



BALTIC FARMLAND

INVL Baltic Farmland, AB Consolidated Interim Report for 6 months of 2016

Prepared in accordance with The Rules for the Preparation and the Submission of the Periodic and Additional Information. approved by the decision No. 03-48 of the Board of the Bank of Lithuania passed on 28 February 2013.

Approved by the Board of INVL Baltic Farmland, AB on 20 July 2016.

Translation note:

This version of the Consolidated Interim Report for 6 months of 2016 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.

CONTENTS

I. GENERAL INFORMATION	3
1. Reporting period for which the report is prepared	3
2. General information about the Issuer and other companies comprising the Issuer's group	3
2.1. Information about the Issuer	3
2.2. Information on company's goals, philosophy and strategy.....	3
2.3. Information about the Issuer's group of companies	4
3. Agreements with intermediaries on public trading in securities.....	6
4. Information on Issuer's branches and representative offices	6
II. INFORMATION ABOUT SECURITIES	6
5. The order of amendment of Issuer's Articles of Association	6
6. Structure of the authorized capital	6
6.1. Information about the Issuer's treasury shares	7
7. 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	7
8. Dividends	8
9. Shareholders.....	9
III. ISSUER'S MANAGING BODIES	10
10. The managing bodies of the Issuer	10
11. Information about the Audit Committee of the company.	12
12. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Members of the Board, director and company providing accounting services.....	13
IV. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY	14
13. Overview of the Issuer and its group activity	14
13.1. Business environment	14
13.2. Significant Issuer's and its group events during the reporting period and since the end of it, affect on the financial statement	15
The Company	15
The Group	16
14. A description of the principal risks and uncertainties	16
15. Significant investments made during the reporting period	16
16. Information on the related parties' transactions.....	16

I. GENERAL INFORMATION

1. Reporting period for which the report is prepared

The report covers a financial period of INVL Baltic Farmland, starting from 1 January 2016 and ending on 30 June 2016. Important events of the Issuer and its group, occurred during the end reporting period, were included as well. The report is unaudited.

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

2.1. Information about the Issuer

Name of the Issuer	The public joint-stock company INVL Baltic Farmland, hereinafter INVL Baltic Farmland, AB
Code	303299781
Address	Gyneju str. 14, LT-01109, Vilnius, Lithuania
Telephone	+370 5 279 0601
Fax	+370 5 279 0530
E-mail	farmland@invaldalt.com
Website	www.invlbalticfarmland.lt
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

2.2. 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 allows to participate in the world food supply chain.

The public joint-stock company INVL Baltic Farmland was established on 29 April 2014 on the basis of a part of assets split-off from one of the leading asset management groups in the Baltic region Invalda INVL. INVL Baltic Farmland manages shares of 18 companies investing into agricultural land that own more than 3 thousand hectares of agricultural land in Lithuania. More than 98% 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 INVL Farmland Management, a company owned by Invalda INVL. 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.

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 the development of INVL Baltic Farmland 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.

2.3. Information about the Issuer's group of companies

INVL Baltic Farmland has 100% in 18 companies owning more than 3 thousand hectares of agricultural land in the most fertile regions of Lithuania. Companies - land owners and joint-stock company INVL Baltic Farmland on 30 June 2015 have signed a basic property administration agreement with INVL Farmland Management which administrates agricultural land owned by the companies in order to ensure steady growth of income for the shareholders and the value of the land.

