

REMUNERATION REPORT

Brief overview of the Company's activities in 2023

The equity and the net asset value of INVL Technology, a company that invests in IT businesses, amounted to EUR 43.53 million at the end of 2023, or EUR 3.6052 per share, and grew 13.7% during the year.

The company had a net profit last year of EUR 5.2 million, an increase of 144.2% compared to 2022. According to the unaudited figures, the aggregated revenues of the company's business holdings increased 24,6 % in 2023 to EUR 62,57 million.

During 2023, accounting for the effect of dividends that were paid, the value of the cyber-security company NRD Cyber Security grew 48% to EUR 14.1 million, the value of NRD Companies, which works in in business climate improvement and e-governance, increased 51% to EUR 11.0 million, and the value of the Novian group of IT service businesses increased 12% to EUR 19.7 million.

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. From 26 July 2021 till 20 February 2023 the Company had a collegial supervisory body - Supervisory Board. On 29 April 2021 the Company's General Meeting of Shareholders approved the remuneration policy of the Company's 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.

Considering that a new version of the Republic of Lithuania Law on Companies entered into effect on 30 November 2022 and according to the provisions of section 1 of article 78 therein, the requirement to form a collegial body with supervisory functions no longer applies to investment companies specified in the Republic of Lithuania Law on Collective Investment Undertakings with the legal form of a public limited liability company whose shares are admitted to trading on a regulated market, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, therefore, the remuneration policy of the Supervisory Board from 6 February 2023 are not relevant.

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 II or III tier 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.

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.

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. 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 general director or the 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 as well as other criteria provided for in the law.

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 or their equivalent (stock options, pension and insurance contributions). 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 2023 will be allocated in 2024, after the approval of the financial statements for 2023. 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 table below presents the remuneration amounts allocated and paid to Management for 2023.

Breakdown of wages allocated and paid during 2023

Name, Surname, Position, ID code	1. Regular remuneration, Thous. EUR			2. Variable remuneration, thous. EUR		3. One-time payments, in thous. EUR	4. Contributions to pension funds, thous. EUR	5. Total remuneration, in thous. EUR	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	4.44	-	-	6.34	-	-	1.24	12.02	52.74
Paulius Žurauskas, General manager of the Company (from 1 December 2023) ID code – sensitive date	2.44	-	-	-	-	1.32	0.02	3.78	34.96
Darius Šulnis, Chairman of the Board of the Management company ID Code – sensitive data	1.57	-	-	-	-	-	-	1.57	-
Nerijus Drobavičius, member of the Board of the Management company, ID code – sensitive date	2.94	-	-	1.71	-	6.34	0.02	11.01	73.12
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee, ID Code – sensitive date	2.16	-	-	-	-	-	0.43	2.59	-
Kazimieras Tonkūnas, Chairman of the Investment Committee, ID code – sensitive data	251.70	-	-	-	-	-	19.42	271.12	-
Vida Tonkūnė, Member of the Investment Committee, ID code – sensitive data	24.37	-	-	-	-	-	0.08	24.45	-
Audrius Matikiūnas, Member of the Supervisory Board, A. k. neskelbiamas	-	-	-	-	-	-	-	-	-
Indrė Mišeikytė, Member of the Supervisory Board, A. k. neskelbiamas	-	-	-	-	-	-	-	-	-
Gintaras Rutkauskas, Chairman of the Supervisory Board, A. k. neskelbiamas	-	-	-	-	-	-	-	-	-

*The variable remuneration component for 2023 will be allocated in 2024, after approval of financial statements for 2023.

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

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 bodies, cannot be compared. It is also not possible to provide information on the annual changes in the remuneration of the members of the Supervisory Board and the average remuneration, as the members of the Supervisory Board do not receive remuneration.

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.

Remuneration of Investment Committee	2019 (thous. EUR)	2019 (thous. EUR)	2020 (thous. EUR)	2021 (thous. EUR)	2023 (thous. EUR)
Kazimieras Tonkūnas, Chairman of the Investment Committee	206.28	205.43	207.55	251.71	271.12
Vida Tonkūnė, Member of the Investment Committee	24.78	24.83	25.20	24.93	24.45
Vytautas Plunksnis, Member of the Investment Committee	3.72	4.24	4.06	4.02	2.59
Nerijus Drobavičius, Member of the Investment Committee	3.32	3.73	6.60	7.06	11.01

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

Results of the Company	2019 (thous. EUR)	2020 (thous. EUR)	2021 (thous. EUR)	2022 (thous. EUR)	2023 (thous. EUR)
Net profit per share*	0.08	0.39	0.22	0.18	0.43
Net profit	933	4,767	2,621	2,115	5,165
Assets	29,080	35,404	38,651	38,447	48,888

*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.