

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

BALTIC FARMLAND

An aerial photograph of a vast agricultural field, likely a cornfield, showing rows of crops stretching across the landscape. The field is divided into numerous small, rectangular plots, and the crops are in various stages of growth, with some appearing taller and more densely packed than others. The overall color palette is a mix of golden-brown and light tan, suggesting a late summer or autumn setting. The perspective is from a high angle, looking down at the field, which creates a strong sense of depth and scale.

INVL Baltic Farmland, AB

Consolidated Interim Report for the six months of 2022 and Consolidated Interim Condensed Not-audited Financial Statements for the six months ended 30 June 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union



CONFIRMATION OF RESPONSIBLE PERSONS

26 July 2022

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (article 13) of the Republic of Lithuania, management of INVL Baltic Farmland, AB hereby confirms that, to the best of our knowledge, the attached Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2022 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of INVL Baltic Farmland and Consolidated Group.

Presented Consolidated Interim Report for the 6 months of 2022 includes a fair review of the development and performance of the business and position of the Company and the consolidated group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSURE:

1. Consolidated and Company's Consolidated Interim Condensed Unaudited Financial Statements for the 6 months of 2022.
2. Consolidated Interim Report for the 6 months of 2022.

Director

Eglė Surplienė

Person authorised to conduct accounting

Raimondas Rajeckas

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AB INVL BALTIC FARMLAND

**CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

DETAILS OF THE COMPANY

Board of Directors

Mr. Alvydas Banyš (chairman of the Board)

Ms. Indrė Mišeikytė

Mr. Tomas Bubinas (from 27 April 2022)

Mr. Darius Šulnis (until 27 April 2022)

Management (director)

Ms. Eglė Surplienė

Principal place of business and company code

Gynėjų str, 14,
Vilnius,
Lithuania

Company code 303299781

Banks

Luminor Bank AS Lithuanian Branch
AB Šiaulių Bankas

The financial statements were approved and signed by the Management and the Board of Directors on 26 July 2022.



Ms. Eglė Surplienė
Director



Mr. Raimondas Rajeckas
Authorized person according to the
agreement to conduct accounting

AB INVL BALTIC FARMLAND**CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated statement of comprehensive income

	Notes	1 st Half Year 2022	1 st Half Year 2021
Revenue		358	320
Other income		-	12
Net gain from fair value adjustments on investment property	3	350	-
Land plots administration fees		(84)	(72)
Legal, professional and securities administration fees		(53)	(15)
(Provision for) reversal of impairment of trade receivables	4	-	-
Direct property operating expenses		-	-
Employee benefits expense		(5)	(5)
Other expenses		(2)	(4)
Operating profit		564	236
Finance costs		-	-
Profit before income tax		564	236
Income tax expense	6	(81)	(33)
NET PROFIT FOR THE YEAR		483	203
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		483	203
Attributable to:			
Equity holders of the parent		483	203
Basic and diluted earnings per share (in EUR)	7	0.15	0.06

AB INVL BALTIC FARMLAND**CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated statement of financial position

	Notes	As at 30 June 2022	As at 31 December 2021
ASSETS			
Non-current assets			
Investment properties	3	16,520	16,620
Total non-current assets		16,520	16,620
Current assets			
Trade and other receivables	4	404	170
Prepayments and deferred charges		2	1
Cash and cash equivalents		207	144
Total current assets		613	315
Total assets		17,133	16,935
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent			
Share capital		955	955
Own shares		(203)	(203)
Share premium		1,387	1,387
Reserves		3,237	3,237
Retained earnings		9,274	9,566
Total equity		14,650	14,942
Liabilities			
Non-current liabilities			
Deferred income tax liability		1,786	1,798
Total non-current liabilities		1,786	1,798
Current liabilities			
Trade payables		168	67
Income tax payable		94	54
Deferred revenue	4	354	8
Other current liabilities		81	66
Total current liabilities		697	195
Total liabilities		2,483	1,993
Total equity and liabilities		17,133	16,935

AB INVL BALTIC FARMLAND
CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated statements of changes in equity

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

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	
Balance as at 31 December 2020		955	(203)	1,387	158	3,079	8,639	14,015
Net profit for the 6 months ended 30 June 2021		-	-	-	-	-	203	203
Total comprehensive income for the 6 months ended 30 June 2021		-	-	-	-	-	203	203
Transfer to reserves		-	-	-	-	-	-	-
Dividends approved	5	-	-	-	-	-	(484)	(484)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(484)	(484)
Balance as at 30 June 2021		955	(203)	1,387	158	3,079	8,358	13,734

Condensed consolidated statement of cash flows

	Notes	<u>1st Half Year 2022</u>	<u>1st Half Year 2021</u>
Cash flows from (to) operating activities			
Net profit for the period		483	203
Adjustments for non-cash items and non-operating activities:			
Net gains from fair value adjustments on investment property		(350)	-
Deferred taxes	6	(12)	1
Current income tax expenses	6	93	32
Allowances	4	-	-
Changes in working capital:			
Decrease (increase) in trade and other receivables		112	64
Decrease (increase) in other current assets		(1)	1
(Decrease) increase in trade payables		93	94
(Decrease) increase in other liabilities		4	(2)
Cash flows (to) from operating activities			
		369	393
Income tax paid		(53)	(57)
Net cash flows (to) from operating activities			
		369	336
Cash flows from (to) investing activities			
Acquisition of investment properties		-	-
Income from the sale of investment property		450	-
Net cash flows from (to) investing activities			
		450	-
Cash flows from (to) financing activities			
Cash flows related to Group owners			
Acquisition of own shares		-	-
Dividends paid to equity holders of the parent		(756)	(474)
		(756)	(474)
Net cash flows (to) from financing activities			
		(756)	(474)
Net increase (decrease) in cash and cash equivalents			
		63	(138)
Cash and cash equivalents at the beginning of the period			
		144	302
Cash and cash equivalents at the end of the period			
		207	164

AB INVL BALTIC FARMLAND**INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

Notes to the interim condensed financial statements**1 General information**

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

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

The Group consists of the Company and its directly owned subsidiaries (hereinafter the Group, Note 5 of annual financial statements for year ended 31 December 2021).

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

Investments into agricultural land are classified as long term and are recommended for investors who are satisfied with the return on rent and possible income from increase of agricultural land prices. Since prices of agricultural products are determined in the world markets, this investment allow to participate in the world food supply chain.

The Company's share capital is divided into 3,291,549 ordinary registered shares with the nominal value of EUR 0.29 each. All the shares of the Company were fully paid. Subsidiaries did not hold any shares of the Company. As at 30 June 2022 and 31 December 2021 the shareholders of the Company were:

	As at 30 June 2022		As at 31 December 2021	
	Number of shares held	Percentage	Number of shares held	Percentage
UAB LJB Investments (controlling shareholder Mr, Alvydas Banys)	977,751	29.70	977,751	29.70
Mrs, Irena Ona Mišeikienė	931,831	28.31	931,831	28.31
UAB Lucrum Investicija (sole shareholder Mr, Darius Šulnis)	469,628	14.27	469,628	14.27
Mr, Alvydas Banys	252,875	7.68	252,875	7.68
Ms, Ilona Šulnienė	185,000	5.62	185,000	5.62
Ms, Greta Mišeikytė	65,758	2.00	65,758	2.00
Ms, Indrė Mišeikytė	64,450	1.96	64,450	1.96
The Company (own shares)	63,039	1.92	63,039	1.92
Other minor shareholders	281,217	8.54	281,217	8.54
Total	3,291,549	100.00	3,291,549	100.00

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

AB INVL BALTIC FARMLAND

INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

(all amounts are in EUR thousand unless otherwise stated)

2 Accounting policies

Basis of preparation

The interim condensed financial statements for the 6 months ended 30 June 2022 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 2021.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except adoption of new Standards and Interpretations as of 1 January 2022, noted below.

