

## APPENDIX 5. REMUNERATION REPORT

### Brief overview of the Company's activities in 2020

The value of INVL Technology's financial assets at the end of the reporting period was EUR 32.65 million and increased EUR 6.74 million in the year. The company's net profit for 2020, after revaluation of assets and provisions, was EUR 4.8 million, or over five times more than the year before. The company had equity at the end of 2020 of EUR 34 million, or EUR 2.77 per irredeemable share.

In 2020, INVL Technology's IT services and software subsidiaries merged into the Novian group to strengthen their international presence and increase value for clients by offering integrated services. Subsequently, the main Novian companies, BAIP and Algoritumu Sistemas, changed their names and began to operate as Novian Technologies and Novian Systems, respectively. The group is increasing its companies' expertise in the areas of high-performance computing devices, digital transformation, big data, and artificial intelligence, and expanding their geography of operations giving priority to the Baltic and Nordic markets.

In 2020, the NRD Companies group strengthened its centralised sales and marketing capabilities, restructured and simplified its geographical business model, centralised financial management and administration, and enlarged the company's product and competence areas.

The cybersecurity company NRD Cyber Security invested in 2020 in applied research activities and is currently developing 2 products/R&D projects, Cysystem and Cyberset, and has also developed and enhanced its proprietary products and continuous cybersecurity maintenance services.

INVL Technology's companies conducted projects in 54 countries in 2020. New countries where activities were carried out include Portugal, Serbia, Anguilla, Afghanistan, Saint Lucia, Senegal, Nigeria and Kenya.

### Management of the company

The management of INVL Technology is delegated to UAB INVL Asset Management (hereinafter referred to as the Management Company), which also performs the functions of the Board and Managers of INVL Technology. Given that and taking into account the fact that INVL Technology has to approve the remuneration policy (hereinafter referred to as the Policy) in accordance with Article 373 of the Law on Companies of the Republic of Lithuania, it is established that the Company is subject to the Policy of the Management Company, the provisions of which are adapted in order to reveal as much as possible the transparency of remuneration of the persons considered to be managers of INVL Technology, the accountability of the management and to enable the shareholders, potential investors and stakeholders to get a comprehensive and reliable picture of the wages paid to each manager of INVL Technology. For the purposes of this Report, the General manager of the Management Company, members of the Board of the Management Company and members of the CEIC Investment Committee appointed by the Management Company (hereinafter referred to as the Management) shall be considered to be managers of INVL Technology.

### Official monthly wage

The regular remuneration of the Management includes the official monthly wage, employee fees and additional benefits granted irrespective of the performance results and paid to all employees meeting the established criteria in accordance with the procedure in force in the Management Company (e.g. pension contributions to voluntary pension funds). In addition to the official monthly wage or remuneration received in a different form, a supplementary component may be paid – the variable wage allocated depending on the fulfilment of the Company's annual business plan and/or budget and the fulfilment of the Management's individual plans and tasks. The official monthly wage is determined in such a way as to ensure proper proportions between the official monthly wage and the bonus components. The official monthly wage constitutes a sufficiently high proportion of the total remuneration paid so that it makes it possible to implement a flexible incentive policy.

### Bonuses and the procedure for payment thereof

A bonus, including the deferred part thereof, may be granted and/or paid to the Management only in the case of a sustainable financial situation in the Company, taking into account the Company's performance results, and only if the results of the annual individual assessment of the Management are positive. In assessing the individual performance results of the Management, non-financial criteria, such as adherence to internal rules and procedures, communication with clients and investors, compliance with rules, enhancement of professional qualifications, etc., are also taken into account. If the financial performance results of the Company in a given year are negative or the Company has failed to achieve the established business objectives, the Company has the right to make a decision not to pay the bonus or part thereof, or to reduce the amount of previously estimated bonus, as well as the payment of such amounts earned previously, by defining the period of such non-payment or reduction which may not be shorter than 1 year. No such adjustment or deferral was applied during the reporting period. Likewise, the Board of the Management Company is entitled to demand that the Management refunds all or part of the bonus paid to it if it subsequently becomes clear that the bonus was paid to it as a result of the Management's bad faith or errors in the accounts.

The bonus is paid to Management in accordance with the following payment terms:

- 60% of the bonus amount is paid in a single payment in accordance with the procedure and within the time limits established by the decision of the Board of the Management Company;

- the remaining part of the bonus (i.e. the remaining 40% of the bonus) is paid to the employee on a pro rata basis within three years, i.e. the deferred portion of the bonus is distributed proportionally over the entire deferral period, beginning not earlier than 1 year after the end of the employee's performance assessment and is paid on a yearly basis by disbursing the portion of the bonus calculated pro rata. In individual cases, the competent body of the Management Company has the right to decide on a longer deferral period (usually not longer than 5 years) taking into consideration the business cycle of activities of the Management Company and/or respective collective investment undertaking or pension fund and other criteria provided for in the legislation.

As a rule, the bonus is paid in money. The Management Company, in accordance with the principle of proportionality, does not apply the requirement regarding the mandatory payment of the bonus in financial instruments. However, if the Management Company provides for such possibility, the bonus may be replaced by other incentives, by granting financial instruments or equivalent instruments (share options, contributions to a private pension fund) at the discretion of the Management itself.

Upon termination of the employment relationship, regardless of the grounds for termination of the employment relationship, the deferred part of the bonus payable will not be paid out.

The variable remuneration component for 2020 will be allocated in 2021, after the approval of the financial statements for 2020. In the allocation of this portion of the remuneration, account will be taken, inter alia, during the reporting period, INV L Technology strengthened the structure of three groups of companies, which is focused on increasing the value of companies by expanding the sales geography and new technologies, as well as developing new services and products, especially in the field of cyber security.

