

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 a golden-brown color, and the rows are spaced evenly, creating a strong sense of perspective and order.

## **INVL Baltic Farmland, AB**

Consolidated Semi-Annual Management Report for the six months of 2024 and Consolidated Interim Condensed Not-audited Financial Statements for the six months ended 30 June 2024 prepared in accordance with International Financial Reporting Standards as adopted by the European Union





## STATEMENT OF RESPONSIBLE PERSONS

30 July 2024

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (articles 13 and 15<sup>1</sup>) 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 2024 are prepared in accordance with applicable reporting standards, give true and fair view of the assets, liabilities, financial position and profit or loss, cash flows of INVL Baltic Farmland and Consolidated Group.

Presented Consolidated Semi-Annual Management Report of INVL Baltic Farmland, AB for the 6 months of 2024 includes a fair review of the development and performance of the business and description of the position of INVL Baltic Farmland, AB and the consolidated group along with the main risks and contingencies faced thereby.

### ENCLOSURE:

1. Consolidated and Company's Consolidated Interim Condensed Unaudited Financial Statements for the 6 months of 2024.
2. Consolidated Semi-Annual Management Report for the 6 months of 2024.

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 30 July 2024.

The document is signed with a qualified  
electronic signature

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Ms. Eglė Surplienė

Director

The document is signed with a qualified  
electronic signature

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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 <sup>st</sup> Half Year 2024	1 <sup>st</sup> Half Year 2023
<b>Revenue</b>		<b>402</b>	<b>379</b>
Other income		5	2
Net gain from fair value adjustments on investment property	3	-	-
Land plots administration fees		(81)	(87)
Legal, professional and securities administration fees		(46)	(43)
(Provision for) reversal of impairment of trade receivables	4	(7)	2
Direct property operating expenses		-	-
Employee benefits expense		(3)	(8)
Other expenses		(4)	(7)
<b>Operating profit</b>		<b>266</b>	<b>238</b>
Finance costs		-	-
<b>Profit before income tax</b>		<b>266</b>	<b>238</b>
Income tax expense	6	(40)	(20)
<b>NET PROFIT FOR THE YEAR</b>		<b>226</b>	<b>218</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>226</b>	<b>218</b>
Attributable to:			
Equity holders of the parent		226	218
Basic and diluted earnings per share (in EUR)	7	0.07	0.07

## Condensed consolidated statement of financial position

	Notes	As at 30 June 2024	As at 31 December 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	3	20,756	20,756
<b>Total non-current assets</b>		<b>20,756</b>	<b>20,756</b>
<b>Current assets</b>			
Trade and other receivables	4	355	131
Prepayments and deferred charges		1	1
Cash and cash equivalents		100	59
<b>Total current assets</b>		<b>456</b>	<b>191</b>
<b>Total assets</b>		<b>21,212</b>	<b>20,947</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		955	955
Own shares		(203)	(203)
Share premium		1,387	1,387
Reserves		3,237	3,237
Retained earnings		12,756	12,918
<b>Total equity</b>		<b>18,132</b>	<b>18,294</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liability		2,425	2,425
<b>Total non-current liabilities</b>		<b>2,425</b>	<b>2,425</b>
<b>Current liabilities</b>			
Trade payables		116	77
Income tax payable		40	47
Deferred revenue	4	402	-
Other current liabilities		97	104
<b>Total current liabilities</b>		<b>655</b>	<b>228</b>
<b>Total liabilities</b>		<b>3,080</b>	<b>2,653</b>
<b>Total equity and liabilities</b>		<b>21,212</b>	<b>20,947</b>

## 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	
<b>Balance as at 31 December 2022</b>		<b>955</b>	<b>(203)</b>	<b>1,387</b>	<b>158</b>	<b>3,079</b>	<b>10,759</b>	<b>16,135</b>
Net profit for the 6 months ended 30 June 2023		-	-	-	-	-	218	218
<b>Total comprehensive income for the 6 months ended 30 June 2023</b>		-	-	-	-	-	<b>218</b>	<b>218</b>
Transfer to reserves		-	-	-	-	-	-	-
Dividends approved	5	-	-	-	-	-	(484)	(484)
<b>Total transactions with owners of the Company, recognised directly in equity</b>		-	-	-	-	-	<b>(484)</b>	<b>(484)</b>
<b>Balance as at 30 June 2023</b>		<b>955</b>	<b>(203)</b>	<b>1,387</b>	<b>158</b>	<b>3,079</b>	<b>10,493</b>	<b>15,869</b>

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	
<b>Balance as at 31 December 2023</b>		<b>955</b>	<b>(203)</b>	<b>1,387</b>	<b>158</b>	<b>3,079</b>	<b>12,918</b>	<b>18,294</b>
Net profit for the 6 months ended 30 June 2024		-	-	-	-	-	226	226
<b>Total comprehensive income for the 6 months ended 30 June 2024</b>		-	-	-	-	-	<b>226</b>	<b>226</b>
Transfer to reserves		-	-	-	-	-	-	-
Dividends approved	5	-	-	-	-	-	(388)	(388)
<b>Total transactions with owners of the Company, recognised directly in equity</b>		-	-	-	-	-	<b>(388)</b>	<b>(388)</b>
<b>Balance as at 30 June 2024</b>		<b>955</b>	<b>(203)</b>	<b>1,387</b>	<b>158</b>	<b>3,079</b>	<b>12,756</b>	<b>18,132</b>

## Condensed consolidated statement of cash flows

	Notes	<u>1<sup>st</sup> Half Year 2024</u>	<u>1<sup>st</sup> Half Year 2023</u>
<b>Cash flows from (to) operating activities</b>			
Net profit for the period		226	218
<b>Adjustments for non-cash items and non-operating activities:</b>			
Net gains from fair value adjustments on investment property		-	-
Deferred taxes	6	-	(13)
Current income tax expenses	6	40	33
Allowances	4	7	(2)
<b>Changes in working capital:</b>			
Decrease (increase) in trade and other receivables		171	209
Decrease (increase) in other current assets		-	(1)
(Decrease) increase in trade payables		39	108
(Decrease) increase in other liabilities		(16)	(21)
<b>Cash flows (to) from operating activities</b>		<b>467</b>	<b>531</b>
Income tax paid		(47)	(117)
<b>Net cash flows (to) from operating activities</b>		<b>420</b>	<b>414</b>
<b>Cash flows from (to) investing activities</b>			
Acquisition of investment properties		-	-
Proceeds from the sale of investment properties	3	-	-
<b>Net cash flows from (to) investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from (to) financing activities</b>			
Cash flows related to Group owners			
Acquisition of own shares		-	-
Dividends paid to equity holders of the parent		(379)	(473)
		(379)	(473)
<b>Net cash flows (to) from financing activities</b>		<b>(379)</b>	<b>(473)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>41</b>	<b>(59)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>59</b>	<b>199</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>100</b>	<b>140</b>



## 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 2023).

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 2024 and 31 December 2023 the shareholders of the Company were:

	<b>As at 30 June 2024</b>		<b>As at 31 December 2023</b>	
	<b>Number of shares held</b>	<b>Percentage</b>	<b>Number of shares held</b>	<b>Percentage</b>
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
<b>Total</b>	<b>3,291,549</b>	<b>100.00</b>	<b>3,291,549</b>	<b>100.00</b>

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 2024 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 2023.

