

INVALDA



CONFIRMATION OF RESPONSIBLE PERSONS

31 August 2018

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (article 23) of the Republic of Lithuania, management of Invalda INVL AB hereby confirms that, to the best our knowledge, the attached Consolidated and Company's Interim Condensed Unaudited Financial Statements for the 6 months of 2018 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of Invalda INVL AB and Consolidated Group.

Presented Consolidated Report for the 6 months of 2018 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 Interim Condensed Unaudited Financial Statements for the 6 months of 2018.
2. Consolidated Report for the 6 months of 2018

President

A blue ink signature of Darius Šulnis, consisting of a large, stylized initial 'D' followed by a cursive name.

Darius Šulnis

Chief Financial Officer

A blue ink signature of Raimondas Rajeckas, consisting of a stylized initial 'R' followed by a cursive name.

Raimondas Rajeckas



INVALDA **INL**

AB INVALDA INVL

**Consolidated Interim Condensed Not-audited
Financial Statements for the six months ended
30 June 2018**

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

AB INVALIDA INVL

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED 30 JUNE 2018

(all amounts are in EUR thousand unless otherwise stated)

GENERAL INFORMATION

Board of Directors

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

Management

Mr. Darius Šulnis (president)
Mr. Raimondas Rajeckas (chief financial officer)

Principal place of business and company code


Gynėjų Str. 14,
Vilnius,
Lithuania

Company code 121304349

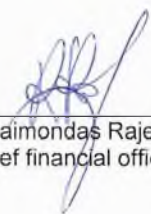
Banks

Luminor Bank AB
AB Šiaulių Bankas
AB SEB Bankas
"Swedbank" AS
Luminor Bank AS
"Swedbank", AB
AS "Meridian Trade Bank"
Danske Bank A/S Lithuania Branch

The financial statements were approved and signed by the Management and the Board of Directors on 31 August 2018.



Mr. Darius Šulnis
President



Mr. Raimondas Rajeckas
Chief financial officer

AB INVALIDA INVL

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's income statements

	Notes	Group		Company	
		I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Revenue	3	3,464	3,212	-	-
Other income	8.3	8,659	1,167	8,612	1,156
Net changes in fair value of financial assets at fair value through profit or loss	6, 8.1	(7,948)	7,257	(8,025)	7,262
Employee benefits expenses		(2,230)	(1,707)	(197)	(159)
Funds distribution fees		(464)	(509)	-	-
Information technology maintenance expenses		(170)	(105)	(4)	(4)
Depreciation and amortisation		(175)	(168)	(1)	(3)
Premises rent and utilities		(163)	(154)	(15)	(15)
Advertising and other promotion expenses		(122)	(76)	-	-
Other expenses	8.4	(749)	(591)	(68)	(60)
Operating profit (loss)		102	8,326	302	8,177
Finance costs	8.2	-	-	(6)	(6)
Share of net (loss) profit of subsidiaries accounted for using the equity method		-	-	(185)	229
Profit (loss) before income tax		102	8,326	111	8,400
Income tax expenses	7	(88)	(586)	(97)	(660)
PROFIT (LOSS) FOR THE PERIOD		14	7,740	14	7,740
Attributable to:					
Equity holders of the parent		14	7,740	14	7,740
Basic earnings (deficit) per share (in EUR)	9	0.00	0.67	0.00	0.67
Diluted earnings (deficit) per share (in EUR)	9	0.00	0.67	0.00	0.67

AB INVALIDA INVL

CONSOLIDATED AND COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

(all amounts are in EUR thousand unless otherwise stated)

Condensed consolidated and Company's statements of comprehensive income

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Profit (loss) for the year	14	7,740	14	7,740
Net other comprehensive income (loss) that may be subsequently reclassified to profit or loss	-	-	-	-
Net other comprehensive income (loss) not to be reclassified to profit or loss	-	-	-	-
Other comprehensive income (loss) for the period, net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	14	7,740	14	7,740
Attributable to:				
Equity holders of the parent	14	7,740	14	7,740

Condensed consolidated and Company's statements of financial position

	Notes	Group		Company	
		As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017
ASSETS					
Non-current assets					
Property, plant and equipment		78	72	2	2
Intangible assets		4,895	3,514	2	3
Investments into subsidiaries	5; 6	5,125	13,994	14,450	21,990
Investments into associates	6	20,167	20,008	19,929	20,008
Investments available-for-sale		-	494	-	494
Financial assets at fair value through profit loss	6	21,981	20,804	21,981	20,804
Deferred income tax asset		435	625	-	-
Total non-current assets		52,681	59,511	56,364	63,301
Current assets					
Trade and other receivables		8,580	1,903	7,772	217
Prepaid income tax		95	48	83	45
Prepayments and deferred charges		142	58	24	7
Financial assets at fair value through profit loss	6	1,518	2,976	-	1,560
Financial assets at amortized cost		384	395	-	-
Cash and cash equivalents		5,068	2,133	3,543	1,050
Total current assets		15,787	7,513	11,422	2,879
Total assets		68,468	67,024	67,786	66,180

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

	Notes	Group		Company	
		As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of the parent					
Share capital	10	3,441	3,441	3,441	3,441
Own shares	10	(1,233)	(1,214)	(1,233)	(1,214)
Share premium		4,996	4,996	4,996	4,996
Reserves	10	12,699	12,071	12,669	12,054
Retained earnings		45,547	44,702	45,577	44,719
		65,450	63,996	65,450	63,996
Liabilities					
Non-current liabilities					
Deferred income tax liability		1,439	1,316	1,439	1,316
Total non-current liabilities		1,439	1,316	1,439	1,316
Current liabilities					
Current borrowings		-	-	404	398
Trade payables		225	190	2	3
Income tax payable		28	31	-	-
Other current liabilities		1,326	1,491	491	467
Total current liabilities		1,579	1,712	897	868
Total liabilities		3,018	3,028	2,336	2,184
Total equity and liabilities		68,468	67,024	67,786	66,180

(the end)

Condensed consolidated and Company's statements of changes in equity

Group	Notes	Reserves					Retained earnings	Total equity
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
Balance as at 31 December 2017 (as previously reported)		3,441	(1,214)	4,996	950	11,121	44,702	63,996
Changes in accounting policies	2	-	-	-	-	-	1,284	1,284
Balance as at 31 December 2017 (restated)		3,441	(1,214)	4,996	950	11,121	45,986	65,280
Profit for the six months of 2018		-	-	-	-	-	14	14
Total comprehensive income (loss) for the six months of 2018		-	-	-	-	-	14	14
Share based payment	10	-	-	-	175	-	-	175
Changes in reserves		-	-	-	453	-	(453)	-
Acquired own shares	10	-	(19)	-	-	-	-	(19)
Total transactions with owners of the Company, recognised directly in equity		-	(19)	-	628	-	(453)	156
Balance as at 30 June 2018		3,441	(1,233)	4,996	1,578	11,121	45,547	65,450

Group	Notes	Reserves					Retained earnings	Total equity
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
Balance as at 31 December 2016		3,441	(1,108)	4,996	823	11,121	33,408	52,681
Profit for the six months of 2017		-	-	-	-	-	7,740	7,740
Total comprehensive income (loss) for the six months of 2017		-	-	-	-	-	7,740	7,740
Share based payment	10	-	-	-	76	-	-	76
Changes in reserves		-	-	-	13	-	(13)	-
Acquired own shares	10	-	(106)	-	-	-	-	(106)
Total transactions with owners of the Company, recognised directly in equity		-	(106)	-	89	-	(13)	(30)
Balance as at 30 June 2017		3,441	(1,214)	4,996	912	11,121	41,135	60,391

AB INVALIDA INVL

INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

(all amounts are in EUR thousand unless otherwise stated)

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

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
Balance as at 31 December 2017 (as previously reported)		3,441	(1,214)	4,996	933	11,121	44,719	63,996
Changes in accounting policies	2	-	-	-	-	-	1,284	1,284
Balance as at 31 December 2017 (restated)		3,441	(1,214)	4,996	933	11,121	46,003	65,280
Profit for the six months of 2018		-	-	-	-	-	14	14
Changes in reserves		-	-	-	440	-	(440)	-
Acquired own shares	10	-	(19)	-	-	-	-	(19)
Share based payment	10	-	-	-	175	-	-	175
Balance as at 30 June 2018		3,441	(1,233)	4,996	1,548	11,121	45,577	65,450

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
Balance as at 31 December 2016		3,441	(1,108)	4,996	819	11,121	33,412	52,681
Profit for the six months of 2017		-	-	-	-	-	7,740	7,740
Acquired own shares	10	-	(106)	-	-	-	-	(106)
Share based payment	10	-	-	-	76	-	-	76
Balance as at 30 June 2017		3,441	(1,214)	4,996	895	11,121	41,152	60,391

Condensed consolidated and Company's statements of cash flows

	Notes	Group		Company	
		I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Cash flows from (to) operating activities					
Net profit (loss) for the period		14	7,740	14	7,740
Adjustments to reconcile result after tax to net cash flows:					
Depreciation and amortization		355	168	1	3
(Gain) loss on disposal of property, plant and equipment		-	-	-	-
Realized and unrealized loss (gain) on investments	8.1	7,948	(7,257)	8,025	(7,262)
Share of net (loss) profit of subsidiaries accounted for using the equity method		-	-	185	(229)
Interest income		(24)	(32)	(22)	(25)
Interest expenses		-	-	6	6
Deferred taxes	7	60	550	97	660
Current income tax expenses	7	28	36	-	-
Allowances		-	-	-	-
Share based payment	10	175	76	(1)	6
Dividend income	8.3	(8,617)	(1,115)	(8,574)	(1,115)
		(61)	166	(269)	(216)
Changes in working capital:					
(Increase) decrease in inventories		-	-	-	-
Decrease (increase) in trade and other receivables		487	(33)	34	(6)
Decrease (increase) in other current assets		(84)	19	(17)	40
(Decrease) increase in trade payables		1	(71)	(8)	(11)
(Decrease) increase in other current liabilities		(148)	(200)	40	27
Transfer (to)/from restricted cash		-	-	-	-
Cash flows (to) from operating activities		195	(119)	(220)	(166)
Dividends received		1,436	1,044	1,436	1,044
(Acquisition) of held-for-trading financial assets		-	(59)	-	(59)
Sale of held-for-trading financial assets		1,971	-	1,971	-
Loans granted		(55)	(90)	(55)	(90)
Repayment of granted loans		-	257	-	257
Interest received		13	5	-	5
Income tax paid		(40)	(22)	-	-
Net cash flows (to) from operating activities		3,520	1,016	3,132	991

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

	Notes	Group		Company	
		I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Cash flows from (to) investing activities					
Acquisition of non-current assets (except investment properties)		(232)	(8)	-	-
Proceeds from sale of non-current assets (except investment properties)		-	-	-	-
Acquisition and establishment of subsidiaries, net of cash acquired	5	(3)	(3)	(525)	(212)
Proceeds from sales of subsidiaries, net of cash disposed	5	-	-	-	-
Acquisition of associates	5	(251)	(16)	(63)	(16)
Proceeds from sales of associates	5	20	-	20	-
(Acquisition) of financial assets designated at fair value through profit and loss on initial recognition		(299)	(682)	(49)	(182)
Sale of financial assets designated at fair value through profit and loss on initial recognition		202	307	-	-
Net cash flows (to) investing activities		(563)	(402)	617	(410)
Cash flows from (to) financing activities					
Cash flows related to Group owners					
Acquisition of own shares	10	(19)	(106)	(19)	(106)
Dividends paid to equity holders of the parent		(3)	(6)	(3)	(6)
		(22)	(112)	(22)	(112)
Cash flows related to other sources of financing					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-	-	-	-
Interest paid		-	-	-	-
		-	-	-	-
Net cash flows (to) from financing activities		(22)	(112)	(22)	(112)
Impact of currency exchange on cash and cash equivalents		-	-	-	-
Net (decrease) increase in cash and cash equivalents		2,935	502	2,493	469
Cash and cash equivalents at the beginning of the period		2,133	1,464	1,050	384
Cash and cash equivalents at the end of the period		5,068	1,966	3,543	853

(the end)

AB INVALIDA INVL

INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

(all amounts are in EUR thousand unless otherwise stated)

Notes to the interim condensed financial statements

1 General information

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

Gynėjų g. 14,
Vilnius,
Lithuania.