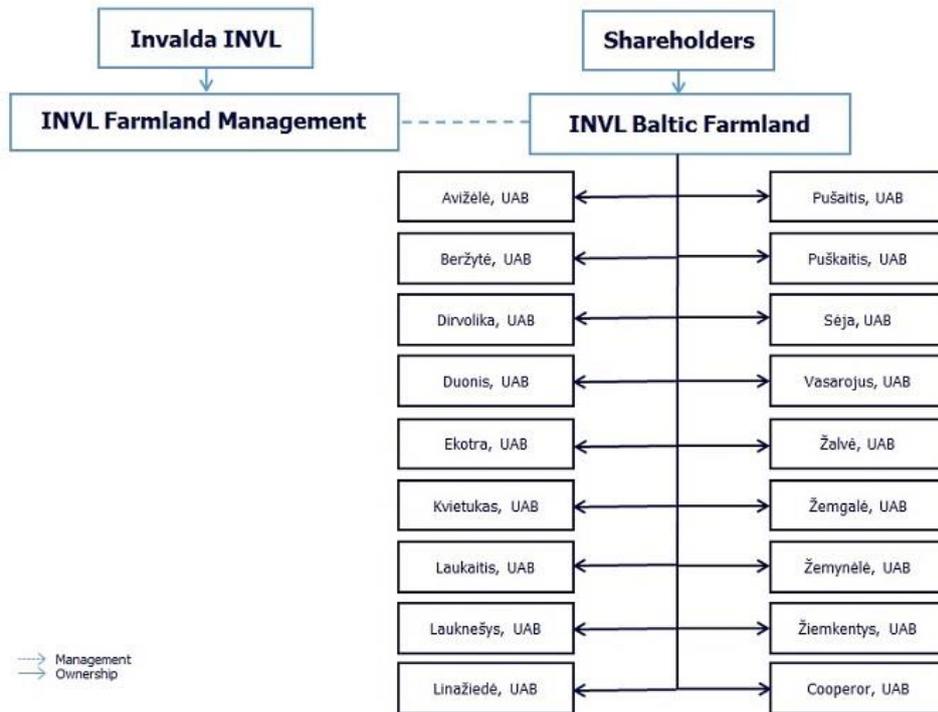


Fig. 2.3.1. Group structure of INVL Baltic Farmland, AB since 1 July 2015 (after the agreement between INVL Baltic Farmland and INVL Farmland Management entered into force)

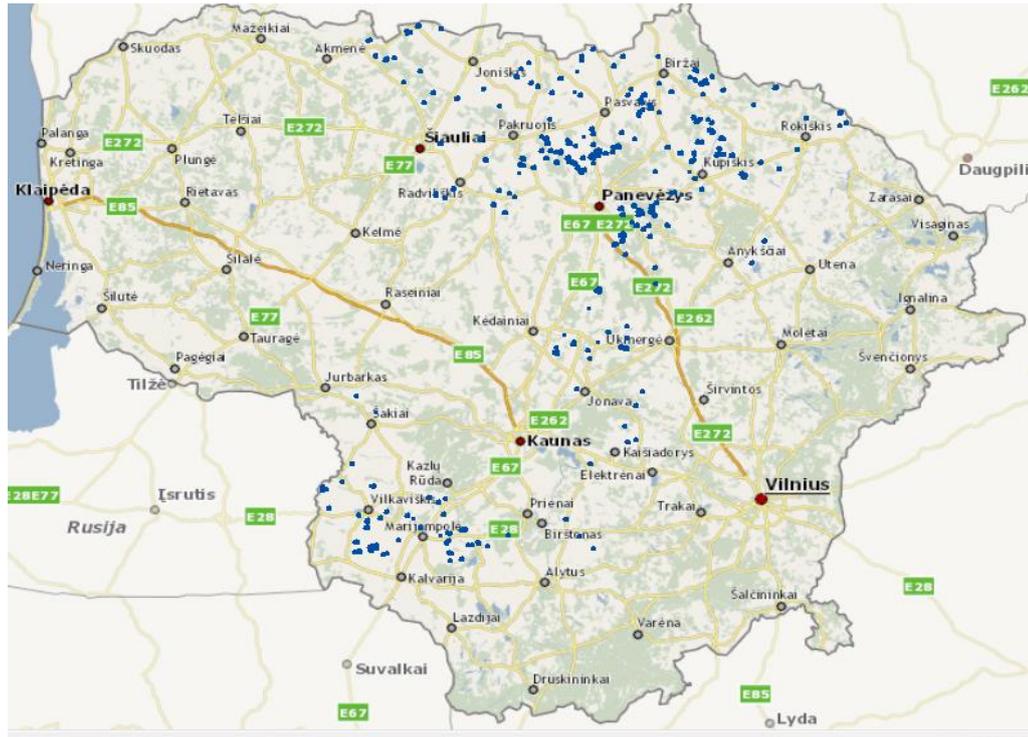


Fig. 2.3.2. Agricultural land portfolio of INVL Baltic Farmland, AB

Note: plots belonging to the company are in the most fertile areas of Lithuania. They are highlighted in blue.

