

INVL TECHNOLOGY REMUNERATION REPORT FOR 2021

Brief overview of the Company's activities in 2021

INVL Technology, a company that invests in IT businesses, had equity of EUR 36.125 million at the end of 2021, which is 7.1% more than a year earlier. Equity per share at the end of 2021 was EUR 2.9936 and, taking the buy-back of own shares into account, increased 8.1% in the year.

The company had a net profit last year of EUR 2.6 million, a decrease of 45% compared to 2020. According to the unaudited figures, the aggregated revenues of the company's business holdings rose 10% in 2021 to EUR 40.3 million.

During the reporting period, the companies owned and managed by INVL Technology focused on solutions and products for the public sector and large businesses, especially the financial sector, thus partially diversifying their markets. INVL Technology's growth was mainly driven by the growth of the cyber security company NRD CS. Challenges were posed, however, by the downturn in the US dollar and declining demand for IT solutions and services in remote global markets, as well as by increased demand for IT professionals and wage-related costs.

Management of the company

The management of INVL Technology is delegated to INVL Asset Management UAB (the Management Company), which also performs the functions of the Board and the managers of INVL Technology. In that light, and given that in accordance with Article 373 of the Law on Companies of the Republic of Lithuania INVL Technology must approve a remuneration policy (hereinafter – the Policy), it has been established that the Company is subject to the Policy of the Management Company, the provisions of which are adapted to best show the transparency of the remuneration of the persons deemed to be managers of INVL Technology and the accountability of the management, and to enable shareholders, potential investors and stakeholders to get a comprehensive and reliable picture of the wages paid to each manager of INVL Technology. As of 12 May 2021, the Company also has a collegial supervisory body – the Supervisory Board. The General Meeting of Shareholders of the Company held on 29 April 2021 approved the remuneration policy for the Supervisory Board. For the purposes of this report, the managers of INVL Technology are deemed to be the general manager of the Management Company, the members of the Board of the Management Company and the members of the Closed-Ended Type Investment Company Investment Committee appointed by the Management Company (hereinafter – the Management) as well as the members of the Supervisory Board.

Independent member of the Supervisory Board under the decision of General Meeting of Shareholders that was held in April 29 of 2021, receives an hourly remuneration of EUR 145 (excluding taxes) for its activities in the Supervisory Board of the Company. Other members of the Supervisory Board do not receive remuneration for their current duties.

Official monthly wage

The base remuneration of Management includes a monthly salary, employee fees and additional benefits granted irrespective of work results and paid to all employees who meet the relevant criteria established under the procedure in force at the Management Company (e.g. pension contributions to voluntary pension funds). In addition to a monthly salary or other form of remuneration received in a different form, a supplementary component may be paid – variable compensation which depends on the fulfilment of the Company's annual business plan and/or budget and of the Management's specific plans and tasks. The monthly salary is set in such a way as to ensure proper proportions between it and the bonus components. The monthly salary accounts for a relatively large part of the total remuneration paid to enable the conduct of a flexible incentives policy.

Bonuses and the procedure for payment thereof

Bonuses, including any deferred components, may be granted and/or paid to the Management only when the Company's financial situation is sustainable, taking the Company's operating results into account, and only if the results of the Management's annual individual performance review are positive. In assessing the individual performance of the Management, non-financial criteria are also considered, such as adherence to internal rules and procedures, communication with clients and investors, compliance with rules, enhancement of professional qualifications, etc. If the financial results of the Company in a given year are negative or the Company has failed to meet the established business objectives, the Company has the right to decide not to pay a bonus or components of it, or to reduce the previously determined amount of a bonus or the payment amounts previously earned, defining in advance the period for such non-payment or reduction, which may not be shorter than 1 year. No such adjustment or deferral was made during the reporting period. Note that the Board of the Management Company has the right to demand that the Management refund all or part of a bonus paid to it if it subsequently becomes clear that the bonus was paid due to Management having acted in bad faith or errors in the accounts.

Bonuses are paid to Management in keeping with the following terms:

- 60% of the amount of a bonus is paid in a lump sum according to the procedure and timing established by decision of the Board of the Management Company;
- the rest of the bonus (i.e., the remaining 40%) is paid to the employee on a pro rata basis over three years, i.e. the deferred portion of the bonus is distributed proportionally over the entire deferral period, starting no earlier than 1 year after the end of the employee's performance assessment and disbursing the pro rata portion of the bonus on a yearly basis. In special cases, the competent body of the Management Company has the right to set a longer deferral period (usually no longer than 5

years) taking into consideration the business cycle of the Management Company's operations and/or of a relevant collective investment undertaking or pension fund as well as other criteria provided for in the law.

As a rule, bonuses are paid in cash. The Management Company, in accordance with the principle of proportionality, does not require the mandatory payment of a certain part of a bonus in financial instruments. However, if the Management Company offers such a possibility, the Management itself may choose to replace a bonus with other incentives – the granting of financial instruments or their equivalent (stock options, contributions to a private pension fund).

