

A black and white photograph of a modern, curved interior space, likely a library or a public building. The space features large, white, curved walls and a light-colored floor. Several people are visible: three people walking in the upper part of the frame, and a person sitting on a bench in the lower part. The overall atmosphere is clean and minimalist.

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.

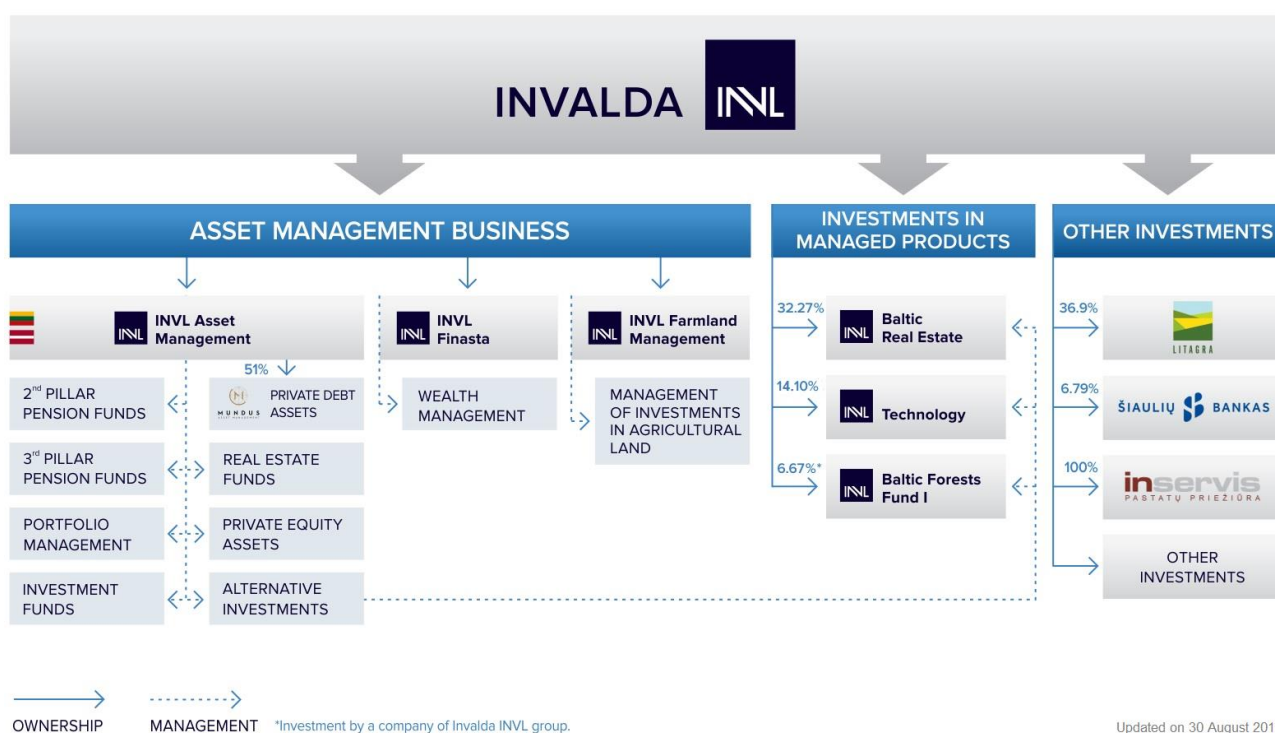


Fig. 2.3.1. The group companies of Invalda INVL

## 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
<b>Total assets</b>	<b>Book value</b>	<b>48,424</b>	<b>61,779</b>	<b>67,786</b>
<b>Liabilities</b>	<b>Book value</b>	<b>919</b>	<b>1,388</b>	<b>2,336</b>
<b>Net asset value</b>		<b>47,505</b>	<b>60,391</b>	<b>65,450</b>
<b>Net asset value per share, EUR</b>		<b>4.10</b>	<b>5.21</b>	<b>5.66</b>

#### 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
 <b>INL TECHNOLOGY</b> <a href="http://www.invltechnology.com">www.invltechnology.com</a>	Closed-ended type investment company investing in IT businesses	14.1	2.7	0.15
 <b>BALTIC REAL ESTATE</b> <a href="http://www.invlbalticrealestate.com">www.invlbalticrealestate.com</a>	Closed-ended type investment company investing in commercial real estate	32.27	9.8	0.23
 <b>LITAGRA</b> <a href="http://www.litagragroup.lt">www.litagragroup.lt</a>	Primary agricultural production company concentrating on the cultivation of grain, as well as milk and feed production	36.9	10.2	0.2
<b>ŠIAULIŲ BANKAS</b> <a href="http://www.sb.lt">www.sb.lt</a>	Lithuanian commercial bank providing financial services to business and private clients	6.79	18.6	0.64
 <b>inservis</b> <small>PASTATŲ PRIEŽIŪRA</small> <a href="http://www.inservis.lt">www.inservis.lt</a>	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.

