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AB INVALDA INVL

**Consolidated and Company's Interim Condensed
Not-audited Financial Statements for the six months ended
30 June 2020**

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 2020

(all amounts are in EUR thousand unless otherwise stated)

GENERAL INFORMATION

Board of Directors

Mr. Alvydas Banyys (chairman of the Board)

Ms. Indrė Mišeikytė

Mr. Darius Šulnis

Management

Mr. Darius Šulnis (president)

Mr. Raimondas Rajeckas (chief financial officer)

Principal place of business and company code

Gynėjų Str. 14,
Vilnius,
Lithuania

Company code 121304349

Banks

AB Šiaulių Bankas

AB SEB Bankas

“Swedbank” AS

Luminor Bank AS Lithuania Branch

Luminor Bank AS Latvian Branch

“Swedbank”, AB

The financial statements were approved and signed by the Management and the Board of Directors on 31 August 2020.



Mr. Darius Šulnis
President



Mr. Raimondas Rajeckas
Chief financial officer

Condensed consolidated and Company's income statements

	Notes	Group		Company	
		I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Revenue from contracts with customers	3	6,482	4,708	18	18
Dividend income		7,167	1,882	7,167	1,714
Other income		21	42	19	35
Net changes in fair value of financial instruments at fair value through profit or loss	6, 8.1	(12,278)	5,667	(11,935)	5,376
Employee benefits expenses		(3,663)	(2,840)	(248)	(211)
Funds distribution fees		(48)	(134)	-	-
Amortisation of costs to obtain contracts with customers		(150)	(109)	-	-
Information technology maintenance expenses		(174)	(182)	(3)	(5)
Depreciation and amortisation		(401)	(291)	(9)	(10)
Premises rent and utilities		(63)	(78)	(3)	(4)
Advertising and other promotion expenses		(219)	(246)	-	-
Impairment of financial and contract assets		-	139	-	139
Other expenses	8.3	(1,290)	(1,040)	(169)	(54)
Operating profit (loss)		(4,616)	7,518	(5,163)	6,998
Finance costs	8.2	(67)	(60)	(5)	(6)
Share of net (loss) profit of subsidiaries accounted for using the equity method		-	-	449	425
Profit (loss) before income tax		(4,683)	7,458	(4,719)	7,417
Income tax expenses	7	513	(277)	524	(236)
PROFIT (LOSS) FOR THE PERIOD		(4,170)	7,181	(4,195)	7,181
Attributable to:					
Equity holders of the parent		(4,195)	7,181	(4,195)	7,181
Non-controlling interests		25	-	-	-
Basic earnings (deficit) per share (in EUR)	9	(0.36)	0.62	(0.36)	0.62
Diluted earnings (deficit) per share (in EUR)	9	(0.36)	0.61	(0.36)	0.61

Condensed consolidated and Company's statements of comprehensive income

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Profit (loss) for the period	(4,170)	7,181	(4,195)	7,181
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	(4,170)	7,181	(4,195)	7,181
Attributable to:				
Equity holders of the parent	(4,195)	7,181	(4,195)	7,181
Non-controlling interests	25	-	-	-

Condensed consolidated and Company's statements of financial position

	Notes	Group		Company	
		As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
ASSETS					
Non-current assets					
Property, plant and equipment		1,623	1,795	98	107
Intangible assets and costs to obtain contracts		5,386	5,572	-	-
Investments into subsidiaries	5; 6	12,150	13,166	24,709	26,732
Investments into associates	6	22,482	30,058	22,482	30,058
Financial assets at fair value through profit loss	6	28,096	32,317	25,578	29,484
Deferred tax asset		572	502	-	-
Total non-current assets		70,309	83,410	72,867	86,381
Current assets					
Trade, other receivables and contract assets		2,928	2,349	1,909	78
Prepaid income tax		22	156	22	156
Prepayments and deferred charges		157	100	37	11
Financial assets at fair value through profit loss	6	1,109	1,883	-	1,506
Cash and cash equivalents		5,534	5,577	439	617
Total current assets		9,750	10,065	2,407	2,368
TOTAL ASSETS		80,059	93,475	75,274	88,749

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

	Notes	Group		Company	
		As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of the parent					
Share capital	10	3,456	3,456	3,456	3,456
Own shares	10	(929)	(1,248)	(929)	(1,248)
Share premium		5,033	5,033	5,033	5,033
Reserves	10	13,208	13,162	13,063	13,126
Retained earnings		52,781	66,373	52,926	66,409
Equity attributable to equity holders of the parent		73,549	86,776	73,549	86,776
Non-controlling interests		181	232	-	-
Total equity		73,730	87,008	73,549	86,776
Liabilities					
Non-current liabilities					
Lease liabilities		1,231	1,359	88	96
Deferred tax liability		952	1,481	903	1,427
Contract liabilities		920	700	-	-
Other non-current liabilities		40	100	-	-
Total non-current liabilities		3,143	3,640	991	1,523
Current liabilities					
Lease liabilities		257	250	15	14
Trade payables		364	369	3	7
Income tax payable		85	131	-	-
Provisions		100	100	-	-
Contract liabilities		115	85	-	-
Other current liabilities		2,265	1,892	716	429
Total current liabilities		3,186	2,827	734	450
Total liabilities		6,329	6,467	1,725	1,973
Total equity and liabilities		80,059	93,475	75,274	88,749

