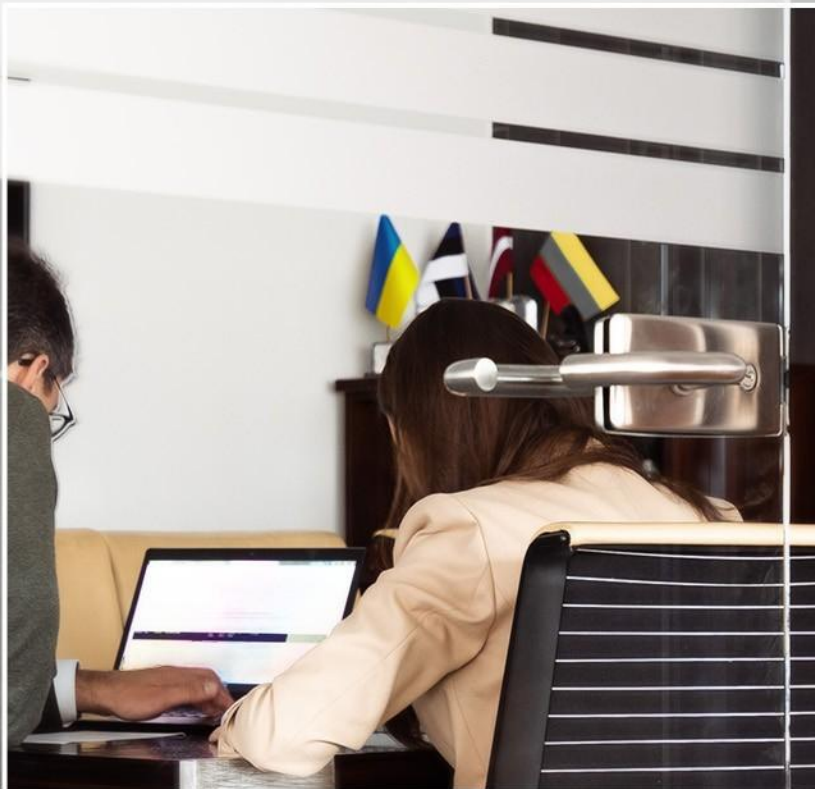


AB INVALDA INVL
CONSOLIDATED ANNUAL MANAGEMENT REPORT FOR 2024,
CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024, PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY
THE EUROPEAN UNION



THIS .PDF FILE IS NOT THE OFFICIAL ANNUAL REPORT OF THE COMPANY AS IT IS NOT PRESENTED IN ESEF FORMAT. IT IS A COPY OF COMPANY'S ANNUAL REPORT. AN OFFICIAL ANNUAL REPORT IN .ZIP FORMAT WITH XBRL TAG YOU CAN FIND ON THE WEBSITE OF THE COMPANY IN THE FINANCIAL REPORTS SECTION AND AS ANNEX TO THE NASDAQ NOTIFICATION ON THE AUDITED ANNUAL INFORMATION.



**STATEMENT OF RESPONSIBLE PERSONS
OF THE PUBLIC JOINT-STOCK COMPANY INVALDA INVL**

8 April 2025

Following the Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (articles 12 and 15¹) of the Republic of Lithuania, the management of Invalda INVL, AB hereby confirms that, to the best of our knowledge, the enclosed Consolidated and Company's Financial Statements for 2024 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss as well as cash flows of Invalda INVL, AB and Consolidated Group. Presented Consolidated Annual Management Report for 2024 includes a fair review of the business development and the results of operations, the position of the company and the consolidated group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSED:

1. Consolidated and Company's Financial Statements for 2024.
2. Consolidated Annual Management Report for 2024.

Chief Executive Officer

Darius Šulnis

Chief Financier

Raimondas Rajeckas

Translation note:

This version of the financial statements has been prepared in Lithuanian and English languages. In all matters of interpretation of information, views or opinions, the Lithuanian language version of financial statements takes precedence over the English language version.

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DETAILS OF THE COMPANY

Board of Directors

Mr. Alvydas Banys (Chairman of the Board)

Ms. Indrė Mišeikytė

Mr. Tomas Bubinas

Management

Mr. Darius Šulnis (CEO)

Mr. Raimondas Rajeckas (Chief Financial Officer)

Address of registered office and company code

Gynėjų str. 14,
Vilnius,
Lithuania

Company code 121304349

Banks

AB Šiaulių Bankas

AB SEB Bankas

Swedbank AS

Luminor Bank AS Lithuanian branch

Swedbank, AB

Coop Pank AS

Auditor

KPMG Baltics, UAB

Lvivo str. 101,

Vilnius, Lithuania

The financial statements were approved and signed by the Management on 8 April 2025.

