agreement.

The Group's transactions with related parties during 1st half year of 2023 and related half year-end balances were as follows:

1st Half Year 2023	Sales to related	Purchases from	Receivables from	Payables to
Group	parties	related parties	related parties	related parties
AB Invalda INVL (accounting services)	-	33	-	-
UAB INVL Farmland Management (administration fees)	-	87	-	151
AB Invalda INVL (reimbursement of expenses for insurance)	-	4	-	4
	-	<u>124</u>	-	<u>155</u>

In 2023 to the Board members, which are shareholders of the Company, were paid EUR 40 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 147 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 127 thousand of dividends, net of tax.

The Group's transactions with related parties during 1st half year of 2022 and related half year-end balances were as follows:

1st Half Year 2022	Sales to related	Purchases from	Receivables from	Payables to
Group	parties	related parties	related parties	related parties
AB Invalda INVL (accounting services)	-	33	-	-
UAB INVL Farmland Management (administration fees)	-	84	-	167
	-	<u>117</u>	-	<u>167</u>

In 2022 to the Board members, which are shareholders of the Company, were paid EUR 65 thousand of dividends, net of tax. To the entities, which are controlled by the current and former Board members, were paid EUR 347 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 203 thousand of dividends, net of tax.

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

BALTIC FARMLAND

An aerial photograph of a vast agricultural field, likely a cornfield, showing rows of crops stretching across the landscape. The field is a golden-brown color, and the rows are spaced evenly, creating a strong sense of perspective and order.

INVL Baltic Farmland, AB

CONSOLIDATED INTERIM REPORT FOR 6 MONTHS OF 2023

APPROVED BY THE BOARD OF INV L BALTIC FARMLAND, AB ON 25 JULY 2023.

Translation note:

This version of the Consolidated Interim Report for 6 months of 2023 is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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I. GENERAL INFORMATION

1. Legal basis for preparation of the Semi-Annual Consolidated Report and content of information

The semi-annual consolidated report of the public joint-stock company INVL Baltic Farmland (hereinafter may be referred as **the Company** or **INVL Baltic Farmland, AB**) has been prepared by the Company in accordance with the Lithuanian Law on Securities of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, the Rules on the Disclosure of Information and the Guidelines on the Disclosure of Information approved by the Board of the Bank of Lithuania. The content of the consolidated semi-annual report is disclosed according to Law on Consolidated Financial Statements of Enterprises of the Republic of Lithuania and Law on Corporate Financial Reporting of the Republic of Lithuania.

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

2. Reporting period for which the report is prepared

The report covers the financial period of INVL Baltic Farmland, AB starting from 1 January 2023 and ending on 30 June 2023. The report also discloses information from the end of the reporting period to the release of the report.

The report was not audited.

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

3.1. Information about the issuer

Name of the Issuer	The public joint-stock company INVL Baltic Farmland
Code	303299781
Registered address	Gynėjų str. 14, 01109, Vilnius, Lithuania
Telephone	+370 5 279 0601
E-mail	farmland@invalidainvl.com
Website	www.invlbalticfarmland.lt
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

3.2. 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 about 3 thousand hectares of agricultural land in Lithuania. More than 98% of cultivated 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. On 28 December 2020, the Basic Property Administration Agreement's Amendment No. 20150630/01 was concluded, based on which the term of the Basic Property Administration Agreement was extended until 31 December 2025.

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.

3.3. Information about the Issuer's group of companies

INVL Baltic Farmland has 100% in 18 companies owning about 3 thousand hectares of agricultural land in the most fertile regions of Lithuania. Companies - land owners and joint-stock company INVL Baltic Farmland, whose shareholder is Invalda INVL – the leading investment management and life insurance 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 to ensure steady growth of income for the shareholders and the value of the land. On 21 October 2020, the General Meeting of Shareholders of the Company approved the extension of the agreement with UAB INVL Farmland Management and its arrangement in a recast version. The agreement was extended until 31 December 2025.