(the end)

Condensed consolidated and Company's statements of changes in equity

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

Group	Notes	Reserves					Retained earnings	Subtotal	Non-controlling interests	Total equity
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares				
Balance as at 31 December 2018		3,441	(1,233)	4,996	1,627	11,121	45,552	65,504	-	65,504
Profit for the six months of 2019		-	-	-	-	-	7,181	7,181	-	7,181
Total comprehensive income (loss) for the six months of 2019		-	-	-	-	-	7,181	7,181	-	7,181
Share-based payments	10	-	-	-	237	-	-	237	-	237
Changes in reserves		-	-	-	6	-	(6)	-	-	-
Increase of share capital (share options exercised)	10	15	-	37	-	-	-	52	-	52
Acquired own shares	10	-	(14)	-	-	-	-	(14)	-	(14)
Total transactions with owners of the Company, recognised directly in equity		15	(14)	37	243	-	(6)	275	-	275
Balance as at 30 June 2019		3,456	(1,247)	5,033	1,870	11,121	52,727	72,960	-	72,960

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 2019		3,456	(1,248)	5,003	2,005	11,121	66,409	86,776
Profit for the six months of 2020		-	-	-	-	-	(4,195)	(4,195)
Dividends approved	4	-	-	-	-	-	(9,288)	(9,288)
Disposals of own shares (share options exercised)	10	-	319	-	-	(304)	-	15
Share-based payments	10	-	-	-	241	-	-	241
Balance as at 30 June 2020		3,456	(929)	5,033	2,246	10,817	52,926	73,549

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 2018		3,441	(1,233)	4,996	1,597	11,121	45,582	65,504
Profit for the six months of 2019		-	-	-	-	-	7,181	7,181
Increase of share capital (share options exercised)	10	15	-	37	-	-	-	52
Acquired own shares	10	-	(14)	-	-	-	-	(14)
Share-based payments	10	-	-	-	237	-	-	237
Balance as at 30 June 2019		3,456	(1,247)	5,033	1,834	11,121	52,763	72,960

Condensed consolidated and Company's statements of cash flows

	Notes	Group		Company	
		I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Cash flows from (to) operating activities					
Net profit (loss) for the period		(4,170)	7,181	(4,195)	7,181
Adjustments to reconcile result after tax to net cash flows:					
Depreciation and amortisation including amortisation of costs to obtain contracts with customers		551	400	9	10
(Gain) loss on disposal, write-off and impairment of property, plant and equipment		10	2	-	-
Realized and unrealized loss (gain) on investments	8.1	12,278	(5,667)	11,935	(5,376)
Share of net (loss) profit of subsidiaries accounted for using the equity method		-	-	(449)	(425)
Interest income		(19)	(26)	(19)	(24)
Interest expenses		67	60	5	6
Deferred taxes	7	(599)	211	(524)	235
Current income tax expenses	7	86	66	-	1
Provision for impairment of financial and contract assets		-	(139)	-	(139)
Share-based payments	10	43	237	4	8
Dividend income		(7,167)	(1,882)	(7,167)	(1,714)
		1,080	443	(401)	(237)
Changes in working capital:					
(Increase) decrease in inventories		-	-	-	-
Decrease (increase) in trade, other receivables and contract assets		(1,185)	(267)	(51)	1
Decrease (increase) in other current assets		(57)	(35)	(26)	(26)
(Decrease) increase in trade payables		(22)	46	(21)	(6)
Increase (decrease) in contract and other liabilities		644	101	174	22
		2,830	288	(325)	(246)
Cash flows (to) from operating activities		2,830	288	(325)	(246)
Income tax paid		(129)	9	-	-
Net cash flows (to) from operating activities		2,701	297	(325)	(246)

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

	Notes	Group		Company	
		I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Cash flows from (to) investing activities					
Acquisition of non-current assets (intangible and property, plant and equipment)		(13)	(19)	-	-
Proceeds from sale of non-current assets (intangible and property, plant and equipment)		-	-	-	-
Costs to obtain contracts with customers		(188)	(561)	-	-
Acquisition and establishment of subsidiaries, net of cash acquired	5	-	-	-	-
Proceeds from sales of unconsolidated subsidiaries and redeemed convertible bonds	5	-	2,036	-	2,036
Acquisition of associates	5	(8)	(41)	(8)	(41)
Proceeds from sales of associates	5	10	-	10	-
Acquisition of financial assets at fair value through profit or loss (except held-for-trading)		(2,776)	(3,351)	(1,761)	(3,351)
Sale of financial assets at fair value through profit or loss (except held-for-trading)		1,542	202	1,287	99
Dividends received		6,484	2,952	8,161	2,801
Loans granted		(40)	(405)	(40)	(405)
Repayment of granted loans		1,500	-	1,500	-
Interest received		19	13	19	-
Net cash flows (to) investing activities		6,530	826	9,168	1,139
Cash flows from (to) financing activities					
Cash flows related to Group owners					
Issue of shares	10	-	52	-	52
Acquisition of own shares	10	-	(14)	-	(14)
Proceeds from sale of own shares	10	15	-	15	-
Dividends paid to equity holders of the parent		(9,024)	(3)	(9,024)	(3)
Dividends paid to non-controlling interests		(76)	-	-	-
		(9,085)	35	(9,009)	35
Cash flows related to other sources of financing					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-	-	-	-
Payments of lease liabilities		(122)	(85)	(7)	(6)
Interest paid		(67)	(60)	(5)	(6)
		(189)	(145)	(12)	(12)
Net cash flows (to) from financing activities		(9,274)	(110)	(9,021)	23
Impact of currency exchange on cash and cash equivalents		-	-	-	-
Net (decrease) increase in cash and cash equivalents		(43)	1,013	(178)	916
Cash and cash equivalents at the beginning of the period		5,577	2,048	617	670
Cash and cash equivalents at the end of the period		5,534	3,061	439	1,586