Mr. Darius Šulnis
CEO

Mr. Raimondas Rajeckas
Chief Financial Officer

Consolidated and Company's income statements

		Group		Company	
	Notes	2024	2023 (restated)	2024	2023 (restated)
Revenue from contracts with customers	4	14,111	16,960	137	142
Dividend income		27,791	1,759	27,694	1,654
Other income		327	124	33	639
Gain from transfer of retail business	3, 21	-	29,753	-	-
Net changes in fair value of financial instruments at fair value through profit or loss	5.1	21,943	22,499	21,136	21,492
Employee benefits expenses	5.2	(11,007)	(13,385)	(1,543)	(843)
Professional fees expenses		(572)	(976)	(70)	(123)
Information technology maintenance expenses		(374)	(1,190)	(7)	(7)
Depreciation and amortisation	9, 10	(853)	(744)	(27)	(26)
Premises rent and utilities		(154)	(246)	(8)	(7)
Advertising and other promotion expenses		(223)	(259)	-	-
Impairment of financial and contract assets		-	8	-	-
Other expenses	5.3	(2,880)	(3,664)	(360)	(173)
Operating profit (loss)		48,109	50,639	46,985	22,748
Finance costs		(588)	(317)	(1,131)	(253)
Share of net (loss) profit of consolidated subsidiaries accounted for using the equity method	3	-	-	1,224	23,709
Profit (loss) before income tax		47,521	50,322	47,078	46,204
Income tax income (expenses)	6	(3,137)	(4,506)	(2,694)	(388)
NET PROFIT FOR THE YEAR		44,384	45,816	44,384	45,816
Attributable to:					
Equity holders of the parent		44,384	45,816	44,384	45,816
Non-controlling interests		-	-	-	-
Basic earnings per share (in EUR)	7	3.69	3.85	3.69	3.85
Diluted earnings per share (in EUR)	7	3.59	3.77	3.59	3.77

Consolidated and Company's statements of comprehensive income

	Group		Company	
	2024	2023	2024	2023
NET PROFIT FOR THE YEAR	44,384	45,816	44,384	45,816
Net other comprehensive income that may be subsequently reclassified to profit or loss	-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	44,384	45,816	44,384	45,816
Attributable to:				
Equity holders of the parent	44,384	45,816	44,384	45,816
Non-controlling interests	-	-	-	-

Consolidated and Company's statements of financial position

		Group		Company	
	Notes	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
ASSETS					
Non-current assets					
Property, plant and equipment	9	999	1,567	35	61
Intangible assets	10	89	233	-	-
Investments into subsidiaries	1, 12, 3	27,287	43,120	40,582	107,195
Investments into associates	1, 12, 3	29,470	23,313	29,470	23,313
Financial assets at fair value through profit or loss	12, 13	177,989	139,740	172,515	106,938
Other non-current receivable		18	-	-	-
Deferred tax asset	6	302	114	-	-
Total non-current assets		236,154	208,087	242,602	237,507
Current assets					
Trade, other receivables and contract assets	14	4,257	5,038	9	2,711
Prepaid income tax		395	360	297	297
Prepayments and deferred charges		205	147	26	29
Financial assets at fair value through profit or loss	12, 13	1,238	1,122	-	-
Cash and cash equivalents	15	5,421	3,710	2,467	1,305
Total current assets		11,516	10,377	2,799	4,342
TOTAL ASSETS		247,670	218,464	245,401	241,849
EQUITY AND LIABILITIES					
Equity					
Share capital	1, 16	3,567	3,548	3,567	3,548
Own shares		(1,717)	(929)	(1,717)	(929)
Share premium		5,630	5,630	5,630	5,630
Reserves	17	15,837	14,708	15,282	14,231
Retained earnings		198,724	155,073	199,279	155,550
Equity attributable to equity holders of the parent		222,041	178,030	222,041	178,030
Non-controlling interests		177	-	-	-
Total equity		222,218	178,030	222,041	178,030
Liabilities					
Non-current liabilities					
Lease liabilities	24	242	773	8	38
Borrowings (issued bonds)	18	10,000	-	10,000	-
Deferred tax liability	6	5,918	2,809	5,587	2,893
Other non-current liabilities	20	178	233	-	-
Total non-current liabilities		16,338	3,815	15,595	2,931
Current liabilities					
Borrowings (including interest of issued bonds)	18	31	4,900	31	4,900
Lease liabilities	24	546	539	30	29
Trade payables	19	258	592	8	72
Income tax payable		115	3,340	-	-
Advances received		3	21	-	-
Other current liabilities	20	8,161	27,227	7,696	55,887
Total current liabilities		9,114	36,619	7,765	60,888
Total liabilities		25,452	40,434	23,360	63,819
TOTAL EQUITY AND LIABILITIES		247,670	218,464	245,401	241,849