The Group consists of the Company and its directly and indirectly owned consolidated subsidiaries (hereinafter the Group, Note 1 of annual financial statements for year ended 31 December 2017).

The Company is incorporated and domiciled in Lithuania. AB Invalda INVL is one of the leading asset management groups and one of the major companies investing in other businesses in the Baltic whose primary objective is to steadily increase the investors equity value, solely for capital appreciation or investment income (in the form of dividends and interest). After the Split-off completed in 2014 the Company's main investments are in asset management, agriculture, facility management and real estate (from 2016) segments. Asset management segment is strategical investment of the Company. The entities of the asset management segment manage pension, bond and equity investments funds, alternative investments, individual portfolios, private equity and other financial instruments. They serve more than 190 thousand clients in Lithuania and Latvia, plus international investors, with total assets under management of over EUR 650 million.

In respect of each business the Company defines its performance objectives, sets up the management team, participates in the development of the business strategy and monitors its implementation. The Company plays an active role in making the decisions on strategic and other important issues that have an effect on the value of the Group companies.

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

As at 30 June 2018 and 31 December 2017 the shareholders of the Company were (by votes)*:

	30 June 2018		31 December 2017	
	Number of votes held	Percentage	Number of votes held	Percentage
UAB LJB Investments	3,515,855	30.41%	3,515,855	30.40%
Mrs. Irena Ona Mišeikienė	3,369,435	29.15%	3,369,435	29.14%
UAB Lucrum Investicija	2,638,309	22.82%	2,638,309	22.81%
Mr. Alvydas Banys	910,875	7.88%	910,875	7.88%
Ms. Indrė Mišeikytė	236,867	2.05%	236,867	2.05%
Other minor shareholders	888,796	7.69%	892,192	7.72%
Total	11,560,137	100.00%	11,563,533	100.00%

* One shareholder sold part of his shares under repo agreement (so do not hold the legal ownership title of shares), but he retained the voting rights of transferred shares.

The shareholders of the Company – Mr. Alvydas Banys, UAB LJB Investments, Mrs. Irena Ona Mišeikienė, Ms. Indrė Mišeikytė, Mr. Darius Šulnis and UAB Lucrum Investicija – have signed the agreement on the implementation of a long-term corporate governance policy. So their votes are counted together (92.31%).

2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2018 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 2017.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and the Company's annual financial statements for the year ended 31 December 2017, except adoption of new Standards and Interpretations as of 1 January 2018, noted below.

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

- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018);
- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 2 *Share-based Payments* (effective for annual periods beginning on or after 1 January 2018);
- *Annual Improvements* to IFRSs 2014-2016 Cycle (effective for annual periods beginning on or after 1 January 2018 (changes to IFRS 1 and IAS 28);
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IAS 40 *Transfers of Investment Property* (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply overlay approach).

IFRS 9 *Financial Instruments*

Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated as at fair value through profit or loss in other comprehensive income.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

2 Accounting policies (cont'd)

IFRS 9 Financial Instruments (cont'd)

- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The business model of the Company and the Group is to manage investment into subsidiaries together with non-current loans granted to subsidiaries as one portfolio and evaluate their performance on a combined fair value basis. On this basis information on portfolio is provided to the Board of the Company. Therefore, the portfolio is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Consequently, such portfolio of financial assets must be measured at fair value through profit or loss. Before adopting of IFRS 9 the Company and the Group has attributed investment into subsidiaries together with non-current loans granted to subsidiaries to 'Assets at fair value through profit or loss' and measured them also at fair value through profit or loss. The Group and the Company have measured investments into associates at fair value through profit or loss and retained that after adoption of new standard. Other financial investments into shares were attributed to 'Assets at fair value through profit or loss'. After adoption of new standard they have also to be measured at fair value through profit or loss. The Group and the Company have financial assets attributed to the categories of financial assets 'Loans and receivables' and 'Held to maturity', which according to new standard would be measured at amortised cost as before as the business model for these assets is held to collect contractual cash flows and they are SPPI. Unquoted ordinary shares attributed to the categories available-for sale was measured at cost. After adoption of new standards they are measured at fair value through profit or loss. The Group and the Company is not expected that fair value of this investment substantially differs from cost. The Group and the Company have only financial liabilities attributed to the category 'Other financial liabilities'. Therefore, there is no impact on the Group's and the Company's accounting for financial liabilities. The changes in hedge accounting has not impact on the Group's and the Company's financial statements as the Group and the Company have no hedge accounting. The new impairment model requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, contract assets under IFRS 15 Revenue from Contracts with Customers. Based on the assessments undertaken to date, it may result in an earlier recognition of credit losses in future, but at the date of initial application and for the Group's and Company's financial statements for the six months ended 30 June 2018 the Group and the Company assessed that there is not significant impact on allowance of trade receivables, cash and cash equivalents and held to maturity investments. Therefore, there was no material impact on the Group's/Company's financial position or performance due to application of IFRS 9. The new standard also introduces expanded disclosure requirements and changes in presentation, but they do not have impacted the Group's and Company's financial statements for the six months ended 30 June 2018. The Group/the Company has applied the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 is not restated.

IFRS 15 Revenue from Contracts with Customers

Amendments to IFRS 15 Revenue from Contracts with Customers

The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

The amendments do not change the underlying principles of the standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new standard.

2 Accounting policies (cont'd)

IFRS 15 Revenue from Contracts with Customers (cont'd)

The Group have made judgements regarding separate contracts that the customer of asset management entities for pension and investment funds, clients portfolio is investor (funds participants). According to IFRS 15 recognition of performance fee revenue from managed private equity funds or from investment companies would be deferred until end of performance period often. Recognition of management fee revenue would not change from currently practise. Asset management revenue is recognised over time. Costs to obtain investor would be capitalised as assets and amortized on a systematic basis consistent with the pattern of transfer of the services to the customer. As at 1 January 2018 the Group capitalised EUR 1,510 thousand of fees paid to brokers to obtain customer as assets with corresponding amount recognised in retained earnings. The assets would be amortized for five years period. As at 1 January 2018 the Group has also recognised deferred tax liability amounted to EUR 226 thousand. The Group/the Company applied the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 is not restated. During 1st Half Year 2018 the Group capitalised additionally EUR 205 thousand of costs to obtain investors, recognised EUR 180 thousand of amortization expenses and EUR 26 thousand of deferred income tax credit due to amortization of capitalised costs. Therefore, as at 30 June 2018 the Group's intangible assets was EUR 1,535 thousand more, the Group's deferred income tax asset was EUR 200 thousand less and the Group's equity was EUR 1,335 thousand more as compared if the IFRS 15 would be not applied. Accordingly, the Company's investments into subsidiaries accounted for using equity method and equity was EUR 1,335 thousand more. During 1st Half Year 2018 the Group's/Company's net profit was EUR 51 thousand more as compared if the IFRS 15 would be not applied.

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

3 Segment information

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

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

Asset management

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

Agriculture

Agricultural activities include the primary crop and livestock (milk) production, feed production and grain processing and agricultural services. Until the disposal of trading business and grain elevator network the segment's companies have sold plant protection products, fertilizers, seeds, compound feed, feed supplements, veterinary products, buy grain, provide grain and other raw materials drying, cleaning, handling and storage services.

Facility management

The facility management segment includes facility management of dwelling-houses, commercial and public real estate properties.

Real estate

The real estate segment is investing in investment properties held for future development and in commercial real estate and its rent. The entities of the segment were transferred during the split-off completed in 2014 to INVL Baltic Real Estate, but in 2016 the Company has subscribed for new shares of INVL Baltic Real Estate, and this entity become an associate of the Group.

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3 Segment information (cont'd)All other segments

All other segments are involved in road signs production, wood manufacturing. The Group also presents investment, financing and management activities of the holding company in this column, as these are not analysed separately by the Board of Directors.

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

The following table presents measurement of segments results after becoming investment entity on the basis of changes in fair value:

	Agriculture	Facility management	Real estate	All other segments	Total
Reporting period ended 30 June 2018					
Net changes in fair value on financial assets	196	(1,328)	(318)	(6,575)	(8,025)
Total changes in fair value	196	(1,328)	(318)	(6,575)	(8,025)

	Agriculture	Facility management	Real estate	All other segments	Total
Reporting period ended 30 June 2017					
Net changes in fair value on financial assets	2,427	245	759	3,831	7,262
Total changes in fair value	2,427	245	759	3,831	7,262

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3 Segment information (cont'd)

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2018:

	Asset management	Agriculture	Facility management	Real estate	All other segments	Inter-segment transactions and consolidation adjustments	Total
Period ended 30 June 2018							
Revenue							
Sales to external customers	3,464	-	-	-	-	-	3,464
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	3,464	-	-	-	-	-	3,464
Results							
Other income	47	-	535	551	7,526	-	8,659
Net changes in fair value of financial assets	77	196	(1,328)	(318)	(6,575)	-	(7,948)
Segment expenses	(3,787)	-	-	-	(286)	-	(4,073)
Profit (loss) before income tax	(199)	196	(793)	233	665	-	102
Income tax credit (expenses)	9	-	-	-	(97)	-	(88)
Net profit (loss) for the period	(190)	196	(793)	233	568	-	14
Attributable to:							
Equity holders of the parent	(190)	196	(793)	233	568	-	14
Non-controlling interest	-	-	-	-	-	-	-

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3 Segment information (cont'd)

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2017:

	Asset management	Agriculture	Facility management	Real estate	All other segments	Inter-segment transactions and consolidation adjustments	Total
Period ended 30 June 2017							
Revenue							
Sales to external customers	3,212	-	-	-	-	-	3,212
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	3,212	-	-	-	-	-	3,212
Results							
Other income	11	280	365	253	258	-	1,167
Net changes in fair value of financial assets	(5)	2,427	245	759	3,831	-	7,257
Segment expenses	(3,068)	-	-	-	(242)	-	(3,310)
Profit (loss) before income tax	150	2,707	610	1,012	3,847	-	8,326
Income tax credit (expenses)	74	-	-	-	(660)	-	(586)
Net profit (loss) for the period	224	2,707	610	1,012	3,187	-	7,740
Attributable to:							
Equity holders of the parent	224	2,707	610	1,012	3,187	-	7,740
Non-controlling interest	-	-	-	-	-	-	-

The following table represents segment assets of the Group operating segments as at 30 June 2018 and 31 December 2017:

Segment assets	Asset management	Agriculture	Facility management	Real estate	All other segments	Elimination	Total
At 30 June 2018	9,766	10,168	2,251	9,761	36,284	-	68,230
At 31 December 2017	8,866	9,972	3,579	10,036	34,599	(28)	67,024

The following table represents segment liabilities of the Group operating segments as at 30 June 2018 and 31 December 2017:

Segment liabilities	Asset management	Agriculture	Facility management	Real estate	All other segments	Elimination	Total
At 30 June 2018	1,086	-	-	-	1,932	-	3,018
At 31 December 2017	1,279	-	-	-	1,777	(28)	3,028

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4 Dividends

In 2018 and 2017 dividends were not declared.