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

- Annual Improvements to IFRSs 2018-2020 cycle (amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases* and IAS 41 *Agriculture*) and narrow scope amendments to IAS 16 *Property, Plant and Equipment*, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRS 3 *Business Combinations* (effective for annual periods beginning on or after 1 January 2022).

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

3 Investment properties

During 1st Half Year of 2022 and 2021 the Group has not acquired investment properties. In March 2022 the Group sold 17.2882 ha land for EUR 450 thousand to UAB Mantinga. In 1st Half year of 2022 was recognised profit of EUR 350 thousand from the sale. It should be noted that the difference between the sale price and carrying amount of the land is based on the fact that the buyer of the land does not plan to use the land according to its agricultural purpose. Therefore, the transaction does not have impact to fair value of other land, owned by the Group. During 1st Half year of 2021 the Group has not sold any investment properties.

Investment properties are stated at fair value and are valued by accredited valuer UAB korporacija Matinkai using sales comparison method. The valuation was performed in December 2021. There were no significant changes in the market since the end of 2021 that could have an effect on the value of those investment properties, therefore the updated valuation was not performed as at 30 June 2022.

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

There were no other restrictions on the realisation of investment properties or the remittance of income and proceeds of disposals during 1st Half Year of 2022 and 2021. No contractual obligations to purchase investment properties existed at the end of the period.

AB INVL BALTIC FARMLAND**INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

4 Trade and other receivables

	As at 30 June 2022	As at 31 December 2021
Trade receivables, gross	433	185
Accrued lease income, gross	81	81
Other receivables, gross	-	-
Taxes receivable, gross	21	59
Total trade and other receivable, gross	535	325
Less: provision for impairment of trade and other receivables	(2)	(2)
Less: Write off still subject to enforcement activity	(129)	(153)
Trade and other receivable net of expected credit losses	404	170

Changes in allowance for doubtful trade and other receivables for the 1st Half Year of 2022 and 2021 have been included within 'Provision for (reversal of) impairment of trade receivables' in the statement of comprehensive income.

In the caption of statement of financial position 'Deferred revenue' is recognised current year's invoiced rental income, net of on a straight line basis recognised rental income for 1st Half Year of 2022 (EUR 354 thousand). This amount would be recognised as rental income during 3rd – 4th Quarters of current year.

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

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

	Group		
	Impairment losses	Write off still subject to enforcement activity	Total
Balance as at 31 December 2020	3	158	161
Charge for the 6 months ended 30 June 2021	7	-	7
Write-offs charged against the provision	-	(5)	(5)
Recoveries of amounts previously impaired or written off	(7)	-	(7)
Balance as at 30 June 2021	3	153	156
	Group		
	Impairment losses	Write off still subject to enforcement activity	Total
Balance as at 31 December 2021	2	153	155
Charge for the 6 months ended 30 June 2022	-	-	-
Write-offs charged against the provision	-	(24)	(24)
Recoveries of amounts previously impaired or written off	-	-	-
Balance as at 30 June 2022	2	129	131

AB INVL BALTIC FARMLAND**INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

4 Trade and other receivables (cont'd)

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

	Current	Less than 30 days	30–90 days	91–180 days	181 – 365 days	Credit impaired	Total
As at 30 June 2022							
Trade receivables net of write off	6	-	275	-	-	23	304
Accrued lease income	81	-	-	-	-	-	81
Other receivables	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(2)	(2)
Trade and other receivable net of expected credit losses	87	-	275	-	-	21	383
As at 31 December 2021							
Trade receivables net of write off	-	2	-	-	6	24	32
Accrued lease income	81	-	-	-	-	-	81
Other receivables, gross	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(2)	(2)
Trade and other receivable net of expected credit losses	81	2	-	-	6	22	111

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

	Current	Less than 30 days	30–90 days	91–180 days	181 – 365 days	More than 1 years	Total
Trade receivables net of write off as at 30 June 2022	-	-	-	-	-	23	23
Trade receivables net of write off as at 31 December 2021	-	-	-	-	2	22	24

5 Dividends

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

A dividend in respect of the year ended 31 December 2020 of EUR 0.15 per share, amounting to a total dividend of EUR 484 thousand, was approved at the annual general meeting on 9 April 2021.

6 Income tax

	1st Half Year 2022	1st Half Year 2021
Components of the income tax expenses		
Current year income tax	(93)	(32)
Deferred income tax expenses	12	(1)
Income tax expenses charged to profit or loss – total	(81)	(33)

AB INVL BALTIC FARMLAND**INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022**

(all amounts are in EUR thousand unless otherwise stated)

7 Earnings per share

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

The weighted average number of shares for the six months ended 30 June 2021 and 30 June 2022 was 3,228 thousand.

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

	<u>1st Half Year 2022</u>	<u>1st Half Year 2021</u>
Net profit (loss), attributable to the equity holders of the parent	483	203
Weighted average number of ordinary shares (thousand)	3,228	3,228
Basic earnings (deficit) per share (EUR)	<u>0.15</u>	<u>0.06</u>

For 1st Half Year of 2022 and 2021 diluted earnings per share of the Group are the same as basic earnings per share.

8 Related party transactions

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

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

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

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

The Group's transactions with related parties during 1st half year of 2021 and related half year-end balances were as follows:

1st Half Year 2021 Group	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AB Invalda INVL (accounting services)	-	7	-	-
UAB INVL Farmland Management (administration fees)	-	72	-	227
	-	79	-	227

In 2021 to the Board members, which are shareholders of the Company, were paid EUR 40 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 185 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 127 thousand of dividends, net of tax.

AB INVL BALTIC FARMLAND

INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

(all amounts are in EUR thousand unless otherwise stated)

9 Impact of invasion of the Russian Federation to Ukraine

The Group/the Company has not owned any assets and does not perform any operation in Ukraine, Russia, and Belarus. The Group's customers are farmers who lease land from the Group and whose activities were effected by general economic situation – it is increased both expenses and sale prices of production. Their ability to pay the lease to the Group is also determined by the meteorological conditions that affects the harvest. At the moment, the Group has not encountered with worsening settlement of debt by the farmers than in previous years. Therefore, invasion of the Russian Federation to Ukraine, occurred on 24 February 2022, has not any significant impact on the Group/the Company activities.

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

BALTIC FARMLAND

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

INVL Baltic Farmland, AB

CONSOLIDATED INTERIM REPORT FOR 6 MONTHS OF 2022

APPROVED BY THE BOARD OF INV L BALTIC FARMLAND, AB ON 26 JULY 2022.

Translation note:

This version of the Consolidated Interim Report for 6 months of 2022 is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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I. GENERAL INFORMATION

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

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

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

2. Reporting period for which the report is prepared

The report covers the financial period of INVL Baltic Farmland, AB starting from 1 January 2022 and ending on 30 June 2022. The report also discloses information from the end of the reporting period to the release of the report.

The report was not audited.

