

APPENDIX 4. REMUNERATION REPORT

The Company has prepared the first remuneration report (hereinafter - the Report). As this is the first Report, it does not indicate how the results of the vote on the remuneration report of the General Meeting of Shareholders of the previous reporting period were taken into account.

This report is designed to be read as a stand-alone document. The report has been prepared in accordance with the provisions of the Law on Financial Reporting of Enterprises of the Republic of Lithuania and the Remuneration Policy approved by the company's shareholders' meeting on 30 April 2020.

Introduction

Invalda INVL is an asset management group whose companies more than 260 thousand clients have entrusted over 1.6 billion euros of assets.

2021 was a very good year for investors with the Invalda INVL Group, during which our clients earned EUR 210.5 million. At the end of 2021, Invalda INVL's equity was EUR 121.2 million or EUR 10.32 per share. Last year, Invalda INVL's net profit amounted to EUR 37.5 million. The value of the assets of more than 260 thousand clients managed by the Group companies in 2021 exceeded EUR 1.6 billion at the end of the year and increased by 29% over the year.

The main factor contributing to Invalda INVL's results, as usual, was the change in the value of the investment portfolio and income from the portfolio, from which our earnings in 2021 were EUR 33.5 million. Invalda INVL's income from the asset management business in 2021 amounted to 15.8 million euros and earned 6.1 million euros.

In 2020, the average number of employees of AB Invalda INVL was 7, of which 4 employees were assigned to the management staff and the company also has 3 specialists.

Invalda INVL is a parent company whose operations are concentrated in subsidiaries, many of which are licensed and make their information public.

Executive remuneration

The report provides information on the remuneration of the company's manager and each member of the bodies elected by the shareholders' meeting. The head of the company is the President of Invalda INVL. The members of the bodies elected by the shareholders' meeting are a) members of the Board, who may be paid bonuses and who may receive remuneration from the company under employment, service or other contracts, b) members of the audit committee. Although not provided for in the Remuneration Policy, given that the Company provides information on the remuneration of the Chief Financier in the Annual Report, this information will also be disclosed in the Report.

The company's management did not change during the reporting period.

The members of the Board of the Company did not receive remuneration for their work on the Board but received remuneration under employment contracts.

Table 1. Remuneration of the CEO, CFO and each member of the bodies elected by the specific shareholders' meeting for 2020 and 2021 (EUR, before taxes)

Name, position	Remuneration received from the group														In that number the remuneration received from any company in which Invalda INVL owns more than 50% of the shares	
	Fixed part of remuneration ¹		Variable part of the remuneration ² (for the year)		Variable part of the remuneration ² (long term program)		Other monetary reward ³		Other benefits ⁴		Total		Ratio of fixed to variable and other remuneration			
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Darius Šulnis, CEO, Board member	104,235	73,433	-	-	-	-	-	-	-	1,366	104,235	74,799	100%	98%	-	-
Alvydas Banys, Senior Advisor, Chairman of the Board	73,554	73,429	-	-	-	-	-	-	-	-	73,554	73,429	100%	100%	-	-
Indrė Mišeikytė, Advisor, Board member	73,689	73,389	-	-	-	-	-	-	1,333	-	75,022	73,389	98%	100%	-	-
Tomas Bubinas, independent audit committee member	906	508	-	-	-	-	-	-	-	-	906	508	100%	100%	-	-
Danguolė Pranckėnienė, independent audit committee member	435	580	-	-	-	-	-	-	-	-	435	580	100%	100%	-	-
Raimondas Rajeckas, CFO	57,392	58,037	29,929	7,296	23,701	23,701	6,000	-	8,356	31,693	125,379	120,727	46%	48%	3,378	3,550

1. **The fixed part of the remuneration** is the monthly salary specified in the employment contract, i.e. basic part of wages. Members of the elected bodies who have not concluded employment contracts with the company may receive remuneration in the form prescribed by legal acts and under service contracts.
2. **Variable part of the Remuneration** - annual bonuses or share options. This is an additional employee remuneration, which is granted and paid at the initiative of the company as a means of employee promotion and motivation. The value of share options is disclosed as it is recognized in the financial statements in accordance with applicable accounting standards.
3. **Other monetary reward** - bonus, other benefits that may be paid for additional work, performance of additional functions not provided for in their employment contract and / or job description, or performance of additional tasks.
4. **Other benefits** - other potential benefits provided to employees as incentives (for example, pension contributions may be paid to employee's pension funds managed by the group, reimbursement of part or all of the cost of training, gifts, taxes paid on behalf of the employee, etc.).

Invalda INVL's remuneration policy maintains a simple and transparent remuneration structure and reduces the risk of potential conflicts of interest. The Company believes that the publicly disclosed executive remuneration fully complies with the provisions of the remuneration policy. The remuneration policy does not provide for the amounts of remuneration for managers and the application of performance criteria.

