



# BALTIC FARMLAND

## CONFIRMATION OF RESPONSIBLE PERSONS

27 October 2015

Following the Rules on Preparation And Submission Of Periodic And Additional Information of the Bank of Lithuania and the Law on Securities (article 22) of the Republic of Lithuania, management of INVL Baltic Farmland, AB hereby confirms that, to the best our knowledge, the attached Consolidated Interim Condensed Unaudited Financial Statements for the 9 months of 2015 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.

### ENCLOSURE:

1. INVL Baltic Farmland, AB Consolidated Interim Condensed Unaudited Financial Statements for 9 months of 2015.

Director

Eglė Surplienė

Person authorised to conduct accounting

Raimondas Rajeckas

# AB INVL BALTIC FARMLAND

CONSOLIDATED INTERIM CONDENSED NOT-AUDITED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015 PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN  
UNION

**AB INVL BALTIC FARMLAND**

**CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

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**GENERAL INFORMATION**

**Board of Directors**

Mr. Alvydas Banys (chairman of the Board)  
Ms. Indrė Mišeikytė  
Mr. Darius Šulnis

**Management**

Ms. Eglė Surplienė (director from 30 June 2015)  
Mr. Darius Šulnis (director, until 29 June 2015)

**Principal place of business and company code**

Office address  
Šeimyniškių Str. 1A,  
Vilnius,  
Lithuania

Company code 303299781

**Banks**

AB DNB Bankas  
AB Šiaulių Bankas  
"Swedbank", AB  
AB bankas "Finasta"

The financial statements were approved and signed by the Management and the Board of Directors on 27 October 2015.



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Ms. Eglė Surplienė  
Director



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

## **AB INV L BALTIC FARMLAND**

### **CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

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## **Management report**

INV L 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 INV L Baltic Farmland on 30 June 2015 have signed a basic property administration agreement with INV L 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.

The company's income for the nine months ended 30 September 2015 reached EUR 339 thousand while net profit amounted to EUR 270 thousand. INV L Baltic Farmland was established in April, 2014 therefore 2014 data is not comparable.

Income for the nine months ended 30 September 2015 makes about 74 percent of the forecasted total income for 2015 (EUR 457 thousand) and net profit makes about 85 percent of the total forecasted net profit for 2015 (EUR 316 thousand).

Equity of INV L Baltic Farmland in the end of September, 2015 was EUR 10.002 million or EUR 3.04 per share.

In April, 2015 INV L Baltic Farmland paid-out EUR 197 thousand dividends or EUR 0.06 per share.

As of 30 September 2015 the total value of the managed land was EUR 10.6 million, or EUR 3.5 thousand per hectare. Next valuation of the land is planned for the end of 2015.

Since May 2014 changes to the Agricultural Land Acquisition temporary law entered into force. Under these changes, the persons cannot acquire more than 500 hectares of agricultural land. Also, the amount of people having pre-emptive right to purchase the land was expanded. Restrictions define that persons who own more than 25 percent of shares in agricultural land companies, as well as persons who own more than 25 percent in several companies are held as related parties. Therefore, those willing to purchase additional agricultural land have to have documents proving that the person, during the last 10 years before the deal, was engaged in agricultural activity for at least 3 years and has declared his farmland as well as crop. For legal entities restrictions define that they have to additionally provide documents proving that more than 50 percent of their business annual income comes from farming activities and company is economically sound.

Due to the restrictions INV L Baltic Farmland is unable to invest in agricultural land in Lithuania as well as is unable to take control in companies owning agricultural land.

**AB INVL BALTIC FARMLAND****CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**Consolidated statements of comprehensive income**

	Notes	Nine months of 2015	Nine months of 2014
<b>Revenue</b>		<b>339</b>	<b>135</b>
Other income		12	2
Legal, professional and securities administration fees		(24)	(27)
Allowance for (reversal of) impairment of trade receivables	4	26	(17)
Direct property operating expenses		(27)	(6)
Employee benefits expense		(6)	(11)
Depreciation and amortisation		(2)	(1)
Other expenses		(6)	(6)
<b>Operating profit</b>		<b>312</b>	<b>69</b>
Finance costs		-	-
<b>Profit before income tax</b>		<b>312</b>	<b>69</b>
Income tax expense	6	(42)	(13)
<b>NET PROFIT FOR THE YEAR</b>		<b>270</b>	<b>56</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>270</b>	<b>56</b>
Attributable to:			
Equity holders of the parent		270	56
Basic and diluted earnings per share (in EUR)	7	0.08	0.02