### **Material 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 2023, except adoption of new Standards and Interpretations as of 1 January 2024, noted below.

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

- Amendments to IAS 1: *Classification of liabilities as current or non-current* (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IFRS 16 Leases: *Lease Liability in a Sale and Leaseback* (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements* (effective for annual periods beginning on or after 1 January 2024).

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

## **3. Investment properties**

During 1<sup>st</sup> Half Year of 2024 and 2023 the Group has not acquired investment properties. During 1<sup>st</sup> Half year of 2024 and 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 2023. There were no significant changes in the market since the end of 2023 that could have an effect on the value of those investment properties, therefore the updated valuation was not performed as at 30 June 2024.

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 1<sup>st</sup> Half Year of 2024 and 2023. No contractual obligations to purchase investment properties existed at the end of the period.

#### 4. Trade and other receivables

	As at 30 June 2024	As at 31 December 2023
Trade receivables, gross	408	167
Accrued lease income, gross	72	72
Other receivables, gross	-	-
Taxes receivable, gross	29	39
<b>Total trade and other receivable, gross</b>	<b>509</b>	<b>278</b>
Less: provision for impairment of trade and other receivables	(29)	(21)
Less: Write off still subject to enforcement activity	(125)	(126)
<b>Trade and other receivable net of expected credit losses</b>	<b>355</b>	<b>131</b>

Changes in allowance for doubtful trade and other receivables for the 1<sup>st</sup> Half Year of 2024 and 2023 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 1<sup>st</sup> Half Year of 2024 (EUR 402 thousand). This amount would be recognised as rental income during 3<sup>rd</sup> – 4<sup>th</sup> 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
<b>Balance as at 31 December 2022</b>	<b>2</b>	<b>129</b>	<b>131</b>
Charge for the 6 months ended 30 June 2023	-	-	-
Enforcement activity ended	-	-	-
Recoveries of amounts previously impaired or written off	-	(2)	(2)
<b>Balance as at 30 June 2023</b>	<b>2</b>	<b>127</b>	<b>129</b>

	Group		
	Impairment losses	Write off still subject to enforcement activity	Total
<b>Balance as at 31 December 2023</b>	<b>21</b>	<b>126</b>	<b>147</b>
Charge for the 6 months ended 30 June 2024	8	-	8
Enforcement activity ended	-	-	-
Recoveries of amounts previously impaired or written off	-	(1)	(1)
<b>Balance as at 30 June 2024</b>	<b>29</b>	<b>125</b>	<b>154</b>

#### 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
<b>As at 30 June 2024</b>							
Trade receivables net of write off	48	-	197	-	-	38	283
Accrued lease income	72	-	-	-	-	-	72
Other receivables	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(29)	(29)
<b>Trade and other receivable net of expected credit losses</b>	<b>120</b>	<b>-</b>	<b>197</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>326</b>
<b>As at 31 December 2023</b>							
Trade receivables net of write off	-	1	-	-	-	40	41
Accrued lease income	72	-	-	-	-	-	72
Other receivables	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(21)	(21)
<b>Trade and other receivable net of expected credit losses</b>	<b>72</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>92</b>

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 2024	-	-	-	-	2	36	38
Trade receivables net of write off as at 31 December 2023	-	2	-	-	35	3	40

#### 5. Dividends

A dividend in respect of the year ended 31 December 2023 of EUR 0.12 per share, amounting to a total dividend of EUR 388 thousand, was approved at the annual general meeting on 10 April 2024.

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.

#### 6. Income tax

	1 <sup>st</sup> Half Year 2024	1 <sup>st</sup> Half Year 2023
<b>Components of the income tax expenses</b>		
Current year income tax	(40)	(33)
Deferred income tax expenses	-	13
Income tax expenses charged to profit or loss – total	(40)	(20)

## 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 2024 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>1<sup>st</sup> Half Year 2024</u>	<u>1<sup>st</sup> Half Year 2023</u>
Net profit (loss), attributable to the equity holders of the parent	226	218
Weighted average number of ordinary shares (thousand)	3,228	3,228
Basic earnings (deficit) per share (EUR)	<u>0.07</u>	<u>0.07</u>

For 1<sup>st</sup> Half Year of 2024 and 2023 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 1<sup>st</sup> half year of 2024 and related half year-end balances were as follows:

<b>1<sup>st</sup> Half Year 2024</b>	<b>Sales to related</b>	<b>Purchases from</b>	<b>Receivables from</b>	<b>Payables to</b>
<b>Group</b>	<b>parties</b>	<b>related parties</b>	<b>related parties</b>	<b>related parties</b>
AB Invalda INVL (accounting services)	-	33	-	-
UAB INVL Farmland Management (administration fees)	-	81	-	115
	-	114	-	115

In 2024 to the Board members, which are shareholders of the Company, were paid EUR 32 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 117 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 102 thousand of dividends, net of tax.

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

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

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 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 clearly visible, creating a strong sense of perspective and order.

## **INVL Baltic Farmland, AB**

CONSOLIDATED SEMI-ANNUAL MANAGEMENT REPORT FOR 6  
MONTHS OF 2024

APPROVED BY THE BOARD OF INV L BALTIC FARMLAND, AB ON 30 JULY 2024.



**Translation note:**

This version of the Consolidated Semi-Annual Management Report for 6 months of 2024 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 Management Report and content of information

The semi-annual consolidated management report of the public joint-stock company INVL Baltic Farmland (hereinafter may be referred as **the Company, the Issuer** 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, Law on Corporate Reporting 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 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 management 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 Management Report is relevant for understanding the Company's performance, condition and impact of operations.

### 2. Reporting period for which the management report is prepared

The management report covers the financial period of INVL Baltic Farmland, AB starting from 1 January 2024 and ending on 30 June 2024. The management report also discloses information from the end of the reporting period to the release of the management report.

The management report was not audited.