Consolidated and Company's statements of changes in equity

Equity attributable to equity holders of the parent										
Group	Notes	Reserves						Subtotal	Non-controlling interests	Total equity
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares	Retained earnings			
Balance as at 1 January 2023		3,494	(929)	5,033	3,397	10,817	108,978	130,790	137	130,927
Net profit for the year 2023		-	-	-	-	-	45,816	45,816	-	45,816
Total comprehensive income for the year		-	-	-	-	-	45,816	45,816	-	45,816
Changes in reserves	17	-	-	-	(141)	-	141	-	-	-
Increase of share capital (share options exercised)	16	54	-	597	-	-	-	651	-	651
Share-based payments	17	-	-	-	1,064	-	-	1,064	-	1,064
Transfer from share-based payments reserve to retained earnings (share options exercised)		-	-	-	(429)	-	429	-	-	-
Dividends approved	8	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	3	-	-	-	-	-	(291)	(291)	(137)	(428)
Total transactions with owners of the Company, recognised directly in equity		54	-	597	494	-	279	1,424	(137)	1,287
Balance as at 31 December 2023		3,548	(929)	5,630	3,891	10,817	155,073	178,030	-	178,030
Net profit for the year 2024		-	-	-	-	-	44,384	44,384	-	44,384
Total comprehensive income for the year		-	-	-	-	-	44,384	44,384	-	44,384
Changes in reserves	17	-	-	-	(40)	-	40	-	-	-
Increase of share capital (share options exercised)	16	19	-	-	(3)	-	-	16	-	16
Share-based payments	17	-	-	-	1,599	-	-	1,599	177	1,776
Transfer from share-based payments reserve to retained earnings (share options exercised)		-	-	-	(427)	-	427	-	-	-
Dividends approved	8	-	-	-	-	-	(1,200)	(1,200)	-	(1,200)
Acquisition of own shares	16	-	(788)	-	-	-	-	(788)	-	(788)
Total transactions with owners of the Company, recognised directly in equity		19	(788)	-	1,129	-	(733)	(373)	177	(196)
Balance as at 31 December 2024		3,567	(1,717)	5,630	5,020	10,817	198,724	222,041	177	222,218

Consolidated and Company's statements of changes in equity (cont'd)

Company	Notes	Reserves					Retained earnings	Total
		Share capital	Own shares	Share premium	Legal and other reserves	Reserve for acquisition of own shares		
Balance as at 1 January 2023		3,494	(929)	5,033	2,923	10,817	109,452	130,790
Net profit for the year 2023		-	-	-	-	-	45,816	45,816
Total comprehensive income for the year		-	-	-	-	-	45,816	45,816
Share-based payments	17	-	-	-	1,064	-	-	1,064
Increase of share capital (share options exercised)	16	54	-	597	-	-	-	651
Transfer from share-based payments reserve to retained earnings (share options exercised)	8	-	-	-	(573)	-	573	-
Equity method - acquisition of non-controlling interests of subsidiaries		-	-	-	-	-	(291)	(291)
Dividends approved		-	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity		54	-	597	491	-	282	1,424
Balance as at 31 December 2023		3,548	(929)	5,630	3,414	10,817	155,550	178,030
Net profit for the year 2024		-	-	-	-	-	44,384	44,384
Total comprehensive income for the year		-	-	-	-	-	44,384	44,384
Share-based payments	17	-	-	-	1,599	-	-	1,599
Increase of share capital (share options exercised)	16	19	-	-	(3)	-	-	16
Transfer from share-based payments reserve to retained earnings (share options exercised)		-	-	-	(545)	-	545	-
Dividends approved	8	-	-	-	-	-	(1,200)	(1,200)
Acquisition of own shares	16	-	(788)	-	-	-	-	(788)
Total transactions with owners of the Company, recognised directly in equity		19	(788)	-	1,051	-	(655)	(373)
Balance as at 31 December 2024		3,567	(1,717)	5,630	4,465	10,817	199,279	222,041

Consolidated and Company's statements of cash flows

		Group		Company	
	Notes	2024	2023	2024	2023
Cash flows from (to) operating activities					
Net profit for the year		44,384	45,816	44,384	45,816
Adjustment to reconcile result after tax to net cash flows:					
Non-cash:					
Depreciation and amortisation including amortisation of costs to obtain contracts with customers	9, 10	853	744	27	26
(Gain) on disposal of property, plant and equipment		9	(10)	-	-
Realized and unrealized loss (gain) on investments and transferred retail business	5.1	(21,943)	(52,252)	(21,136)	(21,492)
Share of net (loss) profit of consolidated subsidiaries accounted for using the equity method		-	-	(1,224)	(23,709)
Interest income		(84)	(66)	(33)	(639)
Interest expenses		588	317	533	252
Income tax (income) expenses	6	3,137	4,506	2,694	388
Provision for impairment of financial and contract assets		-	(8)	-	-
Other impairment		-	9	-	-
Share-based payments	17	1,498	619	1,067	361
Dividend income		(27,791)	(1,759)	(27,694)	(1,654)
		651	(2,084)	(1,382)	(651)
Working capital adjustments:					
Decrease (increase) in trade, other receivables and contract assets		(1,888)	910	122	24
Decrease (increase) in other current assets		(58)	(35)	3	5
Increase (decrease) in trade payables		(334)	249	(64)	38
Increase (decrease) in other liabilities		23	1,195	128	(238)
Cash flows from (to) operating activities		(1,606)	235	(1,193)	(822)
Income tax paid		(3,459)	(72)	-	-
Net cash flows from (to) operating activities		(5,065)	163	(1,193)	(822)