5 Investment into subsidiaries and associates

1st Half Year of 2018

Increase of share capital

In May 2018 the Company has additional invested EUR 522 thousand into the share capital of UAB INVL Asset Management.

In May 2018 the Company has established UAB MD Partners by investing EUR 3 thousand. The entity has owned 37.5% of HEIM Partners Limited shares (other shareholders is the European Bank for Reconstruction and Development (37.5% of shares) and subsidiary of fund managed by Ukrainian private equity manager Horizon Capital (25% of shares)). On 22 June 2018 HEIM Partners Limited signed a Pre-Contract with the Moldovan Agency for Public Property regarding the participation in the auction to acquire a stake of 41.09% in the largest Moldovan bank Moldova-Agroindbank (MAIB).

Acquisition of shares of INVL Baltic Real Estate

During the six months of 2018 the Company has additionally acquired shares of INVL Baltic Real Estate for EUR 63 thousand on the stock exchange. From 2 May 2018 the Company publicly offers to buy shares of INVL Baltic Real Estate in accordance with the approved Prospectus. During the six months of 2018 the shares in accordance with the Prospectus were sold for EUR 20 thousand.

Acquisition of UAB Mundus

On 2 February 2018 the Group has acquired 51% shares of UAB Mundus for EUR 265 thousand (all amount would be paid in cash, contingent consideration is amounted to EUR 50 thousand). Until the end of reporting period EUR 188 thousand was paid. At the end of reporting period was not satisfied one of condition of contingent consideration and, therefore, the obligation to pay contingent consideration is lapsed. Therefore, the Group has recognised gain from changes in fair value of contingent consideration of EUR 50 thousand. The acquiree operates in Lithuania and has managed one investment fund, which invest into private debt investments of fast growing alternative finance companies. As of 31 December 2017 the entity managed EUR 13.7 million of assets. The 49% shares of UAB Mundus are owned by two key management personnel of entity. With them is signed shareholders agreement in November 2017. According to the agreement it is required consent of one of other shareholder to direct the relevant activities of the entity. In the agreement is not specified with which of other shareholder have to be agreed decisions regarding the relevant activities of the entity. Therefore, the Group has not control or joint control over entity and accounted the investment as associate at fair value, because the Company is investment entity.

1st Half Year of 2017

Increase of share capital

In January 2017 the Group's unconsolidated subsidiary investing in facility management segment's entities has established SIA Inservis in Latvia by investing EUR 3 thousand. SIA Inservis will provide facility management services in Latvia.

In March 2017 the Company has additional invested EUR 209 thousand into the share capital of UAB INVL Asset Management.

In June 2017 the Company has additional invested EUR 3 thousand into the share capital of UAB Cedus.

Acquisition of shares of INVL Baltic Real Estate

During the six months of 2017 the Company has additionally acquired shares of INVL Baltic Real Estate for EUR 16 thousand on the stock exchange.

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5 Investment into subsidiaries and associates (cont'd)

Sale of trading business and grain elevator network of UAB Litagra

On 1 March 2017 the Group and other shareholders of UAB Litagra have signed share purchase – sale agreement with UAB koncernas Achemos Grupė regarding sale of trading business and grain elevators network of the group of UAB Litagra. The disposal was completed on 15 December 2017. The group of UAB Litagra continue to run its primary farming production business – companies in Lithuania that cultivate more than 9,000 hectares of land and the feed manufacturer UAB Joniškių Grūdai. The previous owners will retain the name “Litagra”, though the disposed companies will be able to use it until 2019.

6 Financial assets and fair value hierarchy

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

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

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

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

As the Split-off completed in 2014 the Company is investment entity in accordance with IFRS 10. Subsidiaries and associates are measured at fair value through profit or loss.

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

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

Investment into shares of UAB Litagra (agriculture segment) was measured using EBITDA multiplier method with deduction of net debt for the pieces of feed producers and agricultural productions and using EBITDA multiplier method with adding of differences between current asset and total liabilities of trading pieces (the Buyer of trading pieces has used this method in estimating the price for the signed deal in 2017 (Note 5)). It was used EBITDA for last three trailing 12 months periods ended at the end of reporting period with bigger weight for last 12 months period figures. As at 31 December 2017 and later after disposal of trading business and grain elevator network investment was measured by average of two methods - using EBITDA multiplier method with deduction of net debt and using Price to book value (P/BV) multiplier method.

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

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

UAB Mundus was measured using its assets under management and applying a multiplier of assets under management and discount for the small size of the entity and lack of marketability. The multiplier of assets under management is based on ratio between market value of comparable assets management entity and its assets under management.

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

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

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company as at 30 June 2018:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Facility management (Level 3)	2,251	Comparable companies in the market	EBITDA multiple	7.4
			EBITDA, EUR thousand	247
Agriculture (UAB Litagra) (Level 3)	10,168	Comparable companies in the market	EBITDA multiple	8.81-9.91
			P/BV	0.79-0.83
			EBITDA, EUR thousand	2,838
			Discount for lack of marketability	10%
Assets management (UAB Mundus) (Level 3)	238	Comparable companies in the market	Assets under management, EUR thousand	16,982
			Assets under management multiple	0.022
			Discount for the small size of the entity and lack of marketability	20%
			Road signs production, wood manufacturing and dormant SPEs (Level 3)	851
Investment entity (UAB Cedus Invest) (Level 2)	2,009	Fair value of net assets	-	-
Dormant SPEs (Level 2)	14	Fair value of net assets	-	-

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company as at 31 December 2017:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Facility management (Level 3)	3,579	Comparable companies in the market	EBITDA multiple	8
			EBITDA, EUR thousand	392
Agriculture (UAB Litagra) (Level 3)	9,972	Comparable companies in the market	EBITDA multiple	7.29-8.88
			P/BV	0.79-0.98
			EBITDA, EUR thousand	3,041
			Discount for lack of marketability	10%
Road signs production, wood manufacturing and dormant SPEs (Level 3)	972	Fair value of net assets	-	-
Investment entity (UAB Cedus Invest) (Level 2)	9,428	Fair value of net assets	-	-
Dormant SPEs (Level 2)	15	Fair value of net assets	-	-

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

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

Profile of activities	Unobservable inputs	Reasonable possible shift +/- (absolute value/bps/%)	Change in Valuation +/-	
			As at 30 June 2018	As at 31 December 2017
Facility management (Level 3)	EBITDA multiple	1	247/(247)	392/(392)
	EBITDA	5 %	91/(91)	157/(157)
Agriculture (UAB Litagra) (Level 3)	EBITDA multiple	0.5	153/(153)	180/(180)
	P/BV multiple	0.1	637/(637)	553/(553)
	EBITDA	5 %	210/(210)	200/(200)
	Discount for lack of marketability	100 bps	(113)/113	(111)/111
Assets management (UAB Mundus) (Level 3)	Assets under management, EUR thousand	5 %	8/(8)	-
	Assets under management multiple	0.001	7/(7)	-
	Discount for the small size of the entity and lack of marketability	500 bps	(10)/10	-

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Subsidiaries				
- Facilities management	-	-	2,251	2,251
- Other activities	-	2,023	851	2,874
Associates				
- Agriculture	-	-	10,168	10,168
- Real estate	9,761	-	-	9,761
- Asset Management	-	-	238	238
Financial assets at fair value through profit or loss				
- Information technology	3,064	-	-	3,064
- Bank sector	18,597	-	-	18,597
- Other ordinary shares	1	178	-	179
- Collective investment undertaking - funds	-	1,165	-	1,165
- Government bonds	-	-	-	-
Total Assets	31,423	3,366	13,508	48,297
Liabilities	-	-	-	-

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

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Subsidiaries				
- Facilities management	-	-	2,251	2,251
- Other activities	-	2,023	851	2,874
Associates				
- Agriculture	-	-	10,168	10,168
- Real estate	9,761	-	-	9,761
Financial assets at fair value through profit or loss				
- Information technology	2,712	-	-	2,712
- Bank sector	18,597	-	-	18,597
- Other ordinary shares	-	178	-	178
Total Assets	31,070	2,201	13,270	46,541
Liabilities	-	-	-	-

During 1st Half Year 2018 the Company has additionally acquired shares of INVL Technology for EUR 39 thousand on the stock exchange. The Company has sold all owned shares of AB Žemaitijos pienas for EUR 1.971 thousand.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017:

	Level 1	Level 2	Level 3	Total balance
Assets				
Subsidiaries				
- Facilities management	-	-	3,579	3,579
- Other activities	-	9,443	972	10,415
Associates				
- Agriculture	-	-	9,972	9,972
- Real estate	10,036	-	-	10,036
Financial assets designated upon initial recognition at fair value through profit or loss				
- Information technology	2,853	-	-	2,853
- Bank sector	18,111	-	-	18,111
- Other ordinary shares	1	172	-	173
- Collective investment undertakings - funds	-	1,083	-	1,083
Financial assets held for trading				
Equity securities				
- Food industry	1,560	-	-	1,560
Total Assets	32,561	10,698	14,523	57,782
Liabilities	-	-	-	-

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

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2017:

	Level 1	Level 2	Level 3	Total balance
Assets				
Subsidiaries				
- Facilities management	-	-	3,579	3,579
- Other activities	-	9,443	972	10,415
Associates				
- Agriculture	-	-	9,972	9,972
- Real estate	10,036	-	-	10,036
Financial assets designated upon initial recognition at fair value through profit or loss				
- Information technology	2,521	-	-	2,521
- Bank sector	18,111	-	-	18,111
- Other ordinary shares	-	172	-	172
Financial assets held for trading				
Equity securities				
- Food industry	1,560	-	-	1,560
Total Assets	32,228	9,615	14,523	56,366
Liabilities				
	-	-	-	-

During the 1st Half Year of 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements.**Financial instruments in Level 3**

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

The following table presents the changes in Level 3 instruments of Company and Group for the period ended 30 June 2018:

	Facilities management	Agriculture	Assets management	Other activities	Total
Balance at 31 December 2017	3,579	9,972	-	972	14,523
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	(1,328)	196	(27)	(198)	(1,357)
Loans granted	-	-	-	55	55
Interest charged	-	-	-	22	22
Acquisition	-	-	265	-	265
Balance at 30 June 2018	2,251	10,168	238	851	13,508
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting	1,328	196	(27)	(198)	(1,357)

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

The following table presents the changes in Level 3 instruments of Company and Group for the period ended 30 June 2017:

	Facilities management	Agriculture	Other activities	Total
Balance at 31 December 2016	4,484	15,371	953	20,808
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	245	2,427	(87)	2,585
Loans granted	-	-	90	90
Interest charged	-	-	17	17
Balance at 30 June 2017	4,729	17,798	973	23,500
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	245	2,427	(87)	2,585

7 Income tax

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Components of income tax expense				
Current income tax charge	(28)	(34)	-	-
Prior year current income tax correction	-	(2)	-	-
Deferred income tax credit (expense)	(60)	(550)	(97)	(660)
Income tax (expenses) credit charged to the income statement	(88)	(586)	(97)	(660)

8 Other revenues and expenses**8.1. Net changes in fair value on financial assets**

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Net gain (loss) from revaluation of subsidiaries and associates	(9,047)	3,340	(9,071)	3,340
Gain (loss) from financial assets designated at fair value through profit and loss on initial recognition	687	3,344	634	3,349
Net gain (loss) from financial assets held for trading	412	573	412	573
<i>Net gain (loss) from financial assets at fair value through profit and loss, total</i>	<i>(7,948)</i>	<i>7,257</i>	<i>(8,025)</i>	<i>7,262</i>

Loss from revaluation of subsidiaries was determined by approved dividends of EUR 7,200 thousand from UAB Cedus Invest recognised as dividend income.