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

3.1. Information about the issuer

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

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

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

The public joint-stock company INVL Baltic Farmland was established on 29 April 2014 on the basis of a part of assets split-off from the leading investment management and life insurance groups in the Baltic region Invalda INVL. INVL Baltic Farmland manages shares of 18 companies investing into agricultural land that are owning about 3 thousand hectares of agricultural land in Lithuania. More than 97% of land is rented to farmers and agricultural companies.

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

The administration of the INVL Baltic Farmland group owned land, according to the basic property administration agreement signed on 30 June 2015, is transmitted to the owned company INVL Farmland Management. Management fees paid for INVL Farmland Management are 7 percent of annual rental income of the companies - land owners as well as 0.5 percent of INVL Baltic Farmland market capitalization. Moreover there is a success fee which becomes valid only when consolidated equity of companies - land owners annual growth is higher than 5 percent plus inflation (High-Water Mark principle is applicable). Success fee is 20 percent of the consolidated equity in excess of the above mentioned benchmark. On 28 December 2020, the Basic Property Administration

Agreement's Amendment No. 20150630/01 was concluded, based on which the term of the Basic Property Administration Agreement was extended until 31 December 2025.

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

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

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

3.3. Information about the Issuer's group of companies

INVL Baltic Farmland has 100% in 18 companies owning about 3 thousand hectares of agricultural land in the most fertile regions of Lithuania. Companies - land owners and joint-stock company INVL Baltic Farmland, whose shareholder is Invalda INVL – the leading investment management and life insurance groups in the Baltic region, on 30 June 2015 have signed a basic property administration agreement with INVL Farmland Management which administrates agricultural land owned by the companies to ensure steady growth of income for the shareholders and the value of the land. On 21 October 2020, the General Meeting of Shareholders of the Company approved the extension of the agreement with UAB INVL Farmland Management and its arrangement in a recast version. The agreement was extended until 31 December 2025.

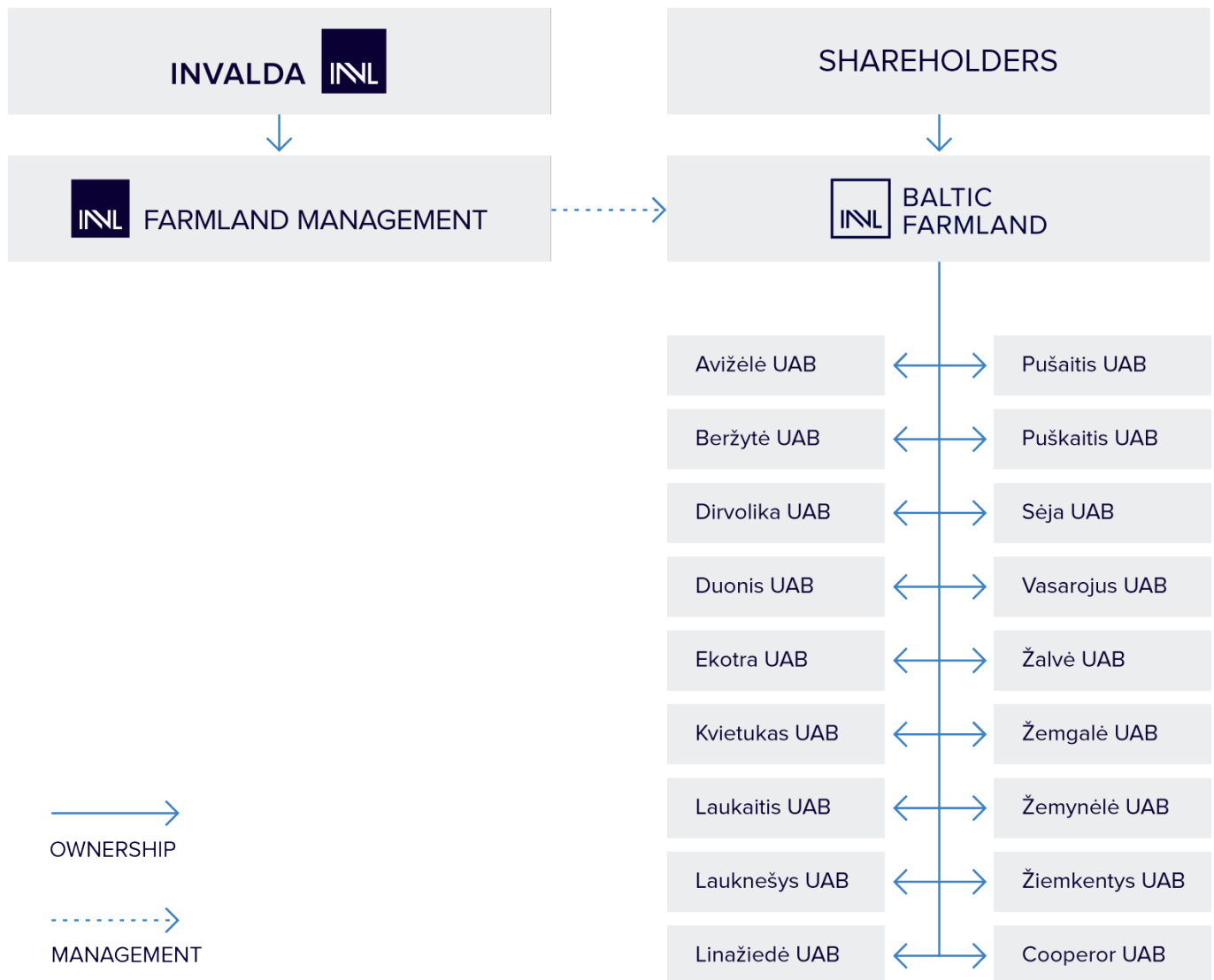
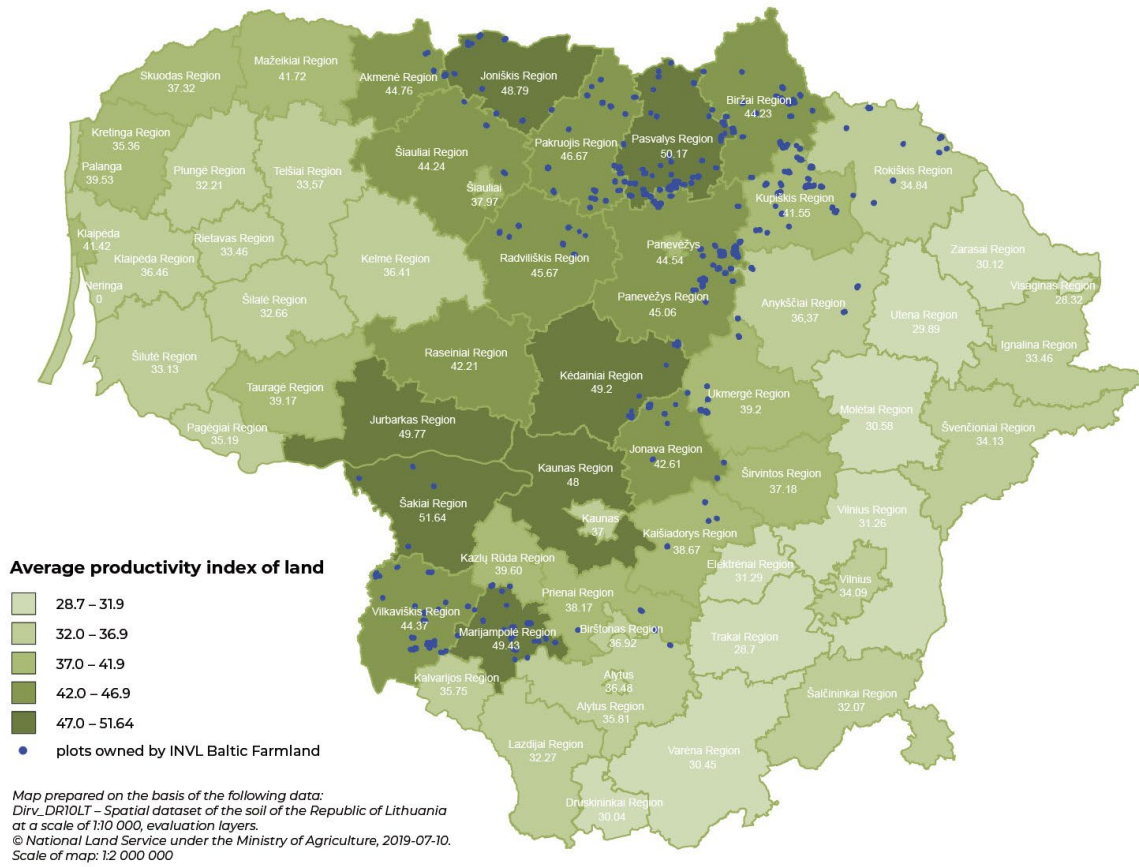


