

A modern office interior with glass walls and office chairs. The scene is viewed through a glass partition, showing a clean, professional environment. In the foreground, two office chairs with black frames and yellow seats are visible. In the background, a person is blurred, and a flag is partially visible. The overall atmosphere is bright and contemporary.

INVALDA

INL

AB INVALDA INVL

**Consolidated Interim Report for 6 months of 2021,
Consolidated and Company's Interim Condensed
Not-Audited Financial Statements for 6 months
ended 30 June 2021**

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

INVALDA

INL

Public joint-stock company Invalda INVL

CONFIRMATION OF RESPONSIBLE PERSONS

31 August 2021

Following the Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (Article 13) of the Republic of Lithuania, management of Invalda INVL, AB hereby confirms that, to the best of our knowledge, the attached Consolidated and Company's Interim Condensed unaudited Financial Statements for 6 months of 2021 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 Invalda INVL and Consolidated Group.

Present Consolidated Report for 6 months of 2021 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.



President

Darius Šulnis



Chief Financier

Raimondas Rajeckas

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AB INVALIDA INVL

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

(all amounts are in EUR thousand unless otherwise stated)

GENERAL INFORMATION

Board of Directors

Mr. Alvydas Banyys (chairman of the Board)

Ms. Indrė Mišeikytė

Mr. Darius Šulnis

Management

Mr. Darius Šulnis (president)

Mr. Raimondas Rajeckas (chief financial officer)

Principal place of business and company code

Gynėjų Str. 14,
Vilnius,
Lithuania

Company code 121304349

Banks

AB Šiaulių Bankas

AB SEB Bankas

“Swedbank” AS

Luminor Bank AS Lithuania Branch

Luminor Bank AS Latvian Branch

“Swedbank”, AB

The financial statements were approved and signed by the Management and the Board of Directors on 31 August 2021.



Mr. Darius Šulnis
President



Mr. Raimondas Rajeckas
Chief financial officer

Condensed consolidated and Company's income statements

| | Notes | Group | | Company | |
|--|--------|---------------------|---------------------|---------------------|---------------------|
| | | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Revenue from contracts with customers | 3 | 7,141 | 6,482 | 19 | 18 |
| Dividend income | | 3,367 | 7,167 | 3,367 | 7,167 |
| Other income | | 18 | 21 | 9 | 19 |
| Net changes in fair value of financial instruments at fair value through profit or loss | 6, 8.1 | 9,816 | (12,278) | 9,043 | (11,935) |
| Employee benefits expenses | | (3,736) | (3,663) | (181) | (248) |
| Funds distribution fees | | (58) | (48) | - | - |
| Amortisation of costs to obtain contracts with customers | | (147) | (150) | - | - |
| Information technology maintenance expenses | | (278) | (174) | (3) | (3) |
| Depreciation and amortisation | | (412) | (401) | (10) | (9) |
| Premises rent and utilities | | (65) | (63) | (3) | (3) |
| Advertising and other promotion expenses | | (124) | (219) | - | - |
| Impairment of financial and contract assets | | - | - | - | - |
| Other expenses | 8.3 | (1,395) | (1,290) | (203) | (169) |
| Operating profit (loss) | | 14,127 | (4,616) | 12,038 | (5,163) |
| Finance costs | 8.2 | (88) | (67) | (5) | (5) |
| Share of net (loss) profit of subsidiaries accounted for using the equity method | | - | - | 1,790 | 449 |
| Profit (loss) before income tax | | 14,039 | (4,683) | 13,823 | (4,719) |
| Income tax expenses | 7 | (977) | 513 | (776) | 524 |
| PROFIT (LOSS) FOR THE PERIOD | | 13,062 | (4,170) | 13,047 | (4,195) |
| Attributable to: | | | | | |
| Equity holders of the parent | | 13,047 | (4,195) | 13,047 | (4,195) |
| Non-controlling interests | | 15 | 25 | - | - |
| Basic earnings (deficit) per share (in EUR) | 9 | 1.12 | (0.36) | 1.12 | (0.36) |
| Diluted earnings (deficit) per share (in EUR) | 9 | 1.10 | (0.36) | 1.10 | (0.36) |

Condensed consolidated and Company's statements of comprehensive income

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Profit (loss) for the period | 13,062 | (4,170) | 13,047 | (4,195) |
| Net other comprehensive income (loss) that may be subsequently reclassified to profit or loss | - | - | - | - |
| Net other comprehensive income (loss) not to be reclassified to profit or loss | - | - | - | - |
| Other comprehensive income (loss) for the period, net of tax | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | 13,062 | (4,170) | 13,047 | (4,195) |
| Attributable to: | | | | |
| Equity holders of the parent | 13,047 | (4,195) | 13,047 | (4,195) |
| Non-controlling interests | 15 | 25 | - | - |

Condensed consolidated and Company's statements of financial position

| | Notes | Group | | Company | |
|--|-------|-----------------------|---------------------------|-----------------------|---------------------------|
| | | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | | 1,376 | 1,524 | 86 | 95 |
| Intangible assets and costs to obtain contracts | | 5,295 | 5,380 | - | - |
| Investments into subsidiaries | 5; 6 | 13,712 | 13,564 | 27,961 | 27,479 |
| Investments into associates | 6 | 21,186 | 26,615 | 21,186 | 26,615 |
| Financial assets at fair value through profit loss | 6 | 42,277 | 32,945 | 38,025 | 29,548 |
| Deferred tax asset | | 533 | 637 | - | - |
| Total non-current assets | | 84,379 | 80,665 | 87,258 | 83,737 |
| Current assets | | | | | |
| Trade, other receivables and contract assets | | 6,577 | 2,734 | 5,356 | 882 |
| Prepaid income tax | | 36 | 17 | 27 | 17 |
| Prepayments and deferred charges | | 176 | 56 | 52 | 11 |
| Financial assets at fair value through profit loss | 6 | 2,540 | 1,167 | 1,355 | - |
| Cash and cash equivalents | | 10,690 | 5,741 | 5,674 | 762 |
| Total current assets | | 20,019 | 9,715 | 12,464 | 1,672 |
| TOTAL ASSETS | | 104,398 | 90,380 | 99,722 | 85,409 |

(cont'd on the next page)

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

| | Notes | Group | | Company | |
|--|-------|-----------------------|---------------------------|-----------------------|---------------------------|
| | | As at 30 June 2021 | As at 31 December 2020 | As at 30 June 2021 | As at 31 December 2020 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity attributable to equity holders of the parent | | | | | |
| Share capital | 10 | 3,474 | 3,456 | 3,474 | 3,456 |
| Own shares | 10 | (929) | (929) | (929) | (929) |
| Share premium | | 5,033 | 5,033 | 5,033 | 5,033 |
| Reserves | 10 | 13,893 | 13,293 | 13,657 | 13,147 |
| Retained earnings | | 75,261 | 62,304 | 75,497 | 62,450 |
| Equity attributable to equity holders of the parent | | 96,732 | 83,157 | 96,732 | 83,157 |
| Non-controlling interests | | 137 | 200 | - | - |
| Total equity | | 96,869 | 83,357 | 96,732 | 83,157 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Lease liabilities | | 1,024 | 1,160 | 72 | 81 |
| Deferred tax liability | | 2,181 | 1,419 | 2,145 | 1,377 |
| Contract liabilities | | 1,193 | 1,068 | - | - |
| Other non-current liabilities | | 72 | 136 | - | - |
| Total non-current liabilities | | 4,470 | 3,783 | 2,217 | 1,458 |
| Current liabilities | | | | | |
| Borrowings | | 28 | 28 | 28 | 28 |
| Lease liabilities | | 273 | 278 | 17 | 17 |
| Trade payables | | 390 | 229 | 10 | 3 |
| Income tax payable | | 56 | 123 | - | - |
| Provisions | | 100 | 100 | - | - |
| Contract liabilities | | 160 | 138 | - | - |
| Other current liabilities | | 2,052 | 2,344 | 718 | 746 |
| Total current liabilities | | 3,059 | 3,240 | 773 | 794 |
| Total liabilities | | 7,529 | 7,023 | 2,990 | 2,252 |
| Total equity and liabilities | | 104,398 | 90,380 | 99,722 | 85,409 |

(the end)

Condensed consolidated and Company's statements of changes in equity

| Group | Notes | Reserves | | | | | Retained earnings | Subtotal | Non-controlling interests | Total equity |
|---|-------|---------------|--------------|---------------|--------------------------|---------------------------------------|-------------------|---------------|---------------------------|---------------|
| | | Share capital | Own shares | Share premium | Legal and other reserves | Reserve for acquisition of own shares | | | | |
| Balance as at 31 December 2020 | | 3,456 | (929) | 5,033 | 2,476 | 10,817 | 62,304 | 83,157 | 200 | 83,357 |
| Profit for the six months of 2021 | | - | - | - | - | - | 13,047 | 13,047 | 15 | 13,062 |
| Total comprehensive income (loss) for the six months of 2021 | | - | - | - | - | - | 13,047 | 13,047 | 15 | 13,062 |
| Share-based payments | 10 | - | - | - | 516 | - | - | 516 | - | 516 |
| Changes in reserves | | - | - | - | 90 | - | (90) | - | - | - |
| Increase of share capital (share options exercised) | 10 | 18 | - | - | (6) | - | - | 12 | - | 12 |
| Dividends to non-controlling interests of subsidiaries | | - | - | - | - | - | - | - | (78) | (78) |
| Total transactions with owners of the Company, recognised directly in equity | | 18 | - | - | 600 | - | (90) | 528 | (78) | 450 |
| Balance as at 30 June 2021 | | 3,474 | (929) | 5,033 | 3,076 | 10,817 | 75,261 | 96,732 | 137 | 96,869 |

| Group | Notes | Reserves | | | | | Retained earnings | Subtotal | Non-controlling interests | Total equity |
|---|-------|---------------|----------------|---------------|--------------------------|---------------------------------------|-------------------|----------------|---------------------------|----------------|
| | | Share capital | Own shares | Share premium | Legal and other reserves | Reserve for acquisition of own shares | | | | |
| Balance as at 31 December 2019 | | 3,456 | (1,248) | 5,033 | 2,041 | 11,121 | 66,373 | 86,776 | 232 | 87,008 |
| Profit for the six months of 2020 | | - | - | - | - | - | (4,195) | (4,195) | 25 | (4,170) |
| Total comprehensive income (loss) for the six months of 2020 | | - | - | - | - | - | (4,195) | (4,195) | 25 | (4,170) |
| Share-based payments | 10 | - | - | - | 241 | - | - | 241 | - | 241 |
| Changes in reserves | | - | - | - | 109 | - | (109) | - | - | - |
| Disposals of own shares (share options exercised) | 10 | - | 319 | - | - | (304) | - | 15 | - | 15 |
| Dividends approved | 4 | - | - | - | - | - | (9,288) | (9,288) | - | (9,288) |
| Dividends to non-controlling interests of subsidiaries | | - | - | - | - | - | - | - | (76) | (76) |
| Total transactions with owners of the Company, recognised directly in equity | | - | 319 | - | 350 | (304) | (9,397) | (9,032) | (76) | (9,108) |
| Balance as at 30 June 2020 | | 3,456 | (929) | 5,033 | 2,391 | 10,817 | 52,781 | 73,549 | 181 | 73,730 |

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

| Company | Notes | Reserves | | | | | Retained earnings | Total |
|---|-------|---------------|--------------|---------------|--------------------------|---------------------------------------|-------------------|---------------|
| | | Share capital | Own shares | Share premium | Legal and other reserves | Reserve for acquisition of own shares | | |
| Balance as at 31 December 2020 | | 3,456 | (929) | 5,033 | 2,330 | 10,817 | 62,450 | 83,157 |
| Profit for the six months of 2021 | | - | - | - | - | - | 13,047 | 13,047 |
| Increase of share capital (share options exercised) | 10 | 18 | - | - | (6) | - | - | 12 |
| Share-based payments | 10 | - | - | - | 516 | - | - | 516 |
| Balance as at 30 June 2021 | | 3,474 | (929) | 5,033 | 2,840 | 10,817 | 75,497 | 96,732 |

| Company | Notes | Reserves | | | | | Retained earnings | Total |
|---|-------|---------------|----------------|---------------|--------------------------|---------------------------------------|-------------------|---------------|
| | | Share capital | Own shares | Share premium | Legal and other reserves | Reserve for acquisition of own shares | | |
| Balance as at 31 December 2019 | | 3,456 | (1,248) | 5,003 | 2,005 | 11,121 | 66,409 | 86,776 |
| Profit for the six months of 2020 | | - | - | - | - | - | (4,195) | (4,195) |
| Dividends approved | 4 | - | - | - | - | - | (9,288) | (9,288) |
| Disposals of own shares (share options exercised) | 10 | - | 319 | - | - | (304) | - | 15 |
| Share-based payments | 10 | - | - | - | 241 | - | - | 241 |
| Balance as at 30 June 2020 | | 3,456 | (929) | 5,033 | 2,246 | 10,817 | 52,926 | 73,549 |