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

#### 3.1. Information about the issuer

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

#### 3.2. Information on company's goals, philosophy and strategy

The main goal of INVL Baltic Farmland, AB – 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, AB 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, AB 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, AB are listed on Nasdaq Vilnius stock exchange since 4 June 2014.

The administration of the INVL Baltic Farmland, AB 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, AB 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, AB 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 suitable 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, AB 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, AB, whose shareholder is Invalda INVL – one of the leading asset management groups in the Baltic region, on 30 June 2015 have signed a basic property administration agreement with INVL Farmland Management which administrates agricultural land owned by the companies 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.

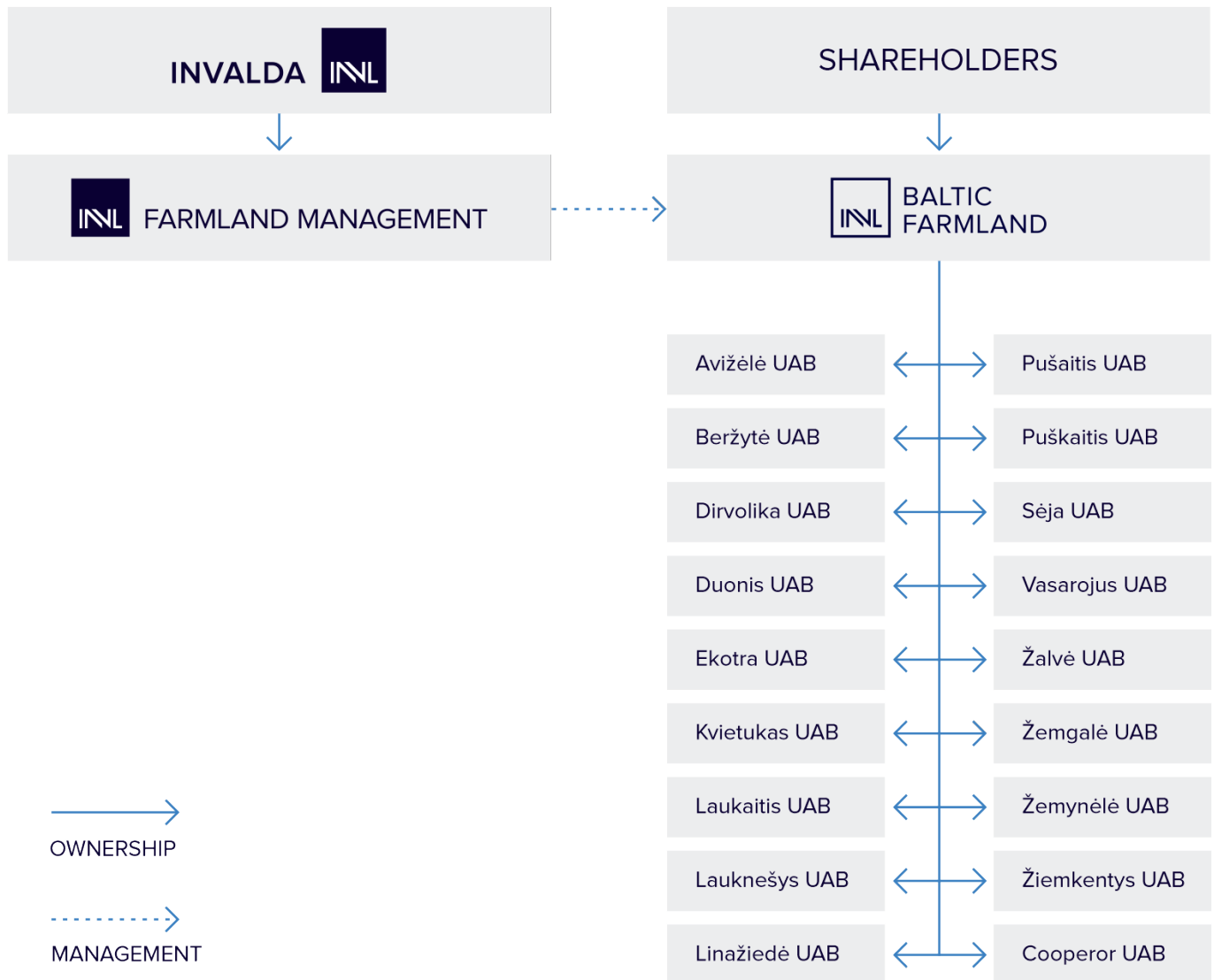
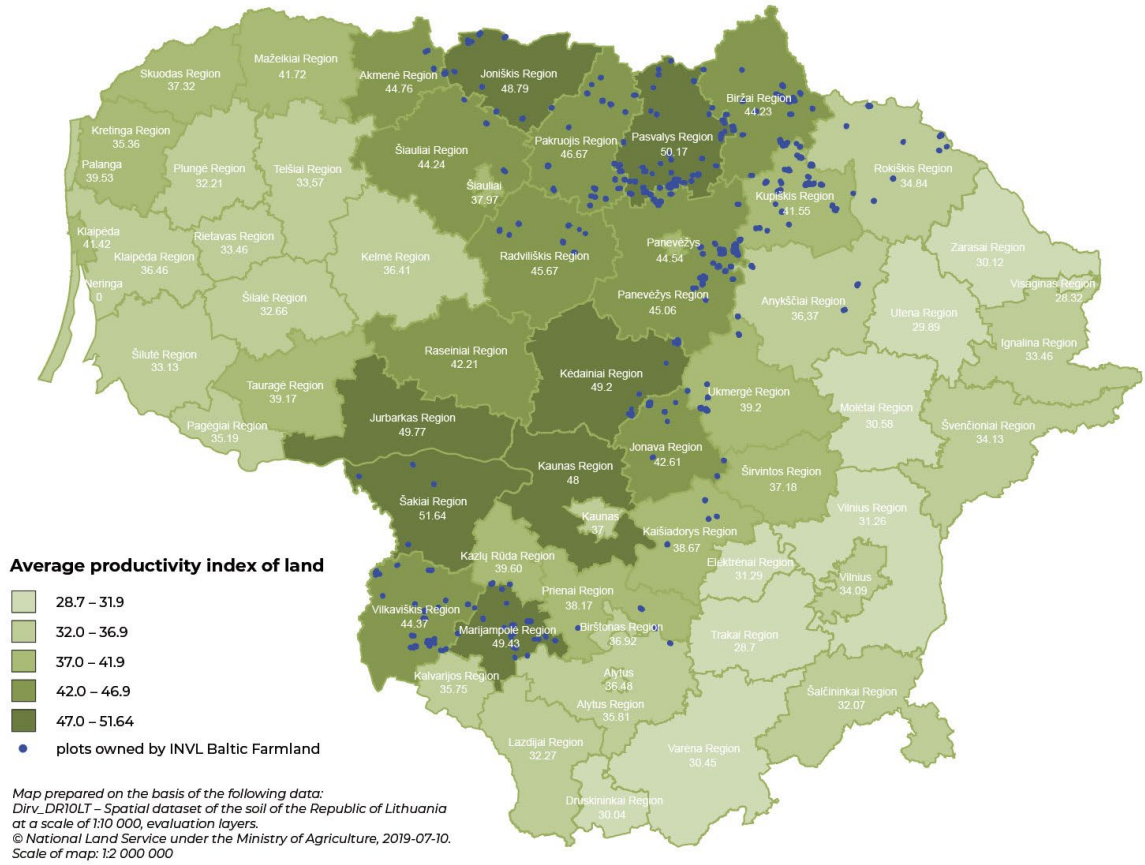