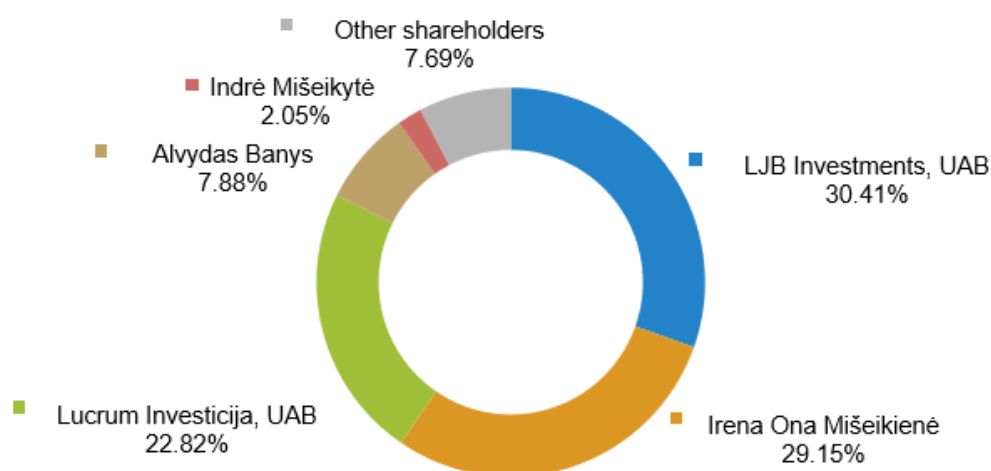
#### 9. Shareholders

##### 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, Juožapavičiaus 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

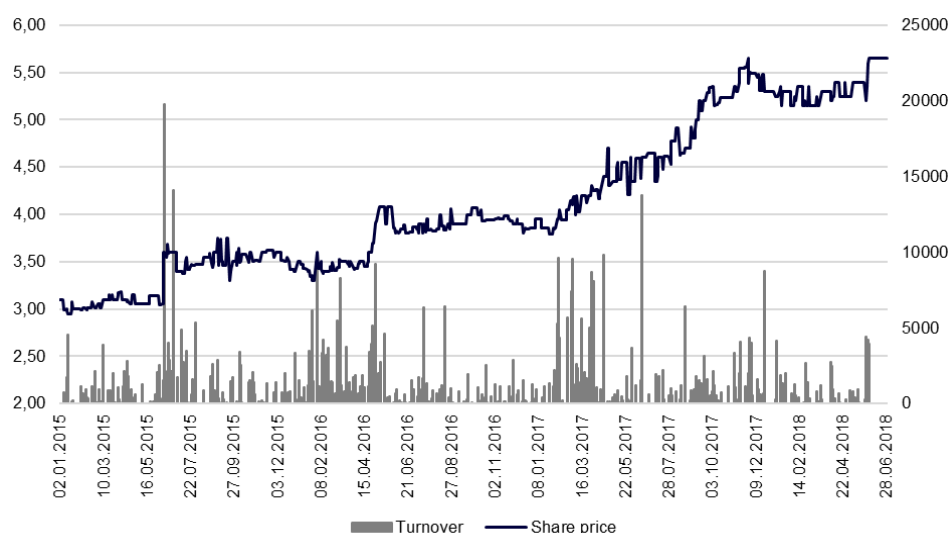
**Table 10.1.1. Main characteristics of Invalda INVL, AB shares admitted to trading**