(the end)

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020***(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 2019).

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

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

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

As at 30 June 2020 and 31 December 2019 the shareholders of the Company were:

	30 June 2020		31 December 2019	
	Number of shares held	Percentage (%)	Number of shares held	Percentage (%)
UAB LJB Investments	3,300,645	27.69	3,515,855	29.50
Mrs. Irena Ona Mišeikienė	3,182,595	26.70	3,369,435	28.27
UAB Lucrum Investicija	2,803,492	23.52	2,401,442	20.15
Mr. Alvydas Banys	910,875	7.64	910,875	7.64
Ms. Indrė Mišeikytė	236,867	1.99	236,867	1.99
The Company (own shares)	229,541	1.93	308,408	2.59
Other minor shareholders	1,254,884	10.53	1,176,017	9.86
Total	11,918,899	100.00	11,918,899	100.00

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

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2020 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 2019.

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 2019, except adoption of new Standards and Interpretations as of 1 January 2020, noted below.

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

- Amendments to the *Conceptual Framework for Financial Reporting* (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IAS 1 and IAS 8: *Definition of materiality* (effective for annual periods beginning on or after 1 January 2020);
- *Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform* (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IFRS 3 *Business Combination: Definition of a business* (effective for annual periods beginning on or after 1 January 2020);

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

3. Segment information

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

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

Asset management

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

Investment activity

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

Agriculture

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

Facility management

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

Real estate

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

Bank activities

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

All other activities

All other activities comprise other investments held by the Company. There is also attributed unconsolidated subsidiary UAB Kelio Ženkilai, that are involved in road signs production, wood manufacturing.

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

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

3 Segment information (cont'd)

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

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

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

3 Segment information (cont'd)

The following table presents revenues and profit (loss) information regarding the Group's business segments for the six months ended 30 June 2019:

	Asset management	Investment activity	Inter-segment transactions and consolidation adjustments	Total
Period ended 30 June 2020				
Revenue				
Sales to external customers	4,691	17	-	4,708
Inter-segment sales	-	-	-	-
Total revenue	4,691	17	-	4,708
Results				
Net changes in fair value of financial instruments	291	5,376	-	5,667
Interest income	2	24	-	26
Other income	173	1,725	-	1,898
Employee benefits expense	(2,629)	(211)	-	(2,840)
Depreciation and amortization	(390)	(10)	-	(400)
Impairment of financial and contract assets	-	139	-	139
Interest expenses	(54)	(6)	-	(60)
Other expenses	(1,617)	(63)	-	(1,680)
Profit (loss) before income tax	467	6,991	-	7,458
Income tax credit (expenses)	(41)	(236)	-	(277)
Net profit (loss) for the period	426	6,755	-	7,181
Attributable to:				
Equity holders of the parent	426	6,755	-	7,181
Non-controlling interest	-	-	-	-

The following table represents segment assets of the Group operating segments as at 30 June 2020 and 31 December 2019:

Segment assets	Asset management	Investment activity	Inter-segment transactions and consolidation adjustments	Total
At 30 June 2020	17,480	62,724	(145)	80,059
At 31 December 2019	18,362	75,193	(80)	93,475

The following table represents segment liabilities of the Group operating segments as at 30 June 2020 and 31 December 2019:

Segment liabilities	Asset management	Investment activity	Inter-segment transactions and consolidation adjustments	Total
At 30 June 2020	4,749	1,725	(145)	6,329
At 31 December 2019	4,574	1,973	(80)	6,467

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

3 Segment information (cont'd)

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

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

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

	Agriculture	Facility management	Real estate	Bank sector (MAIB)	Bank sector (AB Šiaulių bankas)	Other investments	Total
Period ended 30 June 2019							
Net changes in fair value on financial assets	2,923	41	84	127	1,779	422	5,376
Dividend income	-	205	554	-	955	-	1,714
Interest income	-	6	-	-	-	18	24
Total income from investments	2,923	252	638	127	2,734	440	7,114
Investments fair value as at 30 June 2019	15,146	4,343	10,402	3,709	14,992	7,497	56,089

As at 30 June 2019 the Group also have investments at fair value with carrying amount of EUR 3,932 thousand which attributed to asset management segment.

AB INVALIDA INVL

INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

(all amounts are in EUR thousand unless otherwise stated)

4. Dividends

In 2019 dividends were not declared. A dividend in respect of the year ended 31 December 2019 of EUR 0.80 per share, amounting to a total dividend of EUR 9.288 thousand, was approved at the annual general meeting on 30 April 2020.