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8 Other revenues and expenses (cont'd)**8.2. Finance expenses**

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Interest expenses	-	-	(6)	(6)
	-	-	(6)	(6)

8.3. Other income

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Interest income	24	32	22	25
Dividend income	8,617	1,115	8,574	1,115
Other income	18	20	16	16
	<u>8,659</u>	<u>1,167</u>	<u>8,612</u>	<u>1,156</u>

8.4. Other expenses

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Vehicles maintenance costs	(93)	(78)	(1)	(1)
Repairs and maintenance cost of premises	(20)	(16)	-	(1)
Taxes	(171)	(108)	(9)	(12)
Professional services	(96)	(93)	(2)	(14)
Fees for securities	(163)	(150)	(11)	(10)
Other expenses	(206)	(146)	(45)	(22)
	<u>(749)</u>	<u>(591)</u>	<u>(68)</u>	<u>(60)</u>

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9 Earnings per share

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

The weighted average number of shares for the six months ended 30 June 2018 and 2017 were as follows:

Calculation of weighted average for the six months ended 30 June 2018	Number of shares (thousand)	Par value	Issued/181 (days)	Weighted average (thousand)
Shares issued as at 31 December 2017	11,564	0.29	181/181	11,564
Own shares acquired as at 23 May 2018	(4)	0.29	38/181	(1)
Shares issued as at 30 June 2018	11,560	-	-	11,563
Calculation of weighted average for the six months ended 30 June 2017	Number of shares (thousand)	Par value	Issued/181 (days)	Weighted average (thousand)
Shares issued as at 31 December 2016	11,587	0.29	181/181	11,587
Own shares acquired as at 22 May 2017	(23)	0.29	39/181	(5)
Shares issued as at 30 June 2017	11,564	-	-	11,582

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

	Group		Company	
	I Half Year 2018	I Half Year 2017	I Half Year 2018	I Half Year 2017
Net profit (loss), attributable to equity holders of the parent for basic earnings (EUR thousand)	14	7,740	14	7,740
Weighted average number of ordinary shares (thousand)	11,563	11,582	11,563	11,582
Basic earnings (deficit) per share (EUR)	0.00	0.67	0.00	0.67

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9 Earnings per share (cont'd)

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2018:

	Number of shares (thousand)	Issued/181 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	11,563
Potential dilutive shares from share-based payment (granted on 2 May 2016)	43	181/181	43
Potential dilutive shares from share-based payment (granted on 3 May 2017)	12	181/181	12
Potential dilutive shares from share-based payment (granted on 16 May 2017)	53	181/181	53
Potential dilutive shares from share-based payment (granted on 03 May 2018)	49	58/181	16
Weighted average number of ordinary shares for diluted earnings per share	-	-	11,687

The following table reflects the income data used in the diluted earnings per share computations during the six months of 2018:

	Group	Company
Net profit, attributable to the equity holders of the parent	14	14
Weighted average number of ordinary and potential shares (thousand)	11,687	11,687
Diluted earnings per share (EUR)	0.00	0.00

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2017:

	Number of shares (thousand)	Issued/181 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	11,582
Potential dilutive shares from share-based payment (granted on 2 May 2016)	40	181/181	40
Potential dilutive shares from share-based payment (granted on 3 May 2017)	12	58/181	4
Potential dilutive shares from share-based payment (granted on 16 May 2017)	50	45/181	12
Weighted average number of ordinary shares for diluted earnings per share	-	-	11,638

The following table reflects the income data used in the diluted earnings per share computations during the six months of 2017:

	Group	Company
Net profit, attributable to the equity holders of the parent	7,740	7,740
Weighted average number of ordinary and potential shares (thousand)	11,638	11,638
Diluted earnings per share (EUR)	0.67	0.67

10 Acquisition of own shares and share capital

1st Half Year of 2017

From 4 May 2017 until 18 May 2017 the Company implemented share buy-back through the tender offer market. Maximum number of shares to be acquired was 120,000. Share acquisition price established at EUR 4.55 per share. During buy-back 23,076 shares (0.19% of share capital) were acquired for EUR 106 thousand, including brokerage fees. The acquired shares were settled on 22 May 2017. Acquired own shares do not have voting rights.

On 3 May 2017 and 16 May 2017 the Company has agreed with Group's employees regarding share options transactions for 15,765 and 64,806 shares of the Company, respectively. On 27 October 2017 the number of share-based payment of 3 May 2017 was decreased till 14,170 shares of the Company as one employee change position. The main conditions of transactions were:

- The employee has the right to acquire the shares in 2020 after the Ordinary General Shareholders Meeting, which is three years after conclusion of the share options agreements, early exercising is not allowed;
- Option exercise price – EUR 1;
- Transactions of 16 May 2017 have not any vesting conditions;
- Transactions of 3 May 2017 have service vesting condition. The right to acquire share in the part of transactions come in to force in future (on 30 November 2017, on 30 April of 2018, 2019 and 2020), if the employment contract is not terminated until mentioned dates.
- When the time to exercise is matures the right to acquire the shares will be realized by selling of own shares of the Company or by offering to sign newly issued shares of the Company to employee;
- The options could not be sold.

According to conditions of the agreement, the management judge that share options of 16 May 2017 were grant to the employees for 2016 received services to the Group. Therefore, the share-based payment expenses were recognised in the income statement of the Company and the Group within "Employee benefits expenses" as the fair value of granted share options right away. Because in the financial statements for the year ended 31 December 2016 the Group has recognised accruals of EUR 193 thousand for these transaction, the Group during 1st Half Year of 2017 has additionally recognised EUR 36 thousand of expenses after recalculation of fair value of share option. The Company has additionally recognised EUR 6 thousand of expenses and EUR 30 thousand as additional investment to consolidated subsidiaries. The fair value of one share option at the grant date (16 May 2017) was equalled to EUR 3.53. The value of share-based payments was calculated using the Black-Scholes formula. The main inputs for valuation of share options was share price in the exchange on 16 May 2017 (EUR 4.55), risk-free interest rate (-0.578%), historical volatility (33.60%), expected dividend yield (0%).

Expenses of share-based payments of 3 May 2017 are recognised in proportion to the time worked by employees during vesting period. During 1st Half Year of 2017 the Group has recognised EUR 40 thousand of expenses regarding these share-based payment, the Company has recognised EUR 40 thousand as additional investment to consolidated subsidiaries. During 1st Half Year of 2018 the Group has recognised EUR 2 thousand of expenses regarding these share-based payment, the Company has recognised EUR 2 thousand as additional investment to consolidated subsidiaries. The fair value of one share option at the grant date (3 May 2017) was equalled to EUR 3.33. The value of share-based payments was calculated using the Black-Scholes formula. The main inputs for valuation of share options was share price in the exchange on 3 May 2017 (EUR 4.35), risk-free interest rate (-0.641%), historical volatility (33.58%), expected dividend yield (0%).

The value of share-based payments was recognised in the equity within share-based payments reserve.

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018**

(all amounts are in EUR thousand unless otherwise stated)

10 Acquisition of own shares and share capital (cont'd)*1st Half Year of 2018*

From 7 May 2018 until 21 May 2018 the Company implemented share buy-back through the tender offer market. Maximum number of shares to be acquired was 200,000. Share acquisition price established at EUR 5.53 per share. During buy-back 3,396 shares (0.03% of share capital) were acquired for EUR 19 thousand, including brokerage fees. The acquired shares were settled on 23 May 2018. Acquired own shares do not have voting rights.

On 3 May 2018 the Company has agreed with Group's employees regarding share options transactions for 59,674 shares of the Company. The main conditions of transactions were:

- The employee has the right to acquire the shares in 2021 after the Ordinary General Shareholders Meeting, which is three years after conclusion of the share options agreements, early exercising is not allowed;
- Option exercise price – EUR 1;
- Transactions of 3 May 2018 have service vesting condition. The right to acquire share in the part of transactions come in to force in future (on 30 April of 2019, 2020 and 2021), if the employment contract is not terminated until mentioned dates.
- When the time to exercise is matures the right to acquire the shares will be realized by selling of own shares of the Company or by offering to sign newly issued shares of the Company to employee;
- The options could not be sold.

Expenses of share-based payments of 3 May 2018 are recognised in proportion to the time worked by employees during vesting period. During 1st Half Year of 2018 the Group has recognised EUR 173 thousand of expenses regarding these share-based payment, the Company has recognised EUR 174 thousand as additional investment to consolidated subsidiaries. The fair value of one share option at the grant date (3 May 2018) was equalled to EUR 4.24. The value of share-based payments was calculated using the Black-Scholes formula. The main inputs for valuation of share options was share price in the exchange on 3 May 2018 (EUR 5.25), risk-free interest rate (-0.423%), historical volatility (32.38%), expected dividend yield (0%).

11 Related party transactions

The related parties of the Group in during the 1st Half Year of 2018 and 2017 were unconsolidated subsidiaries, associates, joint ventures, the shareholders of the Company, who have joint control or significance influence (Note 1) and key management personnel, including companies under control or joint control of key management and shareholders having significant influence or joint control and including companies, where shareholders having joint control over the Company are key management personnel or having significant influence. To the other related parties are attributed entities left the Group during split-off occurred in 2014, because shareholders having joint control over the Company are key management personnel of these entities or having significant influence. To the related parties of the Company are also attributed consolidated subsidiaries.

Receivables from related parties are presented in gross amount (without allowance, with interests, which are calculated according to the agreement on gross amount disregarding the allowance). Interest income and expenses are presented in the 'revenue and other income' and 'purchases' columns, respectively.