Fig. 3.3.1. Group structure of INVL Baltic Farmland, AB as of 30 June 2022

INVL Baltic Farmland's landholdings



*Fig. 3.3.2. Agricultural land portfolio and agricultural land fertilisation of INVL Baltic Farmland, AB
Plots belonging to the company are in the most fertile areas of Lithuania. They are highlighted in blue.*

Table 3.3.3. Information about companies of INVL Baltic Farmland group

Company name	District of company's activities	Owned land plot, hectares	Cultivated cropland area, hectares
Avizele, UAB	Rokiskis dist., Anyksciai dist.	113.82	107.51
Berzyte, UAB	Birzai dist.	150.49	145.99
Dirvolika, UAB	Akmene dist., Joniskis dist., Siauliai dist.	199.44	192.03
Duonis, UAB	Jonava dist., Kedainiai dist., Ukmerge dist.	181.98	174.34
Ekotra, UAB	Vilkaviskis dist.	238.81	228.01
Kvietukas, UAB	Pakruojis dist., Pasvalys dist.	118.01	112.69
Laukaitis, UAB	Pakruojis dist., Pasvalys dist., Siauliai dist.	204.10	193.44
Lauknesys, UAB	Birzai dist., Pasvalys dist.	109.94	107.83
Linaziede, UAB	Alytus dist., Jonava dist., Kaimedarys dist., Prienai dist.	85.13	80.75
Pusaitis, UAB	Radviliskis dist.	82.44	81.10
Puskaitis, UAB	Marijampole dist., Prienai dist., Vilkaviskis dist.	193.45	188.14
Seja, UAB	Kedainiai dist.	82.53	79.75
Vasarojus, UAB	Anyksciai dist., Panevezys dist., Ukmerge dist.	375.73	364.85
Zalve, UAB	Kupiskis dist.	216.88	201.73
Zemgale, UAB	Birzai dist., Kupiskis dist., Panevezys dist.	241.76	232.00
Zemynele, UAB	Sakiai dist., Vilkaviskis dist.	72.57	70.81
Ziemkentys, UAB	Panevezys dist., Pasvalys dist.	414.14	401.62
Total:		3081.22	2962.59

4. Agreements with intermediaries on public trading in securities

INVL Baltic Farmland, AB has signed the agreements with these intermediaries:

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

5. Information on Issuer's branches and representative offices

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

II. INFORMATION ABOUT SECURITIES

6. The order of amendment of Issuer's Articles of Association

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

Actual wording of the Articles of Association of the Company is dated as of 1 June 2022. The Company's Articles of Association is published on the Company's web page (Company's web site section „Investor Relations“ → „Articles of Association“. The link: <https://invlbalticfarmland.com/en/investor-relations/legal-documents/>).

7. Structure of the authorized capital

Table 7.1. Structure of INVL Baltic Farmland, AB authorised capital as of 30 June 2022.

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

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

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

7.1. Information about the issuer's treasury shares

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

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2017 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 4.50, minimum one share acquisition price – EUR 3.16. Company not initiated acquisition of own shares in 2017.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 10 April 2018 approved resolution to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company not initiated acquisition of own shares in 2018.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2019 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company not initiated acquisition of own shares in 2019.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 23 March 2020 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company not initiated acquisition of own shares in 2020.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 9 April 2021 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 27 April 2022 made decision to purchase its own shares. The period during which the company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00.

At the end of the reporting period the amount of Company's acquired own shares stayed the same and amounted to 63,039 (units) or 1.92 percent of the Company's Authorised capital. Subsidiaries of INVL Baltic Farmland have not implemented acquisition of shares in INVL Baltic Farmland directly or indirectly under the order of subsidiary by persons acting by their name.

8. Trading in Issuer's securities as well as securities, which are deemed to be a significant financial investment to the Issuer on a regulated market

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

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

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

Company uses no services of liquidity providers.

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

	6 months of 2020	6 months of 2021	6 months of 2022
Share price, EUR			
- open	3.480	5.000	7.700
- high	5.000	8.450	8.400
- low	3.480	4.900	5.500
- medium	4.074	6.201	7.395
- last	4.440	8.650	8.200
Turnover, units	11,672	10,496	19,520
Turnover, EUR	47,546.28	65,081.71	144,344.8
Traded volume, units	198	447	485

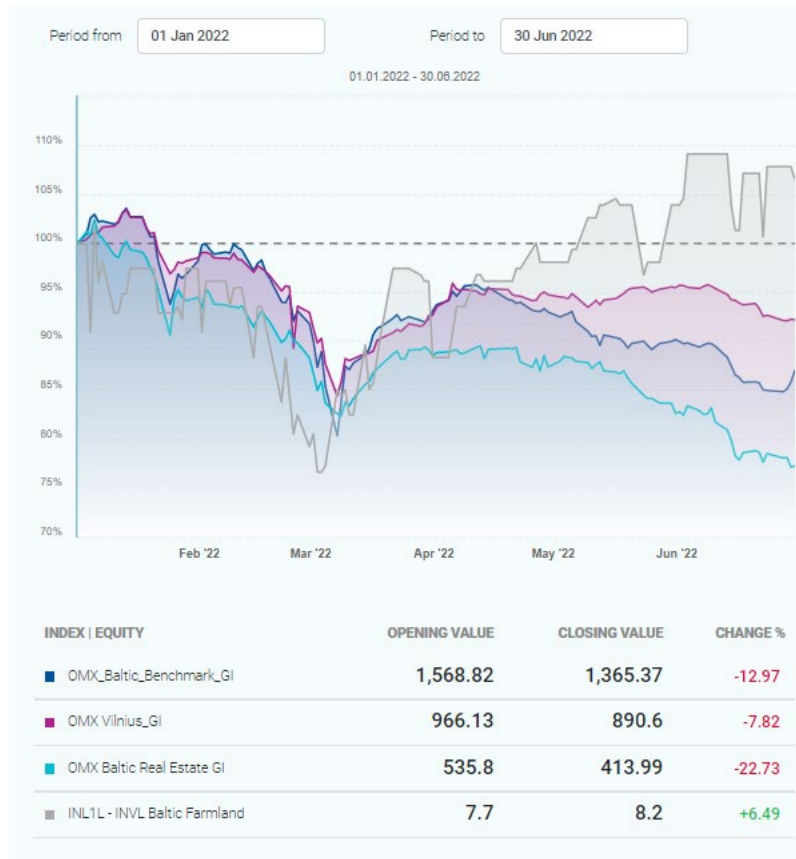


Fig. 8.1. INVL Baltic Farmland, AB change of share price and indexes¹ (resource: Nasdaq Baltic, Baltic market indexes)