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



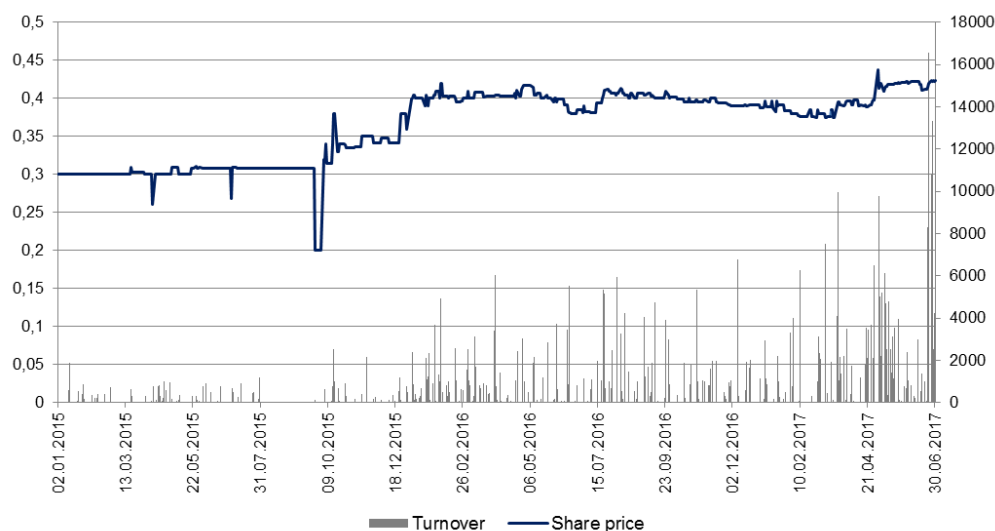
**Table 10.2.1.1. Main characteristics of INVL Baltic Real Estate shares admitted to trading**

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



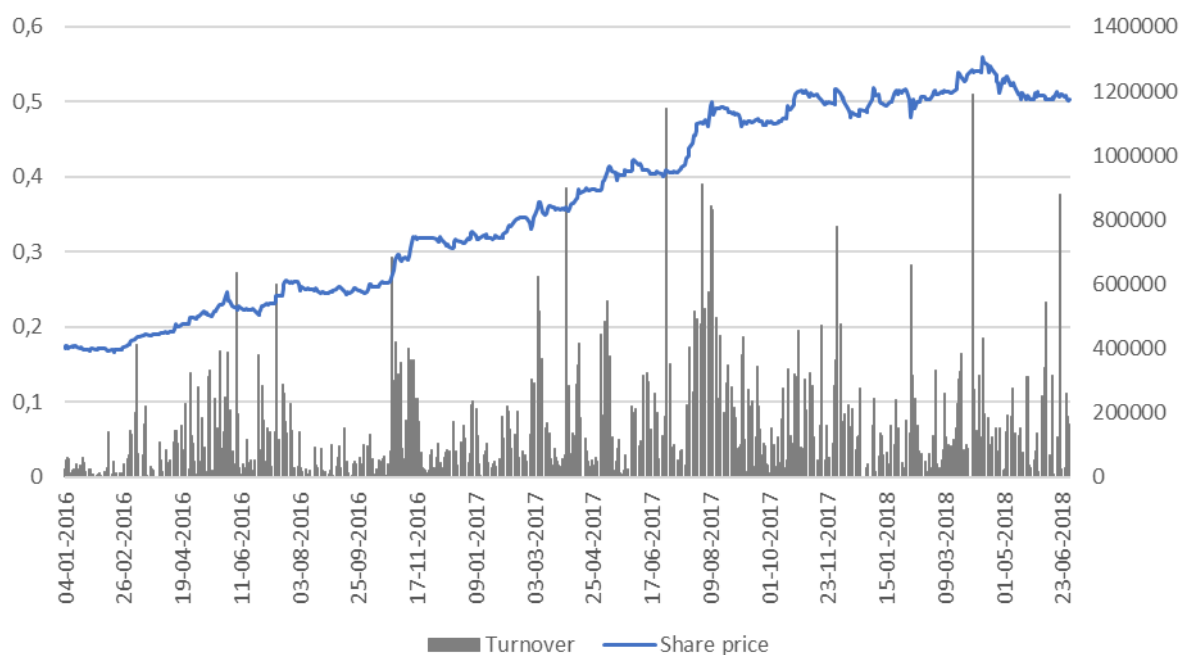
**10.2.3. Information about trading in Šiaulių bankas shares**

**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.



Dangutė 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 coach name, license No. E-51. Lithuanian Ministry of Finance, the auditor's name, license No. 000345.
Work experience	since 1997 the Partner at Moore 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