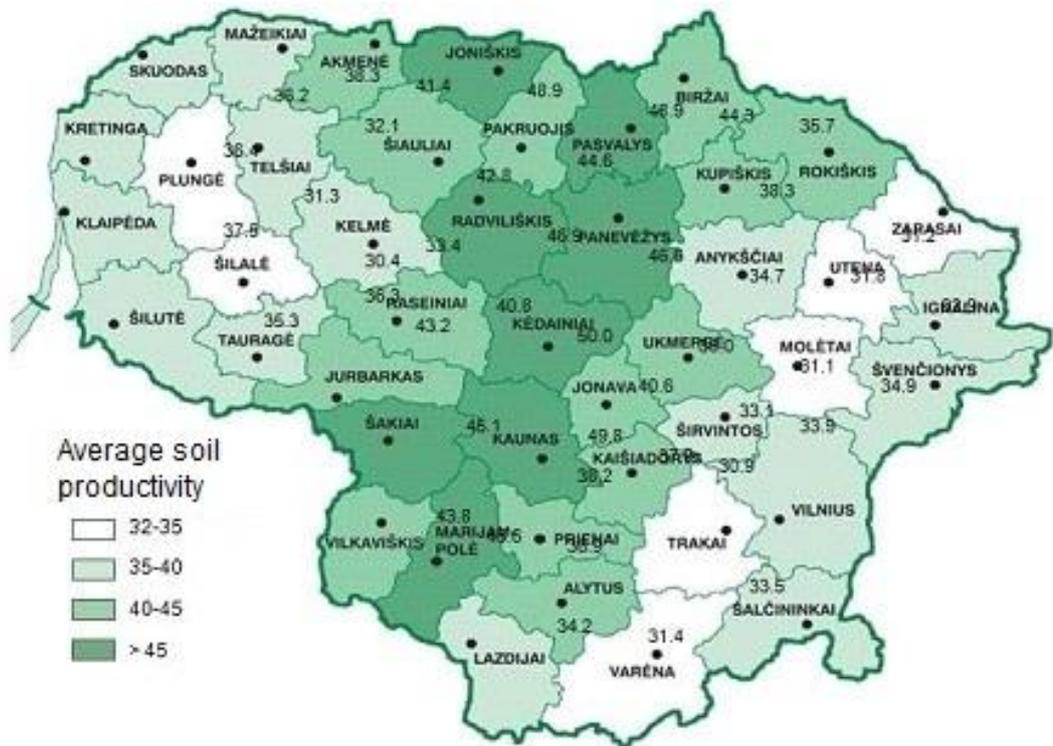


Fig. 2.3.3. Average soil productivity

Source: <http://vz.lt/apps/pbcsi.dll/storyimage/VZ/20160202/ARTICLE/160209886/EP/1/1/EP-160209886.jpg&maxW=1500&AlignV=center&lastupdate=856>

Table 2.3.4. 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.	149.89	145.79
Dirvolika, UAB	Akmene dist., Joniskis dist., Siauliai dist.	199.43	192.02
Duonis, UAB	Jonava dist., Kedainiai dist., Ukmerge dist.	183.60	178.36
Ekotra, UAB	Vilkaviskis dist.	238.75	228.70
Kvietukas, UAB	Pakruojis dist., Pasvalys dist.	124.61	118.90
Laukaitis, UAB	Pakruojis dist., Pasvalys dist., Siauliai dist.	204.10	193.44
Lauknesys, UAB	Birzai dist., Pasvalys dist.	109.85	107.73
Linaziede, UAB	Alytus dist., Jonava dist., Kaisiadorys dist., Prienai dist.	85.13	80.75
Pusaitis, UAB	Radviliskis dist.	82.44	81.10
Puskaitis, UAB	Marijampole dist., Prienai dist., Vilkaviskis dist.	210.74	204.20
Seja, UAB	Kedainiai dist.	91.40	88.67
Vasarojus, UAB	Anyksciai dist., Panevezys dist., Ukmerge dist.	375.66	365.10
Zalve, UAB	Kupiskis dist.	216.88	201.73
Zemgale, UAB	Birzai dist., Kupiskis dist., Panevezys dist.	241.80	232.06
Zemynele, UAB	Sakiai dist., Vilkaviskis dist.	72.57	70.81
Ziemkentys, UAB	Panevezys dist., Pasvalys dist.	415.00	406.43
Total		3,115.67	3,003.30

3. Agreements with intermediaries on public trading in securities

INVL Baltic Farmland has signed an agreement with this intermediary:

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

4. Information on Issuer's branches and representative offices

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

II. INFORMATION ABOUT SECURITIES

5. 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 is dated as of 5 June 2015.

6. Structure of the authorized capital

Table 6.1. Structure of INVL Baltic Farmland, AB authorised capital as of 30 June 2016.