Condensed consolidated and Company's statements of cash flows

| | Notes | Group | | Company | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Cash flows from (to) operating activities | | | | | |
| Net profit (loss) for the period | | 13,062 | (4,170) | 13,047 | (4,195) |
| Adjustments to reconcile result after tax to net cash flows: | | | | | |
| Depreciation and amortisation including amortisation of costs to obtain contracts with customers | | 559 | 551 | 10 | 9 |
| (Gain) loss on disposal, write-off and impairment of property, plant and equipment | | - | 10 | - | - |
| Realized and unrealized loss (gain) on investments | 8.1 | (9,816) | 12,278 | (9,043) | 11,935 |
| Share of net (loss) profit of subsidiaries accounted for using the equity method | | - | - | (1,790) | (449) |
| Interest income | | (8) | (19) | (8) | (19) |
| Interest expenses | | 88 | 67 | 5 | 5 |
| Deferred taxes | 7 | 873 | (599) | 776 | (524) |
| Current income tax expenses | 7 | 104 | 86 | - | - |
| Provision for impairment of financial and contract assets | | 1 | - | - | - |
| Share-based payments | 10 | 148 | 43 | 17 | 4 |
| Dividend income | | (3,367) | (7,167) | (3,367) | (7,167) |
| | | 1,644 | 1,080 | (353) | (401) |
| Changes in working capital: | | | | | |
| (Increase) decrease in inventories | | - | - | - | - |
| Decrease (increase) in trade, other receivables and contract assets | | (1,490) | 1,185 | (174) | (51) |
| Decrease (increase) in other current assets | | (120) | (57) | (41) | (26) |
| (Decrease) increase in trade payables | | 142 | (22) | (12) | (21) |
| Increase (decrease) in contract and other liabilities | | 215 | 644 | 30 | 174 |
| | | 391 | 2,830 | (550) | (325) |
| Cash flows (to) from operating activities | | 391 | 2,830 | (550) | (325) |
| Income tax paid | | (186) | (129) | - | - |
| Net cash flows (to) from operating activities | | 205 | 2,701 | (550) | (325) |

(cont'd on the next page)

Condensed consolidated and Company's statements of cash flows(cont'd)

| | Notes | Group | | Company | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Cash flows from (to) investing activities | | | | | |
| Acquisition of non-current assets (intangible and property, plant and equipment) | | (115) | (13) | (1) | - |
| Proceeds from sale of non-current assets (intangible and property, plant and equipment) | | - | - | - | - |
| Costs to obtain contracts with customers | | (213) | (188) | - | - |
| Acquisition and establishment of subsidiaries, net of cash acquired | 5 | - | - | - | - |
| Proceeds from sales of unconsolidated subsidiaries and redeemed convertible bonds | 5 | 448 | - | 448 | - |
| Acquisition of associates | 5 | - | (8) | - | (8) |
| Proceeds from sales of associates | 5 | 5,353 | 10 | 5,353 | 10 |
| Acquisition of financial assets at fair value through profit or loss (except held-for-trading) | | (711) | (2,776) | (612) | (1,761) |
| Sale of financial assets at fair value through profit or loss (except held-for-trading) | | - | 1,542 | - | 1,287 |
| Dividends received | | 382 | 6,484 | 382 | 8,161 |
| Loans granted | | (91) | (40) | (91) | (40) |
| Repayment of granted loans | | - | 1,500 | - | 1,500 |
| Interest received | | 6 | 19 | 6 | 19 |
| Net cash flows (to) investing activities | | 5,059 | 6,530 | 5,485 | 9,168 |
| Cash flows from (to) financing activities | | | | | |
| Cash flows related to Group owners | | | | | |
| Issue of shares | 10 | 12 | - | 12 | - |
| Acquisition of own shares | 10 | - | - | - | - |
| Proceeds from sale of own shares | 10 | - | 15 | - | 15 |
| Dividends paid to equity holders of the parent | | (22) | (9,024) | (22) | (9,024) |
| Dividends paid to non-controlling interests | | (78) | (76) | - | - |
| | | (88) | (9,085) | (10) | (9,009) |
| Cash flows related to other sources of financing | | | | | |
| Proceeds from borrowings | | - | - | - | - |
| Repayment of borrowings | | - | - | - | - |
| Payments of lease liabilities | | (140) | (122) | (8) | (7) |
| Interest paid | | (87) | (67) | (5) | (5) |
| | | (227) | (189) | (13) | (12) |
| Net cash flows (to) from financing activities | | (315) | (9,274) | (23) | (9,021) |
| Impact of currency exchange on cash and cash equivalents | | - | - | - | - |
| Net (decrease) increase in cash and cash equivalents | | 4,949 | (43) | 4,912 | (178) |
| Cash and cash equivalents at the beginning of the period | | 5,741 | 5,577 | 762 | 617 |
| Cash and cash equivalents at the end of the period | | 10,690 | 5,534 | 5,674 | 439 |

(the end)

Notes to the interim condensed financial statements

1. General information

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

Gynėjų g. 14,
Vilnius,
Lithuania.

The Group consists of the Company and its directly and indirectly owned consolidated subsidiaries (hereinafter the Group, Note 1 of annual financial statements for year ended 31 December 2020).

The Company is incorporated and domiciled in Lithuania. AB Invalda INVL is one of the leading asset management groups and one of the major companies investing in other businesses in the Baltic whose primary objective is to steadily increase the investors equity value, solely for capital appreciation or investment income (in the form of dividends and interest). The Company's main investments are in asset management, agriculture, facility management and real estate, bank activities. Asset management segment provides investment-related services to investors and third parties. The entities of the asset management segment manage pension, bond and equity investments funds, alternative investments, individual portfolios, private equity and other financial instruments. Bond and equity investment funds, alternative and private equity funds and closed-ended investment companies are referred as collective investment undertakings.

In respect of each unconsolidated business the Company may also participate in the following investment-related activities, either directly or through a consolidated subsidiary, if these activities are undertaken to maximize the investment return (capital appreciation or investment income) from its investees and do not represent a separate substantial business activity or a separate substantial source of income to the investment entity. The Company does not earn any management fees from unconsolidated subsidiaries.

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

As at 30 June 2021 and 31 December 2020 the shareholders of the Company were:

| | 30 June 2021 | | 31 December 2020 | |
|---------------------------|-----------------------|----------------|-----------------------|----------------|
| | Number of shares held | Percentage (%) | Number of shares held | Percentage (%) |
| UAB LJB Investments | 3,300,645 | 27.56 | 3,300,645 | 27.69 |
| Mrs. Irena Ona Mišeikienė | 3,182,595 | 26.57 | 3,182,595 | 26.70 |
| UAB Lucrum Investicija | 2,803,492 | 23.40 | 2,803,492 | 23.52 |
| Mr. Alvydas Banys | 910,875 | 7.60 | 910,875 | 7.64 |
| Ms. Indrė Mišeikytė | 236,867 | 1.98 | 236,867 | 1.99 |
| The Company (own shares) | 229,541 | 1.92 | 229,541 | 1.93 |
| Other minor shareholders | 1,314,558 | 10.97 | 1,254,884 | 10.53 |
| Total | 11,978,573 | 100.00 | 11,918,899 | 100.00 |

The shareholders of the Company – Mr. Alvydas Banys, UAB LJB Investments, Mrs. Irena Ona Mišeikienė, Ms. Indrė Mišeikytė, Mr. Darius Šulnis and UAB Lucrum Investicija – have signed the agreement on the implementation of a long-term corporate governance policy. For the purpose of developing and implementing the long-term corporate governance policy the above mentioned shareholders agreed to act in the interests of the Company. In order to implement this, the shareholders agreed in advance coordinate their opinion on the issues considered at the general meeting of shareholders of the Company. The agreement shall not be interpreted to mean an undertaking of the shareholders to vote unanimously on decisions taken at the general meetings of shareholders of the Company. The sole purpose of the agreement is for shareholders to make known their position and find out the position of the other shareholders in advance regarding the agenda items of the general meetings of shareholders of the Company related to the implementation of the long-term corporate governance strategy of the Company and for the aim of achieving the aims mentioned above to coordinate potential decisions in advance.

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2021 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 2020.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2020, except adoption of new Standards and Interpretations as of 1 January 2021, noted below.

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest rate benchmark (IBOR) reform – phase 2* (effective for annual periods beginning on or after 1 January 2021);
- Amendment to IFRS 4 *Insurance Contracts – deferral of IFRS 9* (effective for annual periods beginning on or after 1 January 2021).

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

3. Segment information

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

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

Asset management

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

Investment activity

The investment activity segment includes the Company investment activities to the unconsolidated subsidiaries, associates and financial assets at fair value, administrative activities of the Companies. The main investment activities of the Company, which is presented to the management separately is disclosed below:

Agriculture

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

Facility management

The facility management activities include facility management of dwelling-houses, commercial and public real estate properties and administration of taxes on energy and utilities provided to residents.

Real estate

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

Bank activities

Bank activities represents indirectly investment into MAIB, bank operating in Moldova and investments into AB Šiaulių bankas, bank operating in Lithuania, held by the Company (owned). Because both investments amounts are material and operate in different markets, they are analysed separately.

All other activities

All other activities comprise other investments held by the Company. There is also attributed unconsolidated subsidiary UAB Kelio Ženkiai, that are involved in road signs production, wood manufacturing. The entity was sold in May 2021.

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

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(all amounts are in EUR thousand unless otherwise stated)

3 Segment information (cont'd)

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2021:

| | Asset management | Investment activity | Inter-segment transactions and consolidation adjustments | Total |
|--|-------------------------|----------------------------|---|---------------|
| Period ended 30 June 2021 | | | | |
| Revenue | | | | |
| Sales to external customers | 7,122 | 19 | - | 7,141 |
| Inter-segment sales | - | - | - | - |
| Total revenue | 7,122 | 19 | - | 7,141 |
| Results | | | | |
| Net changes in fair value of financial instruments | 773 | 9,043 | - | 9,816 |
| Interest income | - | 8 | - | 8 |
| Other income | 10 | 3,368 | (1) | 3,377 |
| Employee benefits expense | (3,554) | (182) | - | (3,736) |
| Depreciation and amortization | (549) | (10) | - | (559) |
| Impairment | (1) | - | - | (1) |
| Interest expenses | (72) | (5) | - | (77) |
| Other expenses | (1,723) | (208) | 1 | (1,930) |
| Profit (loss) before income tax | 2,006 | 12,033 | - | 14,039 |
| Income tax credit (expenses) | (201) | (776) | - | (977) |
| Net profit (loss) for the period | 1,805 | 11,257 | - | 13,062 |
| Attributable to: | | | | |
| Equity holders of the parent | 1,790 | 11,257 | - | 13,047 |
| Non-controlling interest | 15 | - | - | 15 |

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3 Segment information (cont'd)

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2020:

| | Asset management | Investment activity | Inter-segment transactions and consolidation adjustments | Total |
|--|------------------|---------------------|--|----------------|
| Period ended 30 June 2020 | | | | |
| Revenue | | | | |
| Sales to external customers | 6,464 | 18 | - | 6,482 |
| Inter-segment sales | - | - | - | - |
| Total revenue | 6,464 | 18 | - | 6,482 |
| Results | | | | |
| Net changes in fair value of financial instruments | (343) | (11,935) | - | (12,278) |
| Interest income | - | 19 | - | 19 |
| Other income | 2 | 7,167 | - | 7,169 |
| Employee benefits expense | (3,414) | (249) | - | (3,663) |
| Depreciation and amortization | (542) | (9) | - | (551) |
| Impairment | (10) | - | - | (10) |
| Interest expenses | (62) | (5) | - | (67) |
| Other expenses | (1,610) | (174) | - | (1,784) |
| Profit (loss) before income tax | 485 | (5,168) | - | (4,683) |
| Income tax credit (expenses) | (11) | 524 | - | 513 |
| Net profit (loss) for the period | 474 | (4,644) | - | (4,170) |
| Attributable to: | | | | |
| Equity holders of the parent | 449 | (4,644) | - | (4,195) |
| Non-controlling interest | 25 | - | - | 25 |

The following table represents segment assets of the Group operating segments as at 30 June 2021 and 31 December 2020:

| | Asset management | Investment activity | Inter-segment transactions and consolidation adjustments | Total |
|-----------------------|------------------|---------------------|--|---------|
| Segment assets | | | | |
| At 30 June 2021 | 21,108 | 85,466 | (2,176) | 104,398 |
| At 31 December 2020 | 18,962 | 71,488 | (70) | 90,380 |

The following table represents segment liabilities of the Group operating segments as at 30 June 2021 and 31 December 2020:

| | Asset management | Investment activity | Inter-segment transactions and consolidation adjustments | Total |
|----------------------------|------------------|---------------------|--|-------|
| Segment liabilities | | | | |
| At 30 June 2021 | 6,715 | 2,990 | (2,176) | 7,529 |
| At 31 December 2020 | 4,841 | 2,252 | (70) | 7,023 |

3 Segment information (cont'd)

The following tables present measurement of investment activities results on the basis of changes in fair value, including dividend and interest income:

| | Agriculture | Facility management | Real estate | Bank sector (MAIB) | Bank sector (AB Šiaulių bankas) | Other investments | Total |
|--|---------------|---------------------|--------------|--------------------|---------------------------------|-------------------|---------------|
| Period ended 30 June 2021 | | | | | | | |
| Net changes in fair value on financial assets | (1,320) | (419) | 444 | 928 | 5,502 | 3,908 | 9,043 |
| Dividend income | 2,196 | 709 | 227 | - | 181 | 54 | 3,367 |
| Interest income | - | - | - | - | - | 8 | 8 |
| Total income from investments | 876 | 290 | 671 | 928 | 5,683 | 3,970 | 12,418 |
| Investments fair value as at 30 June 2021 | 16,765 | 5,356 | 4,421 | 8,280 | 21,911 | 17,530 | 74,263 |

As at 30 June 2021 the Group also have investments at fair value with carrying amount of EUR 5,437 thousand which attributed to asset management segment.

| | Agriculture | Facility management | Real estate | Bank sector (MAIB) | Bank sector (AB Šiaulių bankas) | Other investments | Total |
|--|----------------|---------------------|--------------|--------------------|---------------------------------|-------------------|----------------|
| Period ended 30 June 2020 | | | | | | | |
| Net changes in fair value on financial assets | (2,264) | 711 | (4,229) | (1,573) | (3,229) | (1,351) | (11,935) |
| Dividend income | 488 | 332 | 6,117 | - | - | 230 | 7,167 |
| Interest income | - | - | 13 | - | - | 6 | 19 |
| Total income from investments | (1,776) | 1,043 | 1,901 | (1,573) | (3,229) | (1,115) | (4,749) |
| Investments fair value as at 30 June 2020 | 14,992 | 5,222 | 7,490 | 6,449 | 13,443 | 12,614 | 60,210 |

As at 30 June 2020 the Group also have investments at fair value with carrying amount of EUR 3,627 thousand which attributed to asset management segment.