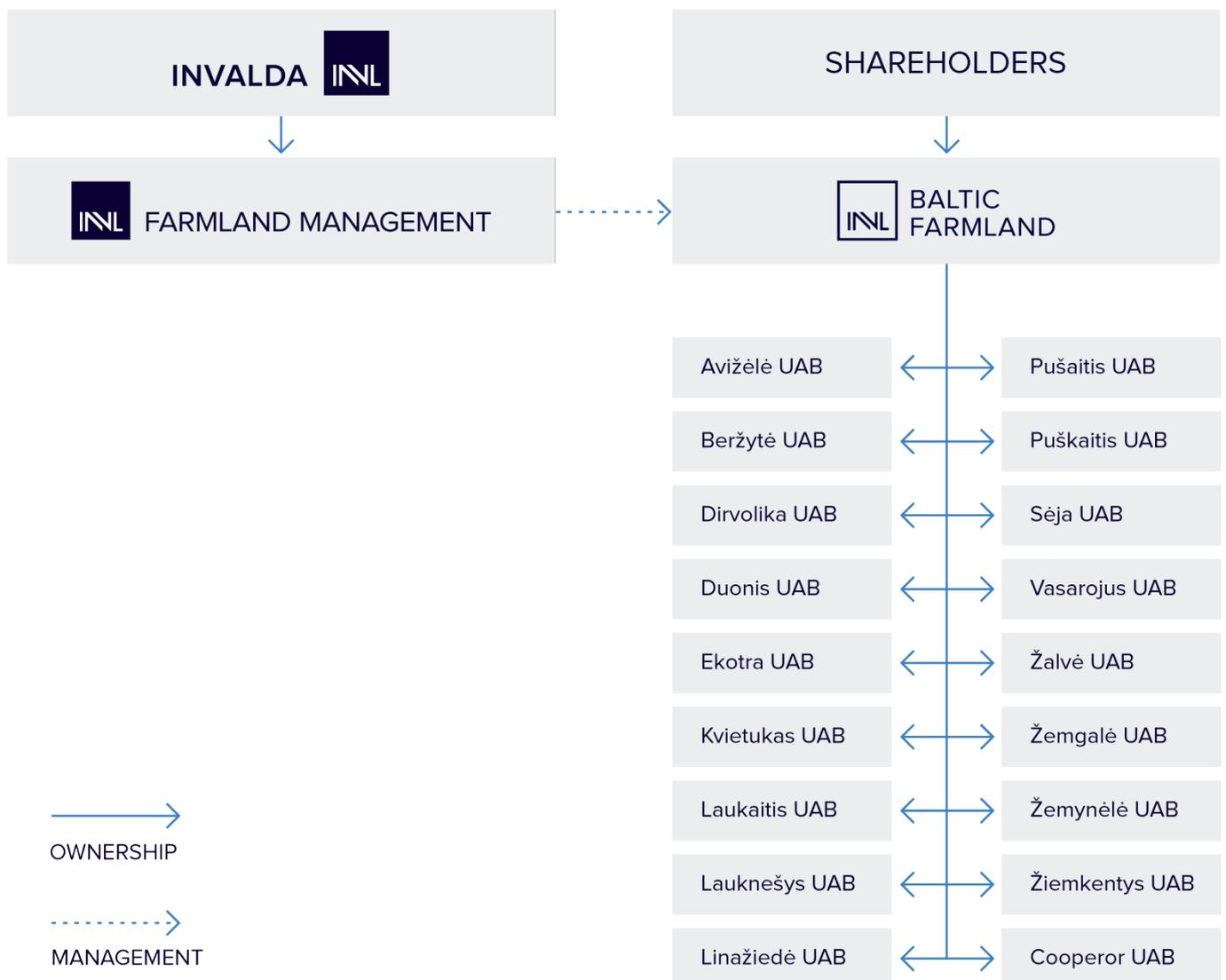
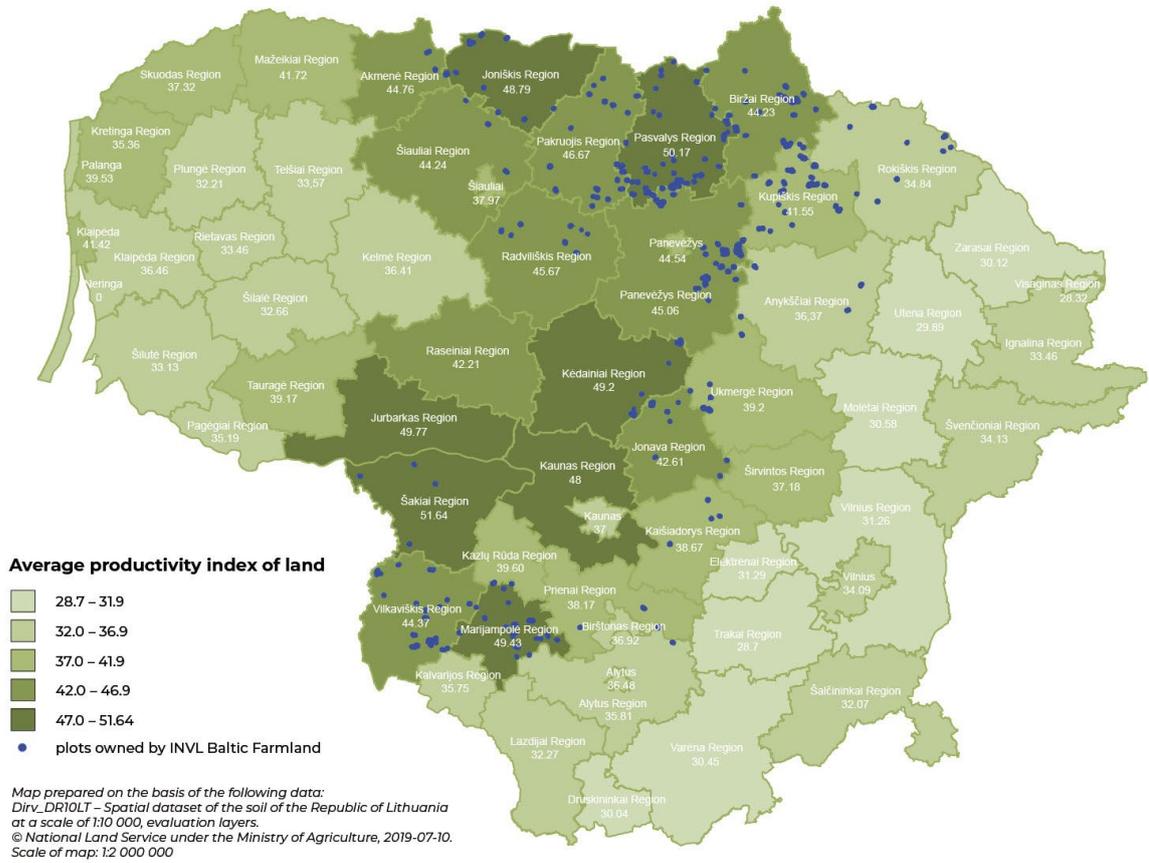


Fig. 3.3.1. Group structure of INVL Baltic Farmland, AB as of 30 June 2023

INVL Baltic Farmland's landholdings



*Fig. 3.3.2. 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 3.3.3. 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.	181.98	174.34
Ekotra, UAB	Vilkaviskis dist.	238.81	228.02
Kvietukas, UAB	Pakruojis dist., Pasvalys dist.	118.01	112.69
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., Kasiadorys dist., Prienai dist.	85.13	80.75
Pusaitis, UAB	Radviliskis dist.	82.44	81.10
Puskaitis, UAB	Marijampole dist., Prienai dist., Vilkaviskis dist.	193.46	188.14
Seja, UAB	Kedainiai dist.	82.53	79.75
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.	241.76	232.00
Zemynele, UAB	Sakiai dist., Vilkaviskis dist.	72.57	70.81
Ziemkentys, UAB	Panevezys dist., Pasvalys dist.	414.14	401.62
Total:		3,081.23	2,962.60

4. Agreements with intermediaries on public trading in securities

INVL Baltic Farmland, AB 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.

5. Information on Issuer's branches and representative offices

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

II. INFORMATION ABOUT SECURITIES

6. 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).

Actual wording of the Articles of Association of the Company is dated as of 18 April 2023. The Articles of Association have been changed in order to implement the current wording of the Law on Companies of the Republic of Lithuania. The Company's Articles of Association is published on the Company's web page (Company's web site section „Investor Relations“ → „Articles of Association“. The link: <https://invlbalticfarmland.com/en/investor-relations/legal-documents/>).

7. Structure of the authorized capital

Table 7.1. Structure of INVL Baltic Farmland, AB authorised capital as of 30 June 2023.

Type of shares	Number of shares and total voting rights granted by the issued shares, units	Number of votes for the quorum of the General Shareholders Meeting, units*	Nominal value, EUR	Total nominal Value and authorised capital, EUR	Portion of the authorised capital,
Ordinary registered shares	3,291,549	3,228,510	0.29	954,549.21	100

*According to Article 27 (4) of the Law on Companies' in determining the quorum of the General Meeting of Shareholders, it is considered that the acquired own shares do not grant voting rights.