5. Investment into subsidiaries and associates, other investments

1st Half Year of 2020

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

During the six months of 2020 the Company has additionally acquired and sold shares of INVL Baltic Real Estate for EUR 8 thousand and EUR 10 thousand, respectively, on the stock exchange. Also, the Company sold 2.46% of shares of INVL Baltic Real Estate to unconsolidated subsidiary UAB Įmonių grupė Inservis for EUR 1,081 thousand. Until issue of these financial statements the transaction is not settled.

In 1st Half Year of 2020 the Group and the Company have additionally invested EUR 2,776 thousand and EUR 1,761 thousand by cash into financial assets at fair value through profit or loss, respectively, and have sold them for EUR 1,542 thousand and EUR 1,287 thousand by cash, respectively. The numbers include investments to a closed-end private equity fund INVL Baltic Sea Growth Fund (hereinafter – BSGF).

1st Half Year of 2019

In February 2019 the subsidiaries UAB BSGF Sanus and BSGF Fortis were sold to a closed-end private equity fund INVL Baltic Sea Growth Fund for EUR 304 thousand. Entities were established for the benefit of this fund and, therefore, were sold for price equalled to investment amount.

In 1st Half Year of 2019 convertible bonds of UAB MD Partners were redeemed for EUR 1,732 thousand.

During the six months of 2019 the Company has additionally acquired shares of INVL Baltic Real Estate for EUR 41 thousand on the stock exchange.

In 1st Half Year of 2019 the Company has granted loans of EUR 105 thousand to UAB Kelio ženklai and loans of EUR 300 thousand to UAB Įmonių grupė Inservis. Latter loan was used to acquire from the state 51.67% stake in UAB Informacinio Verslo Paslaugų Įmonė for EUR 352 thousand. The transaction with the state entity Turto Bankas was completed on 31 January 2019. After this transaction, the Group increased its shareholding in UAB Informacinio Verslo Paslaugų Įmonė up to 88.7 percent. UAB Informacinio Verslo Paslaugų Įmonė has a licence of payment institution issued by the Bank of Lithuania. The company administers taxes on energy and utilities provided to residents, provides services to companies and institutions.

In March 2019 UAB Litagra is acquired additional 10% of own shares from its other shareholders. Therefore, owned voting rights of UAB Litagra is increased to 45.53%. In 2nd Half Year of 2020 after third tranche of acquisition of own shares by the entity owned voting rights increased to 48.81%.

In 1st Half Year of 2019 the Group and the Company have additionally invested EUR 3,351 thousand by cash into financial assets at fair value through profit or loss, and have sold them for EUR 202 thousand and EUR 99 thousand by cash, respectively. The numbers include investments to BSGF.

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

Investments into BSGF

The Management Board of the Company on 5 February 2019 approved entering into BSGF Partnership Agreement and a Subscription Agreement related to investment in BSGF, which is managed by consolidated subsidiary UAB INVL Asset Management. The Company has committed to invest EUR 19.15 million in BSGF. It is provided that the capital committed to the fund will be called in stages, for the execution of specific transactions. After the investment in BSGF is made, the Company undertakes not to invest in private equity assets that comply with the fund's strategy and to conduct its main investment activity through this fund.

In February 2019 first closing of BSGF was completed at EUR 106 million of commitments. The Company will have to invest into BSGF pro-rata of its commitments. When new investors were attracted to BSGF, BSGF returned to old investors cash as equalisation amount that all investors into funds would transfer proportionally the same part of its commitments. During 1st Half Year of 2019 the Company has transferred EUR 3,342 thousand of cash into BSGF. After first closing the Company has owned 18.1% of funds units.

In February 2020 was completed third and last closing of BSGF. Fund's size reached EUR 164.7 million of commitments. The Company has additional committed EUR 974 thousand. After final closing the Company has owned 12.2% of fund units. As a consequence of equalisation to the Company was refunded EUR 265 thousand and EUR 123 thousand was set-off for new units' acquisition. During 1st Half Year of 2020 the Company has transferred EUR 1,700 thousand of cash into BSGF. The outstanding capital commitment to BSGF is EUR 16,087 thousand.

6. Financial assets and fair value hierarchy

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

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

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

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

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

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

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

The valuation of Level 3 instruments 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 activity) was valued under the market approach. Relative valuation (market multiples) was done using median EV/EBITDA (capitalization equals EBITDA multiplied by enterprise value and EBITDA multiple minus net debt) and P/BV (capitalization equals Price to book value multiple multiplied by company's book value) multiples. Although farming is considered a relatively stable business, its results for a particular year may vary depending on weather and other one-off conditions. We partially smooth out such volatility by using weighted historical financials for the entity and for its peers. EBITDA is calculated using numbers for the last three years however giving a higher emphasis for the last trailing 12 months result. Additionally, we add a value of land portfolio owned by Litagra group. It was valued by external asset valuers, accounted in the statement of financial position for the reporting period date; therefore, we use it for valuation purpose as well. The value of land portfolio is adjusted by rent costs, which would be payable in case of land sale, in EV/EBITDA multiplier method.