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, EUR	Total nominal value, EUR	Portion of the authorised capital, %
Ordinary registered shares	3,291,549	3,228,510	0.29	954,549.21	100

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

6.1. Information about the Issuer's treasury shares

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. The company itself has acquired its own shares.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 28 October 2015 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 4.00, minimum one share acquisition price – EUR 2.87.

Seeking to fulfill shareholders will, expressed during voting for the implementation of the reserve for own shares, and seeking to ensure the right of choice for the shareholders to decide whether to hold or to sell shares of the company, Baltic INVL Farmland, AB initiated acquisition of own shares 1 time during the reporting period.

On 21 April 2016 INVL Baltic Farmland, AB announced about initiating acquisition of own shares since 25 April 2016. Share acquisition ended on 20 June 2016. Max number of shares to be acquired: 70,000. Share acquisition price: EUR 3.21 per share. 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.

At the end of the reporting period the authorised capital of the company was EUR 954,549.21, shares issued (units) – 3,291,549, company's acquired own shares (units) – 63,039, the voting rights (units) granted by the issued shares – 3,228,510.

7. 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 7.1. Main characteristics of INVL Baltic Farmland, AB shares admitted to trading

Shares issued, units	3,291,549
Shares with voting rights, units	3,228,510
Nominal value, EUR	0.29
Total nominal value, EUR	954,549.21
ISIN code	LT0000128753
Name	INL1L
Exchange	NASDAQ Vilnius
List	Baltic Secondary List
Listing date	4 June 2014

Company uses no services of liquidity providers.

Table 7.2. Trading in INVL Baltic Farmland, AB shares

	6 months of 2015	6 months of 2016
Share price, EUR		
- open	2.800	2.950
- high	3.010	3.250
- low	2.580	2.810
- medium	2.711	3.020
- last	2.790	2.960
Turnover, units	7,541	14,173
Turnover, EUR	20,924.94	42,812.23
Traded volume, units	113	150

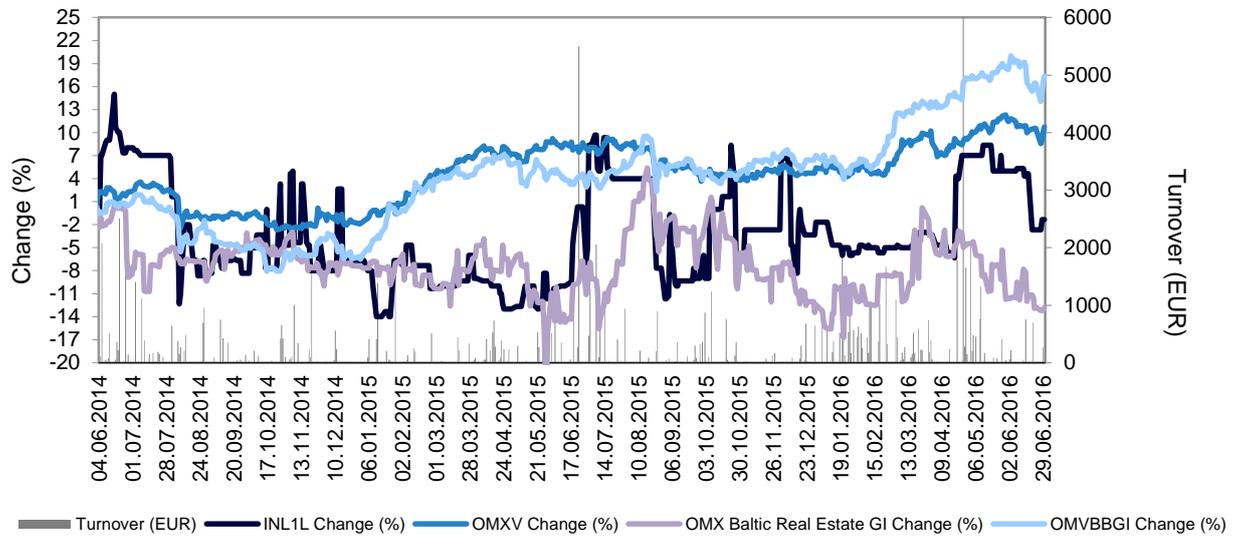


Fig. 7.3. Turnover of INVL Baltic Farmland, AB shares, change of share price and indexes¹

8. Dividends

On 25 March 2016, the General Shareholders Meeting of INVL Baltic Farmland, AB decided to allocate EUR 0.066 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 April 2016 were shareholders of INVL Baltic Farmland, AB.