(cont'd on the next page)

Consolidated and Company's statements of cash flows (cont'd)

		Group		Company	
	Notes	2024	2023	2024	2023
Cash flows from (to) investing activities					
Acquisition of non-current assets (intangible and property, plant and equipment)		(118)	(113)	(1)	(1)
Proceeds from sale of non-current assets (intangible and property, plant and equipment)		-	-	-	-
Costs to obtain contracts with customers		-	(338)	-	-
Acquisition and establishment of subsidiaries, net of cash acquired for consolidated subsidiaries	3	-	-	-	(250)
Proceeds from transfer of retail business, net of cash transferred	21	-	(747)	-	-
Proceeds from sales of unconsolidated subsidiaries and from decreased share capital	3	1,200	-	1,200	-
Acquisition of associates	3	-	-	-	-
Proceeds from sales of associates	3	-	-	-	-
Payment for acquired claims due to transfer of retail business	21	(2,700)	-	(5,000)	-
Acquisition of financial assets at fair value through profit or loss (except held-for-trading)	13	(9,572)	(2,827)	(9,021)	(2,391)
Sale of financial assets at fair value through profit or loss (except held-for-trading)	13	5,669	-	-	-
Dividends received		10,518	1,613	12,851	1,639
Loans granted		(1,107)	-	(1,090)	-
Repayment of granted loans		876	825	800	750
Interest received		72	62	8	41
Net cash flows from (to) investing activities		4,838	(1,525)	(253)	(212)
Cash flows from (to) financing activities					
Cash flows related to company shareholders:					
Issue of shares	16	16	651	16	651
(Acquisition) of non-controlling interests	3	(92)	(376)	-	-
Dividends paid to equity holders of the parent		(1,189)	(7)	(1,189)	(7)
Acquisition (disposal) of own shares	16	(788)	-	(788)	-
		(2,053)	268	(1,961)	644
Cash flows related to other sources of financing:					
Proceeds from borrowings		6,750	3,400	6,750	3,400
Repayment of borrowings		(11,650)	(1,800)	(11,650)	(1,800)
Issue of bonds		10,000	-	10,000	-
Payments of lease liabilities		(556)	(406)	(29)	(25)
Interest paid		(553)	(308)	(502)	(252)
		3,991	886	4,569	1,323
Net cash flows to financing activities		1,938	1,154	2,608	1,967
Impact of currency exchange on cash and cash equivalents		-	-	-	-
Net increase (decrease) in cash and cash equivalents		1,711	(208)	1,162	933
Cash and cash equivalents at the beginning of the year	15	3,710	3,918	1,305	372
Cash and cash equivalents at the end of the year	15	5,421	3,710	2,467	1,305

(the end)

(the end)

Notes to the financial statements

1. General information

AB Invalda INVL (hereinafter the Company) is a public limited liability company registered in the Republic of Lithuania on 20 March 1992. The address of its registered office is:

Gynėjų str. 14,
Vilnius,
Lithuania.

The Company is incorporated and domiciled in Lithuania. AB Invalda INVL is one of the asset management group and investing company whose primary objective is to steadily increase the investors equity value, solely for capital appreciation or investment income (in the form of dividends and interest). The Company's main investments are in asset management, life insurance (until 30 November 2023), agriculture, real estate, bank activities. Asset management segment provides investment-related services to investors and third parties. The entities of the asset management segment manage pension funds, alternative investments (private equity, real assets and private debt), individual portfolios. Alternative and private equity funds and closed-ended investment companies, bond and equity investment funds, are referred as collective investment undertakings.

In respect of each unconsolidated business the Company may also participate in the following investment-related activities, either directly or through a consolidated subsidiary, if these activities are undertaken to maximize the investment return (capital appreciation or investment income) from its investees and do not represent a separate substantial business activity or a separate substantial source of income to the investment entity. The Company does not earn any management fees from unconsolidated subsidiaries.