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

Agricultural activities include the primary crop and livestock (milk) production, feed production and grain processing. UAB Litagra is holding company which directly and indirectly owned shares of multiple entities which for valuation are divided into two subgroups. One subgroup comprises the primary crop and livestock (milk) production. This segment is compared to 5 peers from Central Eastern Europe region including 2 entities from Lithuania. Another subgroup comprises feed production and grain processing. During 1st Half Year of 2020 the average market capitalization of the peers declined due to the COVID-19 virus pandemic impact on stock markets, although financial results of UAB Litagra improved. Therefore, the fair value of investments is decreased less than market capitalization of the peers. During 1st Half Year of 2019 higher market multiples for the peers and improved financial results of UAB Litagra itself led to higher valuation. Another reason is increased stake as a buyout of minority shareholder was done by the entity itself with minority discount. During 1st Half Year 2019 the effective ownership held by the Group is increased from 40.98% to 45.53%.

At the end of 2019 the Company was prepared also valuation by using discounted cash flows method to check the valuation of multiplier method. The cash flows were adjusted by rent costs of owned land. The value of land, valued by external asset valuers, was added to the value established by discounted cash flows. The valuation supported determined fair value by 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. At the end of 2019 the Company was prepared also valuation by using discounted cash flows method to check the valuation of multiplier method. The valuation supported determined fair value by multiplier method.

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

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

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

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

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

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

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company and the Group as at 30 June 2020:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Facility management (UAB Inservis, UAB Įmonių Grupė Inservis*) (Level 3)	5,222	Comparable companies in the market	EBITDA multiple	8.2
			EBITDA, EUR thousand	550
Agriculture (UAB Litagra) (Level 3)	14,992	Comparable companies in the market	EBITDA multiple	8.77 and 14.03
			P/BV	0.59 and 0.68
			EBITDA, EUR thousand	3,587
			Discount for lack of marketability	10%
Road signs production, wood manufacturing (UAB Kelio Ženkilai) (Level 3)	364	Fair value of net assets	-	-
Investment entity (UAB MD partners, investment into MAIB) (Level 3)	6,449	Comparable companies in the market	P/BV	0.77
			P/E	6.53
			Net profit, EUR million	35
			Equity, EUR million	228
			Discount for lack of marketability and country and MAIB risk	60%
Investment entity (UAB Cedus Invest) (Level 2)	74	Fair value of net assets	-	-
Dormant SPEs (Level 2)	41	Fair value of net assets	-	-
BSGF (Level 3)	3,702	Comparable companies in the market	EBITDA multiple	12.79 and 5.3
			Revenue (Sales) multiple	0.92 and 0.38
			Discount for lack of marketability	17.3% and 0%

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

AB INVALIDA INVL
INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

(all amounts are in EUR thousand unless otherwise stated)

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

The following table represents inputs and fair value valuation techniques of subsidiaries and associates used by the Company and the Group as at 31 December 2019:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Facility management (UAB Inservis, UAB Įmonių Grupė Inservis*) (Level 3)	4,511	Comparable companies in the market	EBITDA multiple	10.8
			EBITDA, EUR thousand	403
		Discounted cash flows	Yearly increase of sales	4%-5%
			Yearly increase of expenses	3%-5%
			Discount rate	8.9%
		Terminal growth rate	1%	
Agriculture (UAB Litagra) (Level 3)	17,256	Comparable companies in the market	EBITDA multiple	9.03 and 17.37
			P/BV	0.65 and 0.86
			Equity, EUR thousand	36,537
			EBITDA, EUR thousand	3,120
		Discounted cash flows	Discount for lack of marketability	10%
			EBITDA margin	6% and 16%-19%
			Discount rate	7.5% and 7.82%
		Terminal growth rate	1%	
Road signs production, wood manufacturing (UAB Kelio Ženkilai) (Level 3)	351	Fair value of net assets	-	-
Investment entity (UAB MD partners, investment into MAIB) (Level 3)	8,022	Comparable companies in the market	P/BV	1.01
			P/E	7.42
			Net profit, EUR million	37
			Equity, EUR million	229
			Discount for lack of marketability and country and MAIB risk	60%
Investment entity (UAB Cedus Invest) (Level 2)	240	Fair value of net assets	-	-
Dormant SPEs (Level 2)	42	Fair value of net assets	-	-
BSGF (Level 3)	3,577	Comparable companies in the market/discounted cash flows	EBITDA multiple	12.83
			Revenue (Sales) multiple	0.91
			Discount for lack of marketability	14%
			Discount rate	12.07%
			Terminal growth rate	1%
		EBITDA margin	5.1%-5.7%	