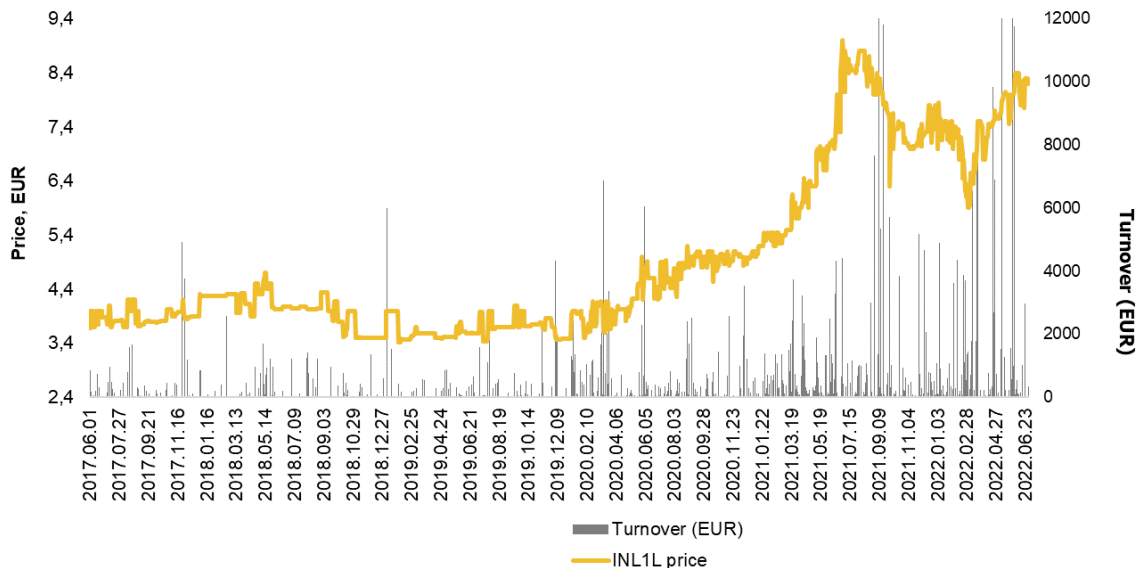


Fig. 8.2. Change of share price of INVL Baltic Farmland, AB

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

9. Dividends

The General Shareholders' Meeting decides upon dividend payment and sets the amount of dividends. The company pays out the dividends within 1 month after the day of adoption of the resolution on profit distribution.

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

Persons have the right to receive dividends if they were shareholders of the company at the end of the tenth working day after the day of the General Shareholders' Meeting which issued the resolution to pay dividends.

According to the Law on Personal Income Tax and the Law on Corporate Income Tax, 15 % tax is applied to the dividends since 2014. The company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes².

The General Shareholders Meeting of INVL Baltic Farmland, AB held on 27 April 2022, decided to allocate EUR 0.24 dividend per share.

Dividends were allocated to the shareholders, who at the end of the tenth business day following the day of the General Shareholders Meeting that adopted a decision on dividend payment, i.e., on 11 May 2022 were shareholders of INVL Baltic Farmland, AB.

On 23 May 2022, the Company announced that will start to allocate dividends from 25 May 2022. Dividends were allocated to those shareholders of the Company, who has provided existing bank accounts.

Information relevant to the dividends paid by the Company, as well as matter of dividend payments and valid Dividend payment policy is published on Company's web page.

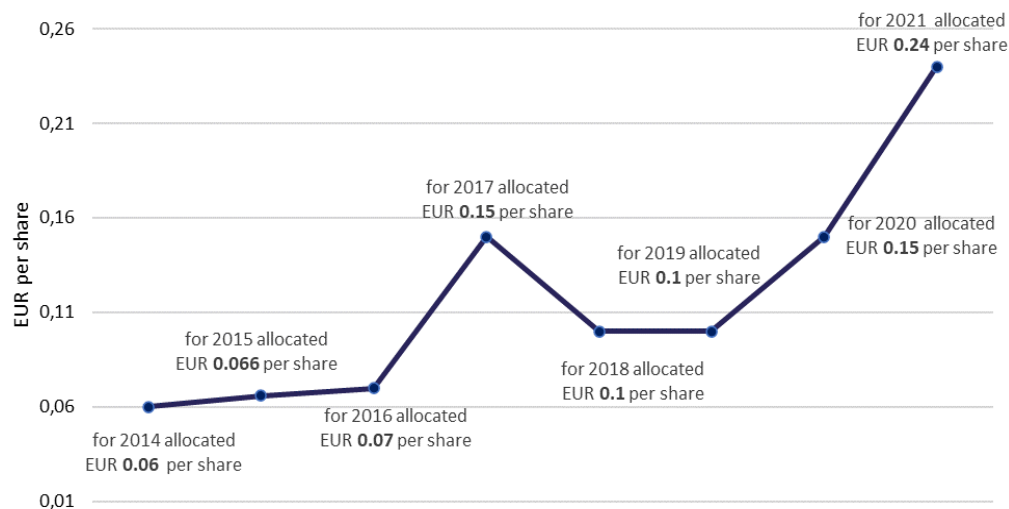


Fig. 9.1. Dividends allocation per share

² This information should not be treated as tax consultation.

10. Information about company's shareholders

The total number of shareholders in INVL Baltic Farmland was 3,379 on 30 June 2022. There are no shareholders entitled to special rights of control.

Table 10.1.1. Shareholders who held title to more than 5% of INVL Baltic Farmland, AB authorised capital, votes as of 30 June 2022. The votes, authorised capital held of the management of the Company (manager, members of the Board) is also be disclosed.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of votes given by the shares held by the right of ownership, %	Indirectly held voting rights, %
LJB Investments, UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	977,751	29.70	29.70	0
Irena Ona Mišeikienė	931,831	28.31	28.31	0
Lucrum Investicija, UAB code 300806471, Gynėjų str. 14, Vilnius	469,628	14.27	14.27	0
Alvydas Banys	252,875	7.68	7.68	29.70 ³
Ilona Šulnienė	185,000	5.62	5.62	0
Indrė Mišeikytė	64,450	1.96	1.96	0
Eglė Surplienė	0	0	0	0