The Company's transactions with related parties during the 1st Half Year 2018 and related half year-end balances were as follows:

1st Half Year 2018 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	22	6	1,028	404
Dividends	8,754	-	7,743	-
Transfer of tax losses	63	-	27	-
Accounting services	16	-	1	-
Rent and utilities services	-	14	-	-
Information technology maintenance services	-	3	1	1
	8,855	23	8,800	405
Liabilities to shareholders and management	-	-	-	-

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018**

(all amounts are in EUR thousand unless otherwise stated)

11 Related party transactions (cont'd)The Company's transactions with related parties during the 1st Half Year 2017 and related half year-end balances were as follows:

1st Half Year 2017 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	25	6	1,040	404
Dividends	898	-	433	-
Accounting services	16	-	6	-
Rent and utilities services	-	13	-	-
Information technology maintenance services	-	4	-	1
	<u>939</u>	<u>23</u>	<u>1,479</u>	<u>405</u>
Liabilities to shareholders and management	-	-	-	-

The Group's transactions with related parties during the 1st Half Year 2018 and related half year-end balances were as follows:

1st Half Year 2018 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	22	-	1,028	-
Dividends	8,286	-	7,735	-
Transfer of tax losses	27	-	27	-
Accounting services	17	-	2	-
Rent and utilities services	2	113	-	2
Information technology maintenance services	-	85	-	12
Management fee	345	-	121	-
Land administration services	55	-	78	-
	<u>8,754</u>	<u>198</u>	<u>8,991</u>	<u>14</u>
Liabilities to shareholders and management	-	-	-	-

The Group's transactions with related parties during the 1st Half Year 2017 and related half year-end balances were as follows:

1st Half Year 2017 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	25	-	1,040	-
Dividends	898	-	433	-
Accounting services	16	-	6	-
Rent and utilities services	2	106	-	-
Information technology maintenance services	-	46	-	8
Management fee	329	-	165	-
Land administration services	49	-	42	-
	<u>1,319</u>	<u>152</u>	<u>1,686</u>	<u>8</u>
Liabilities to shareholders and management	-	-	-	-



INVALDA

INL

Invalda INVL, AB

**Consolidated Interim Report for
6 months of 2018**

Translation note:

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

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I. GENERAL INFORMATION

1. Reporting period for which the report is prepared

The report is prepared for 6 months of 2018 (January – June).

The report also includes significant events of the company and the group that took place after the reporting period.

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

2.2. Information on company's goals, philosophy and operating principles

Activity

Invalda INVL is one of the leading asset management groups in the Baltic countries. Invalda INVL group currently manages a total of more than 20 mutual, real-estate and pension funds (2nd and 3rd pillar), alternative investments, individual portfolios, private debt assets, private equity and other financial instruments. Companies of the group engaged in asset management manage over 650 million euros of assets entrusted to them by more than 190,000 clients in Lithuania and Latvia as well as international investors.

We believe that our team's experience in investing and asset management creates value. That's why we now manage other investors' assets in addition to those of our shareholders. Every day we make decisions to ensure the intelligent investment of our clients' assets, which is why we highly value responsibility, a professional attitude, efficiency and openness.

Experience

Invalda INVL, AB started the activity in 1991 as the company Invalda, AB. From 1991 until 1997 it operated as a public investment company established during the state property privatization, which was implemented in accordance to the State Property Primary Privatization law of the Republic of Lithuania. From 1997 until 2003 the company operated as a licenced holding investment company (the license was issued by the Securities Commission of Lithuania). Company's shares have been traded on the Nasdaq Vilnius Exchange since 1995. On May 2015 the company changed its corporate name to the public joint-stock company Invalda INVL.

Over its history Invalda INVL implemented a few dozen corporate acquisitions and sales, capital raising transactions worth more than EUR 1.2 bln.

Having the biggest team of investment managers in Lithuania and Latvia, and more than 20 years of successful asset management, we generate significant returns for our investors.

Goals

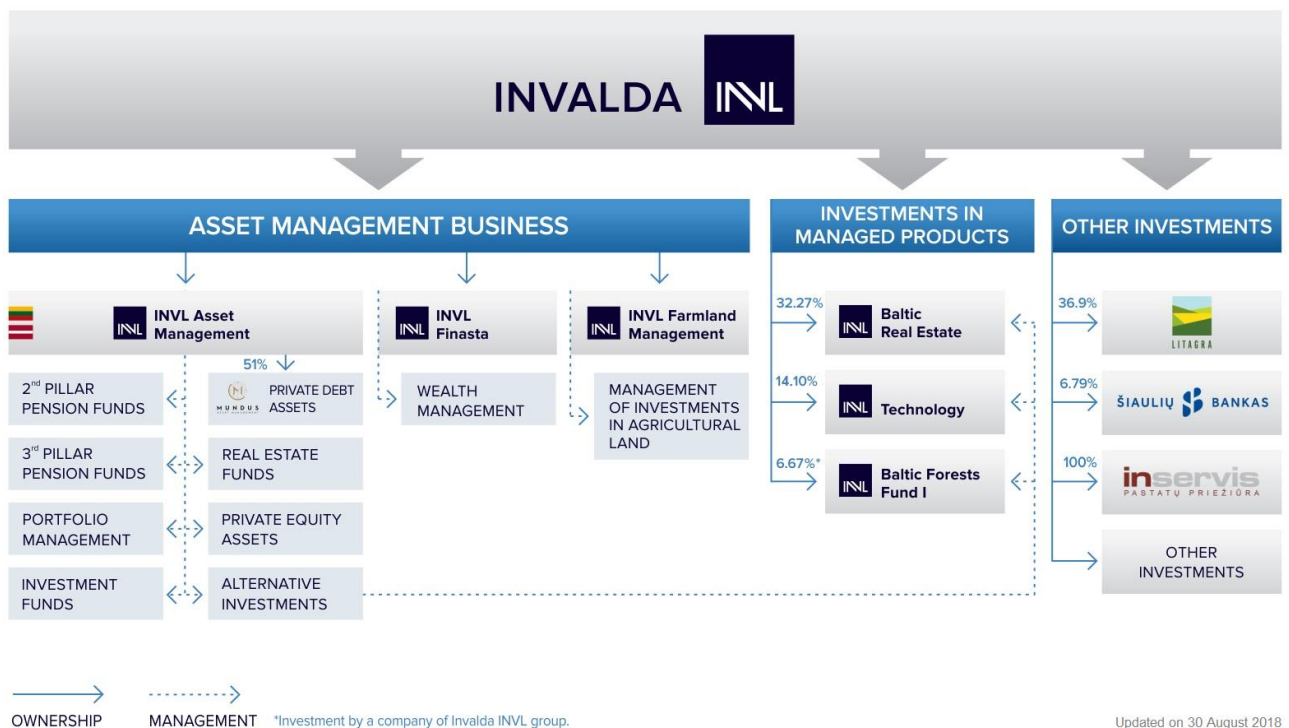
The priority of Invalda INVL group is to ensure the successful management of the assets entrusted to it. Our aim is to achieve that the products managed by the group are among the best choices on the market in their categories.

Invalda INVL strives to be the leading asset management investment group in Lithuania and one of the leaders in the region. It is planned to continue growing and investing in the asset management business' organic growth and upon appearance of opportunities, new acquisitions in this business can be made. Alongside with the importance of the annual financial results, the priority will be given for the qualitative and quantitative asset management business growth and long-term value creation for customers, employees and shareholders.

2.3. Information about the Issuer's group of companies

Currently, the largest part of Invalda INVL group assets is concentrated in Lithuania and Latvia. At the end of the reporting period the company acted in the field of asset management business and managed other private equity investments, investing in IT, real estate, agricultural, facility management and banking areas.

The asset management business is the core of the company's strategic, while other investments may be sold receiving attractive offers.



Updated on 30 August 2018

Fig. 2.3.1. The group companies of Invalda INVL

II. FINANCIAL INFORMATION AND SIGNIFICANT EVENTS

3. Performance results of the issuer and the group

Table 3.1. Main items of financial statements, thousand EUR

EUR thousand	Company's			Group's		
	6 months 2016	6 months 2017	6 months 2018	6 months 2016	6 months 2017	6 months 2018
Non-current assets	46,543	58,612	56,364	43,879	55,264	52,681
Current assets	1,881	3,167	11,422	5,120	7,039	15,787
Equity	47,505	60,391	65,450	47,505	60,391	65,450
Non-current liabilities	-	496	1,439	75	576	1439
Current liabilities	919	892	897	1,419	1,336	1,579
Result before taxes	-236	8,400	111	-210	8,326	102
Net result	-213	7,740	14	-213	7,740	14

Table 3.2. Calculation of the net asset value of Invalda INVL, AB

EUR thousand	Evaluation criteria	30 June 2016	30 June 2017	30 June 2018
Investment into asset management	Equity method	7,238	7,627	9,325
Cash and cash equivalents	Book value	444	853	3,543
Deferred income tax asset	Book value	131	-	-
Investments into INVL Baltic Real Estate	Market price	8,225	8,958	9,761
Investments into INVL Technology	Market price	3,437	2,707	2,712
Other listed shares	Market price	635	1,532	-
Investments into Litagra, UAB (including loans granted)	Comparative method of multipliers	11,998	17,798	10,168
Investments into Šiauliai Bank	Market price	8,405	15,129	18,597
Investments into Inservis, UAB (including loans granted)	Comparative method of multipliers	5,943	4,912	2,251
Subsidiary cash and investment into investment fund	Fair value of net assets	-	-	9,209
Investments into other subsidiary companies (including loans granted)	Fair value of net assets	1,093	984	865
Other loans, other assets	Book value	875	1,279	1,355
Total assets	Book value	48,424	61,779	67,786
Liabilities	Book value	919	1,388	2,336
Net asset value		47,505	60,391	65,450
Net asset value per share, EUR		4.10	5.21	5.66

4. Business environment

Table 4.1. Baltic stock market:

Index/Shares	31.12.2017	30.06.2018	+/- %
OMX Tallinn	1,242.12	1,261.60	1.57
OMX Riga	996.13	1,057.31	6.14
OMX Vilnius	653.29	709.95	8.67

Source: Nasdaq Baltic

Table 4.2. Key economic indicators:

Country	2015	2016	2017	2018	2019
USA	2.6	1.6	2.3	2.8	2.5
Japan	1.2	0.9	1.5	1.2	1.0
Germany	1.8	1.9	2.2	2.5	2.2
China	6.9	6.7	6.9	6.6	6.2
GB	2.2	1.9	1.8	1.4	1.1
Euro zone	2.0	1.8	2.3	2.5	2.2
Nordic countries	2.3	2.2	2.4	2.4	2.3
Baltic countries	2.0	2.2	4.2	3.5	3.2
OECD	2.4	1.8	2.4	2.5	2.2
Emerging markets	4.0	4.3	5.0	5.2	5.1
The world, PPP*	3.3	3.2	3.9	4.0	3.9

Source: SEB Nordic Outlook, February 2018, the Bank of Lithuania

Rapid global economic growth was driven by more intensive international trade, higher investment, and improved expectations of households and businesses in 2017. In most countries, the development of investment, export and household consumption contributed to significant growth. According to the IMF estimates published in April 2018, the growth of global GDP should continue to be strong this and the next year and stand at 3.9%.

