

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 asset management group with an open approach, growing and developing, and creating well-being for people through its activities.

2023 was a successful and strategically important year for the Invalda INVL group. Sustained and focused effort to build and grow the business with a favourable economic landscape across the target markets and sectors we invest in led to record profits being returned to our investors and for the Group. In 2023, we delivered EUR 192.7 million for clients. 2023 saw a record profit recorded of EUR 45.8 million for the Invalda INVL group, with a group net asset value of EUR 178 million.

In 2023, we also completed an important strategic transaction to merge our long and successfully built retail investment management and life insurance business with Šiaulių Bankas. This will enable its clients to benefit from a product or service solution that is both convenient and creates optimal value-add for them now from a single source. We anticipate continued growth for this business moving forward, leading to an increase in the value of the Šiaulių Bankas share price. Following the completion of this transaction, we defined a growth and development strategy for the asset management group. This strategy incorporated targets including delivering returns in the top quartile for the funds under management as well as doubling the assets under management over the next 3 years to 2027. We also reinforced the Invalda INVL group's team as some of our top professionals joined Šiaulių Bankas.

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.

There were no changes in the company's management during the reporting period. At the shareholders' meeting of Invalda INVL held on 30 April 2023, two previous members of the Audit Committee, Dangutė Pranckėnienė and Tomas Bubinas, were re-elected to the Audit Committee. At this meeting, a new member, Andrius Lenickas, was also elected to the Audit Committee.

Andrius Lenickas has not yet received any remuneration for his service on the Audit Committee during the reporting period and is therefore not yet included in the tables set out below in this Remuneration Report.

Table 1. Remuneration of the CEO, CFO and each member of the bodies elected by the specific shareholders' meeting for 2022 and 2023 (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			
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023		
Darius Šulnis, CEO	73,398	73,624	372,315*	-	-	274,742	-	-	-	-	445,713	348,366	16%	21%	-	-
Alvydas Banys, Chairman of the Board	73,406	73,528	-	-	-	-	-	-	-	-	73,406	73,528	100%	100%	33,000	49,528
Indrė Mišeikytė, Advisor, Board member	73,840	73,328	-	-	-	-	-	-	-	-	73,840	73,328	100%	100%	-	-
Tomas Bubinas, audit committee member, independent Board member	10,575**	12,229	-	-	-	-	-	-	-	-	10,575	12,229	100%	100%	-	-
Danguolė Pranckėnienė, independent audit committee member	537	572	-	-	-	-	-	-	-	-	537	572	100%	100%	-	-
Raimondas Rajeckas, CFO	58,099	81,473	5,100	20,546	23,701	69,188	-	-	32 228	16 094	119,128	187,301	49%	43%	3,616	3,947

* 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

	2019	2020	2021	2022	2023
Šulnis Darius	2.1%	-24.3%	-29.6%	507.0%*	-21.8%
Mišėikytė Indrė	0.8%	1.9%	-2.2%	0.6%	-0.7%
Banys Alvydas	-0.8%	0.5%	-0.2%	0.0%	0.2%
Rajeckas Raimondas	15.3%	28.9%	-3.7%	-1.3%	57.2%
Tomas Bubinas	150.9%	-54.7%	-44.0%	1,983.7%**	15.6%
Dangutė Pranckėnienė		-75.8%	33.3%	-7.5%	6.7%
Net profit	5,972.0%	-74.4%	602.8%	-55.5%	174.9%
Average salary	29.8%	17.4%	31.8%	12.7%	14.0%

* 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. 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 2023 approved by the shareholders' meeting for options	Securities for which option agreements were concluded in 2023			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 ⁵	150,000	47 394*	EUR 1	2026	186,253	Newly issued shares have been subscribed

* only those options when the number of shares is specified in the contracts

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 to the CEO and CFO of the company.

Table 4. Not exercised share options allocated to the company's Chief Financial Officer

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 ⁷
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	-	51,822	-	-	11,850
2023 long-term program	2023-2025	12.06.2023 / 31.12.2025 vesting date	2026	1	-	16,906 ⁸	-	-	172,014	57,338
Total					120,059	-	55,776	-	172,014	69,188

Table 5. Not exercised share options allocated to the company's Chief Executive Officer

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 ⁷
Assigned in 2022	2021	31.5.2022	2025	1	33,483	-	-	33,483	-	-
2023 long-term program	2023-2025	12.06.2023 /31.12.2025 vesting date	2026	1	-	81,007 ⁸	-	-	824,225	274,742
Viso					33,483	-	-	33,483	824,225	274,742

⁶ Value of exercised stock options is EUR 301,220. Share price on exercise date was EUR 11. Exercise price was EUR 0.35. In 2020, EUR 4 has also been allocated under the 2020 long-term program.

⁷ 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.

⁸ The value of the stock options would be determined on the basis of the net asset value at 31 December 2025 and the number of shares would be recalculated with a purchase price of €1 per share, while keeping the total value of the options to be granted the same. The non-recalculated amount of these options is 120 thousand units for the Chief Financial Officer and 575 thousand units for the Chief Executive Officer, if they are treated as stock options with a share purchase price of EUR 15,0552. The tables show the forecasted restatement used for the preparation of the financial statements, therefore, the total quantity is not disclosed in Table 4 and Table 5.