Fig. 3.3.1. Group structure of INVL Baltic Farmland, AB as of 30 June 2024

## 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, AB 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., Kaimedarys 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
<b>Total:</b>		<b>3,081.23</b>	<b>2,962.60</b>

#### 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 2024.

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 2016, 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.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 10 April 2024 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 5.50, minimum one share acquisition price – EUR 3.50.

**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, AB have not implemented acquisition of shares in INVL Baltic Farmland, AB 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:

<b>Type of shares</b>	Ordinary registered shares
<b>ISIN code</b>	LT0000128753
<b>LEI code</b>	5299000AUE9M1W13ZQ36
<b>Name</b>	INL1L
<b>Exchange</b>	Nasdaq Vilnius
<b>List</b>	Baltic Secondary list
<b>Authorised capital (EUR)</b>	954,549.21
<b>Nominal value of 1 share (EUR)</b>	0.29
<b>Shares issued, units</b>	3,291,549
<b>Total voting rights granted by the issued shares, units</b>	3,291,549
<b>Number of votes for the quorum of the General Shareholders Meeting, units*</b>	3,228,510
<b>Date of the beginning of listing</b>	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 2022	6 months of 2023	6 months of 2024
<b>Share price, EUR</b>			
- open	7.700	8.100	7.200
- high	8.400	8.200	7.250
- low	5.500	6.050	5.800
- medium	7.395	7.491	6.456
- last	8.200	7.000	6.400
<b>Turnover, units</b>	19,520	3,959	<b>7,604</b>
<b>Turnover, EUR</b>	144,344.8	29,658.8	<b>49,094.4</b>
<b>Traded volume, units</b>	485	236	<b>295</b>

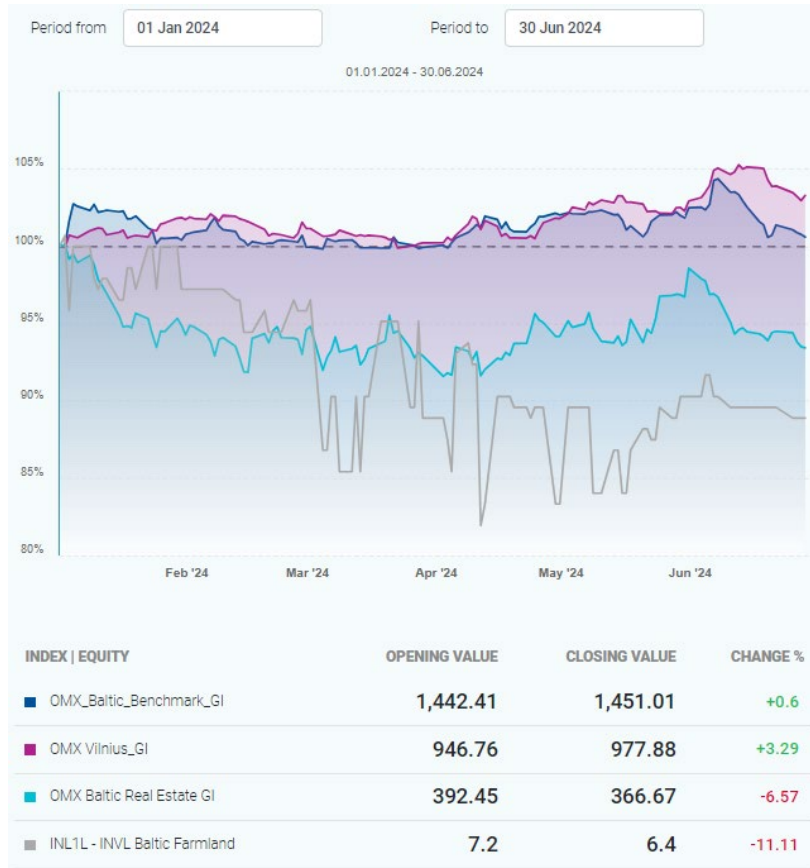


Fig. 8.1. INVL Baltic Farmland, AB change of share price and indexes<sup>1</sup> (resource: Nasdaq Baltic, Baltic market indexes)