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

7.1. Information about the issuer's treasury shares

The General Shareholders Meeting of the Company that was held on 28 October 2015 approved resolution to purchase its own shares. The period during which the company could acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price - EUR 4.00, minimum one share acquisition price - EUR 2.87. During this period the Company initiated acquisition of own shares 1 time. On 21 June, the company announced about acquisition of 1.92 percent of own shares. 63,039 units of shares were offered. The settlement for the acquired shares happened on 22 June 2016.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2017 made decision 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 4.50, minimum one share acquisition price - EUR 3.16. Company not initiated acquisition of own shares in 2017.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 10 April 2018 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. Company not initiated acquisition of own shares in 2018.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2019 made decision 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. Company not initiated acquisition of own shares in 2019.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 23 March 2020 made decision 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. Company not initiated acquisition of own shares in 2020.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 9 April 2021 made decision 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.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 27 April 2022 made decision 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.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 29 March 2023 made decision 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.

At the end of the reporting period the amount of Company's acquired own shares stayed the same and amounted to 63,039 (units) or 1.92 percent of the Company's Authorised capital. 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.

8. 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 8.1. Main characteristics of INVL Baltic Farmland, AB shares admitted to trading:

Type of shares	Ordinary registered shares
ISIN code	LT0000128753
LEI code	5299000AUE9M1W13ZQ36
Name	INL1L
Exchange	Nasdaq Vilnius
List	Baltic Secondary list
Authorised capital (EUR)	954,549.21
Nominal value of 1 share (EUR)	0.29
Shares issued, units	3,291,549
Total voting rights granted by the issued shares, units	3,291,549
Number of votes for the quorum of the General Shareholders Meeting, units*	3,228,510
Date of the beginning of listing	4 June 2014

*According to Article 27 (4) of the Law on Companies' in determining the quorum of the General Meeting of Shareholders, it is considered that the acquired own shares do not grant voting rights.

Company uses no services of liquidity providers.

Table 8.2. Trading in INVL Baltic Farmland, AB shares:

	6 months of 2021	6 months of 2022	6 months of 2023
Share price, EUR			
- open	5.000	7.700	8.100
- high	8.450	8.400	8.200
- low	4.900	5.500	6.050
- medium	6.201	7.395	7.491
- last	8.650	8.200	7.000
Turnover, units	10,496	19,520	3,959
Turnover, EUR	65,081.71	144,344.8	29,658.8
Traded volume, units	447	485	236

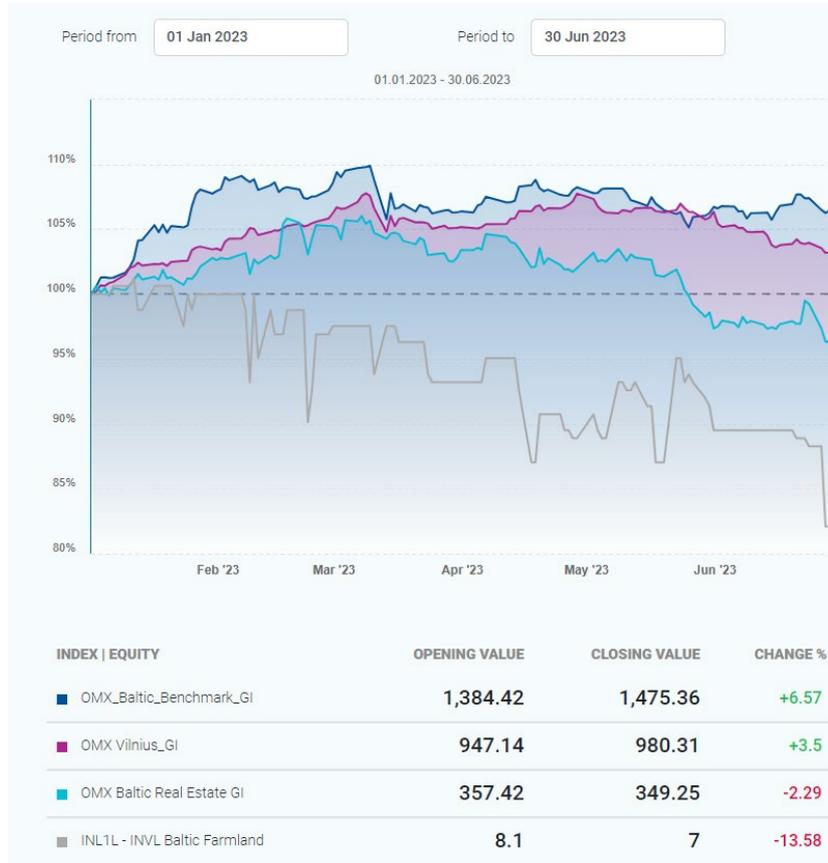


Fig. 8.1. INVL Baltic Farmland, AB change of share price and indexes¹ (resource: Nasdaq Baltic, Baltic market indexes)