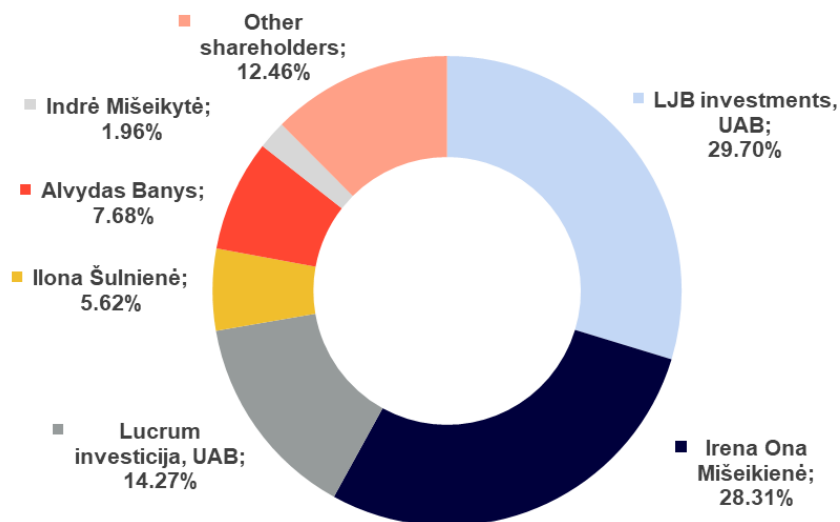
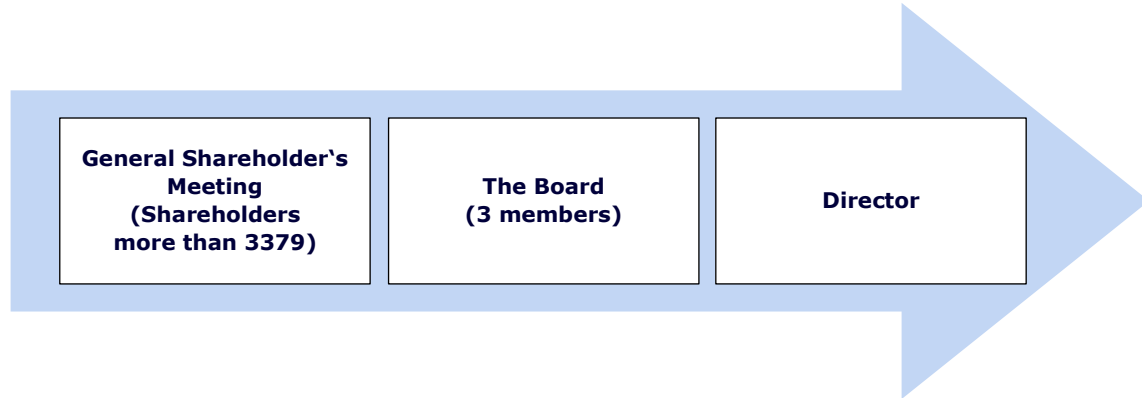


Fig. 10.1.1. Votes as of 30 June 2022

³ According to Paragraph 1 of Article 16 of the Law on Securities of the Republic of Lithuania, Alvydas Banys is deemed to hold the voting rights of LJB Investments, a company controlled by him.

III. ISSUER'S MANAGING BODIES

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



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

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

Until 27 April 2022 the Board of INVL Baltic Farmland AB consisted of the Chairman of the Board Alvydas Banyas and the members of the Board Darius Šulnis and Indrė Mišeikytė. This board was elected on 10 April 2018 for a four-year term by the general meeting of shareholders of the Company.

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



Alvydas Banyas -

Chairman of the Board

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

The term of office

From 2018 until 27 April 2022 and from 27 April until 2026

Educational background and qualifications

Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics.
Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy.

Work experience

Since July 2013 until April 2022 Invalda INVL, AB – Advisor
Since May 2022 INVL Asset Management, UAB – Senior advisor
Since 2007 LJB Investments, UAB – Director
Since 2007 LJB Property, UAB – Director
1996 – 2006 Invalda, AB – Vice President
1996 – 2007 Nenuorama, UAB – President

Owned amount of shares in INVL Baltic Farmland

Personally: 252,875 units of shares, 7.68 % of authorised capital, 7.68 % of votes.
Together with controlled company LJB Investments: 1,230,626 units of shares, 37.38 % of authorized capital, 37.38 % of votes.

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Chairman of the Board
Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius) – Member of the Board
INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund - Member of the Investment Committee



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

The term of office

From 2018 until 27 April 2022 and from 27 April until 2026

Educational background and qualifications

Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture

Work experience

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

Owned amount of shares in INVL Baltic Farmland

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

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board
UTIB INVL Technology (code 300893533, Gynėjų str. 14, Vilnius) – Member of the Supervisory Board



Darius Šulnis -
Member of the Board
Main workplace – Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – President, Member of the Board

The term of office

From 2018 until 27 April 2022

Educational background and qualifications

Duke University (USA). Business Administration. Global Executive MBA.
Vilnius University. Faculty of Economics. Master in Accounting and Audit.
Financial broker's license (General) No. A109.

Work experience

2006 – 2011 Invalda, AB – President. 2011 – 2013 Invalda, AB – Advisor. Since May 2013 Invalda INVL, AB – President.
2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – Director
1994 – 2002 FBC Finasta, AB – Director

Owned amount of shares in INVL Baltic Farmland

Personally: 0 units of shares, 0.00 % of authorised capital and votes.
Together with controlled company Lucrum Investicija: 469,628 units of shares, 14.27 % of authorised capital and votes.

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – the President
INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) – Chairman of the Board
Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius) – Member of the Board

Šiaulių bankas, AB (code112025254, Tilžės str. 149, Šiauliai) – Member of the Supervisory Board
INVL Baltic Sea Growth Fund (code 126263073, Gynėjų str. 14, Vilnius) - Managing Partner,
Investment Committee Member



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

The term of office From 27 April 2022 until 2026

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

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

Owned amount of shares in INVL Baltic Farmland
Personally: 0 units of shares, 0.00 % of authorised capital and votes.

Participation in other companies
Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board.
Vilniaus baldai, AB (code 121922783, Savanorių av. 178B, Vilnius) – Member of the Audit Committee.



Eglė Surplienė –
Director
Main workplace - Gerovės valdymas, UAB FPI (code 302445450, Gedimino pr. 20-27, Vilnius) – director

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

Work experience
October 2009 - present – Wealth manager, UAB FPI Geroves Valdymas
March 2009 - present – Director, UAB DIM investment
September 2014 - June 2016 – Director, UAB Margio investicija
August 2006 - October 2009 – Wealth manager, VIP Clients manager, AB FBC Finasta, AB bank Finasta
June 2005 - July 2006 – Project manager, UAB Zabolis ir partneriai
June 1999 - June 2005 – Member, Deputy Director of the Commission, Securities Commission of Lithuania
June 1995 - June 1999 – Head of Issuer Division, UAB FMI Vilfima June 1993 - June 1995 - Member of Market Regulation Division, Securities Commission of Lithuania

Owned amount of shares in INVL Baltic Farmland, AB
Personally: 0 units of shares, 0.00 % of authorised capital and votes.

Participation in other companies

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

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

13. Information about the Audit Committee of the Company

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

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

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

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



Tomas Bubinas –
Independent Member of the Audit Committee

The term of office

Since 2021 till 2025

Educational background and qualifications

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

Work experience

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

Owned amount of shares in INVL Baltic Farmland

-



Dangutė Pranckėnienė –
Independent Member of the Audit Committee

The term of office

Since 2021 till 2025

Educational background and qualifications

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

Work experience

since 1997 the Partner at Moore Mackonis, UAB (previous name Moore Stephens Vilnius and Verslo auditas)
1996 - 1997 Audit Manager, Deloitte & Touche
1995 - 1996 Lecturer, Vilnius Gediminas Technical University
1982 - 1983 Lecturer, Vilnius University

Owned amount of shares in INVL Baltic Farmland

-

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

CEO of the company is entitled only to a fixed salary. The company does not have a policy concerning payment of a variable part of remuneration to the management. INVL Baltic Farmland, AB Group and the Company for the company providing accounting services respectively paid EUR 33 thousand and EUR 2 thousand during the reporting period.