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

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

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 2020	As at 31 December 2019
Facility management (Level 3)	EBITDA multiple	1	550/(550)	403/(403)
	EBITDA	5%	226/(226)	217/(217)
	Discount rate	100 bps	-	(481)/617
	Terminal growth rate	50 bps	-	196/(173)
Agriculture (UAB Litagra) (Level 3)	EBITDA multiple	1	596/(596)	494/(494)
	P/BV multiple	0.1	834/(834)	802/(802)
	EBITDA	10%	1,016/(1,016)	1,087/(1,087)
	Discount for lack of marketability	100 bps	(167)/167	(192)/192
	Discount rate	100 bps	-	(1,727)/2,323
	Terminal growth rate	50 bps	-	812/(699)
Investment entity (UAB MD partners, investment into MAIB) (Level 3)	P/BV	0.1	362/(362)	364/(364)
	P/E	0.5	280/(280)	290/(290)
	Net profit	5%	204/(204)	245/(245)
	Discount for lack of marketability and country risk	100 bps	(160)/160	(199)/199
BSGF (Level 3)	EBITDA multiple	2 and 1	122/(122)	253/(253)
	Revenue (Sales) multiple	0.4 and 0.1	415/(415)	367/(367)
	Discount for lack of marketability	500 bps	(110)/110	(138)/138
	Discount rate	200 bps	-	(413)/600
	Terminal growth rate	100 bps	-	161/(138)
	EBITDA margin	100 bps	-	666/(666)

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

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

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2020:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Facilities management	-	-	5,222	5,222
- Bank sector	-	-	6,449	6,449
- Other activities	-	115	364	479
Associates				
- Agriculture	-	-	14,992	14,992
- Real estate	7,490	-	-	7,490
- Asset Management	-	-	-	-
Financial assets at fair value through profit or loss				
- Information technology	3,945	-	-	3,945
- Bank sector	15,055	-	-	15,055
- Other ordinary shares	-	2	830	832
- Collective investment undertaking - funds	-	5,418	3,955	9,373
Total Assets	26,490	5,535	31,812	63,837
Liabilities	-	-	18	18

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2020:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Facilities management	-	-	5,222	5,222
- Bank sector	-	-	6,449	6,449
- Other activities	-	115	364	479
Associates				
- Agriculture	-	-	14,992	14,992
- Real estate	7,490	-	-	7,490
- Asset Management	-	-	-	-
Financial assets at fair value through profit or loss				
- Information technology	3,513	-	-	3,513
- Bank sector	13,443	-	-	13,443
- Other ordinary shares	-	2	830	832
- Collective investment undertaking - funds	-	4,088	3,702	7,790
Total Assets	24,446	4,205	31,559	60,210
Liabilities	-	-	-	-

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Facilities management	-	-	4,511	4,511
- Bank sector	-	-	8,022	8,022
- Other activities	-	282	351	633
Associates				
- Agriculture	-	-	17,256	17,256
- Real estate	12,802	-	-	12,802
Financial assets at fair value through profit or loss				
- Information technology	3,522	-	-	3,522
- Bank sector	18,671	-	-	18,671
- Other ordinary shares	-	70	830	900
- Collective investment undertakings - funds	-	5,437	3,787	9,224
- Government bonds	377	-	-	377
- Real estate (loans granted)	-	-	1,506	1,506
Total Assets	35,372	5,789	36,263	77,424
Liabilities	-	-	36	36

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2019:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Facilities management	-	-	4,511	4,511
- Bank sector	-	-	8,022	8,022
- Other activities	-	282	351	633
Associates				
- Agriculture	-	-	17,256	17,256
- Real estate	12,802	-	-	12,802
Financial assets at fair value through profit or loss				
- Information technology	3,130	-	-	3,130
- Bank sector	16,672	-	-	16,672
- Other ordinary shares	-	70	830	900
- Collective investment undertakings - funds	-	5,205	3,577	8,782
- Real estate (loans granted)	-	-	1,506	1,506
Total Assets	32,604	5,557	36,053	74,214
Liabilities	-	-	-	-

During the 1st Half Year of 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

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

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

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

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

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

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

AB INVALIDA INVL

INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

(all amounts are in EUR thousand unless otherwise stated)

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

Financial instruments in Level 3 (cont'd)

The following table presents the changes in Level 3 instruments of the Company and the Group for the period ended 30 June 2019:

	Facilities management	Agriculture	Assets management*	Bank sector	Other activities	Collective investment undertakings**	Total
Balance at 31 December 2018	3,996	12,223	246	5,314	1,012	1,170	23,961
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss')	41	2,923	(6)	127	(85)	(66)	2,934
Loans granted	300	-	-	-	105	-	405
Interest charged	6	-	-	-	18	-	24
Redemption of convertible bonds	-	-	-	(1,732)	-	-	(1,732)
Acquisition	-	-	-	-	-	3,342	3,342
Balance at 30 June 2019	4,343	15,146	240	3,709	1,050	4,446	28,934
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	41	2,923	(6)	127	(85)	(66)	2,934

* This caption are actual only to the Group.

**In this caption the Company's numbers are: acquisition – EUR 3,342 thousand, net changes in fair value – EUR (79) thousand, balance at 30 June 2019 – EUR 3,263 thousand.