**AB INVL BALTIC FARMLAND****CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**Consolidated statements of comprehensive income (cont'd)**

	Notes	3 <sup>rd</sup> Quarter 2015	3 <sup>rd</sup> Quarter 2014
<b>Revenue</b>		<b>109</b>	<b>80</b>
Other income		2	-
Legal, professional and securities administration fees		(8)	(17)
Allowance for (reversal of) impairment of trade receivables		-	(18)
Direct property operating expenses		(26)	(5)
Employee benefits expense		(1)	(7)
Depreciation and amortisation		(1)	-
Other expenses		-	(2)
<b>Operating profit</b>		<b>75</b>	<b>31</b>
Finance costs		-	-
<b>Profit before income tax</b>		<b>75</b>	<b>31</b>
Income tax expense		(11)	(8)
<b>NET PROFIT FOR THE YEAR</b>		<b>64</b>	<b>23</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>64</b>	<b>23</b>
Attributable to:			
Equity holders of the parent		64	23
Basic and diluted earnings per share (in EUR)		0.02	0.01

**AB INVL BALTIC FARMLAND****CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**Consolidated statement of financial position**

	Notes	As at 30 September 2015	As at 31 December 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		-	1
Investment properties	3	10,559	10,558
Intangible assets		-	3
Deferred income tax asset		-	4
<b>Total non-current assets</b>		<b>10,559</b>	<b>10,566</b>
<b>Current assets</b>			
Trade and other receivables	4	130	23
Prepayments and deferred charges		7	1
Cash and cash equivalents		308	210
<b>Total current assets</b>		<b>445</b>	<b>234</b>
<b>Total assets</b>		<b>11,004</b>	<b>10,800</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	8	955	954
Own shares	8	-	(6)
Share premium		1,387	1,387
Reserves		3,223	3,219
Retained earnings		4,437	4,377
<b>Total equity</b>		<b>10,002</b>	<b>9,931</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liability		851	837
<b>Total non-current liabilities</b>		<b>851</b>	<b>837</b>
<b>Current liabilities</b>			
Trade payables		30	3
Income tax payable		24	9
Deferred revenue	4	84	-
Advances received		-	14
Other current liabilities	9	13	6
<b>Total current liabilities</b>		<b>151</b>	<b>32</b>
<b>Total liabilities</b>		<b>1,002</b>	<b>869</b>
<b>Total equity and liabilities</b>		<b>11,004</b>	<b>10,800</b>

**AB INVL BALTIC FARMLAND**

**CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**Consolidated statements of changes in equity**

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	
<b>Balance as at 31 December 2014</b>		<b>954</b>	<b>(6)</b>	<b>1,387</b>	<b>132</b>	<b>3,087</b>	<b>4,377</b>	<b>9,931</b>
Net profit for the 9 months ended 30 September 2015		-	-	-	-	-	270	270
Other comprehensive income for the 9 months ended 30 September 2015		-	-	-	-	-	-	-
<b>Total comprehensive income (loss) for the 9 months ended 30 September 2015</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>270</b>
Own shares buy back	8	-	(2)	-	-	-	-	(2)
Decrease of share capital	8	-	8	-	-	(8)	-	-
The adjustment of the par value of the shares due to conversion to euro	8	1	-	-	-	-	(1)	-
Changes in reserves		-	-	-	12	-	(12)	-
Dividends approved	5	-	-	-	-	-	(197)	(197)
<b>Total transactions with owners of the Company, recognised directly in equity</b>		<b>1</b>	<b>(6)</b>	<b>-</b>	<b>12</b>	<b>(8)</b>	<b>(210)</b>	<b>(199)</b>
<b>Balance as at 30 September 2015</b>		<b>955</b>	<b>-</b>	<b>1,387</b>	<b>144</b>	<b>3,079</b>	<b>4,437</b>	<b>10,002</b>