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4. Dividends

A dividend in respect of the year ended 31 December 2019 of EUR 0.80 per share, amounting to a total dividend of EUR 9.288 thousand, was approved at the annual general meeting on 30 April 2020.

In 2021 dividends were not declared.

5. Investment into subsidiaries and associates, other investments

1st Half Year of 2021

In May 2021 the Company has sold 100% of shares of UAB Kelio ženklai. Portfolio of shares and granted loan was valued at EUR 1 million. The parties have agreed that the Company would relend part of funds received for the shares to UAB Kelio ženklai. The loan is secured by pledging the assets and the shares of UAB Kelio ženklai. After all actions have been taken, the Company's granted loan amount will be EUR 750 thousand. Maturity of the granted loan is 1 May 2023. Until 30 June 2021 buyers paid EUR 448 thousand. Remaining debt (EUR 195 thousand) was paid in July 2021. As at 30 June 2021 it was granted loan of EUR 387 thousand. During 1st Half Year of 2021 the Company has granted loan of EUR 91 thousand to UAB Kelio ženklai (EUR 36 thousand was granted from funds received for sold shares). In the statement of financial position granted loan is measured at fair value according to fair value of net assets of UAB Kelio ženklai. During 1st Half Year of 2021 positive impact of the investment to the Group's/Company's result was EUR 462 thousand.

In January 2021 the Company sold 15.67% of shares of INVL Baltic Real Estate to unconsolidated subsidiary UAB Cedus Invest for EUR 4,553 thousand. The transaction was settled in 1st quarter of 2021, when UAB Cedus Invest sold the shares to INVL Baltic Real Estate through buy-back of shares.

In 1st Half Year of 2021 the Group and the Company have additionally invested EUR 711 thousand and EUR 612 thousand by cash into financial assets at fair value through profit or loss, respectively. The numbers include investments to a closed-end private equity fund INVL Baltic Sea Growth Fund (hereinafter – BSGF).

1st Half Year of 2020

In April 2020 after obtaining the permission of the Moldovan central bank, convertible bonds of MD Partners UAB owned by the Company was converted into shares of MD Partners, after which the Company owns 51.37% of shares and 48.63% of shares is owned by INVL Special Opportunities Fund, managed by consolidated subsidiary UAB INVL Asset Management. For bonds with nominal value of EUR 2,990 thousand the Company received the shares with nominal value of EUR 2,990 thousand (ratio for one bond received one share).

During the six months of 2020 the Company has additionally acquired and sold shares of INVL Baltic Real Estate for EUR 8 thousand and EUR 10 thousand, respectively, on the stock exchange. Also, the Company sold 2.46% of shares of INVL Baltic Real Estate to unconsolidated subsidiary UAB Įmonių grupė Įservis for EUR 1,081 thousand. EUR 800 thousand was settled in 1st quarter of 2021, remaining part was paid in 2nd Half Year of 2020.

In 1st Half Year of 2020 the Group and the Company have additionally invested EUR 2,776 thousand and EUR 1,761 thousand by cash into financial assets at fair value through profit or loss, respectively, and have sold them for EUR 1,542 thousand and EUR 1,287 thousand by cash, respectively. The numbers include investments to BSGF.

5 Investment into subsidiaries and associates, other investments (cont'd)

Investments into BSGF

The Management Board of the Company on 5 February 2019 approved entering into BSGF Partnership Agreement and a Subscription Agreement related to investment in BSGF, which is managed by consolidated subsidiary UAB INVL Asset Management. It is provided that the capital committed to the fund will be called in stages, for the execution of specific transactions. After the investment in BSGF is made, the Company undertakes not to invest in private equity assets that comply with the fund's strategy and to conduct its main investment activity through this fund.

In February 2020 was completed third and last closing of BSGF. Fund's size reached EUR 164.7 million of commitments. The Company has committed EUR 20.1 million. After final closing the Company has owned 12.22% of fund units. As a consequence of equalisation to the Company was refunded EUR 265 thousand and EUR 123 thousand was set-off for new units' acquisition. During 1st Half Year of 2020 the Company has transferred EUR 1,700 thousand of cash into BSGF. During 1st Half Year of 2021 the Company has transferred EUR 521 thousand of cash into BSGF. The outstanding capital commitment to BSGF is EUR 12,257 thousand.

6. Financial assets and fair value hierarchy

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

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

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

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

Unconsolidated subsidiaries and associates are measured at fair value through profit or loss.

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

The level 2 instruments are investments to collective investment undertakings and entities, where fair value is measured as fair value of net assets value, which is based only on observable inputs. Therefore, collective investment undertakings and these entities have invested only to securities which are measured as Level 1 instruments, and have only cash, current liabilities, which carrying amount approximate to fair value.

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

On 30 June 2021 and on 31 December 2020 the Company has used only income approach for valuation of investments into facility management entities. On 30 June 2021 and on 31 December 2020 the Company has determined net assets value as difference between assets and liabilities, measured using combination of income and market approach, for valuation of investments into UAB Litagra (agriculture activity). Discounted cash flows technique was used for income approach. Value of land was determined by using market approach. On 30 June 2020 the Company has prepared valuation only using market approach for investments into facility management entities and UAB Litagra. The main reason for discontinuing of market approach was the difficulty in applying the multiple technique due to application of IFRS 16 in the financial statements of peers. It was faced with lack of information to eliminate of impact of IFRS 16 in the financial statements of peers in second and later years after applying standard. EV/EBITDA multiple with applied IFRS 16 could very fluctuated depending on assumptions of lease term and the peers could be non-comparable due to this.

On 30 June 2021 and on 31 December 2020 UAB Litagra was valued by using discounted cash flows method. The cash flows were adjusted by rent costs of owned land. The final value of investments was determined by combining value of subgroups, land owned by group of UAB Litagra and other item of assets and liabilities of holding entity to determine net assets value. The cash flows were adjusted by rent costs of owned land. The value of land was determined by using market approach. Significant part of land was newly valued by external asset valuers in 2020. Valuation of other part of land was made at the end of 2019.

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

It was prepared separate cash flows for each subgroup and used different discount rate. More detailed information of subgroup is disclosed below describing valuation on 30 June 2020.

Investment into shares of UAB Litagra was valued also under the market approach on 30 June 2020. Relative valuation (market multiples) was done using median EV/EBITDA (capitalization equals EBITDA multiplied by enterprise value and EBITDA multiple minus net debt) and P/BV (capitalization equals Price to book value multiple multiplied by company's book value) multiples. Although farming (first subgroup) is considered a relatively stable business, its results for a particular year may vary depending on weather and other one-off conditions. We partially smooth out such volatility by using weighted historical financials for the entity and for its peers. EBITDA is calculated using numbers for the last three years however giving a higher emphasis for the last trailing 12 months result. Additionally, it was added a value of land portfolio owned by Litagra group. It was valued by external asset valuers, accounted in the statement of financial position for the reporting period date; therefore, it was used for valuation purpose as well. The value of land portfolio is adjusted by rent costs, which would be payable in case of land sale, in EV/EBITDA multiplier technique.

Agricultural activities include the primary crop and livestock (milk) production, feed production and grain processing. UAB Litagra is holding company which directly and indirectly owned shares of multiple entities which for valuation are divided into two subgroups. One subgroup comprises the primary crop and livestock (milk) production. This segment is compared to 5 peers from Central Eastern Europe region including 2 entities from Lithuania. Another subgroup comprises feed production and grain processing. During 1st Half Year of 2020 the average market capitalization of the peers declined due to the COVID-19 virus pandemic impact on stock markets, although financial results of UAB Litagra improved. Therefore, the fair value of investments is decreased less than market capitalization of the peers.

On 30 June 2020 investment in facility management entities was measured using trailing twelve months EBITDA and applying a multiplier of comparable entity City Service SE, operating in Lithuania and listed on the Warsaw Exchange. It was decided not to use other foreign companies' multipliers, which were higher than the one used in the calculations due to the fact that facility management is local business dependent on varying Lithuanian legal and business environment. Other facility management entities operating in Lithuania are not public companies.

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

Investments into UAB MD Partners are measured as fair value of net assets value of entity, where main indirectly owned assets – investment into MAIB bank – are measured using price to earnings (P/E) and P/BV multiplier method of comparable banks from the Central and Eastern Europe (9 peers are selected) and applying discount determined in 2019 on the data of transactions similar to MAIB bank acquisition transaction. Discount reflects lack of marketability and country and MAIB risk. The Company indirectly has 7.9% shares of MAIB. On valuation it is taken into consideration cash and liabilities at the level intermediate entities UAB MD Partners and HEIM Partners Limited. Because convertible bonds of UAB MD Partners have the same economic rights to the profit of UAB MD Partners as its shares, shares and convertible bonds are measured as one investment.

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

The Group and the Company have also invested into collective investment undertakings, which main assets are Level 3 financial instruments. These investments are valued at net assets value of collective investment undertakings, which are measured at fair value and communicated to investor by the management entity of collective investment undertakings. Investments of collective investment undertakings are measured EBITDA and Revenue multiplier method or by using discounted cash flows method.

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

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company and the Group as at 30 June 2021:

| Profile of activities | Fair value | Valuation technique | Inputs | Values of inputs |
|--|------------------------------|---|--|-------------------------|
| Facility management (UAB Inservis, UAB Įmonių Grupė Inservis*) (Level 3) | 5,356 | Discounted cash flows | Yearly increase of sales | 2%-4.5% |
| | | | Yearly increase of expenses | 3.5%-5% |
| | | | Discount rate | 10.1% |
| | | | Terminal growth rate | 0.5% |
| Agriculture (UAB Litagra) (Level 3) | 16,765 | Fair value of net assets determined by using combination of discounted cash flows and sales comparison method | EBITDA margin | 5%-6% and 17% |
| | | | Discount rate | 7.35% and 7.76% |
| | | | Terminal growth rate | 1% |
| | | | Average value of 1 ha of land, EUR | 5,895 |
| Investment entity (UAB MD partners, investment into MAIB) (Level 3) | 8,280 | Comparable companies in the market | P/BV | 1.10 |
| | | | P/E | 9.71 |
| | | | Net profit, EUR million | 26 |
| | | | Equity, EUR million | 246 |
| | | | Discount for lack of marketability and country and MAIB risk | 60% |
| Investment entity (UAB Cedus Invest) (Level 2) | 20 | Fair value of net assets | - | - |
| Dormant SPEs (Level 2) | 41 | Fair value of net assets | - | - |
| BSGF (Level 3) | 10,678 | Fair value of net assets determined by using discounted cash flows | Discount rate | 11.95% |
| | | | Terminal growth rate | 1% |
| | | | EBITDA margin | 5.3-5.7% |
| | | Comparable companies in the market | EBITDA multiple | 7.9 and 11.11 and 15.04 |
| | | | Revenue (Sales) multiple | 0.72 and 1.45 and 2.1 |
| Discount for lack of marketability risk | 20.82% and 17.30% and 27.20% | | | |

*Valuation of UAB Įmonių Grupė Inservis include indirectly owned unconsolidated subsidiaries - UAB Priemiestis, UAB Jurita, UAB Informacinio Verslo Paslaugų Įmonė, SIA Inservis and dormant UAB IPP Integracijos Projektai.

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

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company and the Group as at 31 December 2020:

| Profile of activities | Fair value | Valuation technique | Inputs | Values of inputs |
|--|------------|---|---|---|
| Facility management (UAB Inservis, UAB Įmonių Grupė Inservis*) (Level 3) | 5,775 | Discounted cash flows | Yearly increase of sales Yearly increase of expenses Discount rate Terminal growth rate | 2%-4.5% 3.5%-5% 10.1% 0.5% |
| Agriculture (UAB Litagra) (Level 3) | 18,085 | Fair value of net assets determined by using combination of discounted cash flows and sales comparison method | EBITDA margin Discount rate Terminal growth rate Average value of 1 ha of land, EUR | 5%-6% and 17% 7.35% and 7.76% 1% 5,895 |
| Road signs production, wood manufacturing (UAB Kelio Ženkliai) (Level 3) | 297 | Fair value of net assets | - | - |
| Investment entity (UAB MD partners, investment into MAIB) (Level 3) | 7,352 | Comparable companies in the market | P/BV P/E Net profit, EUR million Equity, EUR million Discount for lack of marketability and country and MAIB risk | 0.86 9.47 27 235 60% |
| Investment entity (UAB Cedus Invest) (Level 2) | 84 | Fair value of net assets | - | - |
| Dormant SPEs (Level 2) | 41 | Fair value of net assets | - | - |
| BSGF (Level 3) | 7,492 | Fair value of net assets determined by using discounted cash flows | Discount rate Terminal growth rate EBITDA margin | 10.59%-11.59% 1% 5.3-10.6% |

*Valuation of UAB Įmonių Grupė Inservis include indirectly owned unconsolidated subsidiaries - UAB Priemiestis, UAB Jurita, UAB Informacinio Verslo Paslaugų Įmonė, SIA Inservis and dormant UAB IPP Integracijos Projektai.