In 2022, to the Board members, which are shareholders of the Company, were paid EUR 65 thousand of dividends, net of tax. To the entities, which are controlled by the ex and current Board members, were paid EUR 347 thousand of dividends, net of tax. Natural persons, who are related to the Board members of the company, were paid EUR 203 thousand of dividends, net of tax. There were no assets transferred, no guarantees granted, no bonuses paid and no special pay-outs made by the company to its managers. The Members of the Board were not granted with bonuses by other companies of INVL Baltic Farmland, AB group.

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

15. Overview of the Issuer and its group activity

15.1. Business environment

According to the preliminary data of the Department of Statistics, in June 2022 compared to June 2021, the annual inflation estimate, calculated according to HICP, was 20.5 percent. The annual inflation was mainly influenced by the increase in the prices of food products and non-alcoholic beverages, housing, water, electricity, gas and other fuel products and services, transport products and services. Compared to May 2022, in June the prices of consumer products and services increased by 2.2 percent, according to preliminary data. Taking into account consumer price development trends and the updated technical assumptions of the European Commission regarding the development of oil prices, the Ministry of Finance of the Republic of Lithuania predicts that in 2022 the average annual inflation in the country will be 15.8 percent, that is 6 percentage points more than projected in March.

In 2021, Lithuania's gross domestic product (GDP), according to the data provided by the Department of Statistics, amounted to EUR 55.3 billion at current prices. Compared to 2020, the real change in GDP, after excluding the effects of the season and the number of workdays, was 4.8 percent (without excluding it was 4.9 percent). In the first quarter of 2022, the GDP at the prices of that time reached EUR 14.1 billion. Compared to the fourth quarter of 2021, the real change in GDP, after excluding the effects of the season and the number of workdays, was positive and amounted to 1 percent. Based on the production method, in the first quarter of 2022, the results of industrial, construction, wholesale and retail trade, professional, scientific and technical, administrative and service companies had the greatest positive influence on the GDP change. While assessing GDP by using the expenditure method, it was identified that in the first quarter of 2022, compared to the previous quarter, the household final consumption expenditures decreased by 0.3 percent, the government final consumption expenditures also decreased by 0.3 percent, and gross fixed capital formation increased by 2.5 percent. Export of goods and services increased by 3.8 percent, import of goods and services – by 3.1 percent.

According to Bank of Lithuania analysts, Russia's military actions in Ukraine and the renewed pandemic in China are inhibiting the development of the world economy. The war, through rising commodity prices, supply chains and geopolitical uncertainty, has affected not only countries with close trade and financial ties to Russia and Ukraine, but also many other countries around the world. Although these factors primarily slow down the growth of economies, they also contribute significantly to the increasing inflationary pressure in the world. In the developed economies of the world, inflationary pressure is also increased due to the tense situation in the labour market, more active increases in wages and high domestic demand. Around the world, rapidly rising prices are forcing central banks in many countries to tighten their monetary policies, which will tighten financial conditions for households and businesses as well. All this affects economic activity and price development in Lithuania through international trade and financial relations.

According to the Bank of Lithuania, three months after the start of Russia's war against Ukraine, the country's economy shows great resilience. Data on the turnover of companies in the largest sectors of the economy – industry, construction, trade and services – published monthly in March-April did not show significant signs of decrease in turnover. From the number of persons insured by all types of social insurance, which is updated daily by Sodra, it can also be seen that there has been no correction in the number of employed persons so far. The changes in the sentiments of the population and companies are quite small. Compared to previous crises, the currently observed trends in economic confidence indicators are more similar to those observed in 2014, when Russia imposed an embargo on part of the goods produced in the European Union, than to those observed at the beginning of the COVID-19 pandemic or during the global financial crisis. Although a more significant economic decline in 2022 is unlikely for now, supply chain disruptions caused by the war and the pandemic and rising inflationary pressures have meant that household consumption in the first quarter of 2022 was slightly lower than at the end of 2021. On the other hand, the development of investment and exports of goods and services was relatively strong, taking into account supply disruptions, rising raw material prices and other negative factors that hindered the implementation of investment projects in both the public and private sectors.

In the statement of the Bank of Lithuania published in June 2022, it is predicted that the development of the state's economy in the coming years will be most influenced by the course of Russia's war against Ukraine, the management of the global pandemic situation and disruptions in supply chains. The nature of these factors means that currently the forecasts of the country's economy are surrounded by extremely high uncertainty. The constantly changing situation in Ukraine and expanding sanctions against Russia, which lead to a significant increase in the prices of raw materials, will suppress the economic growth of both Lithuania and its main trading partners. It is anticipated that the demand for Lithuanian goods and services in foreign markets in 2022 will decrease and, although it is expected that from the beginning of 2023 it will start to recover, yet it should reach the level before the Russian invasion of Ukraine only at the end of 2023. Such a development of external demand will contribute the most to a slower export development, which will also be suppressed by the transport sector, which is facing challenges while exporting services. The less favorable development of the exporting sector is one of the most important factors leading to a lower than previously expected investment development, especially in 2022. However, the expected significant increase in government investments and the accelerated housing market will create conditions for investment growth this year, and in 2023 recovery of private sector investments is also expected. Although nominal wages will continue to rise rapidly, due to increased inflation, real wages in 2022 will decrease for the first time in a decade. This, together with the expected tightening of monetary policy, leading to an increase in interest rates, will be the main factors limiting the growth of Lithuanian household consumption. It is true that due to the package adopted by the Government to reduce the consequences of inflation and the growth of incomes other than wages, the real disposable income of households will increase slightly this year as well, and next year, when inflation will decrease, it will grow faster again. This, together with the falling savings rate, will create opportunities to support relatively rapid growth in consumption. All these

factors should lead to the growth of the Lithuanian economy in the coming years. It is predicted that the real GDP of Lithuania in 2022 will increase by 2.1, and in 2023 – by 3.4 percent.

In April 2022, the European Commission submitted its comments on Lithuania's Strategic Plan for Agriculture and Rural Development 2023-2027. It envisages allocating almost EUR 4 billion from the European Union's support for Lithuanian agriculture and rural development and about EUR 276.5 million of the national budget funds. For direct payments and sectoral measures, EUR 3.2 billion of the European Union funds and around EUR 2.8 million of national funding are anticipated, while EUR 977.5 million of the European Union funds and EUR 273.7 million of national funding are planned for rural development interventions. The European Commission, having assessed Lithuania's Strategic Plan for Agriculture and Rural Development 2023-2027, proposes to take greater account of the risks to food security caused by the war in Ukraine, as well as to focus more on green sector policies, more sustainable production methods, rural viability, digitalisation, and farmers' consulting. The direct payment limits in the Strategic Plan are welcomed, with "a threshold" of EUR 100,000 and a reduction of 85 percent of payments above EUR 60,000. The final version of Lithuania's strategic plan must be approved by the end of 2022.

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

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

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

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

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

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

INVL Baltic Farmland is seeking to earn in the long run from the increase in land rent and from the growth of the value of land. According to the data of the property valuation conducted in Q4 2021, the value of the land plots has increased in the course of the year by 8.2% and reached EUR 16.62 million. One hectare is valued on average at EUR 5.36 thousand (divided by the total amount).