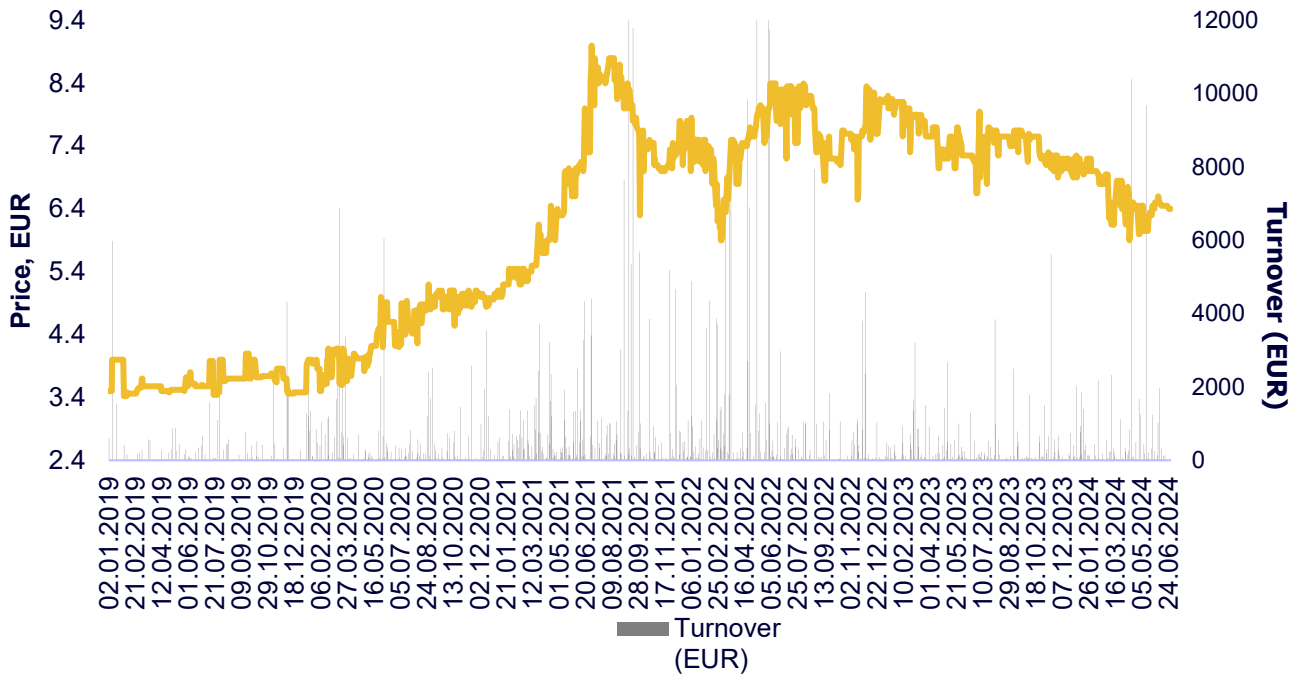


Fig. 8.2. Change of share price of INVL Baltic Farmland, AB

<sup>1</sup> 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 taxes<sup>2</sup>.

**The General Shareholders Meeting of INVL Baltic Farmland, AB held on 10 April 2024, decided to allocate EUR 0.12 dividend per share.**

Dividends were allocated to the shareholders, who at the end of the tenth business day following the day of the General Shareholders Meeting that adopted a decision on dividend payment, i.e., on 24 April 2024 were shareholders of INVL Baltic Farmland, AB.

On 9 May 2024, the Company announced that will start to allocate dividends from 10 May 2024. 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.

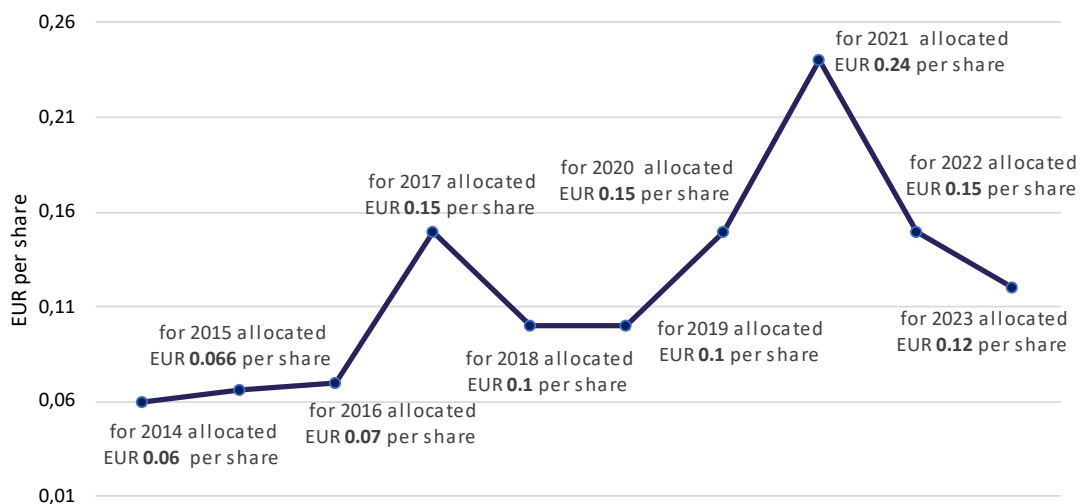


Fig. 9.1. Dividends allocation per share

<sup>2</sup> This information should not be treated as tax consultation.



## 10. Information about company's shareholders

The total number of shareholders in INVL Baltic Farmland, AB was 3416 on 30 June 2024. 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 2024. 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 <sup>3</sup>
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 <sup>4</sup>
Eglė Surplienė	0	0	0	0

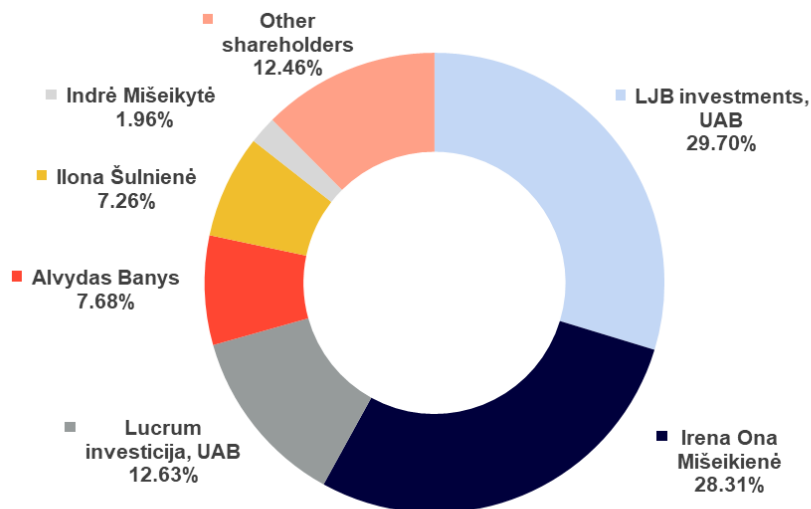


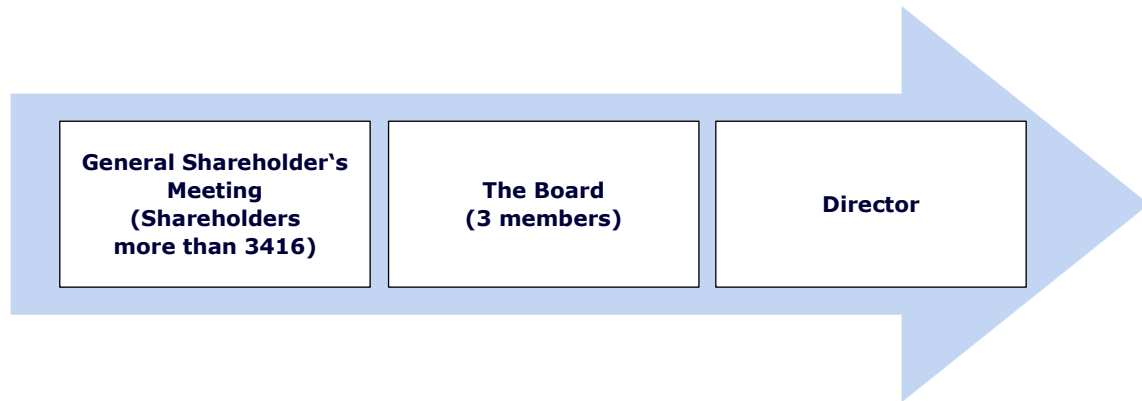
Fig. 10.1.1. Votes as of 30 June 2024

<sup>3</sup> According to Paragraph 1 of Article 26 of the Law on Securities of the Republic of Lithuania, Alvydas Banys is deemed to hold the voting rights of LJB Investments, a company controlled by him..