After the termination of employment relations, regardless of the grounds for their termination, the deferred part of a bonus will no longer be paid.

The variable remuneration component for 2021 will be allocated in 2022, after approval of the financial statements for 2021. In allocating this part of remuneration, consideration will be given, inter alia, to the fact that during the reporting period INVL Technology strengthened the structure of its three groups of companies, with a focus on increasing the value of the companies by expanding their sales geography and new technologies, as well as by developing new services and products, especially in the field of cyber security.

Remuneration of the general manager and Board members of the Management Company is calculated based on the proportion of the Management Company's management income (including management and performance fee revenues) received from the Company relative to the total income of the Management Company. The remuneration of the members of the Investment Committee of the Company is calculated in accordance with the proportion of their time actually allocated to the Company's management. The tables below present the remuneration amounts allocated and paid to Management for 2020 and 2021.

Breakdown of wages allocated and paid during 2021

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 Company ID code – sensitive date	4.66	-	-	2.74	-	-	1.31	8.71	31,46
Darius Šulnis, Chairman of the Board of the Management company ID Code – sensitive data	1.83	-	-	-	-	-	-	1.83	-
Nerijus Drobavičius, member of the Board of the Management company, ID code – sensitive date	3.73	-	-	2.86	-	-	0.01	6.6.	43,33
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee, ID Code – sensitive date	2.86	-	-	0.64	-	-	0.56	4.06	15,76
Kazimieras Tonkūnas, Chairman of the Investment Committee, ID code – sensitive data	188.13	-	-	-	-	-	19.42	207.55	-
Vida Tonkūnė, Member of the Investment Committee, ID code – sensitive data	24.70	-	-	-	-	-	0.5	25.2	-

Breakdown of wages allocated and paid during 2020

Name, surname, position	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 Company ID code – sensitive data	5.17	-	-	1.30	-	-	1.28	7.75	16,80
Darius Šulnis, Chairman of the Board of the Management company ID Code – sensitive data	2.71	-	-	-	-	-	-	2.71	-
Nerijus Drobavičius, member of the Board of the Management company, ID code – sensitive data	3.72	-	-	-	-	-	0.01	3.73	-
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee, ID Code – sensitive data	3.69	-	-	-	-	-	0.55	4.24	-
Kazimieras Tonkūnas, Chairman of the Investment Committee, ID code – sensitive data	188.134	-	-	-	-	-	17.09	205.43	-
Vida Tonkūnė, Member of the Investment Committee, ID code – sensitive data	24.44	-	-	-	-	-	0.39	24.83	-

*There was no distribution of the amounts of salaries assigned and paid in other companies of the Company's group neither in 2021 nor in 2020.

As a rule, bonuses are paid in cash. The Management Company, in accordance with the principle of proportionality, does not require mandatory payment of a certain part of a bonus in financial instruments. The managers of the Company have not been granted shares of the Company, nor have any Company stock option agreements been signed with them. Under the Policy of the Management Company, which is in force at the Company, all or part of variable remuneration to an employee of the Management Company, at the employee's choice may be allocated in the form of options of Invalda INVL AB. Their pro rata payment is realized through the assignment of shares (i.e., the grant or obtaining of the right to acquire the relevant quantities of shares on different terms) under the procedures and conditions laid down in the option agreements.

Comparison of wages allocated and paid over the last five years

As management of the Company is delegated to the Management Company and the Company itself has neither formed management bodies nor employees, comparison is not possible for annual changes in remuneration or changes in full-time equivalent average remuneration for employees of the Company who are not members of management and supervisory bodies.

Since only the remunerations of the members of the Investment Committee of the Company are calculated on the basis of the actual part of their 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, the table below reflects only the remunerations of the members of the Investment Committee and the financial results of the Company. It is also not possible to provide information on annual changes

in the remuneration of the members of the Supervisory Board or their average remuneration, as the members of the Supervisory Board did not receive any remuneration.

Name, surname, position, ID code*	2017 (in EUR 000s)	2018 (in EUR 000s)	2019 (in EUR 000s)	2020 (in EUR 000s)	2021 (in EUR 000s)
Kazimieras Tonkūnas, Chairman of the Investment Committee	144.75	142.03	206.28	205.43	207.55
Vida Tonkūnė, member of the Investment Committee	-	17.8	24.78	24.83	25.19
Vytautas Plunksnis, Member of the Investment Committee	4.1	5.05	3.72	4.24	4.06
Nerijus Drobavičius, member of the Investment Committee	4.52	3.97	3.32	3.73	6.60

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

Results of the Company 2017 – 2021

	2017 (thous. EUR)	2018 (thous. EUR)	2019 (thous. EUR)	2020 (thous. EUR)	2021 (thous. EUR)
Net profit per share*	0,34	0,35	0,08	0,39	0,22
Net profit	4 084	4 213	933	4 767	2 621
Assets	25 877	28 150	29 080	35 404	38 651

* 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.