The remunerations of the General manager and Board members of the Management Company are calculated on the basis of the proportion of the Management Company's management income (including management and success fee revenues) received from the Company within the total income of the Management Company. The remunerations of the members of the Investment Committee of the Company are calculated in accordance with the part of the time actually allocated to the Company's management. Amounts of remuneration allocated and paid to Management for the years 2019 and 2020 are presented in the tables on the pages below.

*Breakdown of wages allocated and paid during 2020:*

Name Surname, Position	ID code	1. Regular remuneration, in EUR 000s			2. Variable remuneration, in EUR 000s		3. Onetime payments, in EUR 000s	4. Contributions to pension funds, in EUR 000s	5. Total remuneration, in EUR 000s	6. Portion of variable remuneration in %*
		Official annual remuneration	Other payouts	Reward in kind	Annual bonuses*	Multiannual results bonuses*				
Laura Križinauskienė, General manager of the Management Company	[sensitive data]	5,17	-	-	1,30	-	-	1,28	7,75	16.8
Darius Šulnis, Chairman of the Board of the Management Company	[sensitive data]	2,71	-	-	-	-	-	-	2,71	-
Nerijus Drobavičius, Member of the Board of the Management Company and Investment Committee	[sensitive data]	3,72	-	-	-	-	-	0,01	3,73	-
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee	[sensitive data]	3,69	-	-	-	-	-	0,55	4,24	-

Kazimieras Tonkūnas, Chairman of the Investment Committee	[sensitive data]	188,34	-	-	-	-	-	17,09	205,43	-
Vida Tonkūnė, Member of the Investment Committee	[sensitive data]	24,44	-	-	-	-	-	0,39	24,83	-

## Breakdown of wages allocated and paid during 2019:

Name Surname, Position	ID code	1. Regular remuneration, in EUR 000s			2. Variable remuneration, in EUR 000s		3. Onetime payments, in EUR 000s	4. Contribu- tions to pension funds, in EUR 000s	5. Total remuner- ation, in EUR 000s	6. Portion of variable remunerati- on in %*
		Official annual remunerati- on	Other payouts	Reward in kind	Annual bonuses*	Multiannual results bonuses*				
Laura Križinauskienė, General manager of the Management Company	[sensitive data]	5.28	-	-	-	3.80	-	-	9.08	41,84
Darius Šulnis, Chairman of the Board of the Management Company	[sensitive data]	2.71	-	-	-	-	-	-	2.71	-
Nerijus Drobavičius, Member of the Board of the Management Company and Investment Committee	[sensitive data]	3.31	-	-	-	-	-	0.01	3.32	-
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee	[sensitive data]	3.27	-	-	-	-	-	0.45	3.72	-
Kazimieras Tonkūnas, Chairman of the Investment Committee	[sensitive data]	194.28	-	-	-	-	-	12	206.28	-
Vida Tonkūnė, Member of the Investment Committee	[sensitive data]	24.39	-	-	-	-	-	0.39	24.78	-

There was no distribution of the amounts of salaries assigned and paid in other companies of the Company's group neither in 2020 nor in 2019.

As a rule, the bonus is paid in money. The Management Company, in accordance with the principle of proportionality, does not apply the requirement regarding the mandatory payment of the bonus in financial instruments. The managers of the Company are not granted shares of the Company, nor are there any share options for the Company's shares with them. In accordance with the Policy of the Management Company in force in the Company, the portion of the variable remuneration allocated to the employee of the Management Company (all or part of it) may be allocated in the options of AB Invalda INVL. Their pro rata payment is realised through the assignment of shares (i.e. the grant or obtaining of the right to acquire the relevant quantities of shares at different terms) under the procedures and conditions laid down in the option agreements.

#### Comparison of wages allocated and paid over the last five years

Due to the fact that the management of the Company is delegated to the Management Company and its management bodies are not formed, and the Company itself does not have employees, the annual changes in remuneration and the full-time equivalent changes in average remuneration, based on the employees of the Company who are not members of the management and supervisory bodies, cannot be compared.

Since only the remunerations of the members of the Investment Committee of the Company are calculated on the basis of the actual part of the time allocated to the management of the Company and their remunerations depend on the performance of the Management Company related to the activities of the Company, therefore, the table below reflects only the remunerations of the members of the Investment Committee and the financial results of the Company.

The remuneration of the Investment Committee***	ID code	2016 (in EUR 000s)	2017 (in EUR 000s)	2018 (in EUR 000s)	2019 (in EUR 000s)	2020 (in EUR 000s)
Kazimieras Tonkūnas, Chairman of the Investment Committee	[sensitive data]	54,29	144,75	142,03	206,28	205,43
Vida Tonkūnė, Member of the Investment Committee	[sensitive data]	-	-	17,8	24,78	24,83
Vytautas Plunksnis, Member of the Investment Committee	[sensitive data]	2,75	4,1	5,05	3,72	4,24
Nerijus Drobavičius, Member of the Investment Committee	[sensitive data]	3,83	4,52	3,97	3,32	3,73

\*\*\* Total remuneration received from the Company and other companies of the Group

The Company's results	2016 (Eur)	2017 (in EUR 000s)	2018 (in EUR 000s)	2019 (in EUR 000s)	2020 (in EUR 000s)
Net profit per share****	0.37	0.34	0.35	0.08	0.39
Net profit	(4,515)	4,084	4,213	933	4,767
Assets	19,851	25,877	28,150	29,080	35,404

\*\*\*\* Recalculated with the par value per share at EUR 0,29.

The Company's Remuneration Report, together with the Policy, is publicly available on INVL Technology website at [www.invltechnology.lt](http://www.invltechnology.lt).