<sup>4</sup> According to Paragraph 1 of Article 26 of the Law on Securities of the Republic of Lithuania, Darius Šulnis is deemed to hold the voting rights of Lucrum Investicija, a company controlled by him.

### III. ISSUER'S MANAGING BODIES

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



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

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

The new Board of INVL Baltic Farmland, AB has been elected for the four-year term of office during the General Shareholders Meeting held on 27 April 2022. Mr. Banys 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 Banys** -  
Chairman of the Board  
Main workplace – UAB "LBJ Investments" (code 300822575, A. Juozapavičiaus st. 9A, Vilnius) – Director

<b>The term of office</b>	From 2022 until 2026
<b>Educational background and qualifications</b>	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.
<b>Work experience</b>	Since July 2013 until April 2022 Invalda INVL, AB – Advisor Since May 2022 INVL 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
<b>Owned amount of shares in INVL Baltic Farmland, AB</b>	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 INVL, 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 – Advisor  
 2013 - 2019 Invalda Privatus Kapitalas, AB – Advisor  
 2002- 2019 Inreal Valdymas, UAB – Architect  
 2000 - 2002 Gildeta, UAB – Architect

**Owned amount of shares in INVL Baltic Farmland, AB**

Personally: 64,450 units of shares, 1.96 % of authorised capital and votes

**Participation in other companies**

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board



**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, AB**

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

**Participation in other companies**

Invalda INVL, AB (code 121304349, Gynėjų st. 14, Vilnius) – Member of the Board

**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

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 general meeting of shareholders 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;
- to provide opinion regarding the transactions with Company related party, according to the clause 37(2), parts 1 and 5 of the Law on Companies, provide evaluation regarding transactions, indicated in clause 37 (2), parts 11 and 12 of the Law on Companies;
- monitor the process of external audit;
- to review and monitor the independence of auditors and auditors companies seeking to avoid conflict of interests;
- to monitor the financial reporting process of the Company and submit recommendations on ensuring the liability of it;
- monitor the efficiency of Company's internal control and risk management systems as well as internal audit, without prejudice to the independence of the internal audit.
- 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, AB held on 9 April 2021, the decision to elect Dangutė Pranckėnienė, partner and auditor of Moore Stephens Vilnius, UAB and Tomas Bubinas 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, Sicor Biotech  
1999 - 2001 Senior Manager, PricewaterhouseCoopers  
1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand.

**Owned amount of shares in INVL Baltic Farmland, AB** -



**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 coach 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, AB** -

**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 2 thousand during the reporting period.

In 2024, to the Board members, which are shareholders of the Company, were paid EUR 32 thousand of dividends, net of tax. To the entities, which are controlled by Board members, were paid EUR 117 thousand of dividends, net of tax. Natural persons, who are related to the Board members of the company, were paid EUR 102 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 State Data Agency, the preliminary estimate of annual inflation (June 2024 compared to June 2023), calculated using the Harmonised Index of Consumer Prices (HICP), is 1%. The primary factors influencing annual inflation include increases in the prices of food and non-alcoholic beverages, housing, water, electricity, gas, and other fuel goods and services, as well as various goods and services, and a decrease in the prices of transport goods and services. The preliminary estimate of average annual inflation, calculated using the HICP, was 2.4% in June. According to the economic development scenario of the Ministry of Finance for 2024-2027, the average annual inflation in Lithuania is expected to decrease to 1.1% in 2024, primarily due to more favourable food price trends and reduced pressure on non-energy industrial goods prices.

In the first quarter of 2024, Lithuania's Gross Domestic Product (GDP) at current prices, according to preliminary data from the State Data Agency, amounted to EUR 17.1 billion. Compared to the fourth quarter of 2023, the real GDP change, adjusted for seasonal and working day effects, was positive at 0.8%. From the production approach, in the first quarter of 2024, the most significant positive contributions to GDP growth came from manufacturing and wholesale and retail trade, as well as from transportation and storage sector performance.

From the expenditure approach, it was determined that in the first quarter of 2024, compared to the previous quarter, household final consumption expenditure increased by 2.7%, while gross fixed capital formation and government final consumption expenditure decreased by 6.5% and 0.6%, respectively. Exports of goods and services increased by 2.6%, while imports decreased by 2.8%. According to the Ministry of Finance's 2024-2027 economic development scenario, at the beginning of 2024, Lithuania's economy grew – GDP in the first quarter of this year was 2.9% higher compared to the same period in 2023. Economic growth was driven by positive net exports (which contributed 5.2 percentage points to economic growth) and a recovery in household consumption at the end of 2023, which strengthened at the beginning of 2024 (contributing 1.5 percentage points to GDP change). After a slight decline last year, with stronger domestic and external demand expected in 2024, Lithuania's GDP growth is projected to reach 2.1% this year. From 2025 to 2027, the GDP growth rate could accelerate to an average of 2.9% per year. According to the Bank of Lithuania, global economic activity remains subdued and is expected to be somewhat lower in the coming years than over the past decade. This global economic trend is significantly influenced by the persistent effects of tightened monetary policy. Stricter financing conditions and a gradually cooling labour market are affecting all major global economies – the US, China, and the Eurozone. It is assessed that, so far, the events in the Red Sea have had only a limited impact on global economic development, with supplier delivery times lengthening relatively little compared to 2021-2022, when global supply chain disruptions were substantial. It should be noted that among the major global economies, the Eurozone, which is Lithuania's most important trading partner, is expected to have the least favourable economic development outlook. In the first half of 2024, due to the dampening of positive economic momentum, competitiveness challenges, strict financing conditions, and increased consumer uncertainty, economic activity in the Eurozone will remain very sluggish. However, due to decreasing inflation and increasing household purchasing power from rising wages, growing government sector expenditures, and recovering external demand, the Eurozone's economic activity is expected to begin recovering in the second half of the year. Rising household incomes, increasing external demand, and the diminishing effects of tightened monetary policy should also contribute to the continued recovery of the Eurozone economy in the medium term. The economic development of Lithuania's key trading partner implies that this year, external demand for Lithuanian goods and services will remain sluggish and is expected to increase more rapidly only from 2025. Despite this, throughout the forecast period, the growth of external demand will be noticeably slower than the long-term average.

