

## 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 investment management and life insurance group whose companies more than 300 thousand clients have entrusted over 1.9 billion euros of assets.

At the end of 2022, equity of Invalda INVL amounted to EUR 130.8 million or EUR 11.07 per share - these indicators were respectively 14.24% and 13.53% higher than a year ago (also taking into account EUR 7.7 million dividends that were paid to shareholders). The increased value of investments in the last quarter of the year led to the fact that the activities of Invalda INVL were profitable last year - a net profit of EUR 16.67 million was obtained.

We work purposefully, and we are ready for changes when they are necessary and meaningful. As we planned, in the middle of last year we successfully completed the acquisition of Mandatum Life's life insurance business in the Baltic States. We acquired this business in order to create a group that can offer existing and new INVL customers even more products and solutions that meet their needs. Due to favourable circumstances, we did not have time to fully complete this and integrate the life insurance business into INVL. On 22 November 2022 we signed an agreement with Šiaulių Bankas regarding the merger of part of the retail businesses. After the closing of the transaction, the Šiaulių Bankas group, in addition to the financial services it already offers, will manage second-and third-pillar pension funds and mutual funds in Lithuania and will provide life insurance services. We will have up to 20% of Šiaulių Bankas shares and thus remain in this business. In 2022. The average number of employees of AB Invalda INVL was 6, of which 3 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.

During the reporting period, the company's board changed. The meeting of shareholders of the company held on 30 April 2022 elected the members of the board for a new term of 4 (four) years and approved the amounts of remuneration for the work on the board.

**Table 1. Remuneration of the CEO, CFO and each member of the bodies elected by the specific shareholders' meeting for 2021 and 2022 (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 <sup>1</sup>		Variable part of the remuneration <sup>2</sup> (for the year)		Variable part of the remuneration <sup>2</sup> (long term program)		Other monetary reward <sup>3</sup>		Other benefits <sup>4</sup>		Total		Ratio of fixed to variable and other remuneration			
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Darius Šulnis, CEO, Board member (till 30.04.2022)	73,433	73,398	-	372,315*	-	-	-	-	1,366	-	74,799	445,713	98%	16%	-	
Alvydas Banyas, Senior Advisor (till 30.04.2022), Chairman of the Board	73,429	73,406	-	-	-	-	-	-	-	-	73,429	73,406	100%	100%	-	33,000
Indrė Mišeikytė, Advisor, Board member	73,389	73,840	-	-	-	-	-	-	-	-	73,389	73,840	100%	100%	-	
Tomas Bubinas, independent audit committee member, since 30.04.2022 independent Board member	508	10,575**	-	-	-	-	-	-	-	-	508	10,575	100%	100%	-	
Danguolė Pranckėnienė, independent audit committee member	580	537	-	-	-	-	-	-	-	-	580	537	100%	100%	-	
Raimondas Rajeckas, CFO	58,037	58,099	7,296	5,100	23,701	23,701	-	-	31,693	32,228	120,727	119,128	48%	49%	3,550	3,616

\* An option contract was concluded, which granted the right to choose to receive up to 33,483 shares of Invalda INVL no earlier than after 3 years (i.e. 2025).

\*\* New duties have been started in the company, for which remuneration determined by the shareholders' meeting is paid.

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**

	2018	2019	2020	2021	2022
Šulnis Darius	4.6%	2.1%	-24.3%	-29.6%	507.0%*
Mišėikytė Indrė	-0.3%	0.8%	1.9%	-2.2%	0.6%
Banys Alvydas	0.3%	-0.8%	0.5%	-0.2%	0.0%
Rajeckas Raimondas	-3.0%	15.3%	28.9%	-3.7%	-1.3%
Tomas Bubinas	37.5%	150.9%	-54.7%	-44.0%	1,983.7%**
Dangutė Pranckėnienė			-75.8%	33.3%	-7.5%
Net profit	-97.0%	5,972.0%	-74.4%	602.8%	-55.5%
Average salary	32.0%	29.8%	17.4%	31.8%	12.7%

\* Increase due to concluded option contract, which granted the right to choose to receive up to 33,483 shares of Invalda INVL no earlier than after 3 years (i.e. 2025).

\*\* Increase due to new duties started in the company, for which remuneration determined by the shareholders' meeting is paid.

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 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 2022 approved by the shareholders' meeting for options	Securities for which option agreements were concluded in 2022			2022 exercised options (agreed in 2019)	
		number	agreed purchase price	year of acquisition of shares	Number of securities purchased by employees	Method of granting securities of
Employees <sup>5</sup>	50,000	40,862	EUR 1	2025	69,479	Newly issued shares have been subscribed

<sup>5</sup> **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 to the CFO of the company, therefore the details of the stock options granted only to the CFO are given below, and in 30.05.2022 options were assigned to CEO of the company Darius Šulnis. The expiration date of these options is 2025, the purchase price of shares is EUR 1, 33,483 units have been granted, the value of the granted option and costs are EUR 372,315.

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

Name	Performance period, years	Grant date	Expiry date	Exercise price, EUR <sup>6</sup>	Opening balance at 1 January	Share options granted	Share options exercised <sup>7</sup>	Closing balance at 31 December	Value of granted share option	Expenses recognized in the financial statements <sup>7</sup>
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 1.45 till now)	116,105	-	-	116,105	-	23,701
Total					129,144	-	-	120,059	-	23,701

<sup>6</sup> The exercise price of the share options of the company granted in 2019 has not exceed EUR 0.20 due to the payment of dividends of EUR 0.8 per share. The exercise price of the share options of the company granted in 2020 will not exceed EUR 0.35 due to the payment of dividends of EUR 0.65 per share

<sup>7</sup> Value of exercised stock options is EUR 109,941. Share price on exercise date was EUR 12.30. Exercise price was EUR 0.2

<sup>8</sup> 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.