The following table presents the changes in the contingent consideration (Level 3 financial liability measurement) of the Group for the period ended 30 June 2019 and 2020:

	I Half Year 2020	I Half Year 2019
At 1 January	(36)	(52)
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial instruments at fair value through profit or loss')	-	(27)
Paid	18	18
At 30 June	(18)	(61)
Change in unrealised gains or losses for the period included in profit or loss for instruments held at the end of the reporting period	-	(27)

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

7. Income tax

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Components of income tax expense				
Current year income tax	(87)	(66)	-	(1)
Prior year current income tax correction	1	-	-	-
Deferred income tax income (expense)	599	(211)	524	(235)
Income tax income (expenses) charged to the income statement - total	513	(277)	524	(236)

8. Other income and expenses**8.1. Net changes in fair value on financial instruments**

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Net gain (loss) from changes in fair value of unconsolidated subsidiaries and associates	(7,555)	3,168	(7,555)	3,173
Net gain (loss) from financial assets at fair value through profit and loss (except-\ held for trading)	(4,723)	2,526	(4,380)	2,203
Net gain (loss) from financial assets held for trading	-	-	-	-
Net gain (loss) from financial liabilities at fair value through profit	-	(27)	-	-
<i>Net gain (loss) from financial instruments at fair value through profit and loss , total</i>	<i>(12,278)</i>	<i>5,667</i>	<i>(11,935)</i>	<i>5,376</i>

8.2. Finance expenses

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Interest expenses	(67)	(60)	(5)	(6)
	(67)	(60)	(5)	(6)

8.3. Other expenses

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Vehicles maintenance costs	(90)	(103)	-	(1)
Repairs and maintenance cost of premises	(59)	(45)	(1)	(2)
Taxes	(233)	(224)	(13)	(10)
Professional services	(183)	(98)	(5)	(5)
Fees for securities	(215)	(173)	(11)	(12)
Impairment of intangible assets	(10)	-	-	-
Other expenses	(500)	(397)	(139)	(24)
	(1,290)	(1,040)	(169)	(54)

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

9. Earnings per share

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

The weighted average number of shares for the six months ended 30 June 2020 and 2019 were as follows:

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

Calculation of weighted average for the six months ended 30 June 2019	Number of shares (thousand)	Par value	Issued/181 (days)	Weighted average (thousand)
Shares issued as at 31 December 2018	11,560	0.29	181/181	11,560
Increase of share capital as at 23 May 2019 (share options exercised)	52	0.29	38/181	11
Own shares acquired as at 12 June 2019	(2)	0.29	18/181	0
Shares issued as at 30 June 2019	11,610	-	-	11,571

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

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Net profit (loss), attributable to equity holders of the parent (EUR thousand)	(4,195)	7,181	(4,195)	7,181
Weighted average number of ordinary shares (thousand)	11,622	11,571	11,622	11,571
Basic earnings (deficit) per share (EUR)	(0.36)	0.62	(0.36)	0.62

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

9 Earnings per share (cont'd)

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

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

The following table reflects the share data used in the diluted earnings per share computations during the six months of 2019:

	Number of shares (thousand)	Issued/181 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	11,571
Potential dilutive shares from share-based payment (granted on 2 May 2016 and new shares issued on 23 May 2019 exercising share options)	43	142/181	34
Potential dilutive shares from share-based payment (granted on 3 May 2017)	11	181/181	11
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	181/181	49
Potential dilutive shares from share-based payment (granted on 6 May 2019)	58	55/181	18
Weighted average number of ordinary shares for diluted earnings per share	-	-	<u>11,736</u>

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

	Group		Company	
	I Half Year 2020	I Half Year 2019	I Half Year 2020	I Half Year 2019
Net profit (loss), attributable to the equity holders of the parent (EUR thousand)	(4,195)	7,181	(4,195)	7,181
Weighted average number of ordinary and potential shares (thousand)	<u>11,805</u>	<u>11,736</u>	<u>11,805</u>	<u>11,736</u>
Diluted earnings (deficit) per share (EUR)	<u>(0.36)</u>	<u>0.61</u>	<u>(0.36)</u>	<u>0.61</u>

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

10. Acquisition of own shares and share capital*1st Half Year of 2020*

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

1st Half Year of 2019

On 23 May 2019 the Register of Legal Entities has registered an increased authorised capital of the Company. Since that date the total number of issued shares is 11,918,899 with a par value of EUR 0.29 per share. Authorised share capital of the Company is amounted to EUR 3,456,480.71. has changed. It was issued 52,906 ordinary registered shares with an issue price of EUR 1. The shares were issued in order to realise the stock options granted in 2016 to the employees of the Group.

From 28 May 2019 until 10 June 2019 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 5.67 per share. During buy-back 2,552 shares (0.02% of share capital) were acquired for EUR 14 thousand, including brokerage fees. The acquired shares were settled on 12 June 2019.

Share based payments reserve

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

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

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

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

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

	Number of options, thousand	
	I Half Year 2020	I Half Year 2019
Balance as at 1 January	242	201
Granted during period	85	70
Change in accrued number for rendered services at period-end	(33)	(9)
Forfeited during period	(1)	-
Exercised during period	(79)	(53)
Balance as at 30 June	214	209
Vested and exercisable at 30 June	161	166

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

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

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

As at 30 June 2020	Expiry date	Share options, thousand	Share price	Volatility	Expected dividend yield	Risk-free interest rate	Fair value of share option
Granted on 11 August 2016	30 April 2023	25	4.00	40.87%	0%	(0.422%)	3.06
Granted on 3 May 2018	3 May 2021	60	5.25	32.38%	0%	(0.423%)	4.24
Granted on 6 May 2019	6 May 2022	69	5.65	30.90%	0%	(0.566%)	4.63
Granted on 25 May 2020	25 May 2023	60	6.75	30.74%	0%	(0.675%)	5.73
Total		- 214	-	-	-	-	-