The Company's shares are traded on the Baltic Secondary List of Nasdaq Vilnius. As at 31 December 2024 and 31 December 2023 the shareholders of the Company were:

	2024		2023	
	Number of shares held	Percentage (%)	Number of shares held	Percentage (%)
UAB Lucrum Investicija (sole shareholder Mr. Darius Šulnis)	3,181,702	25.87	3,181,702	26.01
UAB LJB Investments (controlling shareholder Mr. Alvydas Banys)	3,098,196	25.19	3,098,196	25.32
Mrs. Irena Ona Mišeikienė	3,048,161	24.78	3,048,161	24.90
Mr. Alvydas Banys	910,875	7.41	910,875	7.45
Ms. Indrė Mišeikytė	236,867	1.93	236,867	1.94
The Company (own shares)	282,584	2.30	229,541	1.88
Other minor shareholders	1,540,990	12.52	1,528,963	12.50
Total	12,299,375	100.00	12,234,305	100.00

The shareholders of the Company – Mr. Alvydas Banys, UAB LJB Investments, Mrs. Irena Ona Mišeikienė, Ms. Indrė Mišeikytė, Mr. Darius Šulnis and UAB Lucrum Investicija – have signed the agreement on the implementation of a long-term corporate governance policy. For the purpose of developing and implementing the long-term corporate governance policy the above mentioned shareholders agreed to act in the interests of the Company. In order to implement this, the shareholders agreed in advance coordinate their opinion on the issues considered at the general meeting of shareholders of the Company. The agreement shall not be interpreted to mean an undertaking of the shareholders to vote unanimously on decisions taken at the general meetings of shareholders of the Company. The sole purpose of the agreement is for shareholders to make known their position and find out the position of the other shareholders in advance regarding the agenda items of the general meetings of shareholders of the Company related to the implementation of the long-term corporate governance strategy of the Company and for the aim of achieving the aims mentioned above to coordinate potential decisions in advance.

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each and were fully paid as at 31 December 2024 and 2023. Subsidiaries and associates did not hold any shares of the Company as at 31 December 2024 and 2023.

As at 31 December 2024 the number of employees of the Group was 139 (as at 31 December 2023 – 124). As at 31 December 2024 the number of employees of the Company was 8 (as at 31 December 2023 – 7).

According to the Law on Companies of Republic of Lithuania, the annual financial statements prepared by the Management are authorised by the General Shareholders' meeting. The shareholders hold the power not to approve the annual financial statements and the right to request new financial statements to be prepared.

1 General information (cont'd)

The Group consists of the Company and the following consolidated directly and indirectly owned subsidiaries (hereinafter the Group).

Name	Country of incorporation and place of business	Effective ownership directly/indirectly held by the Company/Group (%)		Nature of business
		As at 31 December 2024	As at 31 December 2023	
Investment management segment:				
UAB INVL Asset Management	Lithuania	100.00	100.00	Pension and investments funds, alternative investments, clients' portfolio management
IPAS INVL Asset Management	Latvia	100.00	100.00	Pension and investments funds, clients' portfolio management
AS INVL Atklātais Pensiju Fonds*	Latvia	100.00	100.00	3 rd pillar pension funds management
UAB FMĪ INVL Financial Advisors	Lithuania	100.00	100.00	Financial brokerage
UAB Mundus*	Lithuania	-	100.00	Private debt investments funds management
UAB INVL Farmland Management	Lithuania	100.00	100.00	Land administration services
UAB Invalda INVL Investments	Lithuania	100.00	100.00	Dormant
INVL LUX GP1 S.à r.l.**,***	Luxembourg	100.00	100.00	General partner of managed entity -fund

*The entities were owned by the Company indirectly. In December 2024 UAB Mundus was merged to UAB INVL Asset Management.

**Due to being immaterial to the financial position, performance and cash flows of the Group, the subsidiary was not consolidated.

As at 31 December 2024 and 2023 the Group has also the following unconsolidated subsidiaries, which are measured at fair value through profit or loss.

Name	Country of incorporation and place of business	Effective ownership directly/indirectly held by the Company/Group (%)		Nature of business
		As at 31 December 2024	As at 31 December 2023	
UAB IPPG	Lithuania	100.00	100.00	Investment into facilities management entities
INVL Life UAB	Lithuania	100.00	100.00	Own book investment and life insurance activities until 30 November 2023
VšĮ Iniciatyvos Fondas	Lithuania	100.00	100.00	Social initiatives activities
UAB Aktyvo	Lithuania	54.55	54.55	Management of bad debt
UAB Aktyvus Valdymas	Lithuania	100.00	100.00	Dormant
UAB Cedus Invest	Lithuania	100.00	100.00*	Investment into agriculture entity
UAB MGK Invest	Lithuania	100.00	100.00	UAB Litagra (investment entity)
UAB MBGK*	Lithuania	100.00	100.00	Dormant
UAB RPNG	Lithuania	100.00	100.00	Dormant
UAB Regenus	Lithuania	100.00	100.00	Dormant
UAB Consult Invalda	Lithuania	100.00	100.00	Dormant
UAB Cedus	Lithuania	100.00	100.00	Dormant
UAB MD Partners	Lithuania	51.37	51.37	Indirectly investment into MAIB bank (investment entity)

*These entities are owned indirectly by the Company as at 31 December 2024 and/or 2023.