The Bank of Lithuania's March 2024 report, *Macroeconomic Forecasts*, also indicates that economic development will remain sluggish in the near term, with a notable upturn expected only in the second half of the year. The most significant restricting factor for economic activity will be sluggish export growth, constrained by limited external demand increases and restricted re-export opportunities. Adverse external trends are expected to be offset by gradually strengthening domestic demand, particularly household consumption. Household consumption, which began to grow again at the end of last year, is expected to maintain this trend in the future, as real household incomes are projected to rise significantly, the labour market remains favourable for workers, and household uncertainty about the future decreases. Economic activity is also expected to be bolstered by investments, supported by increasing flows from European Union (EU) support funds. Although a dynamic investment environment similar to last year's is not anticipated, investment levels will continue to be historically high. Considering these factors, Lithuania's economy is projected to grow by 1.6% in 2024, with growth accelerating to 3.1% and 3.3% in 2025 and 2026, respectively. In this economic outlook, there are more positive than adverse risks that could lead to slower-than-expected economic development in Lithuania. Slower-than-expected economic growth could be influenced by less favourable development in major trading partners' economies, weaker-than-expected recovery in household consumption, or renewed geopolitical tensions globally. On the other hand, a faster absorption of EU support fund flows than currently anticipated could result in a more favourable economic outlook for Lithuania than expected.



According to data from the Agricultural Chambers, the Lithuanian agriculture and rural development sector is allocated nearly EUR 4 billion in EU support and approximately EUR 276.5 million in national budget funds for the 2023-2027 period. EUR 3.02 billion in EU funds and about EUR 2.8 million in national financing are planned for direct support, climate, environment, animal welfare systems (eco-schemes), and sectoral programmes. EUR 977.5 million in EU funds and EUR 273.7 million in national financing are earmarked for investment, cooperation, environmental protection, climate goals, and other rural development measures. The average annual direct payments amount has increased by about 28% compared to the previous financial period. According to the Ministry of Agriculture, starting from 2023, a 100% cap on basic payments for amounts exceeding EUR 100,000 will be applied, with the possibility to deduct salaries and associated taxes.

Based on data provided by Eurostat, in the first quarter of 2024, compared to the same period in 2023, both agricultural production and non-investment related production costs have decreased in the European Union. It is noted that the average price of agricultural production has decreased by 6%, while the average price of goods and services used in agriculture (non-investment related production costs) has dropped by 11%. Eurostat also reminds that after disruptions in the early years of the COVID-19 pandemic, agricultural production prices surged rapidly in 2021 and during the first three quarters of 2022, followed by a slowdown in price increases and a subsequent decline. Recently, agricultural production and production cost prices are moving toward pre-pandemic levels. Prices for many types of agricultural products fluctuated in various and contrasting ways from January to March compared to the same period last year. The average price of grains dropped particularly sharply, by 28%. The price of milk fell by 12%, eggs and industrial crops (oilseeds, protein crops, sugar beets, and other products) decreased by 10%, and fresh vegetables by 6%, with tomato prices plummeting by as much as 33%. In contrast to the aforementioned products, the average price of potatoes increased by 22%, and fresh fruit by 20%.

Looking at longer-term trends, the situation in the agricultural sector continues to improve, and operational efficiency in the country is rising. Grain crop yields have nearly doubled over the past 10 years. There has been a significant increase in the sector's added value. This is driven by investments in agricultural machinery, farm consolidation, deepening and applying knowledge, and new technologies aimed at modernising agriculture. Over the past decade, substantial European Union structural fund support has been allocated to agriculture and rural development. The increase in support typically leads to higher land prices and rising land rental costs.

Recent years have seen significant influence on the growth of agricultural land prices due to increasing market participants' incomes and their activity in more expensive areas with developed communications, road, and service infrastructure. The value of agricultural land is also determined by adequate profitability of agricultural activities, supported by EU agricultural subsidies, and the consolidation of farms, where farms acquiring or leasing additional agricultural land can achieve economies of scale. The supply of agricultural land in Lithuania is quite active, but the reserve of attractive farming plots is dwindling. Large-scale farmers are expanding their holdings by purchasing smaller plots, but fewer are offered each year. More fertile plots are sold very quickly.

Restrictions on the acquisition of agricultural land in Lithuania and the continually rising cost of purchasing agricultural land increase the demand for and prices of land rentals. Young and large-scale farmers and agricultural companies are actively seeking land rentals, as leasing agricultural land increases the likelihood of purchasing it if the owners wish to sell their land.

In May 2014, amendments to the temporary law on the acquisition of agricultural land came into force, which prevented related persons from acquiring more than 500 hectares of land from the state or other individuals. On 1 January 2018, a new version of the Law on the Acquisition of Agricultural Land came into effect. Under the version of the law in force until 2018, only individuals with professional skills and competence – i.e., those meeting the qualification requirements set by the law – could acquire agricultural land. The new version of the law, effective from 1 January 2018, removed these qualification requirements. The Law on the Acquisition of Agricultural Land has adjusted the list of persons with a priority right to acquire private agricultural land. The wording of the law ensures the right to acquire land to persons who are engaged in agricultural activities. The new wording of the law prohibits the owner of a land plot from imposing a condition on the sale of the land plot, which stipulates that the person with the right of first refusal may only exercise the right of first refusal in the event of acquiring the land plot together with the other land plots being sold. This provision does not apply when the plots being sold are adjacent to each other. The version of the Law on the Acquisition of Agricultural Land that came into effect on 1 January 2018, stipulates that land purchase and sale transactions can only be conducted through bank transfers. The new version of the law also stipulates that related persons who own more agricultural land in Lithuania than specified by the law (300 hectares, or 500 hectares in certain cases) may enter into agricultural land transfer transactions among themselves, provided that the total area of agricultural land acquired by the related persons does not increase as a consequence of the conclusion of the transactions, and that the area of land owned by each of the persons concerned does not become larger than 500 hectares.

The Company INVL Baltic Farmland, AB owns 100% of the shares in 18 closed joint-stock companies, which collectively hold approximately 3,000 hectares of agricultural land in Lithuania.

Since 30 June 2015, when a basic administration agreement was signed with INVL Farmland Management, a company managed by one of the largest asset management groups in the Baltic States, Invalda INVL the management of the land plots has been transferred to this company. On 28 December 2020, an amendment to the Basic Property Administration Agreement No. 20150630/01 was signed, extending the term of the administration agreement until 31 December 2025.