Lithuania's economic growth remains robust. However, compared with the first half of last year, the drivers of growth have slightly changed. Having been the main driver of economic development until the middle of last year, household consumption growth has moderated. Nevertheless, the Lithuanian economy continues to grow at strong pace, on the back of favourable external demand, which is driving growth of exports, and higher investment.

5. Significant issuer's events for the reporting period and since the end of the last financial year

Acquisitions and /or sales

- 2 February 2018 INVL Asset Management, a part of Invalda INVL, has acquired a controlling stake in the asset management company Mundus (company code 303305451) and owns 51 per cent its shares.

New products

- 22 January 2018 INVL Asset Management, a part of Invalda INVL, has launched a new mutual fund – the INVL Absolute Return Subfund – which is able to invest in diverse asset classes without restrictions on the proportions of the fund's assets that may be allocated, at times thus even reaching 100% equity or 100% bonds. The fund's main

principal for choosing investments will be expert assessment in terms of regions, countries, asset classes or specific investment ideas.

- 26 June 2018 INVL Asset Management has launched a new closed-end mutual fund intended for professional investors: the INVL Baltic Sea Growth Fund, that will invest in Baltic Sea region businesses and aims to raise EUR 200 million.
- 24 June 2018 has launched a new venture capital sub-fund intended for informed investors - INVL Special Opportunities Fund - which will indirectly invest in the shares of Moldova-Agroindbank (MAIB), the largest bank in Moldova. The target size of the sub-fund for informed investors is EUR 4.5 million. The minimum investment in the fund will amount to EUR 200 thousand, and maximum – EUR 500 thousand.

Purchase of own shares

- 3 May 2018 Invalda INVL announced, that the Board of the public joint stock company Invalda INVL (identification code 121304349, the registered address Gyneju str. 14, Vilnius, Lithuania), taking into account the public joint stock company Invalda INVL has formed and not realised the reserve for the purchase of own shares which is equal to EUR 9907 thousand and considering the Resolution of the General Shareholders meeting held on 30 April 2018, initiates the purchase of own ordinary registered EUR 0.29 (twenty nine euro cents) nominal value shares. The acquisition will be implemented through the market of official offer of Nasdaq Vilnius stock exchange.
- 21 May 2018 Invalda INVL finished the share buy-back. The company purchased 0.03 % of own shares for the total amount of EUR 18,779.88 (without brokerage fees). Invalda INVL could purchase up to 200.000 shares. During the share buy-back 3,396 units of shares were tendered. Every shareholder sold 100 % of offered shares for the price of EUR 5.53 per share. Share purchase procedure started from 7 May 2018 and was implemented through the market of official tender offers of Nasdaq Vilnius stock exchange until 21 May. The acquired shares were settled on 23 May.

Employees stock options contracts

- Invalda INVL, following the Rules for Granting Equity Incentives approved on 30 April 2018 and acting in accordance with the decision of the general shareholders meeting of 30 April 2018, signed options contracts with employees of Invalda INVL and of the companies, in which Invalda INVL owns 50 per cent or more of shares, for 59,674 ordinary registered shares of Invalda INVL. During the year 2021 according to the procedures and terms established in options contracts employees will be able to exercise the right to acquire the above mentioned number of ordinary registered EUR 0.29 nominal value shares of Invalda INVL, by paying for every acquired share 1 (one) euro.

Financial results

- 6 April 2018 audited results of Invalda INVL group were announced. Invalda INVL had equity of EUR 63.996 million at the end of 2017, or 21.5 per cent more than at the end of 2016 (when it was EUR 52.681 million). Equity per share increased 21.6 per cent in the year to EUR 5.53. In 2017 the Invalda INVL group had an audited net profit of EUR 11.307 million, which is 2.4 times the 2016 figure (EUR 4.770 million).
- 31 May 2018 results for 3 months of 2018 were announced. The net profit of Invalda INVL and consolidated net profit for 3 months of 2018 amounted to EUR 809 thousand. In the same period of 2017 the net profit of the company and consolidated net profit was EUR 2.31 million. Company's and consolidated equity capital for the 3 months of 2018 amounted to EUR 66.09 million, in the same period of 2017 it was EUR 54.99 million.

Re-election of the Board

- The General Shareholders meeting, held on 30 April 2018 re-elected Alvydas Banys, Indrė Mišeikytė and Darius Šulnis to the Board of Invalda INVL for 4 (four) years term of office. On 3 May Alvydas Banys were elected as the Chairman of the Board.

6. Information on the group's activities

6.1. Asset Management business



Invalda INVL manages licensed asset management companies INVL Asset Management in Lithuania and Latvia, brokerage company INVL Finasta and land administration company INVL Farmland Management. At the beginning of February, INVL Asset Management acquired an interest in the asset management company Mundus and holds 51% shares of this company.

In the investment funds market the Baltic States once again remained a defence against market uncertainty, although the second quarter of 2018 was not very successful for emerging markets. During the first half-year of this year INVL Baltic Fund demonstrated the largest return between the company's managed investment funds and has earned 3.8 percent since the beginning of the year and 56.4 percent over the past 5 years. Other stock investment funds of INVL were less successful this year. The results of the INVL Russia TOP20 Sub-Fund were hit by the sanctions imposed on the Russian oligarchs in April, the fund has lost 0.8% since the beginning of the year. Meanwhile, the INVL Emerging Europe ex Russia TOP20 Subfund went even slower, having lost 7.2 percent since the beginning of the year, but outperformed the region's stock index. Bond-oriented funds in the first half of 2018 showed lower results - the INVL Emerging Europe Bond Subfund fell to a negative 2.7 percent, while the INVL Global Emerging Markets Bond Subfund - to a negative 3.8 percent.

Pension funds felt market fluctuations as well. Fluctuations in global stock markets remained in the second quarter of 2018, but returns were positive. Since the beginning of the year, the global stock index has grown by 1.6%, while INVL pension funds investing in shares have earned more thanks to a positive influence of investments in the Baltics. Bond markets in the first half of 2018 were negative due to the actions of the central banks. The US central bank has further tightened its monetary policy, and the new head of the bank has told that such a course will continue in the coming years.

Despite the short-term fluctuations in the markets, in the evaluation of the returns earned over the last 5 years, INVL pension funds, according to the information published by the Bank of Lithuania, have held leading positions in most categories of funds.

Table 6.1.1. Results of the asset management business

EUR million (if not stated otherwise)	2017			30.06.2018		
	Lithuania	Latvia	Total	Lithuania	Latvia	Total
Number of clients, units	139.2	51.4	190.6	143.6	51.1	194.7
Asset under management*	533.7	77.8	611.5	585.9	73.7	659.6
<i>2nd pillar pension funds</i>	312.0	62.0	374	343.7	66.2	409.9
<i>3rd pillar pension funds</i>	21.1	1.2	22.3	22.5	1.2	23.7
<i>Investment funds</i>	87.4	-	87.4	81.5	-	81.5
<i>Portfolios</i>	43.7	0.2	43.9	46.4	-	46.4
<i>Alternative assets</i>	69.5	14.4	83.9	91.8	6.3	98.1
Revenues (January – June)	2.7	0.5	3.2	3.2	0.3	3.5
Profit before tax (January – June)** (EUR thousand)	75	75	150	(198)	(1)	(199)

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

** according to accounting data of Invalda INVL

6.2. Other investments

Company	Activity	Owned shares, %	Value of owned shares. mln EUR	Profit (loss) from the investment during 6 months of 2018. mln EUR
 INL TECHNOLOGY www.invltechnology.com	Closed-ended type investment company investing in IT businesses	14.1	2.7	0.15
 INL BALTIC REAL ESTATE www.invlbalticrealestate.com	Closed-ended type investment company investing in commercial real estate	32.27	9.8	0.23
 LITAGRA www.litagragroup.lt	Primary agricultural production company concentrating on the cultivation of grain, as well as milk and feed production	36.9	10.2	0.2
ŠIAULIŲ  BANKAS www.sb.lt	Lithuanian commercial bank providing financial services to business and private clients	6.79	18.6	0.64
 inservis <small>PASTATŲ PRIEŽIŪRA</small> www.inservis.lt	Facilities management company	100	2.25	(0.79)

III. INFORMATION ABOUT SECURITIES

7. Information about Issuer's authorised capital

7.1. Structure of the authorized capital

Table 7.1.1. Structure of Invalda INVL, AB authorised capital as of 30 June 2017.

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	11,865,993	11,560,137	0.29	3,441,137.97	100

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

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

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

7.2. Information about the Issuer's treasury shares

Since the beginning of 2018 until the release of the report, the company implemented own share acquisition process for one time.

Share purchase started on 7 May 2018. Share purchase ended on 21 May 2018. Max number of shares to be acquired (units): 200,000. The company acquired 3,396 units of own shares (0.03 percent), EUR 18,779.88 (without brokerage fee) were paid for the acquired shares. The price of one share was EUR 5.53. The authorised capital of Invalda INVL is EUR 3,441,137.97. It is divided into 11,865,993 ordinary registered shares with nominal value EUR 0.29 each. Taking into consideration the fact that the shares own by the company does not give the voting rights, the total amount of shares with voting rights in Invalda INVL, AB (ISIN LT0000102279) equals to 11,560,137 units.

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

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

On 14 May 2018 the Register of Legal Entities has registered a new wording of the Articles of Association of Invalda INVL. Shareholders of the Company approved the draft Articles of Association on 30 April 2018, during the Ordinary General Shareholders meeting. The Articles of Association have been changed in order to implement the current wording of the Law on Companies of the Republic of Lithuania.

Actual wording of the Articles of Association is dated as of 14 May 2018. The document is published on the company's website.

9. Shareholders

9.1. Information about shareholders of the company

The Shareholders of Invalda INVL, AB Alvydas Banys, LJB Investments, UAB, Irena Ona Mišeikienė, Indrė Mišeikytė, Darius Šulnis, Lucrum investicija, UAB, have signed the agreement on the implementation of a long-term corporate governance policy, so their votes are countable together .

Table 9.1.1. Shareholders who held title to more than 5% of Invalda INVL, AB authorised capital and/or votes as of 30 June 2018.

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 (together with the persons acting in concert), %
LJB Investments. UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	3,515,855	29.63	30.41	61.90	92.31
Irena Ona Mišeikienė	3,369,435	28.40	29.15	63.14	
Darius Šulnis	0	0.00	0.00	92.31	
Lucrum Investicija, UAB code 300806471. Gynėjų str. 14, Vilnius	2,401,442	20.24	20.77	71.54	
Alvydas Banys	910,875	7.68	7.88	84.43	
Indrė Mišeikytė	236,867	2.00	2.05	90.26	

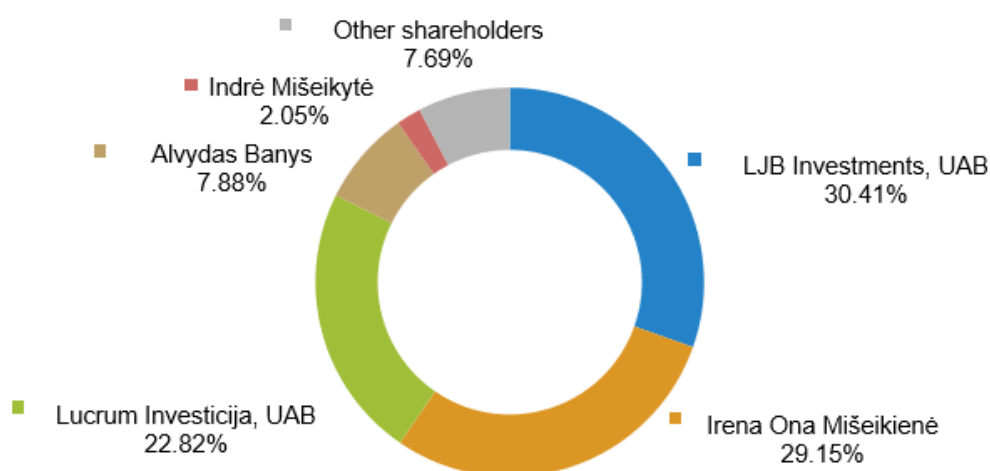


Fig. 9.1.1. Votes as of 30 June 2018

There are no shareholders entitled to special rights of control.