1 General information (cont'd)

The Group has not any significant restriction on ability to access or use its assets and settle its liabilities. The Company has not any significant restriction on the ability of an unconsolidated subsidiary to transfer funds to the Company.

If the unconsolidated subsidiary has liquidity difficulties, the Company grants loans to the subsidiary after analysis of its needs. The Company has not any contractual commitments to provide financial support to unconsolidated subsidiary. In 2024 and 2023 the Company has granted nil and EUR nil of loans to maintain the activity of the unconsolidated subsidiaries, respectively.

As at 31 December 2024 the Group has the following associates, which measured at fair value through profit or loss:

Name	Country of incorporation and place of business	Effective ownership directly/indirectly held by the Company/Group (%)	Nature of business
Agriculture activities:			
UAB Litagra*	Lithuania	48.81	The primary crop and livestock (milk) production, feed production and poultry farming
Real estate activities:			
Special Closed-Ended Type Real Estate Investment Company INVL Baltic Real Estate	Lithuania	23.75**	Real estate owner and lessor

*The entity is owned indirectly by the Company as at 31 December 2024.

**The determination of effective ownership is based on the existence of treasury shares in the entity as at 31 December 2024.

As at 31 December 2023 the Group has the following associates, which measured at fair value through profit or loss:

Name	Country of incorporation and place of business	Effective ownership directly/indirectly held by the Company/Group (%)	Nature of business
Agriculture activities:			
UAB Litagra*	Lithuania	48.81	The primary crop and livestock (milk) production, feed production and poultry farming
Real estate activities:			
Special Closed-Ended Type Real Estate Investment Company INVL Baltic Real Estate	Lithuania	23.43	Real estate owner and lessor

*The entity is owned indirectly by the Company as at 31 December 2023.

Through unconsolidated subsidiary UAB MD Partners the Company/the Group has indirectly invested into the largest Moldovan bank Moldova-Agroindbank (MAIB). Heim Partners Limited effective ownership of MAIB is 39.88% after buy back of own shares was completed in 2024. UAB MD Partners owns 37.5% of Heim Partners Limited shares and has entered into shareholders agreement with other shareholders: the European Bank for Reconstruction and Development (37.5% of shares) (EBRD) and subsidiary of fund managed by Ukrainian private equity manager Horizon Capital (25% of shares). All these shareholders have obtained permission of the Moldovan central bank to indirectly acquire shares of MAIB. The Company owns 51.37% shares of UAB MD Partners. Therefore the Company effectively owns 19.26% of economic benefits from the indirectly investments into Heim Partners Limited and 7.68% of economic benefits from the indirectly investment into MAIB.

UAB Litagra has to receive bank consent to pay dividends as at 31 December 2024 and 2023. Special Closed-Ended Type Real Estate Investment Company INVL Baltic Real Estate (hereinafter INVL Baltic Real Estate) has the right to pay dividends without bank consent only if the ratio of EBITDA (earnings before interest, tax, depreciation and amortization) plus inflows and outflows from subsidiaries (dividends or repayment of granted loan and new granted loans) plus change for provision for the performance fee minus payable performance fee divided by the sum of debt service costs (interest and principal repayments) and dividends would be higher than 1.1.

2. Summary of material accounting policies

The material accounting policies applied in preparing the Group's and the Company's financial statements for the year ended 31 December 2024 are as follows:

2.1. Basis of preparation

Statement of compliance

The financial statements of the Company and the consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter the EU).

These financial statements have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss, investments to unconsolidated subsidiaries and associates measured at fair value through profit or loss and assets of disposals group and associated liabilities classified as held for sale measured at the lower of carrying amount and fair value less costs. The financial statements are presented in thousands of euro (EUR) and all values are rounded to the nearest thousand except when otherwise indicated. From 1 January 2015 the euro became local currency of the Republic of Lithuania.

Adoption of new and/or changed IFRSs and IFRIC interpretations

The Group has adopted the new and amended IFRS and IFRIC interpretations as of 1 January 2024:

- Amendments to IAS 1: *Classification of liabilities as current or non-current*;
- Amendments to IFRS 16 Leases: *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements*.

Amendments to IAS 1: Classification of liabilities as current or non-current

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The amendments had no impact on the Group's and the Company's financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate. The amendments had no impact on the Group's and the Company's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the Group's and the Company's financial statements.

2 Summary of material accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Standards adopted by the EU but not yet effective

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: *Lack of exchangeability* (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB issued amendments to IAS 21 to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The Group and the Company are expecting that the amendments would be not relevant for them.

Standards not yet adopted by the EU

Amendments to IFRS 9 and IFRS 7: *Amendments to the Classification and Measurement of Financial Instruments* (effective for annual periods beginning on or after 1 January 2026 once adopted by the EU)

These amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group and the Company are currently assessing the impact of the amendments on their financial statements. It is expected that derecognition exception for financial liabilities settled through an electronic cash transfer system would be relevant for most entities, but are not expecting that impact would be material, as in practice the same approach is mostly applied already in Lithuania.