**AB INVL BALTIC FARMLAND**

**CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**Consolidated statements of changes in equity (cont'd)**

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve for purchase of own shares	Retained earnings	
The Group's equity formed on 29 April 2014 under split-off conditions according to predecessor values method		954	-	1,387	132	3,087	4,288	9,848
Own shares buy back	8	-	-	-	-	(6)	-	(6)
<b>Total transactions with owners of the Company, recognised directly in equity</b>		<b>954</b>	<b>-</b>	<b>1,387</b>	<b>132</b>	<b>3,081</b>	<b>4,288</b>	<b>9,842</b>
Net profit for the 9 months ended 30 September 2014		-	-	-	-	-	56	56
Other comprehensive income for the 9 months ended 30 September 2014		-	-	-	-	-	-	-
<b>Total comprehensive income for the 9 months ended 30 September 2014</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>56</b>
<b>Balance as at 30 September 2014</b>		<b>954</b>	<b>-</b>	<b>1,387</b>	<b>132</b>	<b>3,081</b>	<b>4,344</b>	<b>9,898</b>

**AB INVL BALTIC FARMLAND****INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**Consolidated statement of cash flows**

	Notes	Nine months of 2015	Nine months of 2014
<b>Cash flows from (to) operating activities</b>			
Net profit (loss) for the period		270	56
<b>Adjustments for non-cash items and non-operating activities:</b>			
Depreciation and amortization		2	1
Interest (income)		-	-
Interest expenses		-	-
Deferred taxes	6	18	7
Current income tax expenses	6	24	6
Allowances	4	(26)	17
<b>Changes in working capital:</b>			
Decrease (increase) in trade and other receivables		(10)	(45)
Decrease (increase) in other current assets		(6)	1
(Decrease) increase in trade payables		22	(5)
(Decrease) increase in other current liabilities		5	1
<b>Cash flows (to) from operating activities</b>		<b>299</b>	<b>39</b>
Income tax (paid)		(9)	(2)
<b>Net cash flows (to) from operating activities</b>		<b>290</b>	<b>37</b>
<b>Cash flows from (to) investing activities</b>			
Proceeds from sale of non-current assets (except for investment properties)		2	-
Acquisition of investment properties		(1)	-
Repayment of granted loans		-	480
<b>Net cash flows (to) investing activities</b>		<b>1</b>	<b>480</b>
<b>Cash flows from (to) financing activities</b>			
Cash flows related to Group owners			
Cash received according to split-off terms		-	284
Acquisition of own shares	8	(2)	-
Dividends paid to equity holders of the parent		(191)	-
		(193)	284
Cash flows related to other sources of financing			
Repayment of loans		-	(657)
Interest paid		-	-
		-	(657)
<b>Net cash flows (to) from financial activities</b>		<b>(193)</b>	<b>(373)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>98</b>	<b>144</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>210</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>308</b>	<b>144</b>

## AB INVL BALTIC FARMLAND

### INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

(all amounts are in EUR thousand unless otherwise stated)

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## 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 (code 121304349). Entities, which business is investment into agricultural land and its rent, were transferred to the Company (hereinafter split-off). The address of the office is as follows:

Šeimyniškių str. 1A,  
Vilnius,  
Lithuania.

Because the Company is established on 29 April 2014, the comparative figures for nine months of 2014 covers period starting from 29 April 2014 and ending on 30 September 2014.

The Company manages shares of entities investing into agricultural land. Now the Company has 100% in 18 companies owning more than 3 thousand hectares of agricultural land in Lithuania (detailed list of subsidiaries is presented below), 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 September 2015 the shareholders of the Company were (by votes)\*:

	<b>Number of votes held</b>	<b>Percentage</b>
UAB LJB Investments	1,002,724	30.46
Mrs. Irena Ona Mišeikiene	952,072	28.92
UAB Lucrum Investicija	743,546	22.59
Mr. Alvydas Banys	252,875	7.69
Ms. Indrė Mišeikytė	65,758	2.00
Other minor shareholders	274,574	8.34
Total	<u>3,291,549</u>	<u>100.00%</u>

\* Some shareholders have sold part of their shares under repo agreement (so did not hold the legal ownership title of shares), but they retained the voting rights of transferred shares.