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

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

| Profile of activities | Unobservable inputs | Reasonable possible shift +/- (absolute value/bps/%) | Change in Valuation +/- | |
|---|---|--|-------------------------|------------------------|
| | | | As at 30 June 2021 | As at 31 December 2020 |
| Facility management (Level 3) | Discount rate | 100 bps | (468)/576 | (468)/576 |
| | Terminal growth rate | 50 bps | 172/(155) | 172/(155) |
| Agriculture (UAB Litagra) (Level 3) | Change in average value of 1 ha of land | 1% | 109/(109) | 109/(109) |
| | Discount rate | 100 bps | (1,631)/2,198 | (1,631)/2,198 |
| | Terminal growth rate | 50 bps | 766/(659) | 766/(659) |
| Investment entity (UAB MD partners, investment into MAIB) (Level 3) | P/BV | 0.1 | 388/(388) | 380/(380) |
| | P/E | 0.5 | 206/(206) | 222/(222) |
| | Net profit | 5% | 222/(222) | 230/(230) |
| | Discount for lack of marketability and country risk | 100 bps | (206)/206 | (182)/182 |
| BSGF (Level 3) | EBITDA multiple | 2 | 2,056/(2,468) | - |
| | Revenue (Sales) multiple | 0.4 | 2,975/(3,569) | - |
| | Discount for lack of marketability | 500 bps | (1,355)/1,355 | - |
| | Discount rate | 200 bps | (306)/438 | (506)/1,324 |
| | Terminal growth rate | 100 bps | 131/(110) | 191/(167) |
| | EBITDA margin | 100 bps | 569/(569) | 488/(493) |

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

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2021:

| | Level 1 | Level 2 | Level 3 | Total balance |
|--|---------------|--------------|---------------|---------------|
| Assets | | | | |
| Unconsolidated subsidiaries | | | | |
| - Facilities management | - | - | 5,356 | 5,356 |
| - Bank sector | - | - | 8,280 | 8,280 |
| - Other activities | - | 61 | - | 61 |
| Associates | | | | |
| - Agriculture | - | - | 16,765 | 16,765 |
| - Real estate | 4,421 | - | - | 4,421 |
| Financial assets at fair value through profit or loss | | | | |
| - Information technology | 5,284 | - | - | 5,284 |
| - Bank sector | 24,538 | - | - | 24,538 |
| - Other ordinary shares | - | 3 | 444 | 447 |
| - Collective investment undertaking - funds | - | 2,780 | 11,559 | 14,339 |
| - Other activities (loans granted) | - | - | 209 | 209 |
| Total Assets | 34,243 | 2,844 | 42,613 | 79,700 |
| Liabilities | - | - | - | - |

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2021:

| | Level 1 | Level 2 | Level 3 | Total balance |
|--|---------------|--------------|---------------|---------------|
| Assets | | | | |
| Unconsolidated subsidiaries | | | | |
| - Facilities management | - | - | 5,356 | 5,356 |
| - Bank sector | - | - | 8,280 | 8,280 |
| - Other activities | - | 61 | - | 61 |
| Associates | | | | |
| - Agriculture | - | - | 16,765 | 16,765 |
| - Real estate | 4,421 | - | - | 4,421 |
| Financial assets at fair value through profit or loss | | | | |
| - Information technology | 4,722 | - | - | 4,722 |
| - Bank sector | 21,911 | - | - | 21,911 |
| - Other ordinary shares | - | 3 | 444 | 447 |
| - Collective investment undertaking - funds | - | 1,355 | 10,736 | 12,091 |
| - Other activities (loans granted) | - | - | 209 | 209 |
| Total Assets | 31,054 | 1,419 | 41,790 | 74,263 |
| Liabilities | - | - | - | - |

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2020:

| | Level 1 | Level 2 | Level 3 | Total balance |
|--|---------------|--------------|---------------|---------------|
| Assets | | | | |
| Unconsolidated subsidiaries | | | | |
| - Facilities management | - | - | 5,775 | 5,775 |
| - Bank sector | - | - | 7,352 | 7,352 |
| - Other activities | - | 125 | 297 | 422 |
| Associates | | | | |
| - Agriculture | - | - | 18,085 | 18,085 |
| - Real estate | 8,530 | - | - | 8,530 |
| Financial assets at fair value through profit or loss | | | | |
| - Information technology | 4,272 | - | - | 4,272 |
| - Bank sector | 18,376 | - | - | 18,376 |
| - Other ordinary shares | - | 3 | 445 | 448 |
| - Collective investment undertaking - funds | - | 2,740 | 8,276 | 11,016 |
| Total Assets | 31,178 | 2,868 | 40,230 | 74,276 |
| Liabilities | - | - | 18 | 18 |

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2020:

| | Level 1 | Level 2 | Level 3 | Total balance |
|--|---------------|--------------|---------------|---------------|
| Assets | | | | |
| Unconsolidated subsidiaries | | | | |
| - Facilities management | - | - | 5,775 | 5,775 |
| - Bank sector | - | - | 7,352 | 7,352 |
| - Other activities | - | 125 | 297 | 422 |
| Associates | | | | |
| - Agriculture | - | - | 18,085 | 18,085 |
| - Real estate | 8,530 | - | - | 8,530 |
| Financial assets at fair value through profit or loss | | | | |
| - Information technology | 3,808 | - | - | 3,808 |
| - Bank sector | 16,409 | - | - | 16,409 |
| - Other ordinary shares | - | 3 | 445 | 448 |
| - Collective investment undertaking - funds | - | 1,335 | 7,548 | 8,883 |
| Total Assets | 28,747 | 1,463 | 39,502 | 69,712 |
| Liabilities | - | - | - | - |

During the 1st Half Year of 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

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

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

The following table presents the changes in Level 3 instruments of the Group for the period ended 30 June 2021:

| | Facilities management | Agriculture | Bank sector (MAIB) | Other activities | Collective investment undertakings | Total |
|--|-----------------------|---------------|--------------------|------------------|------------------------------------|---------------|
| Balance at 31 December 2020 | 5,775 | 18,085 | 7,352 | 742 | 8,276 | 40,230 |
| Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss') | (419) | (1,320) | 928 | 461 | 2,663 | 2,313 |
| Loans granted | - | - | - | 91 | - | 91 |
| Interest charged | - | - | - | 8 | - | 8 |
| Loans and interest repaid | - | - | - | (6) | - | (6) |
| Acquisition | - | - | - | - | 620 | 620 |
| Disposal | - | - | - | (643) | - | (643) |
| Balance at 30 June 2021 | 5,356 | 16,765 | 8,280 | 653 | 11,559 | 42,613 |
| Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period | (419) | (1,320) | 928 | 461 | 2,663 | 2,313 |

The following table presents the changes in Level 3 instruments of the Company for the period ended 30 June 2021:

| | Facilities management | Agriculture | Bank sector (MAIB) | Other activities | Collective investment undertakings | Total |
|--|-----------------------|---------------|--------------------|------------------|------------------------------------|---------------|
| Balance at 31 December 2020 | 5,775 | 18,085 | 7,352 | 742 | 7,548 | 39,502 |
| Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss') | (419) | (1,320) | 928 | 461 | 2,667 | 2,317 |
| Loans granted | - | - | - | 91 | - | 91 |
| Interest charged | - | - | - | 8 | - | 8 |
| Loans and interest repaid | - | - | - | (6) | - | (6) |
| Acquisition | - | - | - | - | 521 | 521 |
| Disposal | - | - | - | (643) | - | (643) |
| Balance at 30 June 2021 | 5,356 | 16,765 | 8,280 | 653 | 10,736 | 41,790 |
| Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period | (419) | (1,320) | 928 | 461 | 2,667 | 2,317 |

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(all amounts are in EUR thousand unless otherwise stated)

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

The following table presents the changes in Level 3 instruments of the Group for the period ended 30 June 2020:

| | Facilities management | Agriculture | Bank sector (MAIB) | Other activities | Collective investment undertakings | Total |
|--|-----------------------|---------------|--------------------|------------------|------------------------------------|---------------|
| Balance at 31 December 2019 | 4,511 | 17,256 | 8,022 | 1,181 | 3,787 | 34,757 |
| Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss') | 711 | (2,264) | (1,573) | (33) | (1,267) | (4,426) |
| Loans granted | - | - | - | 40 | - | 40 |
| Interest charged | - | - | - | 6 | - | 6 |
| Acquisition | - | - | - | - | 1,823 | 1,823 |
| Disposal | - | - | - | - | (388) | (388) |
| Balance at 30 June 2020 | 5,222 | 14,992 | 6,449 | 1,194 | 3,955 | 31,812 |
| Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period | 711 | (2,264) | (1,573) | (33) | (1,159) | (4,318) |

The following table presents the changes in Level 3 instruments of the Company for the period ended 30 June 2020:

| | Facilities management | Agriculture | Bank sector (MAIB) | Other activities | Collective investment undertakings | Total |
|--|-----------------------|---------------|--------------------|------------------|------------------------------------|---------------|
| Balance at 31 December 2019 | 4,511 | 17,256 | 8,022 | 1,181 | 3,577 | 34,547 |
| Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss') | 711 | (2,264) | (1,573) | (33) | (1,310) | (4,469) |
| Loans granted | - | - | - | 40 | - | 40 |
| Interest charged | - | - | - | 6 | - | 6 |
| Acquisition | - | - | - | - | 1,823 | 1,823 |
| Disposal | - | - | - | - | (388) | (388) |
| Balance at 30 June 2020 | 5,222 | 14,992 | 6,449 | 1,194 | 3,702 | 31,559 |
| Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period | 711 | (2,264) | (1,573) | (33) | (1,202) | (4,361) |

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

The following table presents the changes in the contingent consideration (Level 3 financial liability measurement) of the Group for the period ended 30 June 2021 and 2020:

| | <u>I Half Year 2021</u> | <u>I Half Year 2020</u> |
|--|-------------------------|-------------------------|
| At 1 January | (18) | (36) |
| Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss') | - | - |
| Paid | 18 | 18 |
| At 30 June | - | (18) |
| Change in unrealised gains or losses for the period included in profit or loss for instruments held at the end of the reporting period | - | - |

7. Income tax

| | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Components of income tax expense | | | | |
| Current year income tax | (104) | (87) | - | - |
| Prior year current income tax correction | - | 1 | - | - |
| Deferred income tax income (expense) | (873) | 599 | (776) | 524 |
| Income tax income (expenses) charged to the income statement - total | (977) | 513 | (776) | 524 |

8. Other income and expenses

8.1. Net changes in fair value on financial instruments

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Net gain (loss) from changes in fair value of unconsolidated subsidiaries and associates | 31 | (7,555) | 31 | (7,555) |
| Net gain (loss) from financial assets at fair value through profit and loss (except-\ held for trading) | 9,785 | (4,723) | 9,012 | (4,380) |
| Net gain (loss) from financial assets held for trading | - | - | - | - |
| Net gain (loss) from financial liabilities at fair value through profit | - | - | - | - |
| <i>Net gain (loss) from financial instruments at fair value through profit and loss , total</i> | <u>9,816</u> | <u>(12,278)</u> | <u>9,043</u> | <u>(11,935)</u> |

8.2. Finance expenses

| | Group | | Company | |
|------------------------|---------------------|---------------------|---------------------|---------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Interest expenses | (77) | (67) | (5) | (5) |
| Other finance expenses | (11) | - | - | - |
| | <u>(88)</u> | <u>(67)</u> | <u>(5)</u> | <u>(5)</u> |

8.3. Other expenses

| | Group | | Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Vehicles maintenance costs | (77) | (90) | (1) | - |
| Repairs and maintenance cost of premises | (78) | (59) | - | (1) |
| Taxes | (263) | (233) | (38) | (13) |
| Professional services | (220) | (183) | (51) | (5) |
| Fees for securities | (260) | (215) | (15) | (11) |
| Impairment of intangible assets | (1) | (10) | - | - |
| Other expenses | (496) | (500) | (98) | (139) |
| | <u>(1,395)</u> | <u>(1,290)</u> | <u>(203)</u> | <u>(169)</u> |

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(all amounts are in EUR thousand unless otherwise stated)

9. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for the six months ended 30 June 2021 and 2020 were as follows:

| Calculation of weighted average for the six months ended 30 June 2021 | Number of shares (thousand) | Par value | Issued/181 (days) | Weighted average (thousand) |
|--|------------------------------------|------------------|--------------------------|------------------------------------|
| Shares issued as at 31 December 2020 | 11,689 | 0.29 | 181/181 | 11,689 |
| Increase of share capital as at 08 June 2021 (share options exercised) | 60 | 0.29 | 20/181 | 7 |
| Shares issued as at 30 June 2021 | <u>11,749</u> | - | - | <u>11,696</u> |

| Calculation of weighted average for the six months ended 30 June 2020 | Number of shares (thousand) | Par value | Issued/182 (days) | Weighted average (thousand) |
|--|------------------------------------|------------------|--------------------------|------------------------------------|
| Shares issued as at 31 December 2019 | 11,610 | 0.29 | 182/182 | 11,610 |
| Disposals of own shares as at 3 June 2020 (share options exercised) | 79 | 0.29 | 27/182 | 12 |
| Shares issued as at 30 June 2020 | <u>11,689</u> | - | - | <u>11,622</u> |

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

| | Group | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Net profit (loss), attributable to equity holders of the parent (EUR thousand) | 13,047 | (4,195) | 13,047 | (4,195) |
| Weighted average number of ordinary shares (thousand) | <u>11,696</u> | <u>11,622</u> | <u>11,696</u> | <u>11,622</u> |
| Basic earnings (deficit) per share (EUR) | <u>1.12</u> | <u>(0.36)</u> | <u>1.12</u> | <u>(0.36)</u> |