IFRS 18 *Presentation and Disclosure in Financial Statements* effective for annual periods beginning on or after 1 January 2027 once adopted by the EU)

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. The Group and the Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Other amendments to existing standards and new standards, which have not yet been adopted by the EU, are not relevant to the Group and the Company.

2 Summary of material accounting policies (cont'd)

2.2. Investment entity and consolidated financial statements

Investment entity

The Company has multiple unrelated investors and holds multiple investments. Ownership interests in the Company are in the form of equity securities issued by the Company – ordinary registered shares. In the management's opinion, the Company meets the definition of an investment entity as the following conditions exist:

- (i) funds are obtained from investors for the purpose of providing them with investment management services;
- (ii) it is committed to investors that its business purpose is to invest funds solely for capital appreciation, investment income, or both; and
- (iii) it is measured and evaluated the performance of substantially all of its investments on a fair value basis.

The Board of Directors approved exit strategies for the Company's investments, which do not have definitive maturity terms. The Company and the Group also invest in the collective investment undertakings, which have limited life or are traded on exchange or are open-ended funds with right to redeem on daily basis.

Each Company's investments are fair valued and such fair value information is provided both to the Company's investors on reporting date and also for internal management reporting purposes.

In addition, management has assessed that the following characteristics further support investment entity categorization: Company holds several investments itself in the investment funds managed by management company owned by the Company (this management company is providing investment-related services and is consolidated), investments in the funds are held by several investors, the investors are not related parties and the investments are held mostly in form of equity.

An investment entity may provide investment-related services, either directly or through a subsidiary, to third parties as well as to its investors, even if those activities are substantial to the entity, subject to the entity continuing to meet the definition of an investment entity. An investment entity may also participate in the following investment-related activities, either directly or through a subsidiary, if these activities are undertaken to maximize the investment return (capital appreciation or investment income) from its investees and do not represent a separate substantial business activity or a separate substantial source of income to the investment entity:

- (a) providing management services and strategic advice to an investee; and
- (b) providing financial support to an investee, such as a loan, capital commitment or guarantee.

The management has assessed that investment-related services provided to third parties is ancillary to its core investing activities and therefore does not change its business purpose therefore the Company meets the definition of an investment entity.

Subsidiaries

The Company has two types of subsidiaries. One type of subsidiaries are controlled subsidiary investments (hereinafter unconsolidated subsidiary). They are measured at fair value through profit or loss and not consolidated, in accordance with IFRS 10. The fair value of controlled subsidiary investments is determined on a consistent basis to all other investments measured at fair value through profit or loss, and as described in the Note 2.10 below.

The other type of subsidiaries provide investment-related services (investment advisory services, investment management) to the investors and third parties (hereinafter consolidated subsidiary). They are not themselves investment entities. The Company considers whether providing services to third parties is ancillary to its core investing activities, when assesses whether it qualifies as an investment entity. These subsidiaries that provide services that are related to the entity's investment activities are consolidated.

Associates

An associate is an entity, over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments that are held as part of the Company's investment portfolio are carried at fair value even though the Company may have significant influence over those companies. This treatment is permitted by IAS 28 'Investments in associates and joint ventures' as exception from applying the equity method.

2 Summary of material accounting policies (cont'd)

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its consolidated subsidiaries that provide services that are related to the entity's investment activities. The financial statements of the consolidated subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Consolidated subsidiaries are all entities (including structured entities) over which the group has control and that provide services that are related to the entity's investment activities. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidated subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Some Group's consolidated subsidiaries managed collective investment undertakings and pension funds. The Group analyse whether it is acting primarily as a principal (therefore, controls entities or funds) or as an agent (therefore, do not control them) in exercising its power over the funds. Fund managers generally have power over the relevant activities of the funds that they manage through their exercise of delegated power, and exposure to variability of returns through incentive fees and/or co-investment. Therefore, the link between power and returns is usually key for fund managers assessing whether a fund manager has control over the fund. Aggregate economic interests and investors held rights, including kick-out rights, are assessed together to decide whether the Group have control over managed entities and funds.

Non-controlling interest is the equity in a consolidated subsidiary not attributable, directly or indirectly, to a parent and is presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the consolidated subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Total comprehensive income (losses) within a consolidated subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

When the Group ceases to have control of a consolidated subsidiary any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or retained earnings, as appropriate.

2.4. Functional and presentation currency

The financial statements are prepared in euro (EUR), which is local currency of the Republic of Lithuania, and presented in EUR thousand. Euro is also the local currency of the Republic of Latvia. Euro is the Company's functional currency and the Company's and the Group's presentation currency. The exchange rates in relation to other currencies are set daily by the European Central Bank and the Bank of Lithuania.

As these financial statements are presented in euro thousand, individual amounts were rounded. Due to the rounding, totals in the tables may not add up.