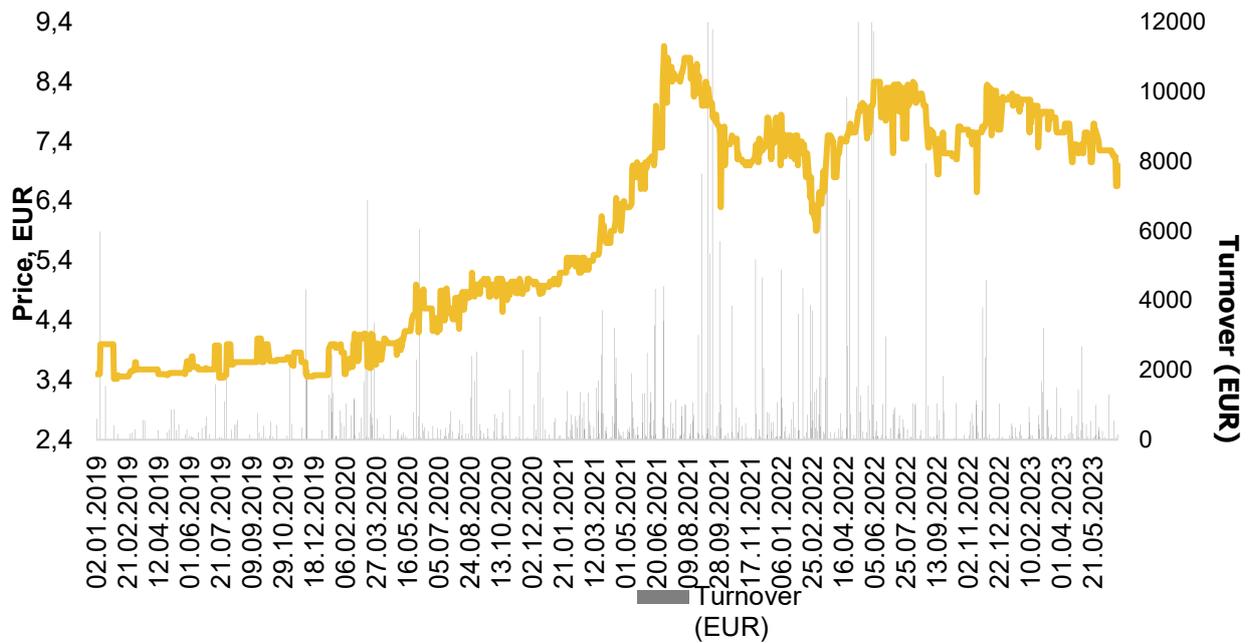


Fig. 8.2. Change of share price of INVL Baltic Farmland, AB

¹ The OMX Baltic Benchmark index (OMXBB – PI, GI, CAP) tracks the largest and most traded shares from all the industry sectors represented on the Nasdaq Baltic Market. The OMX Baltic Real Estate GI index is available at the Baltic level. Based on the FTSE Group's Industry Classification Benchmark (ICB), each shows the trend in a specific industry and enables the comparison of companies in that industry. Indexes for each ICB industry and supersector are calculated in euros for the stocks on the Main and Secondary lists of the Nasdaq Baltic exchanges is based on the Industry Classification Benchmark (ICB) developed by FTSE Group (FTSE).

9. 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 29 March 2023, decided to allocate EUR 0.15 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 13 April 2023 were shareholders of INVL Baltic Farmland, AB.

On 26 April 2023, the Company announced that will start to allocate dividends from 27 April 2023. 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.



Fig. 9.1. Dividends allocation per share

² This information should not be treated as tax consultation.

10. Information about company's shareholders

The total number of shareholders in INVL Baltic Farmland was 3406 on 30 June 2023. There are no shareholders entitled to special rights of control.

Table 10.1.1. Shareholders who held title to more than 5% of INVL Baltic Farmland, AB authorised capital, votes as of 30 June 2023. The votes, authorised capital held of the management of the Company (manager, members of the Board) is also be disclosed.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of votes given by the shares held by the right of ownership, %	Indirectly held voting rights, %
LJB Investments, UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	977,751	29.70	29.70	0
Irena Ona Mišeikienė	931,831	28.31	28.31	0
Lucrum Investicija, UAB code 300806471, Gynėjų str. 14, Vilnius	415,628	12.63	12.63	0
Alvydas Banys	252,875	7.68	7.68	29.70 ³
Ilona Šulnienė	239,000	7.26	7.26	0
Indrė Mišeikytė	64,450	1.96	1.96	0
Darius Šulnis	0	0	0	12.63 ⁴
Eglė Surplienė	0	0	0	0

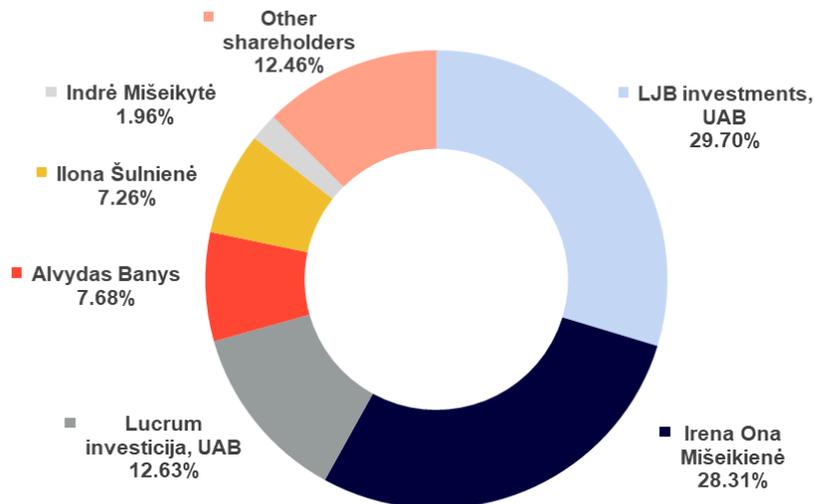


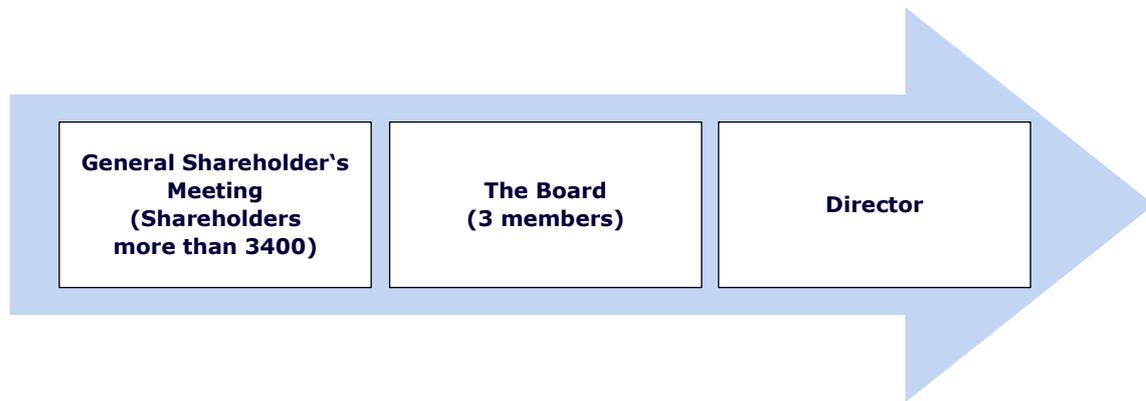
Fig. 10.1.1. Votes as of 30 June 2023

³ Vadovaujantis Lietuvos Respublikos vertybinių popierių įstatymo 16 str. 1 d. Alvydas Banys turi kontroliuojamos UAB „LJB Investments“ balsus.

⁴ Vadovaujantis Lietuvos Respublikos vertybinių popierių įstatymo 16 str. 1 d. Darius Šulnis turi kontroliuojamos UAB „Lucrum investicija“ balsus

III. ISSUER'S MANAGING BODIES

11. Structure, authorities, the procedure for appointment and replacement



The governing bodies of INV L 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 Company's Board also performs the supervisory functions.