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

## **2 Accounting policies**

### **Basis of preparation**

The interim condensed financial statements for the 9 months ended 30 September 2015 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 2014.

From 1 January 2015 euro is the Company's and the Group's functional and presentation currency. The financial statements are presented in thousands of euro (EUR) and all values are rounded to the nearest thousand except when otherwise indicated. The previous year comparison information recalculated using the official litas to euro conversion ratio: 1 euro = 3.4528 litas.

### **Significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2014, except adoption of new Standards and Interpretations as of 1 January 2015, noted below.

#### *IFRIC 21 Levies*

The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional. The Group is not currently subjected to significant levies so the impact on the Group is not material.

#### *Annual Improvements to IFRSs 2013*

The improvements consist of changes to four standards.

- The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.
- IFRS 3 was amended to clarify that it does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.
- The amendment of IFRS 13 clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including contracts to buy or sell non-financial items) that are within the scope of IAS 39 or IFRS 9.
- IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

The amendments had no impact on the Group's financial statements for the 9 months ended 30 September 2015.

## AB INVL BALTIC FARMLAND

### INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

(all amounts are in EUR thousand unless otherwise stated)

#### 3 Investment properties

During nine months of 2015 the Group has not acquired, nor sold investment properties, except it has paid EUR 1 thousand for the increase of land area after the cadastral measurements. 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 July 2014. There were no significant changes in the market from August 2014 that could have an effect on the value of those investment properties, therefore the updated valuation was not performed as at 30 September 2015.

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 nine months of 2015. No contractual obligations to purchase investment properties existed at the end of the period.

#### 4 Trade and other receivables

	<u>As at 30 September 2015</u>	<u>As at 31 December 2014</u>
Trade receivables, gross	153	106
Accrued revenue	12	-
Taxes receivable, gross	26	4
Less: allowance for doubtful trade and other receivables	(61)	(87)
	<u>130</u>	<u>23</u>

Changes in allowance for doubtful trade and other receivables for the nine months of 2015 and 2014 have been included within 'Allowance 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 nine months of 2015 (EUR 84 thousand). This amount would be recognised as rental income during 4<sup>m</sup> Quarter of current year.

As at 30 September 2015 and 31 December 2014 the Group's trade and other receivables with nominal value of EUR 63 thousand and 94 thousand were impaired, respectively. The net amount of EUR 2 thousand is presented in the statement of financial position of the Group as at 30 September 2015 (31 December 2014 – EUR 7 thousand).

Movements in the allowance for accounts receivable of the Group (assessed individually) were as follows:

	<u>Individually impaired Group</u>
Balance as at 31 December 2014	87
Charge for the year	-
Write-offs charged against the allowance	-
Recoveries of amounts previously written-off	(26)
Balance as at 30 September 2015	<u>61</u>

**AB INVL BALTIC FARMLAND****INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

(all amounts are in EUR thousand unless otherwise stated)

**4 Trade and other receivables (cont'd)**

The ageing analysis of trade and other receivables of the Group are as follows:

	Trade receivables neither past due nor impaired	Trade receivables past due but not impaired				Total
		Less than 30 days	30-90 days	90-180 days	More than 180 days	
<b>As at 30 September 2015</b>	13	-	3	2	72	90
<b>As at 31 December 2014</b>	-	-	2	-	10	12

**5 Dividends**

A dividend in respect of the year ended 31 December 2014 of EUR 0.06 per share, amounting to a total dividend of EUR 197 thousand, was approved at the annual general meeting on 24 March 2015.