Invalda INVL, AB has no knowledge of any restriction on voting rights or mutual agreements between the shareholders that might result in the restriction of shares transfer and (or) voting rights. There are no agreements to which the Issuer is a party and which would come into effect of being amended or terminated in case of change in the Issuer's control in 2018. At the end of June 2018 the total number of shareholders was around 3,500.

10. Trading in Issuer's securities as well as securities of the group companies'

10.1. Trading in Issuer's securities

Table 10.1.1. Main characteristics of Invalda INVL, AB shares admitted to trading

Shares issued, units	11,865,993
Shares with voting rights, units	11,560,137
Nominal value	0.29 EUR
Total nominal value	3,441,317.97 EUR
ISIN code	LT0000102279
LEI code	52990001IQUJ710GHH43
Name, exchange	IVL1L, Nasdaq Vilnius
List	Baltic Secondary list Baltic Main List (from 1 January 2008 until 20 July 2015)
Listing date	19 December 1995

Company uses no services of liquidity providers.

Table 10.1.2. Trading in Invalda INVL, AB shares

Share price, EUR	2014 H1	2015 H1	2016 H1	2017 H1	2018 H1
- open	3.380	3.100	3.460	3.860	5.300
- high	3.490	3.700	4.080	4.700	5.650
- low	2.760	2.950	3.260	3.790	5.150
- medium	3.135	3.142	3.611	4.222	5.343
- last	2.910	3.600	3.870	4.650	5.650
Turnover, units	56,183	29,476	36,610	31,480	8.805
Turnover, EUR	179,688.43	98,141.11	130,529.26	131,884.66	46,777.65
Trades, units	314	188	222	140	85

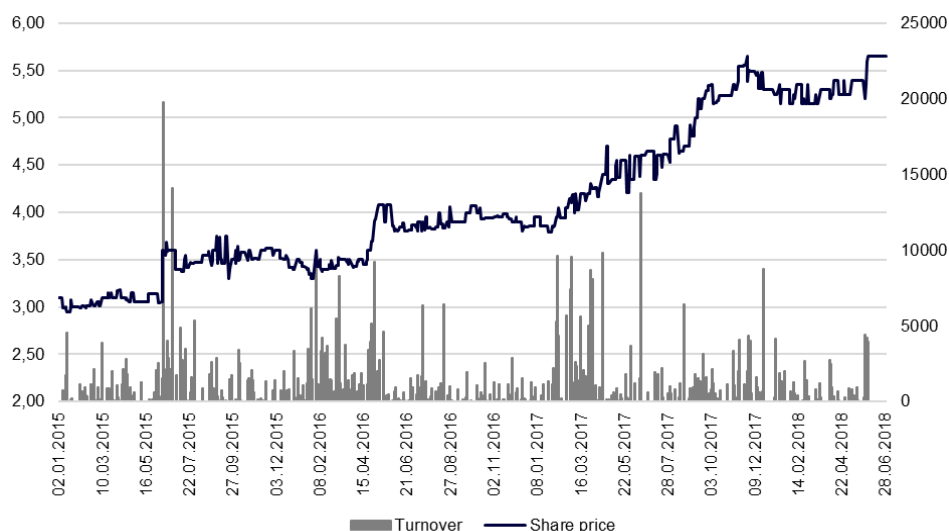


Fig. 10.1.2. Turnover of Invalda INVL. AB shares and share price

10.2. Trading in securities of the group companies'

Shares of subsidiary companies of Invalda INVL, forming the group, are not traded on stock exchanges. INVL Baltic Real Estate, INVL Technology and Siaulių Bankas, companies assigned to other investments, are listed on Nasdaq Vilnius stock exchange.

10.2.1. Information about trading in INVL Baltic Real Estate shares



Table 10.2.1.1. Main characteristics of INVL Baltic Real Estate shares admitted to trading

ISIN code	LT0000127151
Name	INR1L
Exchange, list	Nasdaq Vilnius, Baltic Secondary list
Listing date	04.06.2014
Shares issued, units	13,150,000
Nominal value, EUR	1.45
Total nominal value, EUR	19,067,500

Table 10.2.1.2. Trading in INVL Baltic Real Estate shares, EUR

Share price, EUR	2016 H1	2017 H1	2018 H1
- open	0.399	0.388	2.360
- high	0.447	0.449	2.420
- low	0.380	0.375	2.210
- last	0.390	0.424	2.300
Turnover, units	233,109	542,035	202,827
Turnover, EUR	93,827.97	219,390.57	442,046.92
Trades, units	216	288	393

* 15 January 2018 the new wording of Articles of Association of INVL Baltic Real Estate, with the changed nominal value of shares and the total number of shares, was registered in the Register of Legal Entities. Adjusted trade data for 6 months of 2018 is provided.

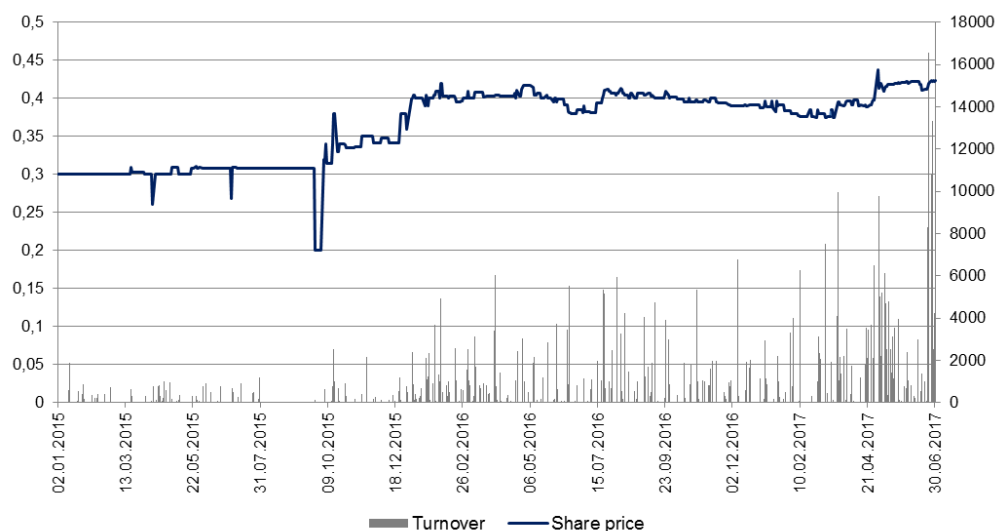


Fig. 10.2.1.1. INVL Baltic Real Estate share price and turnover

10.2.2. Information about trading in INVL Technology shares



Table 10.2.2.1. Main characteristics of INVL Technology shares admitted to trading

ISIN code	LT0000128860
Name	INC1L
Exchange, list	Nasdaq Vilnius, Baltic Secondary list
Listing date	4 June 2014
Shares issued, units	12,175,321
Nominal value, EUR	0.29
Total nominal value, EUR	3,530,843.09

Table 10.2.2.2. Trading in INVL Technology shares, EUR

	2016 H1	2017 H1	2018 H1
Share price, EUR			
- open	2.01	1.76	1.49
- high	2.07	1.76	1.70
- low	1.79	1.55	1.49
- last	1.80	1.60	1.58
Turnover, units	38,175	55,560	208,209
Turnover, EUR	71,327.53	91,471.12	329,017.10
Trades, units	196	192	191