12. Information about members of the Board, Company providing accounting services

The new Board of INV L Baltic Farmland, AB has been elected for the four-year term of office during the General Shareholders Meeting held on 27 April 2022. Mr. Banyas was elected as the Chairman of the Board, Ms. Mišeikytė was elected as the Member of the Board and Mr. Bubinas was elected as independent Member of the Board. From 30 June 2015 Eglė Surplienė holds position as a director of the company.



Alvydas Banyas -
Chairman of the Board
Main workplace – UAB "LBJ Investments" (code 300822575, A. Juozapavičiaus st. 9A, Vilnius) – Director

The term of office	From 2022 until 2026
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 until April 2022 Invalda INV L, AB – Advisor Since May 2022 INV L Asset Management, UAB - Senior advisor Since 2007 LJB Investments, UAB – Director Since 2007 LJB Property, UAB – Director 1996 – 2006 Invalda, AB – Vice President 1996 – 2007 Nenuorama, UAB – President
Owned amount of shares in INV L Baltic Farmland	Personally: 252,875 units of shares, 7.68 % of authorised capital, 7.68 % of votes. Together with controlled company LJB Investments: 1,230,626 units of shares, 37.38 % of authorized capital, 37.38 % of votes.
Participation in other companies	Invalda INV L, AB (code 121304349, Gynėjų str. 14, Vilnius) – Chairman of the Board Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius) – Member of the Board

INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund - Member of the Investment Committee



Indrė Mišeikytė -
Member of the Board
Main workplace – Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Adviser, Member of the Board

The term of office From 2022 until 2026

Educational background and qualifications Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture

Work experience
Since May 2012 Invalda INVL, AB – Adviser
2013 - 2019 Invalda Privatus Kapitalas, AB – Adviser
2002- 2019 Inreal Valdymas, UAB – Architect
2000 - 2002 Gildeta, UAB – Architect

Owned amount of shares in INVL Baltic Farmland Personally: 64,450 units of shares, 1.96 % of authorised capital and votes

Participation in other companies
Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board
UTIB INVL Technology (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Supervisory Board (until 6 February 2023)



Tomas Buninas -
Independent member of the Board
Main workplace – individual consulting activities

The term of office From 2022 until 2026

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
2013 - 2022 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 Personally: 0 units of shares, 0.00 % of authorised capital and votes.

Participation in other companies
Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board
Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Audit Committee
Special closed-end type private capital investment company INVL Technology (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Audit Committee
Special closed-ended type real estate investment company „INVL Baltic Real Estate“

Vilniaus baldai, AB (code 121922783, Savanorių av. 178B, Vilnius) – Member of the Audit Committee.



Eglė Surplienė –

Director

Main workplace - Gerovės valdymas, UAB FPI (code 302445450, Jogailos st. 3-103, Vilnius) – director

Educational background and qualifications

Vilnius University, Faculty of Economic Cybernetics and Finance, Economic Cybernetics studies, Economics – mathematics diploma (equivalent of Master's degree)
2009 – Award in Financial Planning (CII program and exam) certificate.
2005 – OMX Vilnius dealer certificate
1996 – General financial broker license

Work experience

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

Owned amount of shares in INVL Baltic Farmland, AB

Personally: 0 units of shares, 0.00 % of authorised capital and votes.

Participation in other companies

Atelier Investment Management, UAB (code 303335430, Žemaitijos str. 8-20, Vilnius) – Chairman of the Board
Gerovės valdymas, UAB FPI (code 302445450, Gedimino pr. 20-27, Vilnius) – Director
Gerovės partneriai, KŪB (code 304746185, Gedimino pr. 20, Vilnius) – Full member
DIM investment, UAB (code 301145749, Pasakų str. 5, Vilnius) – Director
UTIB INVL Baltic Real Estate (code 152105644, Gynėjų str. 14, Vilnius) – Member of the Supervisory Board (until 11 May 2023)

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.

13. Information about the Audit Committee of the Company

The Audit Committee consists of 2 independent members. 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.

During the General Shareholders Meeting of INVL Baltic Farmland held on 9 April 2021, the decision to elect Dangutė Pranckėnienė, partner and auditor of Moore Stephens Vilnius, UAB and Tomas Bubinas, individual consulting activities, for the Audit Committee for the 4 (four) years of office term has been adopted. Both members of the Audit Committee are independent, having submitted an notice certifying their independence. During the reporting period the composition of the Audit Committee remain unchanged.



Tomas Bubinas –
Independent Member of the Audit Committee

The term of office Since 2021 till 2025

Educational background and qualifications 2004 - 2005 Baltic Management Institute (BMI), Executive MBA
1997 - 2000 Association of Chartered Certified Accountants. ACCA. Fellow Member
1997 Lithuanian Sworn Registered Auditor
1988 - 1993 Vilnius University, Msc. in Economics

Work experience 2013 - 2022 Chief Operating Officer at Biotechpharma, UAB
2010 - 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA)
2004 - 2010 CFO for Baltic countries, Teva Pharmaceuticals
2001 - 2004 m. CFO, Sicom Biotech
1999 - 2001 Senior Manager, PricewaterhouseCoopers
1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand.

Owned amount of shares in INVL Baltic Farmland -



Dangutė Pranckėnienė –
Independent Member of the Audit Committee

The term of office Since 2021 till 2025

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

Work experience since 1997 the Partner at Moore Mackonis, UAB (previous name Moore Stephens Vilnius and Verslo auditas)
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 -

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

CEO of the company is entitled only to a fixed salary. The company does not have a policy concerning payment of a variable part of remuneration to the management. INVL Baltic Farmland, AB Group and the Company for the company providing accounting services respectively paid EUR 33 thousand and EUR 3 thousand during the reporting period.

In 2023, to the Board members, which are shareholders of the Company, were paid EUR 40 thousand of dividends, net of tax. To the entities, which are controlled by Board members, were paid EUR 147 thousand of dividends, net of tax. Natural persons, who

are related to the Board members of the company, were paid EUR 127 thousand of dividends, net of tax. There were no assets transferred, no guarantees granted, no bonuses paid and no special pay-outs made by the company to its managers. The Members of the Board were not granted with bonuses by other companies of INVL Baltic Farmland, AB group.