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

(all amounts are in EUR thousand unless otherwise stated)

9 Earnings per share (cont'd)

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2021:

| | Number of shares (thousand) | Issued/181 (days) | Weighted average (thousand) |
|--|--|------------------------------|--|
| Weighted average number of ordinary shares for basic earnings per share | | | 11,696 |
| Potential dilutive shares from share-based payment (granted on 3 May 2018, new shares issued on 8 June 2021) | 58 | 158/181 | 51 |
| Potential dilutive shares from share-based payment (granted on 6 May 2019) | 68 | 181/181 | 68 |
| Potential dilutive shares from share-based payment (granted on 11 August 2016) | 22 | 181/181 | 22 |
| Potential dilutive shares from share-based payment (granted on 25 May 2020) | 53 | 181/181 | 53 |
| Potential dilutive shares from share-based payment (granted on 1 July 2020) | 0 | 181/181 | 0 |
| Potential dilutive shares from share-based payment (granted on 10 May 2021) | 58 | 51/181 | 16 |
| Weighted average number of ordinary shares for diluted earnings per share | - | - | 11,906 |

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2020:

| | Number of shares (thousand) | Issued/182 (days) | Weighted average (thousand) |
|---|--|------------------------------|--|
| Weighted average number of ordinary shares for basic earnings per share | - | - | 11,622 |
| Potential dilutive shares from share-based payment (granted on 3 May 2017, on 3 June 2020 share options exercised by disposal of own shares) | 14 | 154/182 | 12 |
| Potential dilutive shares from share-based payment (granted on 16 May 2017, on 3 June 2020 share options exercised by disposal of own shares) | 63 | 154/182 | 53 |
| Potential dilutive shares from share-based payment (granted on 03 May 2018) | 51 | 182/182 | 51 |
| Potential dilutive shares from share-based payment (granted on 6 May 2019) | 59 | 182/182 | 59 |
| Potential dilutive shares from share-based payment (granted on 25 May 2020) | 52 | 27/182 | 8 |
| Weighted average number of ordinary shares for diluted earnings per share | - | - | 11,805 |

The following table reflects the income data used in the diluted earnings per share computations in reporting period:

| | Group | | Company | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | I Half Year 2021 | I Half Year 2020 | I Half Year 2021 | I Half Year 2020 |
| Net profit (loss), attributable to the equity holders of the parent (EUR thousand) | 13,047 | (4,195) | 13,047 | (4,195) |
| Weighted average number of ordinary and potential shares (thousand) | 11,906 | 11,805 | 11,906 | 11,805 |
| Diluted earnings (deficit) per share (EUR) | 1.10 | (0.36) | 1.10 | (0.36) |

10. Acquisition of own shares and share capital*1st Half Year of 2021*

On 8 June 2021 the Register of Legal Entities has registered an increased authorised capital of the Company. Since that date the total number of issued shares is 11,978,573 with a par value of EUR 0.29 per share. Authorised share capital of the Company is amounted to EUR 3,473,786.17. It was issued 59,674 ordinary registered shares with an issue price of EUR 0.29. The shares were issued in order to realise the stock options granted in 2018 to the employees of the Group. EUR 0.20 per share was paid in cash and EUR 0.09 per share was settled from reserve for the grant of shares.

1st Half Year of 2020

On 3 June 2020 78,867 units of the Company's own shares was sold for EUR 15 thousand to the Group employees exercising share options granted in 2017 (the selling price per share was EUR 0.20). The acquisition cost of the sold own shares amounted to EUR 319 thousand. The reserve for the acquisition of own shares was reduced by the loss on disposals of own shares (EUR 304 thousand).

Share based payments reserve

The share-based payment transactions reserve is used to recognise the value of equity-settled share-based payment transactions provided to employees of the Group.

The Company every year offered to employees of the Group the share options transaction. With some key employees of the consolidated subsidiaries is signed formal agreement, which determined principle of bonus remuneration to them. In these agreements, except one, the employee have choice to receive fixed cash or share options. One agreement determined only right to share option. In two consolidated subsidiaries exist bonus plans, where employees could choose share options as alternative to fixed cash after issuing audited financial statements. the choice of employee is irrevocable. In all above mentioned cases, the quantity of share option is calculated as division fixed cash amount to share option value. Latter is calculated as difference between audited consolidated equity per share at year-end or share price at year-end, which is higher, and option exercise price. The main conditions of transactions were:

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

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

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

| | Number of options, thousand | |
|--|------------------------------------|-----------------------------|
| | I Half Year 2021 | I Half Year 2020 |
| Balance as at 1 January | 446 | 242 |
| Granted during period | 66 | 85 |
| Change in accrued number for rendered services at period-end | - | (33) |
| Forfeited during period | (1) | (1) |
| Exercised during period | (60) | (79) |
| Balance as at 30 June | 451 | 214 |
| Vested and exercisable at 30 June | 172 | 161 |

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(all amounts are in EUR thousand unless otherwise stated)

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

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

| As at 30 June 2021 | Expiry date | Share options, thousand | Share price | Volatility | Expected dividend yield | Risk-free interest rate | Fair value of share option |
|---------------------------|--------------------|--------------------------------|--------------------|-------------------|--------------------------------|--------------------------------|-----------------------------------|
| Granted on 11 August 2016 | 30 April 2023 | 25 | 4.00 | 40.87% | 0% | (0.422%) | 3.06 |
| Granted on 6 May 2019 | 6 May 2022 | 69 | 5.65 | 30.90% | 0% | (0.566%) | 4.63 |
| Granted on 25 May 2020 | 25 May 2023 | 59 | 6.75 | 30.74% | 0% | (0.675%) | 5.73 |
| Granted on 1 July 2020 | 15 July 2023 | 232 | 7.00 | 30.76% | 0% | (0.667%) | 0.71 |
| Granted on 10 May 2021 | 10 May 2024 | 66 | 9.40 | 30.03% | 0% | (0.692%) | 8.38 |
| Total | | - 451 | - | - | - | - | - |

| As at 31 December 2020 | Expiry date | Share options, thousand | Share price | Volatility | Expected dividend yield | Risk-free interest rate | Fair value of share option |
|-------------------------------|--------------------|--------------------------------|--------------------|-------------------|--------------------------------|--------------------------------|-----------------------------------|
| Granted on 11 August 2016 | 30 April 2023 | 25 | 4.00 | 40.87% | 0% | (0.422%) | 3.06 |
| Granted on 3 May 2018 | 3 May 2021 | 60 | 5.25 | 32.38% | 0% | (0.423%) | 4.24 |
| Granted on 6 May 2019 | 6 May 2022 | 69 | 5.65 | 30.90% | 0% | (0.566%) | 4.63 |
| Granted on 25 May 2020 | 25 May 2023 | 60 | 6.75 | 30.74% | 0% | (0.675%) | 5.73 |
| Granted on 1 July 2020 | 15 July 2023 | 232 | 7.00 | 30.76% | 0% | (0.667%) | 0.71 |
| Total | | - 446 | - | - | - | - | - |

During the 1st Half Year of 2021 and 1st Half Year of 2020 the share-based payment expenses were recognised in the income statement of the Company and the Group within "Employee benefits expenses" as the fair value of share options. During the 1st Half Year of 2021 and 1st Half Year of 2020 the Group has recognized EUR 148 thousand and EUR 43 thousand of expenses, respectively. During the 1st Half Year of 2021 and 1st Half Year of 2020 on the Group level liability of EUR 368 thousand and of EUR 198 thousand respectively was reclassified to the share based payment reserve, when employees chose share option instead of cash alternative. During the 1st Half Year of 2021 the Group has recognised EUR 266 thousand from cash alternative of share based payment transaction. During the 1st Half Year of 2021 the Company has recognised EUR 17 thousand of expenses and EUR 499 thousand as additional investment to consolidated subsidiaries. During the 1st Half Year of 2020 the Group has recognised EUR 657 thousand from cash alternative of share based payment transaction. During the 1st Half Year of 2020 the Company has recognised EUR 4 thousand of expenses and EUR 237 thousand as additional investment to consolidated subsidiaries.

In June 2021 the Group employees exercised share options granted in 2018 by acquiring new issued shares of the Company for EUR 0.20 per share. Exercise price was decreased from EUR 1 to EUR 0.20 to reflect approved and paid dividends of EUR 0.80 per share. The share price at the date of exercise of share options was EUR 9.5.

On 3 June 2020 the Group employees exercised share options granted in 2017 by acquiring the own shares of the Company for EUR 0.20 per share. Exercise price was decreased from EUR 1 to EUR 0.20 to reflect approved and paid dividends of EUR 0.80 per share. The share price at the date of exercise of share options was EUR 6.9.

11. Related party transactions

The related parties of the Group in during the 1st Half Year of 2021 and 2020 were unconsolidated subsidiaries, associates, joint ventures, the shareholders of the Company, who have joint control or significance influence (Note 1) and key management personnel, including companies under control or joint control of key management and shareholders having significant influence or joint control and including companies, where shareholders having joint control over the Company are key management personnel or having significant influence. To the other related parties are attributed entities left the Group during split-off occurred in 2014, because shareholders having joint control over the Company are key management personnel of these entities or having significant influence. To the related parties of the Company are also attributed consolidated subsidiaries.

Receivables from related parties are presented in carrying amount. They include loans granted to unconsolidated subsidiaries and associates, that are considered as part of investments to unconsolidated subsidiaries and associates. Interest income and expenses are presented in the 'revenue and other income' and 'purchases' columns, respectively.

The Company's transactions with related parties during the 1st Half Year 2021 and related half year-end balances were as follows:

| 1st Half Year 2021 Company | Revenue and other income from related parties | Purchases from related parties | Receivables from related parties | Payables to related parties |
|--|--|---|---|--|
| Loans and borrowings | 6 | - | - | 28 |
| Dividends | 5,141 | - | 4,913 | - |
| Transfer of tax losses | 62 | - | 62 | - |
| Accounting services | 16 | - | - | - |
| Information technology maintenance services | - | 4 | - | 1 |
| Disposal of shares of INVL Baltic Real Estate | 4,553 | - | - | - |
| Other services | 1 | - | 160 | - |
| | 9,779 | 4 | 5,135 | 29 |
| Liabilities to shareholders and management | - | - | - | - |

The Company's transactions with related parties during the 1st Half Year 2020 and related half year-end balances were as follows:

| 1st Half Year 2020 Company | Revenue and other income from related parties | Purchases from related parties | Receivables from related parties | Payables to related parties |
|--|--|---|---|--|
| Loans and borrowings | 19 | - | 290 | - |
| Dividends | 8,305 | - | 699 | - |
| Transfer of tax losses | 64 | - | 64 | - |
| Accounting services | 17 | - | - | - |
| Rent and utilities services | - | 8 | - | 1 |
| Information technology maintenance services | - | 4 | - | 1 |
| Disposal of shares of INVL Baltic Real Estate | 1,081 | - | 1,081 | - |
| Other services | - | - | 65 | - |
| | 9,486 | 12 | 2,199 | 2 |
| Liabilities to shareholders and management | - | - | - | - |

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(all amounts are in EUR thousand unless otherwise stated)

11 Related party transactions (cont'd)The Group's transactions with related parties during the 1st Half Year 2021 and related half year-end balances were as follows:

| 1st Half Year 2021 Group | Revenue and other income from related parties | Purchases from related parties | Receivables from related parties | Payables to related parties |
|--|--|---|---|--|
| Loans and borrowings | 6 | - | - | 28 |
| Dividends | 3,186 | - | 2,959 | - |
| Accounting services | 16 | - | - | - |
| Rent and utilities services | 3 | - | - | - |
| Information technology maintenance services | - | 77 | - | 19 |
| Management and success fees | 1,893 | - | 1,664 | - |
| Land administration services | 72 | - | 227 | - |
| Disposal of shares of INVL Baltic Real Estate | 4,553 | - | - | - |
| Other services | 6 | - | - | - |
| | <u>9,735</u> | <u>77</u> | <u>4,850</u> | <u>47</u> |
| Liabilities to shareholders and management | - | - | - | - |

The Group's transactions with related parties during the 1st Half Year 2020 and related half year-end balances were as follows:

| 1st Half Year 2020 Group | Revenue and other income from related parties | Purchases from related parties | Receivables from related parties | Payables to related parties |
|--|--|---|---|--|
| Loans and borrowings | 19 | - | 290 | - |
| Dividends | 7,100 | - | 683 | - |
| Accounting services | 17 | - | - | - |
| Rent and utilities services | 2 | 151 | - | 4 |
| Information technology maintenance services | - | 60 | - | 48 |
| Management and success fees | 1,795 | - | 160 | - |
| Land administration services | 56 | - | 111 | - |
| Disposal of shares of INVL Baltic Real Estate | 1,081 | - | 1,081 | - |
| Other services | - | - | 1 | - |
| | <u>10,070</u> | <u>211</u> | <u>2,326</u> | <u>52</u> |
| Liabilities to shareholders and management | - | - | - | - |

12. Impact of COVID-19

In 1st Half Year of 2020 the COVID-19 virus pandemic resulted a decrease in the fair value of the Group's and the Company's financial assets at fair value through profit or loss due to a decrease in the market price of listed companies. This directly contributed to the decline in the value of Level 1 and Level 2 financial assets and indirectly contributed to the decline in the value of Level 3 financial assets due to the decrease of the market value of comparable companies. This decline also reduced the Group's income generated from the management fee received for the managed investment products in 2020. In 2nd Half Year of 2020 and 1st Half Year of 2021 this effect was reversed. Operations of the Group and the Company were not significantly affected by the COVID-19 virus pandemic. Due to the quarantine announced in Lithuania Group's and the Company's operations were not disrupted, as the Group can perform all the operations remotely. Consolidated and unconsolidated subsidiaries of the Group have received state financial support for staff downtime during the quarantine. The Company did not request or received any financial support due to the COVID-19 virus pandemic. The Group/Company did not expect later to face significant impact of the COVID-19 virus pandemic.