On 18 April 2016 INVL Baltic Farmland announced that the company will start to allocate dividends from 20 April 2016.

Dividends were allocated to those shareholders of the company, who has provided existing bank accounts.

¹ OMX index is an all-share index which includes all the shares listed on the Main and Secondary lists on the NASDAQ Vilnius with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares. The OMX Baltic Real Estate GI index is based on the Industry Classification Benchmark (ICB) developed by FTSE Group (FTSE).

9. Shareholders

Table 9.1. Shareholders who held title to more than 5% of INVL Baltic Farmland, AB authorised capital and/or votes as of 30 June 2016.

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership, %	Indirectly held votes, %	Total, %
LJB Investments, UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	977,751	29.70	30.29	0	30.29
Irena Ona Mišeikienė	931,831	28.31	28.86	0	28.86
Lucrum Investicija, UAB code 300806471, Gynėjų str. 14, Vilnius	664,310	20.18	20.57	2.04 ²	22.61
Alvydas Banys	252,875	7.68	7.83	54.90 ³	62.73
Darius Šulnis	0	0.00	0.00	62.74 ⁴	62.73
Indrė Mišeikytė	64,450	1.96	2.0	62.73 ⁵	62.73
Eglė Surplienė	0	0.00	0.00	62.73 ⁶	62.73

The total number of shareholders in INVL Baltic Farmland increases 3500. There are no shareholders entitled to special rights of control.

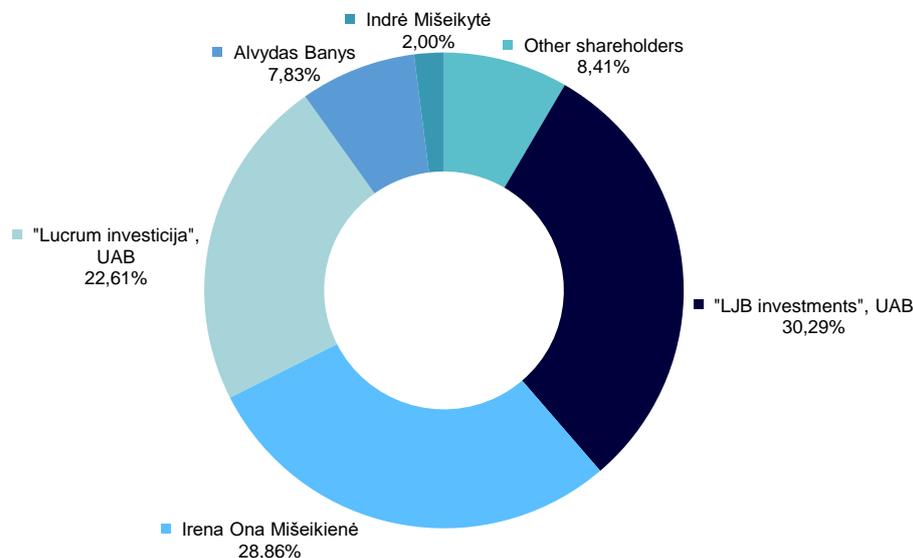


Fig. 9.2. Votes as of 30 June 2016

² Lucrum Investicija, UAB has 2.04 % of votes according to a repurchase agreement.

³ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Alvydas Banys has votes of LJB Investments, a company controlled by him, and also votes of Darius Sulnis and Indre Miseikyte, managers of INVL Baltic Farmland.

⁴ According to Part 6 of Paragraph 1 of Article 24 and Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Darius Sulnis has votes of Lucrum Investicija, a company controlled by him, and also votes of Alvydas Banys and Indre Miseikyte, managers of INVL Baltic Farmland.

⁵ According to Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Indre Miseikyte has votes of Alvydas Banys and Darius Sulnis, managers of INVL Baltic Farmland.

⁶ According to Paragraph 2 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Eglė Surplienė has votes of Alvydas Banys, Darius Sulnis and Indre Miseikyte, managers of INVL Baltic Farmland.

III. ISSUER'S MANAGING BODIES

10. The managing bodies of the Issuer



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. Information about Members of the Board and director of the company.

The Board of INVL Baltic Farmland, AB was elected during the General Shareholders' Meeting of INVL Baltic Farmland, AB the company split-off from Invalda LT, AB on 28 April 2014. Mr. Banys was elected as the Chairman of the Board. Mr. Šulnis and Ms. Mišeikytė were elected as the Members of the Board. From 30 June 2015 Egle Surpliene holds position as a director of the company.