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

15. Overview of the Issuer and its group activity

15.1. Business environment

According to the information of the State Data Agency, the advance estimate of annual (June 2023 compared to June 2022) inflation, calculated according to the HICP, is 8.2%. Annual inflation was mainly influenced by increases in the prices of food and non-alcoholic beverages, housing, water, electricity, gas, and other fuel goods and services, as well as the decrease in the prices of transport goods and services. The preliminary estimate of average annual inflation based on the HICP was 17.3% in June. The Ministry of Finance's economic scenario for 2023 - 2026 projects average annual inflation in Lithuania to reach 8.9% in 2023, and not only more favorable energy prices will contribute to a more favorable price development but also the normalization of global supply chains and the tightening of the monetary policy of the eurozone by the European Central Bank. In 2024, average annual inflation is expected to fall to 2.6% as inflationary pressures continue to ease.

Lithuania's gross domestic product (GDP) in 2022 was €67.1 billion at the prices of the time, based on preliminary data from the State Data Agency. Compared to 2021, the real GDP change, excluding seasonal and working days, was positive at 2.2%. GDP growth peaked at 0.9% in Q1 (after seasonal and working days were removed and compared to the previous quarter). This was mainly influenced by the performance of industry, wholesale, and retail, professional, scientific, and technical, and administrative and service companies. GDP fell by 0.5% in Q2, driven by lower performance in transport and storage, construction and real estate businesses, and grew by 0.4% in Q3 – driven by the success of industry, information and communication, and agricultural enterprises. In the last quarter of the year, GDP fell by 1.7% compared to Q3, according to preliminary data – the most significant drop in the EU as a whole.

According to the Bank of Lithuania, global economic developments in 2022 exceeded expectations. Declining disruptions in supply chains and the global reduction of pandemic prevention measures, paving the way for the recovery of international tourism, have been among the most important factors that allowed global economic development to exceed expectations. However, Russia's war against Ukraine and the tightening of monetary policy in many key economies due to extreme inflationary pressures have somewhat stifled global economic development. Russia's war against Ukraine, which started at the end of February, has not only significantly contributed to increased geopolitical uncertainty, but also increased the prices of key energy and food raw materials. Although some returned to levels close to those before the beginning of the war, the consequences for the development of European economies could not be avoided. The rise in energy commodity prices has also contributed to the emergence of global inflationary shocks. This has forced most of the central banks in developed and developing countries to start normalising monetary policy. Such action by central banks sends signals that inflation expectations will not be allowed to detach from inflation rates consistent with price stability, even if they have a dampening effect on economic activity. The euro area was significantly affected in 2022 by the energy price surge caused by Russia's aggression against Ukraine, particularly for gas. Its economic growth was estimated to stand at 3.1% in 2022 and its average annual inflation has been the highest since the establishment of this monetary union. Economic growth in the euro area has been positively influenced by historically low unemployment and investment of the Recovery and Resilience Facility funds.

According to the Republic of Lithuania Ministry of Finance, the post-pandemic recovery momentum gained in 2021 simmered down in 2022, affected by geopolitical uncertainty and an unfavourable external environment. The geopolitical tensions caused by the war in Ukraine, the sharp increase in uncertainty, and the ongoing disruptions in supply chains hampered the planning and implementation of investment projects, while the rise in inflation reduced household purchasing power and led to an increase in interest rates. However, the labour market has remained healthy. The number of employed persons has increased sharply, unemployment has been falling, the active population of working age has increased, and the number of job vacancies has remained close to record levels. Employment growth was driven by high economic activity, strong labour demand in many sectors of the economy, and space for employment growth to record highs (80% in Q3 in the 15–64 age group) and the labour market participation of Ukraine's working-age war refugees. Labour market participation of the working-age population was driven by strong labour shortages, increased chances of finding their desired job, strong wage growth, and expected high inflation rates. However, a possible decline in economic activity may lead to a slight increase in the unemployment rate in the near future. In the short term, the worsening situation is likely to affect in particular the demand for unskilled or less skilled workers. There is still a shortage of highly skilled workers in the labour market, and the slowdown in economic activity is expected to be temporary, so companies should not rush to drop highly skilled workers; therefore, no significant increase in unemployment is expected. The strong demand for and shortages of skilled workers faced by both the private and the public sector, as well as government decisions on the remuneration of public sector employees (increased wages for education, healthcare, statutory staff, an increase in the basic salary for civil servants and other employees of budgetary institutions), a significant increase in MMA (13.7% to €730), and an increase in inflation expectations led to wage growth in the country in 2022. However, while average wage growth was rather marked at 13%, real wages fell by almost 7% due to inflation. Wage growth is projected to reach 9.1% in 2023.

According to the Bank of Lithuania's review of the development and outlook of the Lithuanian economy, in the coming years, it will depend on the continuation of Russia's war against Ukraine and on the efforts of governments to mitigate the negative economic consequences of the war. Hostilities, sanctions, and the responses to them have significantly increased global prices (and their volatility) of raw materials, in particular energy and food. This is especially detrimental not only to the development of Lithuania's

economies, but also to many of Lithuania's main trading partners, in particular European countries, through the shrinking purchasing power of households, the loss of competitiveness of exporting firms, and the need to tighten monetary policy. As these unfavourable factors may lead not only to a short-term slowdown in economic growth but also to a significant longer-lasting recession, governments' efforts to mitigate the negative effects of these factors are crucial during this period. In 2023, the amount of funds planned to be allocated in the state budget for compensating the part of gas and electricity prices for residents and businesses should amount to 1.2% of GDP, for increasing the income of residents – 1.7% of GDP, and spending on public investment projects should increase by 0.6% of GDP. This implies that both household consumption and investment are expected to show a rather favourable development in 2023. As many of Lithuania's main trading partners will apply similar household and business support packages, demand for Lithuanian goods and services in foreign markets is expected to recover from the beginning of 2023 and at the end of next year to reach the level prior to Russia's invasion of Ukraine. This evolution of demand in Lithuania's main trading partners will also lead to more favourable development of the exports of goods and services. Lithuania's real GDP is projected to decrease by 1.3% in 2023. Moreover, if unexpected shocks in commodity markets do not occur, the annual inflation peak will remain in the past. Annual inflation is expected to continue to decline as the effect of the higher comparative base increases, with lower commodity prices and supply chain disruptions. The rise in energy prices is projected to dampen significantly next year, while food prices, including alcoholic beverages and tobacco, will be the main determinant of inflation. The rise in the purchase prices of food raw materials in Lithuania and the increase in energy costs contributed significantly to food price increases in 2022 and will also affect the evolution of food prices in 2023. However, the tightening of Lithuania's economy and the weakening of supply chain disruptions will reduce core inflation, which does not include the most volatile energy and food products. Taking this into account, the forecast for general inflation is a decline to 8.9% in 2023.