13. Life insurance business purchase agreement

On 15 June 2021 the Group/the Company has signed business purchase agreement regarding acquisition of life insurance business of Mandatum Life Insurance Company Limited in the Baltics. Through this transaction the Group would offer customers more choice to strengthen their financial security and overall well-being. The acquiring business has nearly 30,000 customers across the Baltic countries and total revenue in 2020 was EUR 7.8 million with EUR 22 million of premiums written. Completion of the transaction is anticipated for the middle of 2022 subject to Baltic and Finnish regulatory approval for permissions and licencing. A new company INVL Life UAB was established by the Company in August 2021 with initial authorised capital of EUR 3.7 million. It is wholly owned subsidiary. In August 2021 the Company has transferred to subsidiary EUR 1.3 million in cash to settle initial obligation of its formation. The subsidiary will acquire the Baltic life insurance business of Mandatum Life Insurance Company Limited subject to required approvals.

Until completion, Mandatum Life Insurance Company Limited will operate in the Baltics as is with all customers wanting to acquire its life insurance products being able to do so through existing Mandatum Life branches and licenced product distributors. In addition, the Group has begun offering life insurance services to its customers in Lithuania, in collaboration with Mandatum Life.

14. Events after the reporting period

After end of the reporting period the Company has established wholly owned subsidiary INVL Life UAB (Note 13). Also in July 2021 the main shareholders have executed transaction with the Company's shares between themselves. Therefore, new shareholders structure is as follows:

| | Number of shares held | Percentage (%) |
|---------------------------|----------------------------------|-----------------------|
| UAB Lucrum Investicija | 3,181,702 | 26.56 |
| UAB LJB Investments | 3,098,196 | 25.87 |
| Mrs. Irena Ona Mišeikienė | 3,006,834 | 25.10 |
| Mr. Alvydas Banyš | 910,875 | 7.60 |
| Ms. Indrė Mišeikytė | 236,867 | 1.98 |
| The Company (own shares) | 229,541 | 1.92 |
| Other minor shareholders | 1,314,558 | 10.97 |
| Total | 11,978,573 | 100.00 |



INVALDA INL

INVALDA INVL, AB
Consolidated Interim Report for
6 months of 2021

Translation note:

This version of the Interim Report 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. Reporting period for which the report is prepared

The report is prepared for 6 months of 2021 (January – June). It reflects the most significant changes of the disclosures since the Consolidated Annual Report for 2020 was published and any significant events that have occurred in the first six months of this financial year. The report also includes significant events of the company and the group that took place after the reporting period. The report was unaudited.

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

INFORMATION ABOUT THE ISSUER

| | |
|---|--|
| Name of the Issuer | The public joint-stock company Invalda INVL |
| Code | 121304349 |
| Address | Gynėjų str. 14, LT-01109 Vilnius, Lithuania |
| Telephone | +370 5 279 0601 |
| E-mail | info@invaldainvl.com |
| Website | www.invaldainvl.com |
| Legal form | The public joint-stock company |
| Date and place of registration | 20 March 1992. Register of Enterprise of Vilnius |
| Register in which data about the Company are accumulated and stored | Register of Legal Entities |

INFORMATION ON COMPANY'S GOALS, PHILOSOPHY AND OPERATING PRINCIPLES

Who are we?

Invalda INVL is an asset management group that is open, growing and investing, and its activities create wellbeing for people. Since the beginning of our activities, we have been working consistently and purposefully in the field of asset management and investments, prioritising the interests of our clients. We maintain the same values as we grow. Furthermore, we are open to new opportunities, new markets, new methods of operation. We believe that an open approach and careful consideration of new ideas contributes significantly to the success and quality of our solutions. We grow by investing in the organic development of the asset management business and, as opportunities arise, we make new acquisitions in this business. Asset management and investing is our core business. We believe we create value to all stakeholders by, first and foremost, doing our direct work well and performing our duties. We believe that the success of the business is inseparable from the contribution to advancing the processes of the society thus we invest in knowledge, team coherence, promotion of social activities, sustainability.

What do we seek?

The mission of Invalda INVL is to create well-being for people while contributing to the growth of the region we operate in. We aim to be the first and best choice for our customers when it comes to long-term savings and personal finance management. Therefore, we are working purposefully to complete the acquisition of Mandatum Life Insurance Company Limited's life insurance business in the Baltics by the middle of next year and to be able to offer our customers more solutions that ensure their financial security and well-being.

How do we operate?

Asset management and investing is our core business. The Group's companies operating in Lithuania and Latvia provide services to more than 250 thousand individual and institutional regional and international clients entrusting the Invalda INVL group to manage EUR 1.4 billion worth of assets. At the group level, we manage different asset classes such as pension and investment funds, alternative investments (private equity, real assets and private debt), individual portfolios.

We also have our own investment portfolio. We invest in products managed by the group together with the clients of our companies (general partner investments) in order to have better aligned common interests. The remainder of the current portfolio consists of other historical investments.

II. FINANCIAL INFORMATION AND SIGNIFICANT EVENTS

3. Performance results of the issuer and the group

Main items of financial statements

| EUR thousand | Company's | | | Group's | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 6 months 2019 | 6 months 2020 | 6 months 2021 | 6 months 2019 | 6 months 2020 | 6 months 2021 |
| Non-current assets | 66,838 | 72,867 | 87,258 | 67,248 | 70,309 | 84,379 |
| Current assets | 7,618 | 2,407 | 12,464 | 10,623 | 9,750 | 20,019 |
| Equity | 72,960 | 73,549 | 96,732 | 72,960 | 73,730 | 96,869 |
| Non-current liabilities | 1,050 | 991 | 2,217 | 2,544 | 3,143 | 4,470 |
| Current liabilities | 446 | 734 | 773 | 2,367 | 3,186 | 3,059 |
| Result before taxes | 7,417 | (4,719) | 13,823 | 7,458 | (4,683) | 14,039 |
| Net result | 7,181 | (4,195) | 13,047 | 7,181 | (4,170) | 13,062 |
| Net result attributable to holders of the parent Company | | | | 7,181 | (4,195) | 13,047 |

Calculation of the net asset value of Invalda INVL

| EUR thousand | Evaluation criteria | 30 June 2019 | 30 June 2020 | 30 June 2021 |
|---|---|---------------|---------------|---------------|
| Investment into asset management | Equity method | 10,634 | 12,559 | 14,264 |
| Investments into INVL Baltic Sea Growth Fund (commitment to invest is excluded) | Fair value of net assets | 3,263 | 3,702 | 10,678 |
| Investments into INVL Baltic Real Estate (including loans granted) | Market price | 10,402 | 8,104 | 4,421 |
| Investments into Moldova-Agroindbank | Comparative method of multipliers | 3,709 | 6,449 | 8,280 |
| Investments into INVL Technology | Market price | 3,010 | 3,513 | 4,722 |
| Investment into investment fund through subsidiary and directly | Fair value of net assets | 5,562* | 4,294* | 1,355 |
| Investments into Litagra, UAB | Combination of discounted cash flows and sales comparison method (in 2019 and 2020 comparative method of multipliers) | 15,146 | 14,992 | 16,765 |
| Investments into Šiauliai Bank | Market price | 14,992 | 13,443 | 21,911 |
| Investments into Inservis, UAB (including loans granted) | Discounted cash flows (in 2019 and 2020 comparative method of multipliers) | 4,343 | 5,222 | 5,356 |
| Investments into other subsidiary companies (including loans granted) | Fair value of net assets | 651 | 479 | 61 |
| Other assets, other investments | Book value | 1,158 | 2,078 | 6,235 |
| Cash and cash equivalents | Book value | 1,586 | 439 | 5,674 |
| Total assets | Book value | 74,456 | 75,274 | 99,722 |
| Liabilities | Book value | 1,496 | 1,725 | 2,990 |
| Net asset value | Book value | 72,960 | 73,549 | 96,732 |
| Net asset value per share | Book value | 6.28 | 6.29 | 8.23 |

* The value of investments in non-consolidated companies is included

4. Information on the group's activities

Asset management and investing is our core business. On 15 June 2021, we signed an agreement to acquire a life insurance business in the Baltic States and next year we hope to offer our customers more opportunities to strengthen their financial security.

ASSET MANAGEMENT BUSINESS



Invalda INVL manages licensed asset management companies INVL Asset Management in Lithuania and Latvia, financial brokerage company INVL Finasta, land administration company INVL Farmland Management and 51 percent stake in Mundus through INVL Asset Management.



Structure of asset management business of Invalda INVL

| EUR million (if not stated otherwise) | 30.06.2020 | | | 30.06.2021 | | |
|--|------------|--------|---------|------------|--------|---------|
| | Lithuania | Latvia | Total | Lithuania | Latvia | Total |
| Number of clients, units | 181.5 | 54.8 | 236.3 | 192.0 | 58.9 | 250.9 |
| Amount earned for clients | (42.98) | | | 124.48 | | |
| Asset under management* | 936.3 | 118.4 | 1,054.7 | 1,253.2 | 182.6 | 1,435.8 |
| 2nd pillar pension funds | 510.8 | 117.0 | 627.8 | 706.5 | 180.9 | 887.4 |
| 3rd pillar pension funds | 41.4 | 1.4 | 42.8 | 66.9 | 1.7 | 68.6 |
| Investment funds | 52.6 | - | 52.6 | 54.9 | - | 54.9 |
| Portfolios | 66.2 | - | 66.2 | 81.4 | - | 81.4 |
| Alternative assets | 265.3 | - | 265.3 | 343.5 | - | 343.5 |
| Revenues | 6.14 | 0.32 | 6.46 | 6.69 | 0.43 | 7.12 |
| Profit (loss) before tax, EUR thousand** | 806 | (321) | 485 | 2,209 | (202) | 2,007 |

*eliminated investments into own products for which management fee is not charged

** according to accounting data of Invalda INVL

OTHER MAJOR INVESTMENTS

| Company | Activity | Directly owned shares as of 30.06.2021, % | Value of the owned shares 30.06.2021, EUR million | Profit (loss) from investment, EUR million during 2021 H1 |
|--|--|---|---|---|
| GENERAL PARTNER INVESTMENTS | | | | |
|  BALTIC SEA GROWTH FUND bsgf.invl.com | The largest private equity investment fund in the Baltics. The fund is intended for professional investors. | 12.22 | 10.68 + 12.26 commitment to invest | 2.67 |
|  BALTIC REAL ESTATE www.invlbalticrealestate.com | Investment in a commercial real estate company, acting as a closed-end investment company. | 23.43 | 4.42 | 0.67 |
|  MAIB Moldova Agroindbank https://www.maib.md/ | The largest commercial bank in Moldova providing a full range of financial services. | 7.9 | 8.28 | 0.93 |
|  TECHNOLOGY www.invltechnology.com | Investments in an information technology company, acting as a closed-end investment company. | 15.39 | 4.72 | 0.82 |
|  INVESTAVIMAS INVL Emerging Europe Bond Subfund www.invl.com | The Sub-Fund's assets are invested in debt securities of Central and Eastern European governments and companies that appear to be the most attractive in terms of credit analysis. | 4.5 | 1.36 | 0.02 |
| OTHER HISTORICAL INVESTMENTS | | | | |
|  LITAGRA www.litagragroup.lt | Primary agricultural production company that concentrates on agriculture - the cultivation of grain, milk and feed production. | 48.81 | 16.77 | 0.88 |
|  ŠIAULIŲ BANKAS www.sb.lt | Lithuanian commercial bank providing financial services for business and private clients. | 5.48 | 21.91 | 5.68 |
|  inservis PASTATŲ PRIEŽIŪRA www.inservis.lt | Facility management companies' group. | 100 | 5.36 | 0.29 |
|  Vernitas www.vernitas.lt | Preparation of textile fibres. | 11.06 | 0.44 | - |

III. INFORMATION ABOUT SECURITIES

5. Information about Issuer's authorised capital

STRUCTURE OF THE AUTHORIZED CAPITAL

| Type of shares | Number of shares, units | Total voting rights granted by the issued shares, units* | Number of votes (units) for the quorum of the general meeting of shareholders* | Nominal value, EUR | Total nominal value, EUR |
|----------------------------|-------------------------|--|--|--------------------|--------------------------|
| Ordinary registered shares | 11,978,573 | 11,978,573 | 11,749,032 | 0.29 | 3,473,786.17 |

* Calculating votes, the company followed the provision of the Law on Companies, which states that calculating the quorum of the general meeting, own shares acquired by the company shall be deemed not to cast votes

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

Invalda INVL group manages asset management company INVL Asset Management and financial brokerage company INVL Finasta. According to Lithuanian law, a natural or legal person (or persons acting in concert), indirectly willing to acquire or increase their shareholding in an asset management company (more than 20, 30 or 50 percent), have to obtain a decision from the Bank of Lithuania not to object this acquisition. This means that investors, willing to acquire more than 20 percent shareholding in Invalda INVL, AB, can do so only with a prior decision from the Bank of Lithuania.

Invalda INVL also owns asset management company INVL Asset Management in Latvia, therefore according Latvian Financial and Capital Market Commission restrictions under acquisition of the shareholding in Invalda INVL must be fulfilled as well.