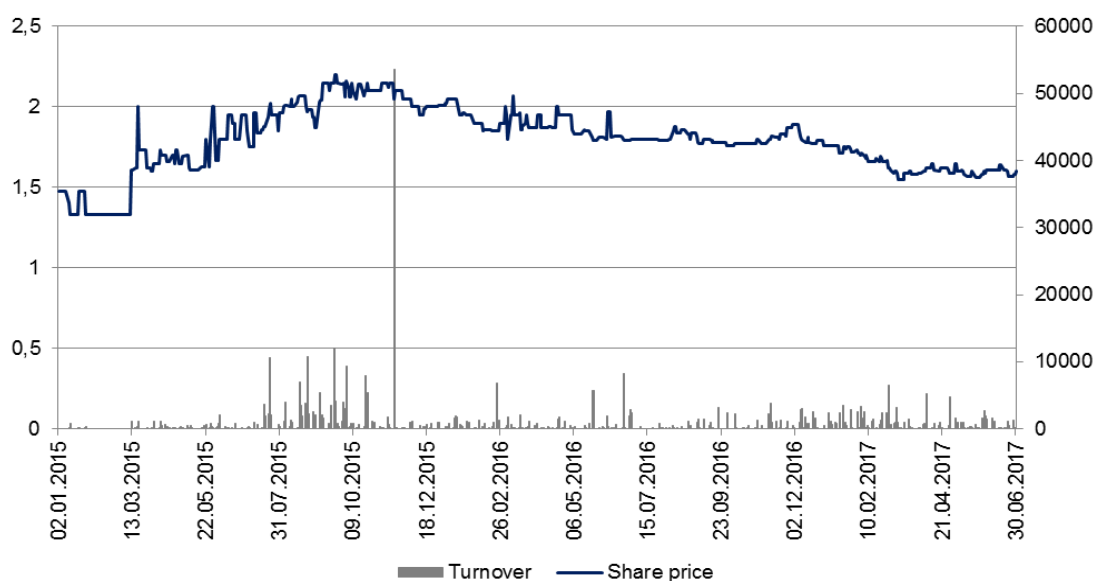


Fig. 10.2.2.1. INVL Technology share price and turnover

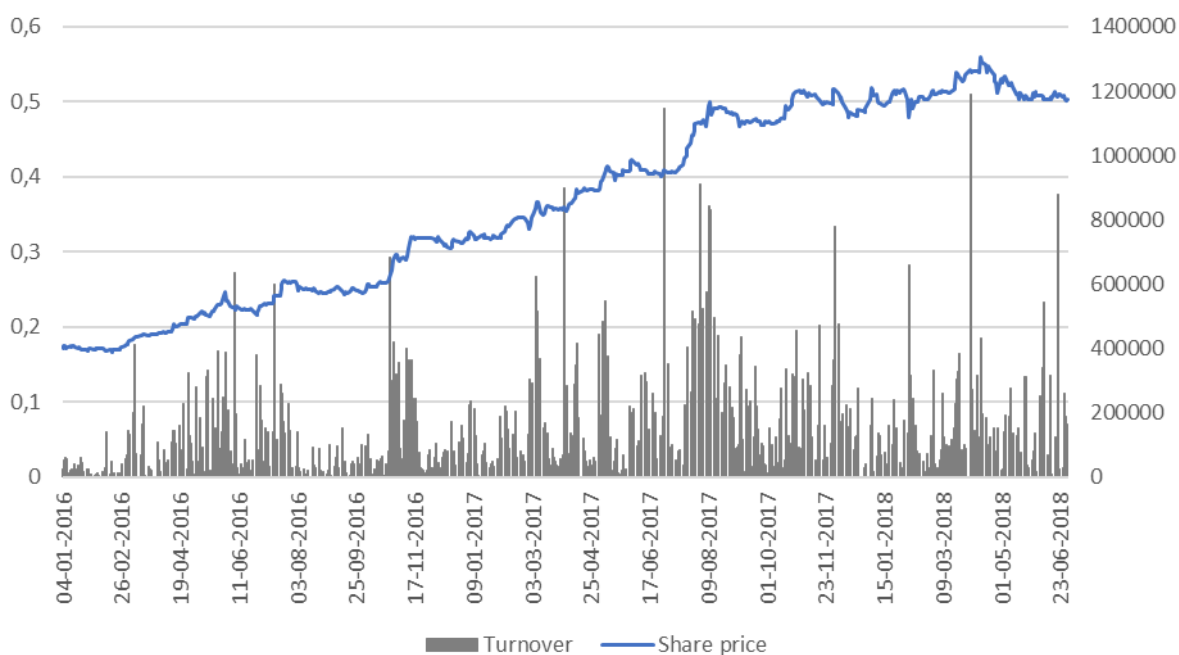
10.2.3. Information about trading in Šiaulių bankas shares

Table 10.2.3.1. Main characteristics of Šiaulių bankas shares admitted to trading

ISIN code	LT0000102253
Name	SAB1L
Exchange, list	Nasdaq Vilnius, Baltic Main list
Listing date	29-11-1994
Shares issued, units	543,583,406
Nominal value, EUR	0.29
Total nominal value, EUR	157,639,187.84

Table 10.2.3.2. Trading in Šiaulių bankas shares, EUR

	2016 H1	2017 H1	2018 H1
Share price, EUR			
- open	0.206	0.382	0.590
- high	0.297	0.507	0.658
- low	0.201	0.380	0.515
- last	0.273	0.492	0.504
Turnover, units	34,415,992	37,831,723	31,546,458
Turnover, EUR	10,848,346.07	18,525,481.97	17,896,760.27


Fig. 10.2.3.1. Šiaulių Bankas share price and turnover

IV. ISSUER'S MANAGING BODIES

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

The Board of Invalda INVL, AB was elected during the General Shareholders' Meeting on 30 April 2018. Mr. Banys was elected as the Chairman of the Board. Mr. Šulnis and Ms. Mišeikytė were elected as the Members of the Board. Mr. Šulnis was appointed as the President of the company on 22 May 2013.



Alvydas Banys – Chairman of the Board

Term of office	From 2018 until 2022
Educational background and qualifications	Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economics' 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 Invalda INVL, AB	Personally: 910,875 units of shares. 7.68 % of authorised capital and 7.88 % votes; together with controlled company LJB Investments: 4,426,730 units of shares. 37.31 % of authorized capital and 38.29 % votes. Total votes together with persons acting in concert - 92.31 %.
Participation in other companies	INVL Baltic Farmland, AB – Chairman of the Board Litagra, UAB – Member of the Board INVL Technology - Member of the Advisory Committee



Indre Miseikyte – Member of the Board

The term of office	From 2018 until 2022
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 2000 – 2002 Gildeta, UAB - Architect 1997 – 2000 Kreimi, UAB - Architect 1996 – 2002 Invalda, AB - Architect 1996 – 1997 Gildeta, UAB - Architect 1994 – 1996 Vilniaus Baldai, AB - Architect
Owned amount of shares in Invalda INVL, AB	Personally: 236,867 units of shares. 2 % of authorised capital and 2.05 % votes. Total votes together with persons acting in concert - 92.31 %.
Participation in other companies	Invalda Privatus Kapitalas, AB – Member of the Board INVL Baltic Farmland, AB – Member of the Board INVL Technology - Member of the Advisory Committee



Darius Sulnis – Member of the Board, the President

The term of office in the Board	From 2018 until 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. 2015 – 2017 CEO of INVL Asset Management, UAB. 2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – Director 1994 – 2002 FBC Finasta, AB – Director
Owned amount of shares in Invalda INVL, AB	Personally: 0 units of shares. 0.00 % of authorised capital and votes; together with controlled company Lucrum Investicija: 2,401,442 units of shares. 20.24 % of authorised capital. 22.82 % of votes. Total votes together with persons acting in concert - 92.31 %.
Participation in other companies	INVL Asset Management, UAB – CEO, Chairman of the Board Šiaulių bankas, AB – Member of the Supervisory Board Litagra, UAB – Member of the Board INVL Baltic Farmland, AB – Member of the Board



Raimondas Rajeckas – CFO

Educational background and qualifications	Vilnius University, Faculty of Economics.
Work experience	Since 2006 Invalda LT, AB – CFO 2001 – 2006 Valmeda, AB – CFO 2000 – 2001 Galincius, AB – CFO 2000 – 2001 Invaldos Marketingas, UAB (current name Inreal Valdymas. UAB) – CFO 2000 – 2002 Gildeta, AB – Accountant 1998 – 2000 Invalda, AB – Accountant
Owned amount of shares in Invalda INVL, AB	-
Participation in other companies	Aktyvo, UAB – Director Aktyvus Valdymas, UAB – Director MBGK, UAB – Director MGK Invest, UAB – Director RPNG, UAB – Director Regenus, UAB – Director Cedus Invest, UAB – Director Cedus, UAB – Director Imoniu Grupe Inservis, UAB – Member of the Board Consult Invalda, UAB - Director

12. Information about the Audit Committee of the company

The Audit Committee consists of 2 independent members. The members of the Audit Committee are elected and dismissed by the General Shareholders' Meeting of Invalda INVL, AB for a term not exceeding 4 years. The main functions of the Audit Committee should be the following:

- provide recommendations to 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 process of preparation of financial reports of the company;
- monitor the efficiency of the internal control and risk management systems of the company. Once a year review the need of the internal audit function.
- monitor the implementation of the audit firm's recommendations and comments imposed by the Board and the manager of the company.

The Member of the Audit Committee of the company 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.



Danguė Pranckėnienė – Independent Member of the Audit Committee

The term of office	Since 2017 until 2021
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 coucher name, license No. E-51. Lithuanian Ministry of Finance, the auditor's name, license No. 000345.
Work experience	since 1997 the Partner at Moore Stephens Vilnius, UAB 1996 - 1997 Audit Manager, Deloitte & Touche 1995 - 1996 Lecturer, Vilnius Gediminas Technical University 1982 - 1983 Lecturer, Vilnius University
Owned amount of shares in Invalda INVL, AB	-



Tomas Bubinas – Independent Member of the Audit Committee

The term of office	Since 2017 until 2021
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 of Biotechpharma, UAB. 2010 – 2012 Senior Director of TEVA Biopharmaceuticals (USA). 2004-2010 – TEVA Pharmaceuticals, Chief Financial Officer for the Baltic States. 2001-2004 – Sicor Biotech, Chief Financial Officer 1999 – 2001 Senior Manager of PricewaterhouseCoopers. 1994 – 1999 Senior Auditor, Manager of Coopers & Lybrand.
Owned amount of shares in Invalda INVL, AB	-

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

Within six months period of 2018 the calculated remuneration for the Board members of Invalda INVL, AB (as employees of the Company) amounted to EUR 109.4 thousand, that is on the average EUR 6.1 thousand per month for each member.

The calculated remuneration to the president of the Company and CFO (including wages from the subsidiaries) totalled to EUR 70.7 thousand, on the average EUR 5.9 thousand per month for each.

In compliance with the order of the Rules for Granting Equity Incentives, Invalda INVL signed options contract with CFO for 8,308 ordinary registered shares of Invalda INVL.

V. OTHER INFORMATION

14. Agreements with intermediaries on public trading in securities

Invalda INVL, AB has signed agreements with these intermediaries:

- Siauliu Bankas, AB (Tilzes str. 149, Siauliai, Lithuania; tel. +370 41 595 607) – the agreement on investment services, the agreement on management of securities accounting, the agreement on payment of dividends;
- Luminor bank, AB (JKonstitucijos av. 23, Vilnius, Lithuania; tel. +370 5 239 3503) – the agreement on financial instruments account management, implementation of orders and offering recommendations;
- SEB Bankas, AB (Gedimino ave. 12, Vilnius, Lithuania; tel. +370 5 268 2370) – the agreement on management of securities account;
- Danske Bank A/S, Lithuania branch (Saltoniskiu str. 2, Vilnius, Lithuania; tel. +370 5 521 6666) - the agreement on investment services;
- FMI Orion Securities, UAB (A. Tumeno str. 4. (block B), Vilnius, Lithuania; tel. +370 5 231 3841) - the agreement on investment services;

- Bank Zachodni WBK S.A. (Rynek 9/11, 50-950 Wrocław, Poland; tel. +61 856 4445) – the agreement of intermediation;
- AB SEB Pank (Tornimae str. 2., 15010, Tallin, Estonia; tel. +372 6657 772) - the agreement of intermediation.

15. Information on Issuer's branches and representative offices

Invalda INVL, AB has no branches or representative offices.

16. A description of the principal risks and uncertainties

The main risks and uncertainties the company faces and which were described in the annual report for 2017, didn't change.

17. Information on the related parties' transactions

The detailed information on the related parties' transactions has been disclosed in the section 11 of the financial statements' explanatory notes.

18. Significant investments made during the reporting period

There were no significant investments during the reporting period. More information is provided in the section 5 of the consolidated and Company's financial statements for 6 months of 2018 explanatory notes.

19. Activity plans and forecasts

The goal of Invalda INVL group is to ensure the successful management of the assets entrusted by clients, partners and shareholders. In 2018, the focus, above all, is on the managed investments. We seek to achieve that products managed by the group become the most attractive and most popular choice in the market in their categories. We will continue the organic development by introducing new and significant investment opportunities and contributing to the growth of the country and the region through our financial and intellectual contributions.

We are actively looking for possibilities of the asset management business development through acquisitions. We will continue to strive giving priority to qualitative and quantitative growth of asset management business and long-term value creation for our clients, partners and shareholders rather than to short-term financial goals.

The change in the value of own investments makes a significant impact on the result of Invalda INVL. We plan to follow the policy that Invalda INVL invests together with its clients in the group's managed products. We believe that this creates an identity of interests and positively affects the mutual trust and long-term cooperation of interested parties.

We strive for Invalda INVL to be the leading specialised asset management and investment group in Lithuania and one of the leading companies in the region. We are working to ensure that 2018 and later years are good for our clients, employees and shareholders.

President



Darius Šulnis