Alvydas Banys – Chairman of the Board

The term of office	From 2014 until 2018
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 1 July 2013 Invalda INVL, AB - Advisor Since 2007 LJB Investments, UAB - Director Since 2007 JLB Property, UAB - Director 1996 – 2006 Invalda, AB - Vice President 1996 – 2007 Nenuorama, UAB - President
Owned amount of shares in INVL Baltic Farmland, AB	Personally: 252,875 units of shares, 7.68 % of authorised capital, 7.83 % of votes. Together with controlled company LJB Investments: 1,230,626 units of shares, 37.38 % of authorized capital, 38.12 % of votes. Total votes (together with Members of the Board of INVL Baltic Farmland) – 62.73 %.
Participation in other companies	Invalda INVL, AB – Chairman of the Board INVL Baltic Real Estate, AB – Chairman of the Board Litagra, UAB – Member of the Board



Indrė Mišeikytė – Member of the Board

The term of office	From 2014 untill 2018
Educational background and qualifications	Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture
Work experience	Since May 2012 Invalda INVL, AB - Advisor Since June 2013 Invalda Privatus Kapitalas, AB – Advisor Since 2002 Inreal Valdymas, UAB - Architect Since 2002 Gildeta, UAB - Architect
Owned amount of shares in INVL Baltic Farmland, AB	Personally: 64,450 units of shares, 1.96 % of authorised capital, 2 % of votes. Total votes (together with Members of the Board of INVL Baltic Farmland) – 62.73 %.
Participation in other companies	Invalda INVL, AB – Member of the Board Invalda Privatus Kapitalas, AB – Member of the Board INVL Baltic Real Estate, AB – Member of the Board



Darius Šulnis – Member of the Board, director

The term of office	From 2014 untill 2018
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	Since the beginning of the 2015 – general director of INVL Asset Management, UAB. 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, AB	Personally: 0 units of shares, 0.00 % of authorised capital and votes. Together with controlled company Lucrum Investicija: 664,310 units of shares, 20.18 % of authorised capital, 22.61 % of votes (including votes granted by the shares transferred by the repurchase agreement). Total votes (together with Members of the Board of INVL Baltic Farmland) – 62.73 %.
Participation in other companies	Invalda INVL, AB – Member of the Board, the president Litagra, UAB – Member of the Board INVL Asset Management, UAB – Chairman of the Board, general director IPAS Finasta Asset Management (Latvia) – Member of the Supervisory Board AS Finasta atklātais pensiju fonds (Latvia) – Member of the Supervisory Board Šiaulių bankas, AB – Member of the Supervisory Board



Eglė Surplienė – Director (since 30 June 2015)

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	September 2014 - present - Director, UAB Margio investicija October 2009 - present - Wealth manager, UAB FPI Geroves Valdymas March 2009 - present - Director, UAB DIM investment Autumn 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. Total votes (together with Members of the Board of INVL Baltic Farmland) – 62.73 %.
Participation in other companies	Birstono investicija, UAB – Member of the Board, UAB Tuta, UAB – Member of the Board Green Vilnius hotel, UAB – Member of the 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.

11. Information about the Audit Committee of the company.

The Audit Committee consists of 2 members, one of whom is independent. 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 General Shareholders Meeting which took place on 23 December 2014 decided to elect Danute Kadanaite and Tomas Bubinas (independent member) to the Audit Committee of INVL Baltic Farmland, AB for the 4 (four) years term of office.



Danutė Kadanaitė – Member of the Audit Committee

The term of office	Since 2014 until 2017
Educational background and qualifications	2004 – 2006 Mykolas Romeris University. Faculty of Law. Master in Financial Law 2000 – 2004 m. Faculty of Law, BA in Law 1997 International School of Management
Work experience	Since 2009 Lawyer. Legisperitus, UAB 2008 – 2009 Lawyer, Finasta FBC 2008 – Lawyer, Invalda, AB 1999 – 2002 Administrator, Office of Attorney of Law Arturas Sukevicius 1994 – 1999 Legal Consultant, Financial brokerage company Apyvarta, UAB
Owned amount of shares in INVL Baltic Farmland, AB	-



Tomas Bubinas – Independent Member of the Audit Committee

The term of office	Since 2014 until 2017
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	Since 2013 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, Sior Biotech 1999 – 2001 Senior Manager, PricewaterhouseCoopers 1994 – 1999 Senior Auditor, Manager, Coopers & Lybrand.
Owned amount of shares in INVL Baltic Farmland, AB	-

12. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Members of the Board, director and company providing accounting services

Members of Board of INVL Baltic Farmland, AB did not receive benefit (bonus) during the reporting period. The calculated remuneration to the director of the Company totalled to EUR 695, on the average EUR 116 per month.