**6 Income tax**

	Nine months of 2015	Nine Months of 2014
<b>Components of the income tax expenses</b>		
Current year income tax	(24)	(6)
Deferred income tax expenses	(18)	(7)
Income tax expenses charged to profit or loss – total	<u>(42)</u>	<u>(13)</u>

**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 three months ended 30 September 2015:

<b>Calculation of weighted average for the three months ended 30 September 2015</b>	<b>Number of shares (thousand)</b>	<b>Par value (EUR)</b>	<b>Issued/273 (days)</b>	<b>Weighted average (thousand)</b>
Shares issued as at 31 December 2014	3,292	0.29	273/273	3,292
Acquired own shares as at 2 March 2015	(1)	0.29	212/273	(1)
Shares issued as at 30 September 2015	<u>3,291</u>	0.29		<u>3,291</u>

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

	Nine months of 2015	Nine months of 2014
Net profit (loss), attributable to the equity holders of the parent (EUR thousand)	270	56
Weighted average number of ordinary shares (thousand)	<u>3,291</u>	<u>3,294</u>
Basic earnings (deficit) per share (EUR)	<u>0.08</u>	<u>0.02</u>

## AB INVL BALTIC FARMLAND

### INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

(all amounts are in EUR thousand unless otherwise stated)

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#### 8 Acquisition of own shares, changes in share capital

From 29 January 2015 until 26 February 2015 the Company implemented share buy-back through the tender offer market. Maximum number of shares to be acquired was 16,471. Share acquisition price established at EUR 2.86 per share. During buy-back 710 shares (0.02% of share capital) were acquired for EUR 2 thousand, including brokerage fees. The acquired shares were settled on 2 March 2015. Acquired own shares do not have voting rights.

According to the decision of shareholders 2,660 acquired own shares were cancelled, and the reserve for the acquisition of own shares was decreased by EUR 8 thousand. Also the par value of shares was changed from LTL 1 to EUR 0.29. The changes in share capital were registered in the Register of Legal entities on 5 June 2015. From 5 June 2015 the total authorised number of ordinary shares is 3,291,549 with the par value of EUR 0.29 per share, the Company's authorized share capital is equal to EUR 954,549.21.

From 14 August 2014 until 30 September 2014 the share buy-back was implemented. Maximum number of shares to be acquired was 16,471. Share acquisition price established at EUR 2.86 per share. The shareholders had offered to the Company 1,950 shares. A liability of EUR 6 thousand for the value of own shares purchase amount, including brokerage fees, was recognised in the statements of financial position of the Group, correspondingly decreasing the reserve of purchase of own shares. The acquired shares were settled on 3 October 2014. Acquired own shares do not have voting rights.

#### 9 Other current liabilities

	<b>As at 30 September 2015</b>	<b>As at 31 December 2014</b>
Employee benefits	-	-
Dividends payables	7	-
Taxes payables	4	-
Other	2	6
Total other current liabilities	<u>13</u>	<u>6</u>

#### 10 Signing of the land plot administration agreement

The Group has signed land plot administration agreement with UAB INVL Farmland Management on 30 June 2015. UAB INVL Farmland Management, is a company owned by AB Invalda INVL. The agreement was valid from 1 July 2015. According to the agreement management fees paid to UAB INVL Farmland Management will be 7% of annual rent revenues and 0,5% market capitalization of AB INVL Baltic Farmland. Success fee is also set and it consists of 20 percent from the share of the return exceeding the pre-determined annual return of 5 percent plus inflation. In the case of bad debts exceeding 5 percent of revenue surplus shall be fully compensated by UAB INVL Farmland Management. In 3<sup>rd</sup> Quarter of 2015 the Group has recognised administration expenses of EUR 20 thousand in the caption "Direct property operating expenses" in the statement of comprehensive income.

## AB INVL BALTIC FARMLAND

### INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

(all amounts are in EUR thousand unless otherwise stated)

#### 11 Related party transactions

The related parties of the Group were the shareholders of the Company (note 1), key management personnel, including companies under control or joint control of key management and shareholders having significant influence, the entities of the group of AB Invalda INVL and entities of other groups, which were split-off from AB Invalda INVL. The Group was established after the split-off from Invalda INVL.

Interest income and expenses are presented in the 'sales' and 'purchases' columns, respectively.

The Group's transactions with related parties during nine months of 2015 and related quarter-end balances were as follows:

<b>Nine months of 2015 Group</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
AB Invalda INVL (accounting services)	-	12	-	-
UAB INVL Farmland Management (sale of assets)	7	-	-	-
UAB INVL Farmland Management (administration fees)	-	20	-	24
AB FMĮ Finasta (services to issuer)	-	2	-	-
	<u>7</u>	<u>34</u>	<u>-</u>	<u>24</u>
Liabilities to shareholders and management (dividends, net of tax)	-	-	-	6

To the Board members, which are shareholders of the Company, were paid EUR 16 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 105 thousand of dividends, net of tax.