According to the Chamber of Agriculture, almost €4 billion of EU support is foreseen for Lithuania's agriculture and rural development for the period 2023–2027, and around €276.5 million will come from the national budget. €3.02 billion of EU funds and around €2.8 million of national funding are planned for direct support, eco-schemes for the climate, environment, and animal welfare, and sectoral programmes. €977.5 million of EU funding and €273.7 million of national funding are earmarked for investment, cooperation, environmental, climate, and other rural development measures. The average annual amount of direct payments increased by around 28% compared to the previous financial period. According to the Ministry of Agriculture, as of 2023, a 100% cap on base payments will be applied to amounts above €100 thousand, with the possibility to withhold salaries and related taxes.

According to preliminary estimates by the State Data Agency, the value of agricultural production at current prices increased by 62.8% in 2022 (compared to 2021), reaching €5 billion. Over the year, the purchase prices of agricultural products increased by 21.6%. The biggest increases were recorded for beans (40.8%), oats (32.1%), and wheat (28.5%); of livestock products – pigs (59.5%), poultry (35.4%), eggs (34.6%). Winter rapeseed (26.6%), potatoes (25.1%), oats (20.3%), leguminous crops (19.3%), and winter wheat (13.8%) saw the largest increases in 2022. This is due to increased yields and/or increased crop area. Summer barley (10.5%), spring wheat (27.9%), and sugar beet (31.1%) were the most affected by the decrease in crop area.

Looking at longer-term trends, the agricultural sector continues to improve. Operational efficiency in the country is increasing. Crop yields have almost doubled over 10 years. There has been a significant increase in value added by the sector. This is supported by investments in agricultural techniques, the expansion of farms, and the development and adaptation of knowledge and new technologies for the modernisation of agriculture. Over the last decade, agriculture, food, and rural development have received significant support from the European Union's Structural Funds. The increase in the support provided usually results in an increase in the price of land and in the price of land leases.

The growth of prices of agricultural land in the past years was significantly affected by the growing incomes of the market players and the activity of the market players in more expensive territories provided with well-developed communications and road and services infrastructure. The prices of plots of agricultural land are also affected by the high profitability of agricultural activities supported by EU grants for agriculture as well as the increase in the sizes of farms resulting from acquisition or lease of additional agricultural land. The supply of plots of agricultural land in Lithuania is fairly active, but the selection of land plots suitable for farming is becoming scarce. Major farmers increase their facilities by purchasing small land plots, but the supply of these shrinks each year. Fertile land plots are sold very quickly.

The restrictions on the acquisition of agricultural land enforced in Lithuania and the consistently growing purchase price of plots of agricultural land raise the demand for leased land and the lease rates. Young farmers, farmers with large farm areas and agricultural companies are very interested in the lease of land plots since after plots of agricultural land are leased a higher probability to subsequently purchase them appears in case land owners wish to sell their land plots.

More stringent amendments to the Provisional Law on the Acquisition of Agricultural Land became effective in May 2014. These amendments do not allow related parties to acquire more than 500 hectares of land from the State or other persons. A new wording of the Law on the Acquisition of Agricultural Land became effective on 1 January 2018. The wording of the law enforced prior to 2018 only permitted the purchase of agricultural land to a person that has professional skills and competence, i.e. satisfies the eligibility requirements prescribed by the law. The new wording of the law enforced from 1 January 2018 does not contain any eligibility requirements. The list of persons that have the pre-emptive right to purchase private agricultural land was adjusted in the Law on the Acquisition of Agricultural Land. The new wording of the law ensures the right to purchase land for persons engaged in agricultural activities. The new wording of the law provides for the prohibition to land plot owners to set the condition of sale of a land plot providing that a person that enjoys the pre-emptive right only may avail of it if it acquires the land plot together with the other land plots offered for sale. This provision is no longer effective when land plots offered for sale have adjacent borders. The new wording of the Law on the Acquisition of Agricultural Land effective from 1 January 2018 provides that agreements of purchase and sale of land may only be executed with payments made via bank transfers. The new wording of the law also provides that related parties that manage in the Lithuanian territory by right of ownership agricultural land plots with an area greater than specified in the law (300 hectares, in certain cases 500 hectares) may conclude agreements of transfer of agricultural land plots with each other provided that the total area of the agricultural land acquired by such related parties does not increase as a result of such agreements and that the area of the agricultural land of each of these related parties does not exceed 500 hectares.

INVL Baltic Farmland owns 100% of the shares of 18 private joint-stock companies, which, taken together, have purchased an approximately 3,000 hectares of agricultural land in Lithuania.

Starting from 30 June 2015, when the simple administration agreement was signed with INVL Farmland Management, a company managed by Invalda INVL (one of the largest asset management groups in the Baltic countries), the administration of land plots was assigned to this company. On 28 December 2020, an amendment to the Simple Property Administration Agreement No 20150630/01 was executed, on the basis of which the term of the agreement for property administration was extended until 31 December 2025.

The enforced more stringent requirements for the acquisition of land have resulted in that companies of the INVL Baltic Farmland group are no longer able to directly invest in agricultural land in Lithuania and are unable to overtake the control of companies that manage agricultural land.

INVL Baltic Farmland is seeking to earn in the long run from the increase in land rent and from the growth of the value of land. According to the data of the property valuation conducted in Q4 2022, the value of the land plots has increased in the course of the year by 9.5% and reached EUR 18.09 million. One hectare is valued on average at EUR 5.87 thousand (divided by the total amount).