INFORMATION ABOUT THE ISSUER'S TREASURY SHARES

| Year of acquisition / loss of own shares | Acquired (transferred) amount, units | Price for one share, EUR | Comments |
|--|--------------------------------------|--------------------------|---|
| 2015 | 143,645 | 3.82 | |
| 2016 | 135,739 | 4.11 | |
| 2017 | 23,076 | 4.55 | |
| 2018 | 3,396 | 5.53 | |
| 2019 | 2,552 | 5.67 | |
| 2020 | (78,867) | 0.20 | Own shares were transferred to the employees of the company and the group by exercising the share options granted in 2017 |
| 2021 | - | - | |
| total | 229,541 | | |

INFORMATION ABOUT EMPLOYEES STOCK OPTIONS

| Allocation of options | | Exercise of options | |
|--|--------------------------|---|---|
| The year when stock options contracts have been signed | Number of shares (units) | The year when stock options are exercised | The number of shares acquired by employees under option contracts (units) |
| 2016 | 52,906 | 2019 | 52,906 |
| 2017 | 80,571 | 2020 | 78,867 |
| 2018 | 59,674 | 2021 | 59,674 |
| 2019 | 70,397 | 2022 | N/A |
| 2020 | 317,227 | 2023 | N/A |
| 2021 | 65,287 | 2024 | N/A |

6. The amendment of Issuer's Articles of Association

On 8 June 2021, a new wording of the Articles of Association of Invalda INVL AB was registered in the Register of Legal Entities. This draft of the company's Articles of Association was approved by the shareholders at the Ordinary General Meeting of Shareholders held on 30 April 2021.

Invalda INVL AB increased its share capital to EUR 3,473,786.17 by issuing 59,674 new ordinary registered shares. The newly issued shares were signed by the employees of Invalda INVL Group exercising the options granted to them in 2018.

The Articles of Association are published on the company's website in the "Investors" section.

7. Shareholders

Invalda INVL shareholders Alvydas Banys, UAB LJB Investments, Irena Ona Mieikeikiene, Indrė Mišeikytė, Darius Šulnis and UAB Lucrum Investicija have signed an Agreement with the purpose of agreeing on the long-term management policy of Invalda INVL. Therefore, in accordance with Article 16, Section 1, Point 2 of the Securities Law, their votes are counted together. Given that the said agreement does not contain provisions on the use of the parties' directly owned votes in other companies related to Invalda INVL, their votes are counted together only at the level of the issuer, i.e. only in Invalda INVL.

Assessing the share of the company's authorized capital and / or votes owned by the company's shareholders as of the date of this report, as well as the purpose and provisions of the above-mentioned Invalda INVL group of shareholders the parties to the said Agreement control the company as a group, but not individually.

SHAREHOLDERS WHO HELD TITLE TO MORE THAN 5% OF INVALDA INVL AUTHORISED CAPITAL AND/OR VOTES AS OF THE DAY OF THIS REPORT PUBLISHING

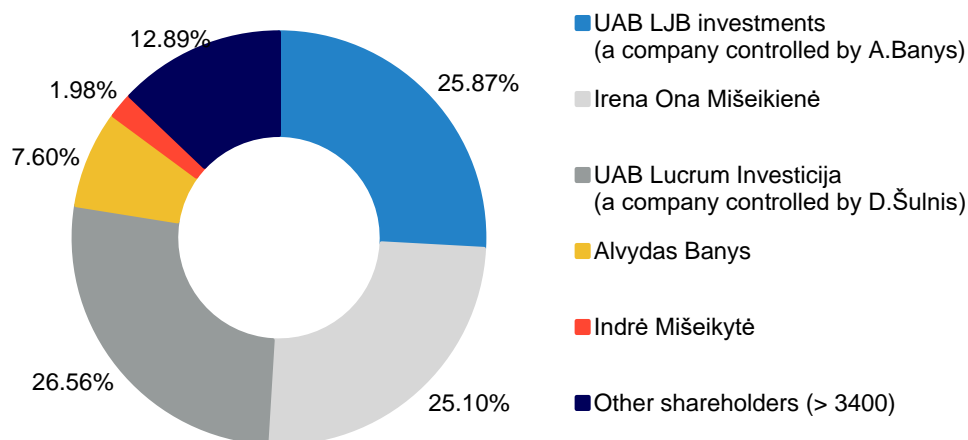
| Name of the shareholder or company | Number of shares held by the right of ownership, units | Share of the authorised capital and votes held, % | Indirectly held votes ¹ , % | Total votes of the shareholders group*, % |
|--|--|---|--|---|
| LJB Investments. UAB code 300822575, Juozapavičiaus str. 9A, Vilnius | 3,098,196 | 25.87 | 61.24 | 87.11 |
| Irena Ona Mišeikienė | 3,006,834 | 25.10 | 62.01 | |
| Darius Šulnis ² | 0 | 0.00 | 87.11 | |
| Lucrum Investicija, UAB code 300806471. Gynėjų str. 14, Vilnius | 3,181,702 | 26.56 | 60.55 | |
| Alvydas Banys ³ | 910,875 | 7.60 | 79.51 | |
| Indrė Mišeikytė | 236,867 | 1.98 | 85.13 | |

¹ Invalda INVL shareholders Alvydas Banys, UAB LJB Investments, Irena Ona Mišeikiene, Indrė Mišeikytė, Darius Šulnis and UAB Lucrum Investicija have signed an Agreement with the purpose of agreeing on the long-term management policy of Invalda INVL. Therefore, in accordance with Article 16, Section 1, Point 2 of the Securities Law, their votes are counted together. Given that the said agreement does not contain provisions on the use of the parties' directly owned votes in other companies related to Invalda INVL, their votes are counted together only at the level of the issuer

² It is considered that Darius Šulnis has the votes of the controlled company UAB Lucrum Investicija.

³ It is considered that Alvydas Banys has the votes of the controlled company UAB LJB investments.

Distributions of the share capital of the shareholders of Invalda INVL as of the day of this report publishing



There are no shareholders entitled to special rights of control. Invalda INVL, AB has no knowledge of any restriction on voting rights or mutual agreements between the shareholders that might result in the restriction of shares transfer and (or) voting rights. There are no agreements to which the Issuer is a party and which would come into effect of being amended or terminated in case of change in the Issuer's control. At the end of June 2021 the total number of shareholders was around 3,400.

8. Trading in Issuer's securities

MAIN CHARACTERISTICS OF INVALDA INVL, AB SHARES ADMITTED TO TRADING

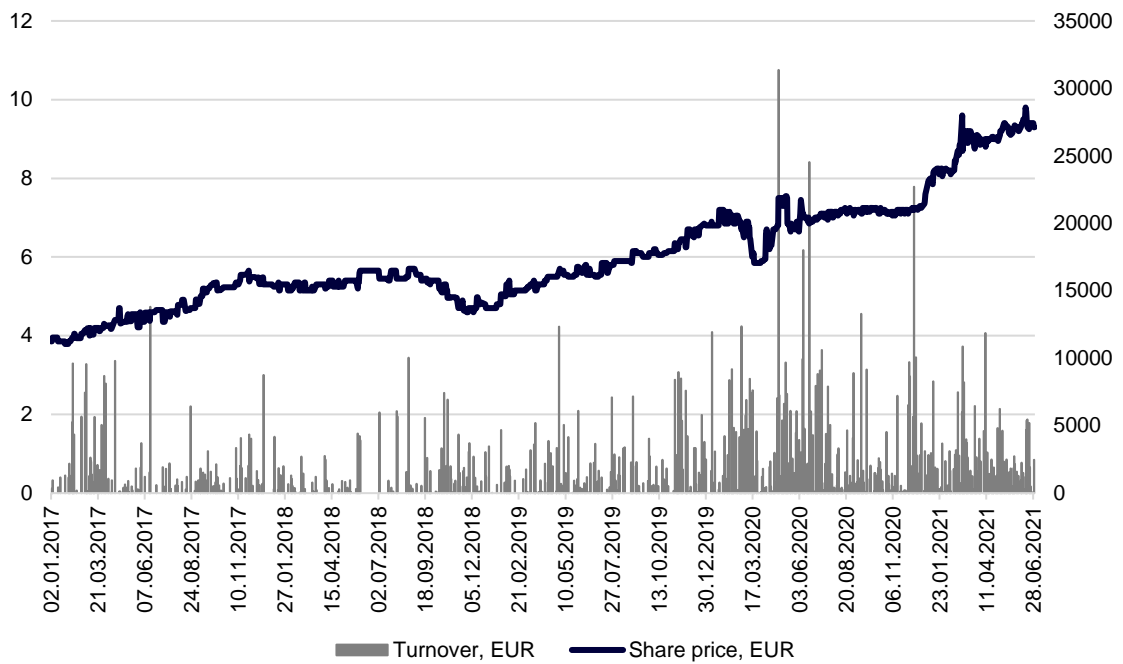
| | |
|----------------------|--|
| Shares issued, units | 11,978,573 |
| Nominal value | 0.29 EUR |
| Total nominal value | 3,473,786.17 |
| ISIN code | LT0000102279 |
| LEI code | 52990001IQUJ710GHH43 |
| Name, exchange | IVL1L, Nasdaq Vilnius |
| List | Baltic Secondary list Baltic Main List (from 1 January 2008 until 20 July 2015) |
| Listing date | 19 December 1995 |

From 3 August 2020, Šiaulių bankas AB provides the company with a market making service.

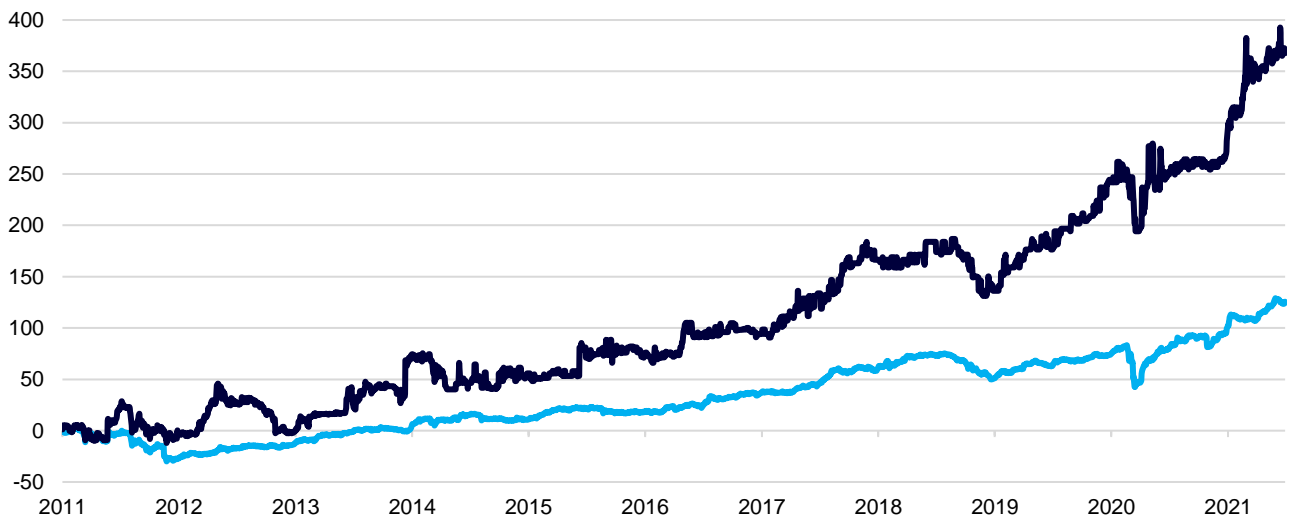
TRADING IN INVALDA INVL, AB SHARES

| Share price, EUR | 2017 H1 | 2018 H1 | 2019 H1 | 2020 H1 | 2021 H1 |
|--------------------|---------|---------|---------|---------|---------|
| - open | 3.86 | 5.30 | 4.74 | 6.80 | 7,60 |
| - high | 4.70 | 5.65 | 5.80 | 8.95 | 9,80 |
| - low | 3.79 | 5.15 | 4.70 | 5.65 | 7,60 |
| - weighted average | 4.19 | 5.31 | 5.41 | 6.84 | 8,86 |
| - last | 4.65 | 5.65 | 5.50 | 7.00 | 9,30 |
| Turnover, units | 31,480 | 8,805 | 18,086 | 53,374 | 27,151 |
| Turnover, EUR | 131,885 | 46,778 | 97,852 | 365,199 | 240,539 |
| Trades, units | 140 | 85 | 135 | 634 | 664 |

Turnover of Invalda INVL shares and share price (EUR)




Changes in Invalda INVL share price and OMX Vilnius index over 10 years



| Index/Shares | 01.01.2011 | 01.01.2021 | 30.06.2021 | Change (%) since 2011 | Change (%) 2021 H1 |
|----------------|------------|------------|------------|-----------------------|--------------------|
| — OMX Vilnius | 409.65 | 816.64 | 924.50 | 125.68 ↑ | 13.21 ↑ |
| — Invalda INVL | 1.99 EUR | 7.60 EUR | 9.30 EUR | 367.57 ↑ | 22.37 ↑ |

IV. ISSUER'S MANAGING BODIES

9. Information about members of the Board, CFO and the Audit Committee of the Company


| | Term of office | Educational background and qualifications | Owned amount of shares in Invalda INVL | Participation in the management of other companies |
|---|-----------------------|--|---|--|
|  | Since 2018 until 2022 | Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economics' Institute of Lithuania's Science Academy. | Personally: 910,875 units of shares, 7.64 % of authorised capital and votes; Together with controlled company LJB Investments: 4,009,071 units of shares. 33.47 % of authorized capital and votes. Total votes with others whose votes are counted together - 87.11%. | Invalda INVL, AB (code 121304349, Gynėjų g. 14, Vilnius, Lithuania) – Senior Adviser (main place of work) INVL Baltic Sea Growth Fund, managed by INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) - Investment Committee member Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius, Lithuania) – Member of the Board INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Chairman of the Board |