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

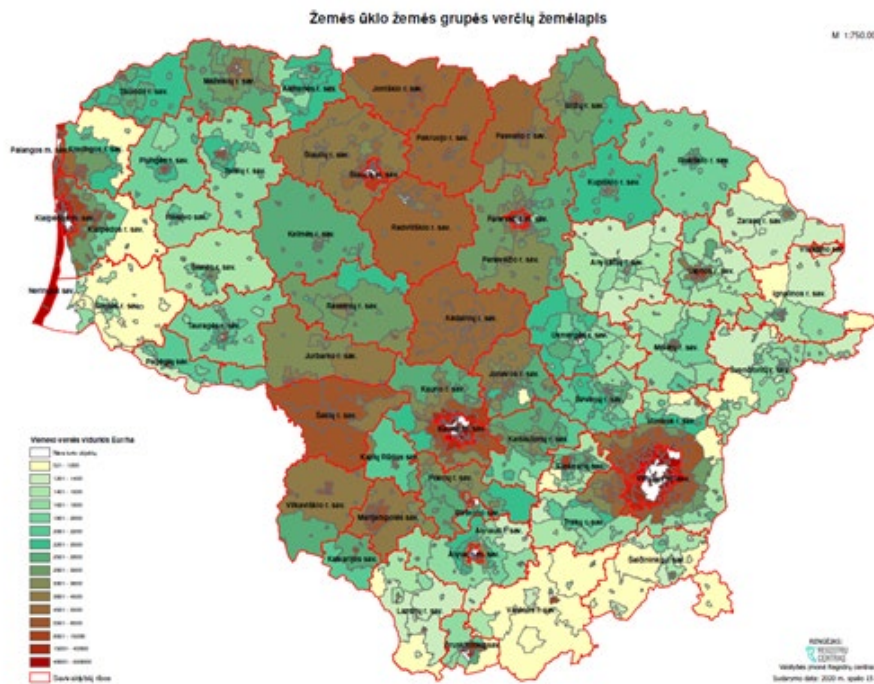


Fig. 15.1.1. Map on values of land qualified as agricultural land in Lithuania.

Source: the Centre of Registers (data as of 6 October 2021)
https://www.registrucentras.lt/bylos/dokumentai/ntr/masvert/zem_zu2022.pdf

Group key figures

	30 June 2020	30 June 2021	30 June 2022
Controlled cultivated cropland area*, ha	2,979	2,979	2,962
Book value of land**, EUR thousand	14,686	15,364	16,520
Average rental income per hectare, EUR (not included the variable part of the rent, equal to the land lease payment payable to the state)	206	215	239
Consolidated equity, EUR thousand	13,285	13,734	14,650
Book value of one share, EUR	4.11	4.25	4.54

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

**Investment properties are stated at fair value and are valued by accredited valuer UAB korporacija Matininkai using sales comparison method. The valuation was performed in December 2019, 2020 and 2021.

The balance sheet and profit (loss) summary reports

Balance sheet, thousand EUR	Group		
	30 June 2020	30 June 2021	30 June 2022
Investment property	14,686	15,364	15,364
Trade and other receivables	531	454	404
Cash	86	164	207
Other assets	1	1	2
Deferred income tax liabilities	1,507	1,609	1,786
Deferred revenues	307	320	354
Other liabilities	205	320	343

Consolidated equity	13,285	13,734	14,650
Profit (loss)	01.01.2020 – 30.06.2020	01.01.2021- 30.06.2021	01.01.2022- 30.06.2022
Revenue	307	320	358
Reversal of impairment (impairment) of trade receivable	(32)	-	-
Income before tax	198	236	564
Net profit	165	203	483

15.2. Significant Issuer's and its group events during the reporting period, affect on the financial statement

Significant Issuer's events

Financial results and information related to the dividends

- On 28 February 2022, the Company announced an audited group result of 2021. The audited consolidated net profit of INVL Baltic Farmland, AB Group and the Company amounted to EUR 1,411 thousand, the revenue amounted to EUR 665 thousand.
- On 27 April 2022, the Company announced the approved audited annual financial information for 2021.
- On 5 April 2022, INVL Baltic Farmland informed that it is planning during 2022 to receive EUR 718 thousand of revenue and earn a consolidated net profit of EUR 646 thousand.
- On 10 May 2022, the Company announced financial results for 3 months of 2022 - the unaudited consolidated net profit of the AB INVL Baltic Farmland group was EUR 393 thousand and the revenue amounted to EUR 177 thousand.
- On 23 May 2022, INVL Baltic Farmland to implement resolutions of the General Shareholders Meeting regarding allocation of Company's profit, announced the procedure for the pay-out of dividends for 2021. On 27 April 2022, the General Shareholders Meeting of INVL Baltic Farmland, AB decided to allocate EUR 0.24 dividend per share. Dividends were paid to the shareholders who on 11 May 2022 were shareholders of INVL Baltic Farmland, AB. The Company informed that the dividends had been allocated from 25 May 2022.

General Shareholders Meeting

- On 5 April 2022 INVL Baltic Farmland announced about convocation of the General Shareholders Meeting and published the draft resolutions of the General Shareholders Meeting. On 27 April 2022 the Company announced resolutions of the General Shareholders Meeting: during the meeting the Shareholders of the Company were presented with the consolidated annual report of the Company and independent auditor's report on the financial statements and annual report, approved the consolidated and companies financial statements for 2022, approved the remuneration report and approved the profit distribution (allocating EUR 0.24 dividend per share). The shareholders also decided regarding the election of members of the Board, the determination of the remuneration of the independent member of the Board, the approval of the new version of the Articles of Association of the Company, the purchase of own shares of the Company and the adjustment of the terms of payment for audit services. Moreover, the Shareholders of the Company were presented with the Audit Committee activity report.

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

On 17 March 2022 a real property sale and purchase agreement was concluded with UAB Mantinga, legal entity code 110669492, regarding the sale of 17.2882 ha land, that was owned by the Company's subsidiary UAB Puškaitis. The value of the transaction is EUR 450,000.

During the six months of 2022 there were no other significant changes rather than disclosed in the latest Consolidated annual report of the Company and above. The companies during the reporting period rented agricultural land for farmers and agricultural companies and performed usual. The profit from the transaction will have a significant impact on the Company's ordinary annual profit excluding the revaluation of land.

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

During the six months of 2022 there were no material changes from the information about the principal risks and uncertainties disclosed in the latest annual report. For the next six months of this financial year, there aren't expecting any changes in principal risks and uncertainties rather than already disclosed in the latest annual report of the Company.

Principal risk and uncertainties of the Company are published in the web page of INVL Baltic Farmland (all the information is disclosed in the Company's web site section „Investor relations“ → „Investment Risks“. The link is provided:

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

17. Significant investments made during the reporting period

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

18. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in 8 point of explanatory notes of consolidated interim condensed financial statements for the six months ended 30 June 2022.

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

Taking into consideration the lease agreements, total income of INVL Baltic Farmland should be around EUR 718 thousand in 2022. Net profit for the year is expected to be around EUR 646 thousand. As regards the company's operating forecasts for this year, which assume no change in the value of the company's land holdings, no land purchase or sale transactions, and no changes in provisions for receivables, INVL Baltic Farmland's first-half revenue was 49,9% of the full-year forecast (EUR 358 thousand), while net profit was 74.8% of the amount forecast for the year (EUR 483 thousand).

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

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

21. Information related to the compliance with the Governance Code

During the six months of 2022 there were no significant changes in principles and recommendations contained in the Governance Code rather than disclosed in the latest Consolidated annual report of the Company.

22. Information regarding transactions with related parties

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

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

Director



Eglė Surplienė