The existing restrictions on land acquisition mean that INVL Baltic Farmland, AB group companies can no longer directly invest in agricultural land in Lithuania, nor can they take control of companies holding agricultural land.

INVL Baltic Farmland, AB aims to generate long-term returns from rental income growth and land value appreciation. According to the asset valuation conducted in the last quarter of 2023, the value of the plots increased by 14.7% over the year to EUR 20.76 million. On average, one hectare is valued at EUR 6,74 (divided by the total amount).

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



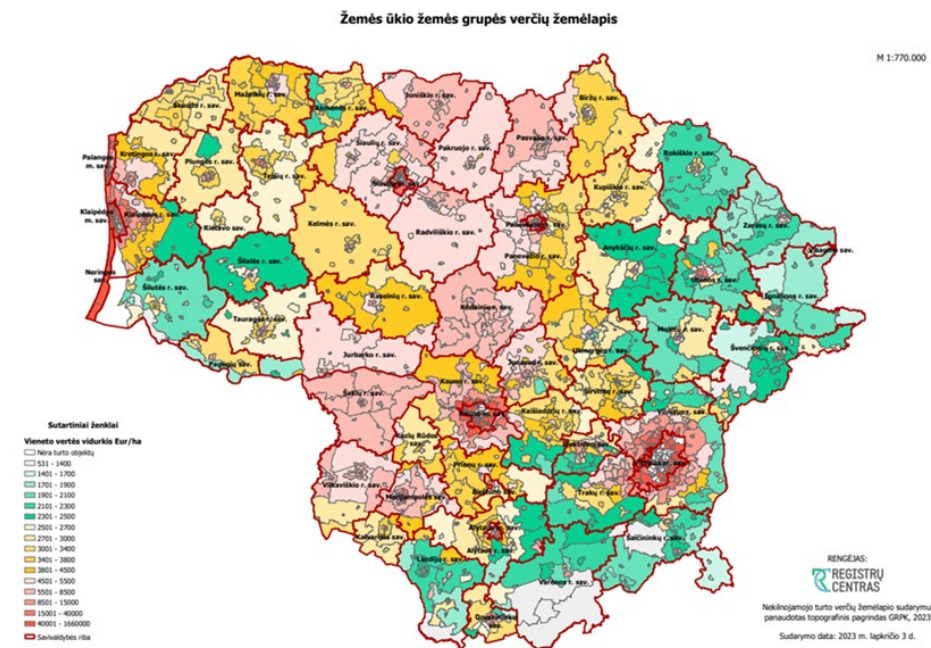


Fig. 15.1.1. Map on values of land qualified as agricultural land in Lithuania.

Source: the Centre of Registers (data as of 3 November 2023)

[https://www.registrucentras.lt/bylos/dokumentai/ntr/masvert/zem\\_zu202311.pdf](https://www.registrucentras.lt/bylos/dokumentai/ntr/masvert/zem_zu202311.pdf)

### Group key figures

	30 June 2022	30 June 2023	30 June 2024
Controlled cultivated cropland area*, ha	2,963	2,963	<b>2,963</b>
Book value of land**, EUR thousand	16,520	18,092	<b>20,756</b>
Average rental income per hectare, EUR (not included the variable part of the rent, equal to the land lease payment payable to the state)	239	256	<b>272</b>
Consolidated equity, EUR thousand	14,650	15,869	<b>18,132</b>
Book value of one share, EUR	4.54	4.92	<b>5.62</b>

\* 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 2021, 2022 and 2023.

### The balance sheet and profit (loss) summary reports

Balance sheet, thousand EUR	Group		
	30 June 2022	30 June 2023	30 June 2024
Investment property	16,520	18,092	<b>20,756</b>
Trade and other receivables	404	298	<b>355</b>
Cash	207	140	<b>100</b>
Other assets	2	3	<b>1</b>
Deferred income tax liabilities	1,786	2,012	<b>2,425</b>
Deferred revenues	354	379	<b>402</b>
Other liabilities	343	273	<b>253</b>

Consolidated equity	14,650	15,869	<b>18,132</b>
<b>Profit (loss)</b>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.01.2024- 30.06.2024</b>
Revenue	358	379	402
Reversal of impairment (impairment) of trade receivable	-	2	<b>(7)</b>
Income before tax	564	238	<b>266</b>
Net profit	483	218	<b>226</b>

## 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 29 February 2024, the audited 2023 results of INVL Baltic Farmland AB were published. The audited consolidated and Company net profit of INVL Baltic Farmland, AB Group for 2023 amounts to EUR 2,643,000 and the Group's revenue to EUR 794,000.
- On 19 March 2024, INVL Baltic Farmland, AB announced that it expects to generate revenues of EUR 835,000 and consolidated net profit of EUR 420,000 in 2024.
- On 9 May 2024, the Company, implementing the decision of the shareholders' meeting on the distribution of the Company's profit, and announced the dividend payment procedure for 2023. The Ordinary General Meeting of Shareholders of INVL Baltic Farmland, AB decided to distribute dividends of EUR 0.12 per share. Dividends were received by those persons who were shareholders of the Company on 24 April 2024. The Company announced that it would pay out dividends starting from 10 May 2024.
- On 9 May 2024, the Company announced that the unaudited consolidated net profit of the INVL Baltic Farmland, AB Group for the 3 months amounted to EUR 113,000 and revenue to EUR 200,000.

#### **General Shareholders Meeting**

- On 19 March 2024, the Company announced that it would convene an Ordinary General Meeting of Shareholders on 10 April 2024 and informed shareholders of the agenda and draft resolutions of the General Meeting. On 10 April 2024, INVL Baltic Farmland, AB announced the decisions of the shareholders' meeting: the meeting took note of the Company's consolidated annual report, the independent auditor's report on the Company's financial statements and the consolidated annual report, approved the consolidated and the Company's financial statements for 2023, the remuneration report and resolved to distribute the Company's profit (with dividends of EUR 0.12 per share). It also adopted a decision to determine the remuneration of the Audit Committee members of the Company, 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 2024 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 2024 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, AB (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 2024.

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

Taking into consideration the lease agreements, total income of INVL Baltic Farmland, AB should be around EUR 835 thousand in 2024. Net profit for the year is expected to be around EUR 420 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, AB first-half revenue was 48.1% of the full-year forecast (EUR 402 thousand), while net profit was 53.8% of the amount forecast for the year (EUR 226 thousand).

## 20. Information related to the compliance with the Governance Code

During the six months of 2024 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