As at 31 December 2019	Expiry date	Share options, thousand	Share price	Volatility	Expected dividend yield	Risk-free interest rate	Fair value of share option
Granted on 11 August 2016	30 April 2023	25	4.00	40.87%	0%	(0.422%)	3.06
Granted on 3 May 2017	3 May 2020	14	4.35	33.58%	0%	(0.641%)	3.33
Granted on 16 May 2017	3 May 2020	65	4.55	33.60%	0%	(0.578%)	3.53
Granted on 3 May 2018	3 May 2021	60	5.25	32.38%	0%	(0.423%)	4.24
Granted on 6 May 2019	6 May 2022	70	5.65	30.90%	0%	(0.566%)	4.63
Accrued on 31 December 2019	30 April 2023	8	6.80	29.95%	0%	(0.548%)	5.78
Total		- 242	-	-	-	-	-

During the 1st Half Year of 2020 and 1st Half Year of 2019 the share-based payment expenses were recognised in the income statement of the Company and the Group within "Employee benefits expenses" as the fair value of share options right away. During the 1st Half Year of 2020 and 1st Half Year of 2019 the Group has recognized EUR 43 thousand and EUR 237 thousand of expenses, respectively. During the 1st Half Year of 2020 on the Group level liability of EUR 198 thousand was reclassified to the share based payment reserve, when employees chose share option instead of cash alternative. During the 1st Half Year of 2020 the Group has recognised EUR 657 thousand from cash alternative of share based payment transaction. During the 1st Half Year of 2020 the Company has recognised EUR 4 thousand of expenses and EUR 237 thousand as additional investment to consolidated subsidiaries. During the 1st Half Year of 2019 the Company has recognised EUR 8 thousand of expenses and EUR 229 thousand as additional investment to consolidated subsidiaries.

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

In May 2019 the Group employees exercised share options granted in 2016 by acquiring new issued shares of the Company for 1 EUR per share. The share price at the date of exercise of share options was EUR 5.75.

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

11. Related party transactions

The related parties of the Group in during the 1st Half Year of 2020 and 2019 were unconsolidated subsidiaries, associates, joint ventures, the shareholders of the Company, who have joint control or significance influence (Note 1) and key management personnel, including companies under control or joint control of key management and shareholders having significant influence or joint control and including companies, where shareholders having joint control over the Company are key management personnel or having significant influence. To the other related parties are attributed entities left the Group during split-off occurred in 2014, because shareholders having joint control over the Company are key management personnel of these entities or having significant influence. To the related parties of the Company are also attributed consolidated subsidiaries.

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

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

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

The Company's transactions with related parties during the 1st Half Year 2019 and related half year-end balances were as follows:

1st Half Year 2019 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	24	-	861	-
Dividends	1,026	-	5,817	-
Transfer of tax losses	19	-	17	-
Accounting services	17	-	-	-
Rent and utilities services	-	8	-	115
Information technology maintenance services	-	4	-	1
Other services	10	-	-	-
	<u>1,096</u>	<u>12</u>	<u>6,695</u>	<u>116</u>
Liabilities to shareholders and management	-	-	-	-

AB INVALIDA INVL**INTERIM CONSOLIDATED AND COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

(all amounts are in EUR thousand unless otherwise stated)

11 Related party transactions (cont'd)The Group's transactions with related parties during the 1st Half Year 2020 and related half year-end balances were as follows:

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

The Group's transactions with related parties during the 1st Half Year 2019 and related half year-end balances were as follows:

1st Half Year 2019 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	24	-	861	-
Dividends	812	-	5,700	-
Accounting services	17	-	-	-
Rent and utilities services	2	68	-	1,085
Information technology maintenance services	-	75	-	10
Management and success fees	356	-	126	-
Land administration services	51	-	154	13
Services to Mundus UAB	27	-	15	-
Other services	11	-	-	-
	<u>1,300</u>	<u>143</u>	<u>6,856</u>	<u>1,108</u>
Liabilities to shareholders and management	-	-	-	-

12. Impact of COVID-19

The COVID-19 virus pandemic resulted a decrease in the fair value of the Group's and the Company's financial assets at fair value through profit or loss due to a decrease in the market price of listed companies. This directly contributed to the decline in the value of Level 1 and Level 2 financial assets and indirectly contributed to the decline in the value of Level 3 financial assets due to the decrease of the market value of comparable companies. But operations of the Group and the Company were not significantly affected by the COVID-19 virus pandemic. Due to the quarantine announced in Lithuania, which lasted from 16 March 2020 to 16 June 2020, Group's and the Company's operations were not disrupted, as the Group can perform all the operations remotely. Consolidated and unconsolidated subsidiaries of the Group have received state financial support for staff downtime during the quarantine. The Company did not request or received any financial support due to the COVID-19 virus pandemic. As the Company disclosed in the announcement of 20 March 2020, it is highly probable that the Company will incur losses in 2020 which will be caused by the anticipated decline in the fair value of the Company's financial assets at fair value through profit or loss. This decline may also reduce the Group's income generated from the management fee received for the managed investment products.