The Group's transactions with related parties during nine months of 2014 and related quarter-end balances were as follows:

<b>Nine months of 2014 Group</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Payables to related parties</b>
AB Invalda INVL (accounting services)	-	6	-	-
	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>
Liabilities to shareholders and management	-	-	-	-

#### 12 Material events of the Issuer from the beginning of the reporting period and since the date of the publish of the financial statements

- On 27 January 2015 AB INVL Baltic Farmland announced preliminary unaudited results for 12 months ended 31 December 2014. Unaudited consolidated net profit as well as consolidated net profit attributable to shareholders of AB INVL Baltic Farmland amounted to EUR 90.7 thousand (LTL 313 thousand) for the period of 12 months ended 31 December 2014. .
- On 27 January 2015 AB INVL Baltic Farmland announced an acquisition of own ordinary registered LTL 1 (one) nominal value shares. The acquisition was implemented through the market of official offer of NASDAQ Vilnius stock exchange. Share acquisition started on 29 January 2015. Share acquisition ended on 26 February 2015. Max number of shares to be acquired: 16,471. Share acquisition price: EUR 2.86 per share.
- On 26 February 2015 AB INVL Baltic Farmland announced it would buy-back 0.02% shares. AB INVL Baltic Farmland finished implementation of the share buy-back procedure. The company will acquire 0.02 % of own shares for the total amount of EUR 2.03 thousand without brokerage fees. AB INVL Baltic Farmland could purchase up to 16,471 shares. During the share buy-back procedure 710 units of shares were tendered. Every shareholder sold 100 % of offered shares for the price of EUR 2.86 per share.



## AB INV L BALTIC FARMLAND

### INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

(all amounts are in EUR thousand unless otherwise stated)

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#### 12 Material events of the Issuer from the beginning of the reporting period and since the date of the publish of the financial statements (cont'd)