Table 2. Annual changes in the company's results, remuneration disclosed in the report and average salary over 5 years

	2017	2018	2019	2020	2021
Šulnis Darius	-0.2%	4.6%	2.1%	-24.3%	-29,6%
Mišėikytė Indrė	-0.5%	-0.3%	0.8%	1.9%	-2,2%
Banys Alvydas	0.2%	0.3%	-0.8%	0.5%	-0,2%
Rajeckas Raimondas	-12.8%	-3.0%	15.3%	28.9%	-3,7%
Tomas Bubinas	-11.1%	37.5%	150.9%	-54.7%	-44,0%
Dangutė Pranckėnienė				-75.8%	33,3%
Net profit	137.0%	-97.0%	5,972.0%	-74.4%	602,8%
Average salary	-41.9%	32.0%	29.8%	17.4%	31,8%

As required by law, the company provides comparisons of annual results and earnings. For the sake of comparability, when calculating the changes, the remuneration for 2017-2018 has been recalculated by applying a coefficient of 1.289 due to the reform of transferring employer taxes to the employee that took place in Lithuania from 1 January 2019. Also, the remuneration that was not paid for a full year was converted to the full year equivalent.

As can be seen from the table, the company's results do not directly affect the salaries of either management or other employees. The results of Invalda INVL are determined by the successful activities of asset management companies, high share prices in the securities market, realized sales transactions, etc. Wages are determined taking into account the general market situation, the fulfilment of the employee's annual targets, and so on.

Share options

The decision on the specific number of shares of the company offered to employees and the method of granting shares (for free and / or partially remunerated), when shares are granted partially remunerated - the share price payable by employees, is decided by the general meeting of shareholders of at least 2/3 majority of the votes of all shareholders present at the meeting. Agreements for the acquisition of shares decided by the General Meeting of Shareholders are concluded and employees acquire ownership of shares not earlier than in the third financial year (excluding the financial year in which the decision of the General Meeting of the Company was adopted), provided that such right has not been revoked for the employee, the employee has not waived it or lost it on other grounds. The method of granting shares does not change depending on the performance of the company and / or other group companies or the price of the company's ordinary registered shares on the regulated market.

Table 3. Share options

Option owners	the number of securities in 2021 approved by the shareholders' meeting for options	Securities for which option agreements were concluded in 2021			2021 exercised options (agreed in 2018)	
		number	agreed purchase price	year of acquisition of shares	Number of securities purchased by employees	Method of granting securities of
Employees ⁵	120,000	65,287	EUR 1	2024	59,674	Newly issued shares have been subscribed

⁵ **Employee** - any person who has a valid employment contract with a Group company on the day of the decision of the Board of the Company to allocate Shares, as well as a member of the Supervisory Board and / or Board of the Group company who is not a shareholder of the Company, owning 1/20 or more of the total votes of the Company.

Of the persons whose remuneration is disclosed in the remuneration report, stock options are granted only to the CFO of the company, therefore the details of the stock options granted only to the CFO are given below.

Table 4. Unexercised stock options for the company's CFO

Name	Performance period, years	Grant date	Expiry date	Exercise price, EUR ⁶	Opening balance at 1 January	Share options granted	Share options exercised ⁷	Closing balance at 31 December	Value of granted share option	Expenses recognized in the financial statements ⁸
Assigned in 2018	2017	03.05.2018	2021	1	8,308	-	8,308	-	-	-
Assigned in 2019	2018	06.05.2019	2022	1	9,086	-	-	9,086	-	-
Assigned in 2020	2019	25.05.2020	2023	1	3,954	-	-	3,954	-	-
2020 long-term program	2020-2022	01.07.2020 / 31.12.2022 vesting date	2023	Share purchase price will be calculated, as a starting point taking the net asset value per share of Invalda INVL as of 31.12.2019 (EUR 7.47), additionally calculating 12% annual interest rate and estimating the granted share payments, if there are any (EUR 0.8 till now)	116,105	-	-	116,105	-	23,701
Total					137,453	-	8,308	129,145	-	23,701

⁶ The exercise price of all share options of the company granted in the period from 2018 to 2019 will not exceed EUR 0.20 due to the payment of dividends of EUR 0.8 per share.

⁷ Value of exercised stock options is EUR 77,264. Share price on exercise date was EUR 9.50. Exercise price was EUR 0.2.

⁸ Amounts recognized in the financial statements in accordance with IFRS 2. For the current year, accruals are made at the end of the year, regardless of the legal grant of share options, so only an adjustment to the value of the options granted is recognized in the grant year. In the case of a long-term program, a value proportional to the period of operation is recognized during the current year.