Alvydas Banyas
Chairman of the Board





| | | | | |
|--|-----------------------|--|---|---|
| | Since 2018 until 2022 | Vilnius Gediminas Technical University. Faculty of Architecture. Master in Architecture. | Personally: 236,867 units of shares, 1.98% of authorised capital and votes. Total votes with others whose votes are counted together - 87.11%. | Invalda INVL, AB (code 121304349, Gynėjų g. 14, Vilnius, Lithuania) – Adviser (main place of work) INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Member of the Board INVL Technology, SUTPKIB (code 300893533, Gynėjų g. 14, Vilnius, Lithuania) – Member of the Advisory Committee |
|--|-----------------------|--|---|---|

Indrė Mišeikytė
Member of the Board

| | Term of office | Educational background and qualifications | Owned amount of shares in Invalda INVL | Participation in the management of other companies |
|---|-----------------------|--|---|--|
|  | Since 2018 until 2022 | Duke University (USA). Business Administration. Global Executive MBA. Vilnius University. Faculty of Economics. Master in Accounting and Audit. Financial broker's license (general) No. A109. | Personally: 0 units of shares, 0% of authorised capital and votes. Together with controlled company Lucrum Investicija: 3,181,702 units of shares, 26.56% of authorised capital and votes. Total votes with others whose votes are counted together - 87.11%. | Invalda INVL, AB (code 121304349, Gynėjų g. 14, Vilnius, Lithuania) – the President (main place of work) INVL Baltic Sea Growth Fund, managed by INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) - Investment Committee Member INVL Asset Management, UAB (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) – Chairman of the Board Šiaulių Bankas AB (code 112025254, Tilžės g. 149, Šiauliai, Lithuania) – Member of the Supervisory Board INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Member of the Board Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius, Lithuania) – Member of the Board |

Darius Šulnis –
Member of the Board, the President of Invalda INVL

| | Term of office | Educational background and qualifications | Owned amount of shares in Invalda INVL | Work experience |
|---|-----------------------|---|---|--|
|  | - | Vilnius University, Faculty of Economics, Master of Science in Accounting and Auditing | Personally: 26,959 units of shares, 0.23% of authorised capital and votes. The right to acquire 129,145 shares of the company according to the concluded share option agreements. | Since 2006 CFO at Invalda INVL 2001 – 2006 CFO at Valmeda, AB 2000 – 2001 CFO at Galincius, AB 2000 – 2001 CFO at Invaldos Marketingas, UAB (current name Inreal Valdymas. UAB) 2000 – 2002 Accountant at Gildeta, AB 1998 – 2000 Accountant at Invalda, AB |
|  | Since 2021 until 2025 | Vilnius Gediminas Technical University, Master of Business Administration. Vilnius University, Master of Economics. The International Coach Union (ICU), professional coucher name. Lithuanian Ministry of Finance, the auditor's name. | - | Since 1997 the Partner at Moore Mackonis, UAB 1996 - 1997 Audit Manager, Deloitte & Touche 1995 - 1996 Lecturer, Vilnius Gediminas Technical University 1982 - 1983 Lecturer, Vilnius University |

Dangutė Pranckėnienė
Independent audit committee member

| | Term of office | Educational background and qualifications | Owned amount of shares in Invalda INVL | Work experience |
|---|-----------------------|--|--|--|
|  <p>Tomas Bubinas Independent audit committee member</p> | Since 2021 until 2025 | Baltic Management Institute (BMI), Executive MBA Association of Chartered Certified Accountants. ACCA. Fellow Member Lithuanian Sworn Registered Auditor Vilnius University, Msc. in Economics | - | Since 2013 Chief Operating Officer of Biotechpharma, UAB. 2010 – 2012 Senior Director of TEVA Biopharmaceuticals (USA). 2004-2010 – TEVA Pharmaceuticals, Chief Financial Officer for the Baltic States. 2001-2004 – Sicom Biotech, Chief Financial Officer 1999 – 2001 Senior Manager of PricewaterhouseCoopers. 1994 – 1999 Senior Auditor, Manager of Coopers & Lybrand. |

10. Information on the amounts calculated by the Issuer. other assets transferred and guarantees granted to the Members of the Board, the president and CFO

A fixed monthly salary is paid to the members of the Board elected by the General Meeting of Shareholders who have concluded employment contracts with the Company, as well as the President and the Chief Financial Officer. The Company does not have an approved policy to pay a variable portion of remuneration to board members or executives.

Within six months period of 2021 the calculated remuneration for the Board members of Invalda INVL, AB (as employees of the Company, including wages from the subsidiaries) amounted to EUR 109.9 thousand, that is on the average EUR 6.1 thousand per month for each member.

The calculated remuneration to the president of the Company and CFO (including wages from the subsidiaries) totalled to EUR 77.8 thousand, on the average EUR 6.5 thousand per month for each.

V. OTHER INFORMATION

11. Agreements with intermediaries on public trading in securities

Invalda INVL, AB has signed agreements with these intermediaries:

- Siaulių Bankas, AB (Tilzes str. 149, Siauliai, Lithuania; tel. +370 41 595 607) – the agreement on investment services, the agreement on management of securities accounting, the agreement on payment of dividends; agreement on market making services;
- Luminor bank, AB (Konstitucijos av. 23, Vilnius, Lithuania; tel. +370 5 239 3503) – the agreement on financial instruments account management, implementation of orders and offering recommendations;
- SEB Bankas, AB (Gedimino ave. 12, Vilnius, Lithuania; tel. +370 5 268 2370) – the agreement on management of securities account;
- FMI Orion Securities, UAB (A. Tumeno str. 4. (block B), Vilnius, Lithuania; tel. +370 5 231 3841) - the agreement on investment services;
- AB SEB Pank (Tornimäe str. 2., 15010, Tallin, Estonia; tel. +372 6657 772) - the agreement of intermediation;
- UAB FMĮ „INVL Finasta“ (Gynėjų str. 14, Vilnius, Lithuania, tel. 8 700 55 959) - wealth management services contract.

12. A description of the principal risks and uncertainties over the next 6 months

The main risks and uncertainties the company faces may be expected in the next 6 months were described in the annual report for 2020. This information didn't change. In addition, the potential impact of the COVID-19 pandemic is disclosed in Article 13 of this report.

13. Disclosure of the impact of the COVID-19

The impact of the Covid-19 pandemic on Invalda INVL was not significant. We earned a profit of EUR 13 million, the net asset value (NAV) per share is EUR 8.23 and the share price on the stock exchange exceeded the NAV per share by almost 13% at the end of the reporting period and amounted to EUR 9.3.

The significant negative impact of the pandemic was not felt by the retail asset management business as well. Clients earned EUR 124,5 million in 6 months of 2021.

14 Information on the related parties' transactions

Related party is understood as defined in the International Financial Reporting Standards applied by the company. The detailed information on the related parties' transactions has been disclosed in the section 11 of the financial statements' explanatory notes.

Information on transactions with related parties as defined in the Company Law Article 37², entered into during the 6 months of 2021:

| Related party | Company's relationship with the other counterparty | Date and value of the transaction | Other information |
|---|--|---|---|
| UAB Cedus invest code 302576631, Gynėjų str. 14, Vilnius Register of Legal Entities | 100% controlled by Invalda INVL | On 7 January 2021, a share purchase and sale agreement was concluded regarding the sale of 2,060,000 shares of SUTNTIB INVL Baltic Real Estate for the total price of EUR 4,553,218. The selling price per share has been set as the last publicly announced, i.e. as of 30.11.2020, the net asset value per share equal to EUR 2.2103. | |
| UAB Kelio ženklai code 185274242, Geležinkelio str. 28, Pilviškiai, Vilkaviškis district Register of Legal Entities | 100% controlled by Invalda INVL | Loan granted. 24.02.2021 Loan agreement No. P / 210224/01, the loan amount is EUR 15,000. | The shares of UAB Kelio ženklai were sold. The loan was repaid on 27.05.2021, offsetting it as part of the granting of a new loan to third parties under the terms of the sale of shares. |
| UAB Kelio ženklai code 185274242, Geležinkelio str. 28, Pilviškiai, Vilkaviškis district Register of Legal Entities | 100% controlled by Invalda INVL | Loan granted. 16.03.2021 Loan agreement No. P / 210316/01, the loan amount is EUR 40,000. | The shares of UAB Kelio ženklai were sold. The loan was repaid on 27.05.2021, offsetting it as part of the granting of a new loan to third parties under the terms of the sale of shares. |
| SUTNTIB INVL Baltic Real Estate code 152105644, Gynėjų str. 14, Vilnius Register of Legal Entities | Invalda INVL owned more than 30% of shares | AB Cedus Invest, a company 100% controlled by Invalda INVL, sold 2,060,000 shares in SUTNTIB INVL Baltic Real Estate during the redemption process on the Nasdaq auction market for EUR 4,553,218. The order was submitted on 25 March 2021. | |
| SUTNTIB INVL Baltic Real Estate code 152105644, Gynėjų str. 14, Vilnius Register of Legal Entities | Invalda INVL owned more than 30% of shares | UAB Įmonių grupė Inservis, a company 100% controlled by Invalda INVL, sold 323,000 shares in SUTNTIB INVL Baltic Real Estate during the redemption process on the NASDAQ auction market for EUR 713,926.90. The order was submitted on 25 March 2021. | |

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| UAB FMĮ INVL Finasta code 304049332, Gynėjų str. 14, Vilnius Register of Legal Entities | 100% controlled by Invalda INVL | 28.06.2021 wealth management services agreement No.1646 concluded | |
| UAB FMĮ INVL Finasta code 304049332, Gynėjų str. 14, Vilnius Register of Legal Entities | 100% controlled by Invalda INVL | 28.06.2021 electronic services Agreement No. E1646 concluded. | |

15. Significant investments made during the reporting period

On 15 June 2021, Invalda INVL has signed a deal in principle to acquire a life insurance business of Mandatum Life Insurance Company Limited. The insurance business will be taken over by the newly established company INVL Life. The transaction is expected to be completed by mid-2022, with all necessary licenses and permits granted to the Baltic and Finnish supervisory authorities. The share capital of INVL Life is currently EUR 3.7 million, which is to be increased later.

More information is provided in the section 5 of the consolidated and Company's financial statements for 6 months of 2021 explanatory notes.

16. Data on information made public during the reporting period and after the end of the reporting period

All information publicly announced by Invalda INVL AB is available on the company's website www.invaldainvl.com.

SUMMARY OF THE PUBLISHED INFORMATION

| Published | Headline | Message Category |
|------------|--|--|
| 26.03.2021 | Invalda INVL is reducing its stake in INVL Baltic Real Estate | Notification on material event |
| 08.04.2021 | Convocation of the ordinary general shareholders meeting of Invalda INVL | General meeting of shareholders |
| 08.04.2021 | Draft resolutions prepared by the Board for the shareholders' meeting of Invalda INVL to be held on 30/04/2021 | General meeting of shareholders |
| 08.04.2021 | Audited results of Invalda INVL Group for 2020 | Notification on material event |
| 16.04.2021 | Įmonių Grupė Inservis, a subsidiary of Invalda INVL, sold shares in Informacinio Verslo Paslaugų Įmonė | Other information |
| 28.04.2021 | „INVL Emerging Europe Bond Fund“, a subfund of INVL Asset Management, a subsidiary of Invalda INVL, will be managed from Luxembourg | Other information |
| 30.04.2021 | The resolutions of the Ordinary General Shareholders Meeting of Invalda INVL | General meeting of shareholders |
| 30.04.2021 | Audited annual information of Invalda INVL for 2020 | Annual information |
| 18.05.2021 | INVL Baltic Sea Growth Fund's Eco Baltia to acquire majority stake in Ecoservice | Other information |
| 19.05.2021 | Invalda INVL signed employee stock option contracts | Notification on material event |
| 19.05.2021 | Notification on transactions in the issuer's securities | Notifications on transactions concluded by managers of the companies |
| 31.05.2021 | Unaudited information of Invalda INVL group for 3 months of 2021 | Notification on material event |
| 04.06.2021 | Invalda INVL sold the shares in Kelio ženklai | Other information |
| 10.06.2021 | A new wording of Articles of Association of Invalda INVL has been registered. The issued shares were acquired by the group's employees | Notification on material event |
| 10.06.2021 | Information about shares issued by Invalda INVL and votes granted | Total number of voting rights and capital |
| 15.06.2021 | Invalda INVL agrees deal in principle to acquire Mandatum Life's Baltic insurance business | Notification on material event |

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| 17.06.2021 | INVL Sustainable Timberland and Farmland Fund II holds second close at EUR 51 mln. | Other information |
| 20.07.2021 | INVL Asset Management, a subsidiary of Invalda INVL, establishes INVL Renewable Energy Fund I, a sub-fund that will invest in renewable energy | Other information |
| 23.07.2021 | Notification on transactions in the issuer's securities | Notifications on transactions concluded by managers of the companies |
| 23.07.2021 | Notification about acquisition of voting rights of Invalda INVL | Acquisition or disposal of a block of shares |
| 04.08.2021 | INVL Renewable Energy Fund I, a fund managed by INVL Asset Management, a subsidiary of Invalda INVL, raised EUR 18.5 million | Other information |
| 12.08.2021 | Invalda INVL establishes INVL Life which will seek an insurance company licence | Other information |
| 17.08.2021 | INVL Baltic Sea Growth Fund's Eco Baltia completes acquisition for majority stake in Ecoservice | Other information |

President
Darius Šulnis