The payment for the company providing accounting services amounted to EUR 2,375 during the reporting period.

During the reporting period the Issuer transferred no assets, granted no guarantees, paid no bonuses and made no special payouts for the Company's manager and Members of the Board. The Board members, which are shareholders of the Company, were paid EUR 18 thousand of dividends, net of tax. The entities, which are controlled by the Board members, were paid EUR 115 thousand of dividends, net of tax. Natural persons, who are related to the Board members of the company, were paid EUR 53 thousand of dividends, net of tax.

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

13. Overview of the Issuer and its group activity

13.1. Business environment

Agricultural sector

INVL Baltic Farmland has a 100% share ownership in 18 limited liability companies, which have a possession of 3 thousand hectares of agricultural land altogether.

On 30 June 2015, INVL Baltic Farmland signed an administrative contract which passed its agricultural land's administrative rights to INVL Farmland Management, a subsidiary company of one of the biggest asset management groups in the Baltics Invalda INVL.

INVL Baltic Farmland is focused on generating profit from increasing rent rates and value of agricultural land in the long run.

As of the first quarter of 2016, the aggregate value of agricultural land belonging to INVL Baltic Farmland is 11.2 million euros, 3.7 thousand euros per hectare. Annual evaluation of the land will take place at the end of 2016.

2011-2015 marked a period of Lithuania's agricultural land prices increasing annually by 25% on average. According to the Bank of Lithuania, an average price of one hectare has increased by 137.2% since 2011. Such growth levels significantly surpassed price increases of other types of assets, such as real estate, stocks and securities. This led to agricultural land being purchased as a secure investment rather than for actual agricultural activities.

In June 2014, changes of law regarding acquisition of agricultural land implied a constraint of a single legal entity not being able to purchase more than 500 ha of both private and public land. It resulted in a 22% decrease of agricultural land transfers in 2014. As an opposition to periods before, a slowdown of demand inflated price levels only by a mere 2% in 2015. According to the Information Centre of Agriculture and Tourism, sale transfers of private agricultural land increased by 20%, but it did not counterbalance a slump of 47% caused by the legislation - transfer levels in the third and the fourth quarters of 2015 were still lower than a year before by -32% and -37% respectively. The first quarter of 2016 marked a moderate recovery of prices, which stood at 11.3% higher levels relative to the beginning of 2015. This year, an average cost of one hectare was 2.7 thousand euros. Legislative restrictions of land acquisition induced renting activities of both private and public agricultural land.

According to Virgilijus Rutkauskas, senior economist of the financial stability department of the Bank of Lithuania, an increasing interest of agricultural land is mainly caused by a rising productivity enabled by generous subsidies in purchases of agricultural machinery as well as other financial aid from the State, totaling 8 billion euros during the decade. In addition to this, the ratio of the borrowed money for purchasing land to the value of all land sales during one year has increased fourfold – from 1.3 percent in 2009 to 6.0 percent in 2015. Due to high investments to machinery, farmers will look for new opportunities to use it. Gintaras Nagulevicius, chairman of Lithuania's Land Owners Association, states that agricultural land market will become increasingly stable in the long run because farms of medium and big-sized farmers are already fully formed and the restriction of 500 ha leaves room for small market players' actions only.

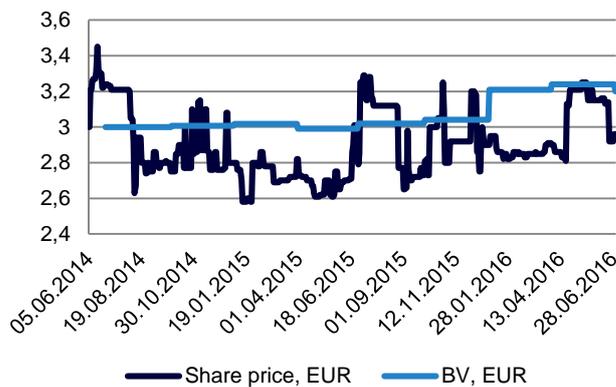
Group key figures of INVL Baltic Farmland