- On 27 February 2015 AB INV L Baltic Farmland announced the audited results of AB INV L Baltic Farmland group for the year ended 31 December 2014. Audited consolidated net profit as well as consolidated net profit attributable to shareholders of AB INV L Baltic Farmland amounted to EUR 89.5 thousand (LTL 309 thousand) of 2014. The profit covers the financial period of the company, starting from the company's establishment date 29 April 2014 and ending on 31 December 2014.
- On 27 February 2015 AB INV L Baltic Farmland announced the results of AB INV L Baltic Farmland for 12 months ended 31 December 2014. Consolidated net profit as well as consolidated net profit attributable to shareholders of AB INV L Baltic Farmland amounted to EUR 89.5 thousand (LTL 309 thousand) at the end of 2014. The profit covers the financial period of the company, starting from the company's establishment date 29 April 2014 and ending on 31 December 2014.
- On 27 February 2015 AB INV L Baltic Farmland announced, that the Board of AB INV L Baltic Farmland a company investing into agricultural land, approved its activity forecasts for 2015. Consolidated revenues of AB INV L Baltic Farmland are forecasted at EUR 450 thousand and net profit should amount to EUR 260 thousand.
- On 2 March 2015 AB INV L Baltic Farmland informed about the amount of voting rights in AB INV L Baltic Farmland. AB INV L Baltic Farmland settled for treasury shares and acquired 710 units of shares (0.02 % of share capital) for the amount of EUR 2.03 thousand (without brokerage fee), during the share buy-back procedure, which took place from 29 January till 26 February 2015. The company paid EUR 2.86 for one share.
- On 24 March 2015 AB INV L Baltic Farmland announced the decisions of the General Shareholders Meeting of AB INV L Baltic Farmland. Shareholders of the public joint-stock company AB INV L Baltic Farmland were presented with the consolidated annual report of AB INV L Baltic Farmland and the independent auditor's report on the financial statements of AB INV L Baltic Farmland. The consolidated and company's financial statements for 2014 of the public joint-stock company AB INV L Baltic Farmland, the New Wording of the public joint-stock company AB INV L Baltic Farmland Articles of Association and the dividend payment policy were approved. The profit of the public joint-stock company AB INV L Baltic Farmland was distributed. It was decided to cancel owned 2,660 ordinary registered shares of the joint-stock company AB INV L Baltic Farmland, to decrease authorised capital of the joint-stock company AB INV L Baltic Farmland from LTL 3,294,209 to LTL 3,291,549. Also, the par value of one AB INV L Baltic Farmland share was been changed from LTL 1 to EUR 0.29 cents and the share capital was accordingly be reduced to EUR 954,549.21. An agreement with private limited company UAB INV L Farmland Management was approved. The agreement states transfer the administration of assets owned by subsidiaries of AB INV L Baltic Farmland to UAB INV L Farmland Management. Information about convened General Shareholders Meeting was published on 27 February 2015.
- On 24 March 2015 it was announced the annual information of the public joint - stock company AB INV L Baltic Farmland. We hereby announce the annual information (consolidated and Company's financial statements, consolidated annual report) and the confirmation of responsible persons of AB INV L Baltic Farmland for the year 2014.
- On 21 April 2015 AB INV L Baltic Farmland informed on the procedure for the pay out of dividends for the year 2014. The General Shareholders Meeting of AB INV L Baltic Farmland decided to allocate EUR 0.06 dividend per share. Dividends will be paid 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 8 April 2015 were shareholders of AB INV L Baltic Farmland.
- On 28 April 2015 the Company announced that an unaudited consolidated net profit as well as consolidated net profit attributable to shareholders of AB INV L Baltic Farmland for 3 months ended 31 March 2015 amounted to EUR 116 thousand.
- On 5 June 2015 The public joint-stock company INV L Baltic Farmland announced that according to the resolution of the General Shareholders Meeting held on 24 March 2015, the Company registered the reduced authorized capital from EUR 955 320.61 to EUR 954 549.21 and the new wording of the Articles of Association.
- On 30 June 2015 by the decision of the Board of AB INV L Baltic Farmland of 29 June 2015, Egle Surpliene is elected to the position of CEO of AB INV L Baltic Farmland from 30 June. She is replacing Darius Sulnis who has submitted a notice of resignation from CEO position.
- On 30 June 2015 AB INV L Baltic Farmland and group companies made land plot administration agreement with AB INV L Farmland Management.
- On 21 July 2015 the company announced the amended investors calendar of the company for 2015: 27 January 2015 preliminary result for 12 months of 2014; 27 February 2015 Interim information for 12 months of 2014; 28 April 2015 Interim information for 3 months of 2015; 21 July 2015 Interim information for 6 months of 2015; 27 October 2015 Interim information for 9 months of 2015.

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**12 Material events of the Issuer from the beginning of the reporting period and since the date of the publish of the financial statements (cont'd)**

- On 21 July 2015 the company announced unaudited results of AB INVL Baltic Farmland for 6 months ended 30 June 2015. Unaudited consolidated net profit as well as consolidated net profit attributable to shareholders of the company amounted to EUR 206 thousand for 6 months ended 30 June 2015. AB INVL Baltic Farmland income in the first half of 2015 reached EUR 230 thousand while net profit amounted to EUR 206 thousand. AB INVL Baltic Farmland was established in April, 2014 therefore 2014 data is not comparable (EUR 55 thousand revenue and EUR 38 thousand profit).
- On 21 July 2015 the Board of AB INVL Baltic Farmland announced the amended activity forecast for 2015. Consolidated revenues of INVL Baltic Farmland are forecasted at EUR 457 thousand and net profit should amount to EUR 316 thousand.
- On 6 October 2015 the company announced about convocation and draft resolutions of the Shareholders Meeting of AB INVL Baltic Farmland. The Shareholders Meeting will be held on 28 October in the office of Gyneju str. 14, Vilnius, Lithuania. Agenda includes: Regarding election of auditor to carry out of the audit of the annual financial statements and setting conditions of payment for audit services; Regarding the registered office address of the public joint stock company INVL Baltic Farmland; Regarding purchase of own shares of the public joint stock company INVL Baltic Farmland.