The following graph shows the difference of prices of agricultural land in Lithuania by region:

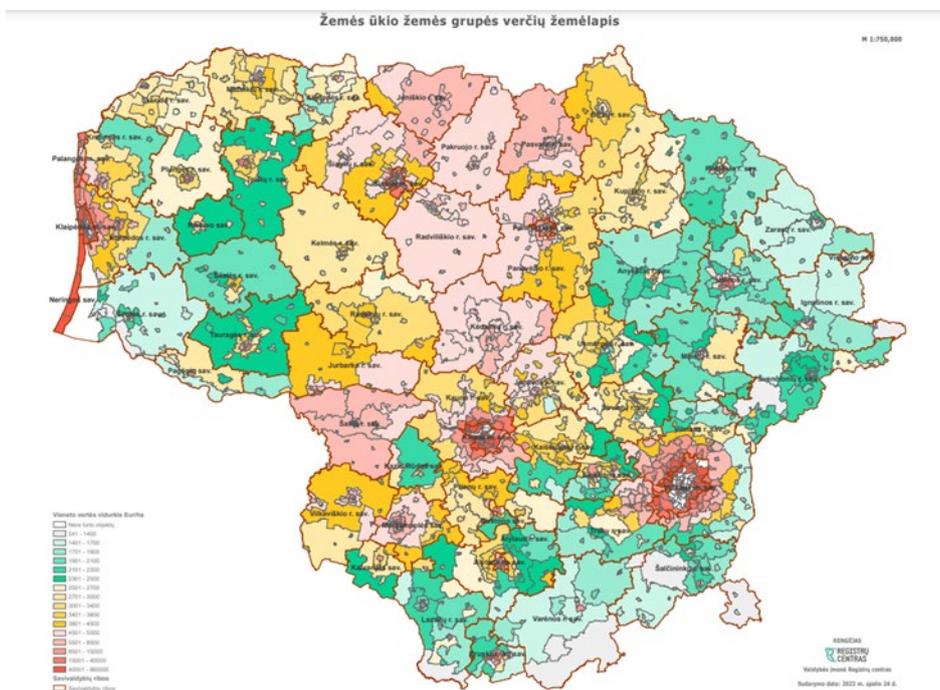


Fig. 15.1.1. Map on values of land qualified as agricultural land in Lithuania.

Source: the Centre of Registers (data as of 24 October 2022)

https://www.registrucentras.lt/bylos/dokumentai/ntr/masvert/zem_zu202210.pdf

Group key figures

	30 June 2021	30 June 2022	30 June 2023
Controlled cultivated cropland area*, ha	2,979	2,963	2,963
Book value of land**, EUR thousand	15,364	16,520	18,092
Average rental income per hectare, EUR (not included the variable part of the rent, equal to the land lease payment payable to the state)	215	239	256
Consolidated equity, EUR thousand	13,734	14,650	15,869
Book value of one share, EUR	4.25	4.54	4.92

* In 2022, the 17.2882 ha land, that was owned by the Company's subsidiary UAB Puškaitis was sold.

**Investment properties are stated at fair value and are valued by accredited valuer UAB korporacija Matininkai using sales comparison method. The valuation was performed in December 2020, 2021 and 2022.

The balance sheet and profit (loss) summary reports

Balance sheet, thousand EUR	Group		
	30 June 2021	30 June 2022	30 June 2023
Investment property	15,364	16,520	18,092
Trade and other receivables	454	404	298
Cash	164	207	140
Other assets	1	2	3
Deferred income tax liabilities	1,609	1,786	2,012
Deferred revenues	320	354	379
Other liabilities	320	343	273
Consolidated equity	13,734	14,650	15,869
Profit (loss)	01.01.2021- 30.06.2021	01.01.2022- 30.06.2022	01.01.2023- 30.06.2023
Revenue	320	358	379
Reversal of impairment (impairment) of trade receivable	-	-	2
Income before tax	236	564	238
Net profit	203	483	218

15.2. Significant Issuer's and its group events during the reporting period, affect on the financial statement**Significant Issuer's events****Financial results and information related to the dividends**

- On 28 February 2023, the audited 2022 results of INVL Baltic Farmland AB were published. The audited consolidated and Company net profit of INVL Baltic Farmland Group AB for 2022 amounts to EUR 1,968,000 and the Group's revenue to EUR 722,000.
- On 07 March 2023, INVL Baltic Farmland announced that it expects to generate revenues of EUR 790,000 and consolidated net profit of EUR 365,000 in 2023.
- On 26 April 2023, the Company, implementing the decision of the shareholders' meeting on the distribution of the Company's profit, and announced the dividend payment procedure for 2022. The Ordinary General Meeting of Shareholders of INVL Baltic Farmland AB decided to distribute dividends of EUR 0.15 per share. Dividends were received by those persons who were shareholders of the Company on 13 April 2023. The Company announced that it would pay out dividends starting from 27 April 2022.
- On 10 May 2023, the Company announced that the unaudited consolidated net profit of the INVL Baltic Farmland AB Group for the 3 months ended 30 June 2023 amounted to EUR 119,000 and revenue to EUR 190,000.

General Shareholders Meeting

- On 07 March 2023, the Company announced that it would convene an Ordinary General Meeting of Shareholders on 29 March 2023 and informed shareholders of the agenda and draft resolutions of the General Meeting. On 29 March 2023, INVL Baltic Farmland announced the decisions of the shareholders' meeting held on 31 March 2018: the meeting took note of the Company's consolidated annual report, the independent auditor's report on the Company's financial statements and the annual report, approved the consolidated and the Company's financial statements for 2022, the remuneration report and resolved to distribute the Company's profit (with dividends of EUR 0.15 per share). It also adopted a decision to approve a new version of the Company's Articles of Association, a new version of the Remuneration Policy and a new version of the Audit Committee's Regulations, a decision on the repurchase of the Company's own shares and the Audit Committee's report.

Significant changes in the information disclosed in the consolidated annual report and significant events of the group

During the six months of 2023 there were no other significant changes rather than disclosed in the latest Consolidated annual report of the Company and above. The companies during the reporting period rented agricultural land for farmers and agricultural companies and performed usual.

16. A description of the principal advantages, uncertainties encountered, risks and uncertainties

During the six months of 2023 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 (all the information is disclosed in the Company's web site section „Investor relations“ → „Investment Risks“. The link is provided:

<https://invlbalticfarmland.com/en/investor-relations/investment-risks/>

17. Significant investments made during the reporting period

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

18. 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 2023.

19. Estimation of Issuer's and Group's activity plans and forecasts

Taking into consideration the lease agreements, total income of INVL Baltic Farmland should be around EUR 790 thousand in 2023. Net profit for the year is expected to be around EUR 365 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 48% of the full-year forecast (EUR 379 thousand), while net profit was 59,7 % of the amount forecast for the year (EUR 365 thousand).

20. The effect of Russia's war against Ukraine and the imposed sanctions on the Issuer

The invasion of Russia and the imposed sanctions do not have a direct or indirect impact on the Issuer's strategic directions, goals, financial results and financial condition. After the Russian invasion, the Issuer's Business Continuity Plan was revised and updated, which sets out specific measures to be taken in the event of information system failures.

21. Information related to the compliance with the Governance Code

During the six months of 2023 there were no significant changes in principles and recommendations contained in the Governance Code rather than disclosed in the latest Consolidated annual report of the Company.

Director

Eglė Surplienė