	30 June 2015	30 June 2016
Book value of land, EUR thousand	10,558	11,237
Cash, EUR thousand	233	105
Other assets, EUR thousand	204	256
Consolidated equity, EUR thousand	9,938	10,327
Deferred income tax liabilities, EUR thousand	848	956
Income of the next period, EUR thousand	173	238
Other liabilities, EUR thousand	36	77
Controlled cultivated cropland area, ha	3,003	3,003
Average rental income per hectare, EUR	149	172
Book value of one share, EUR	3.02	3.20
Dividend yield, %	2.2	2.2

Profit (loss), EUR thousand	30 June 2015	30 June 2016
Revenue	230	258
Income before tax	237	206
Net profit	206	177

Management fees, %	
Percent of the consolidated rental income	7
Percent of weighted average capitalization of INVL Baltic Farmland Q2	0.5
Success fee (percent of the consolidated equity per share in excess of the benchmark value)	20
Bad debt level as a percentage of the total consolidated income (if exceeded, the excess is taken from other management fees)	5

Historical relation between share price and BV



	Share price Premium/Discount vs. NAV, %
2015 IIIQ	(7.6)%
2015 IIVQ	(9.7)%
2016 IQ	(10.5)%
2016 IIQ	(7.5)%

13.2. Significant Issuer's and its group events during the reporting period and since the end of it, affect on the financial statement

The Company

- On 2 February 2016 the Company announced preliminary unaudited results for 12 months of 2015. Unaudited consolidated net profit as well as consolidated net profit attributable to shareholders of INVL Baltic Farmland, AB amounted to EUR 0.8 million.
- On 29 February 2016 the Company announced consolidated net profit as well as consolidated net profit attributable to shareholders of INVL Baltic Farmland, AB amounted to EUR 838 thousand of 2015.
- On 29 February 2016 INVL Baltic Farmland, AB announced that it is planning to earn EUR 300 thousand net profit in 2016. The Board of INVL Baltic Farmland, AB, a company investing into agricultural land, approved its activity forecasts for 2016. Consolidated revenues of INVL Baltic Farmland, AB are forecasted at EUR 530 thousand and net profit should amount to EUR 300 thousand.
- On 25 March 2016 INVL Baltic Farmland, AB announced decisions of the General Shareholders Meeting. During the meeting the Shareholders were presented with the consolidated annual report of the Company and independent auditor's report on the financial statements, approved the consolidated and companies financial statements for 2015, approved the distribution of the profit of the Company. Information about convened General Shareholders Meeting was published on 29 February 2016.
- On 25 March 2016 the Company announced the annual information (consolidated and Company's financial statements, consolidated annual report) and the confirmation of responsible persons of INVL Baltic Farmland, AB for the year 2015.
- On 18 April 2016 the General Shareholders Meeting of INVL Baltic Farmland, AB decided to allocate EUR 0.066 dividend per share.
- On 21 April 2016 INVL Baltic Farmland, AB announced that the Company initiates the acquisition of own shares since 25 April 2016. Share acquisition ends on 20 June 2016. Max number of shares to be acquired: 70,000. Share acquisition price: EUR 3.21 per share.



- On 26 April 2016 the Company announced that an unaudited consolidated net profit as well as consolidated net profit attributable to shareholders of INVL Baltic Farmland, AB amounted to EUR 92 thousand and the revenue was EUR 129 thousand.
- On 21 June 2016 the Company announced about acquisition of 1.92 % of own shares for the total amount of EUR 202,355.19 without brokerage fees. INVL Baltic Farmland, AB could purchase up to 70,000 shares. During the share buy-back procedure 63,039 units of shares were tendered. Share buy-back procedure started from 25 April and was implemented through the market of official tender offers of NASDAQ Vilnius stock exchange until 20 June. Settlement for the acquired shares will happen on 22 of June.
- On 22 June 2016 INVL Baltic Farmland, AB informed that that the company settled for treasury shares and purchased 63,039 units of shares (1.92 % of share capital) for the amount of EUR 202,355.19 (without brokerage fee), during the share buy-back procedure, which took place from 25 April till 20 June 2016. The company paid EUR 3.21 for one share.

The group

The companies during the reporting period rented agricultural land for farmers and agricultural companies and performed as usual.

14. A description of the principal risks and uncertainties

During the six months of this year there were no material changes from the information about the principal risks and uncertainties disclosed in the latest annual report.

15. Significant investments made during the reporting period

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

16. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in consolidated interim condensed unaudited financial statements' explanatory notes for 6 months of 2016.

Director

Egle Surpliene