2 Summary of material accounting policies (cont'd)

2.5. Property, plant and equipment

Property, plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when the cost is incurred, if the recognition criteria are met. Replaced parts are written off. The Group and the Company have elected to present right-of-use assets as property, plant and equipment. The right-of-use assets comprise leased properties. The accounting policy of right-of-use assets is disclosed in Note 2.15.

The carrying values of property, plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated using the straight-line method over the following estimated useful lives.

Leased properties (right-of-use assets)	0.25-4 years
Other non-current assets	3–6 years

The asset residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end to ensure that they are consistent with the expected pattern of economic benefits from items in property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement within "other income" in the year the asset is derecognised.

2.6. Intangible assets other than goodwill

Intangible assets are measured initially at cost. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets other than goodwill are assessed to be finite. Intangible assets are amortised using the straight-line method over the best estimate of their useful lives.

Funds' management rights

Funds' management rights include investment, private debt investments, pension funds and portfolio of clients acquired during asset management entities acquisition. Funds' management rights acquired in a business combination are capitalised at the fair value at the acquisition date and treated as an intangible asset. Following initial recognition, funds' management rights are carried at cost less any accumulated impairment losses. Funds' management rights were amortised during 5 - 10 years.

Software

The costs of acquisition of new software are capitalised and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortised during 1-4 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group and the Company expect from the originally assessed standard of performance of existing software systems are recognised as an expense when the restoration or maintenance work is carried out.

2.7. Business combinations and goodwill

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a consolidated subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

2 Summary of material accounting policies (cont'd)

2.7 Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity. In instances where the contingent consideration does not fall within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the consolidated subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

2.8 Investments in subsidiaries, associates (the Company)

Investments in unconsolidated subsidiaries, associates are measured at fair value through profit or loss. Loans granted to unconsolidated subsidiaries and associates are considered as part of investments to subsidiaries and associates. They are measured together with equity part of investments to unconsolidated subsidiaries and associates at fair value through profit or loss.

Interest on loans granted at fair value through profit or loss is recognised in the income statement within 'other income' based on the effective interest rate.

When the fair value of investments into unconsolidated subsidiaries and associates together with loans granted to unconsolidated subsidiaries/associates is determined, the value is split into legal components, i.e. between debt and equity instruments. The amortised cost of loans granted is attributed to debt instruments. The remaining value is attributed to equity instruments of the unconsolidated subsidiary.

Investments in consolidated subsidiaries are accounted for using the equity method of accounting. Under the equity method, the investment in the consolidated subsidiary is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the consolidated subsidiary. Goodwill relating to a consolidated subsidiary is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of comprehensive income reflects the share of the results of operations of the consolidated subsidiary. Where there has been a change recognised in the other comprehensive income of the consolidated subsidiary, the Company recognises its share of any changes and discloses this, when applicable, in the other comprehensive income. Company's share in the changes in the net assets of the consolidated subsidiary that are not recognised in profit or loss or other comprehensive income (OCI) of the consolidated subsidiary, are recognised in equity. Unrealised gains and losses (unless the transaction provides evidence of the impairment of asset transferred) resulting from transactions between the Company and the consolidated subsidiary are eliminated to the extent of the interest in the consolidated subsidiary.

The reporting dates of the consolidated subsidiary and the Company are identical and the consolidated subsidiary's accounting policies conform to those used by the Company for like transactions and events in similar circumstances. After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss of the Company's investment in its consolidated subsidiaries. The Company determines at each reporting date whether there is any objective evidence that the investment in consolidated subsidiary is impaired. If this is the case the Company calculates the amount of impairment as being the difference between the recoverable amount of the consolidated subsidiary and its carrying value and recognises the amount in the statement of comprehensive income. When the Company's share of losses in a consolidated subsidiary equals or exceeds its interest in the consolidated subsidiary, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the consolidated subsidiary.

2 Summary of material accounting policies (cont'd)

2.9. Financial assets

Financial assets within the scope of IFRS 9 are classified as either financial assets at fair value through profit or loss (either through other comprehensive income or through profit or loss) or financial assets measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or in other comprehensive income. The Group and the Company reclassify debt instruments when and only when their business model for managing those assets changes.

Financial assets are recognised when the Group and the Company become parties to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

All regular way purchases and sales of financial assets are recognised on the settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

At initial recognition, the Group/the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group and the Company classify their investments in debt and equity securities, and derivatives, as financial assets at fair value through profit or loss.

Debt instruments

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method and presented as "other income" in the income statement. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the income statement. The Group's and the Company's financial assets at amortised cost comprised trade and other receivables, cash and cash equivalents.

Assets that do not meet the criteria for amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within "Net changes in fair value of financial instruments at fair value through profit or loss" in the period in which it arises. As the Company is investment entity, which business model is to evaluate and manage investments at fair value, the debt securities, loans granted to the owned investments are measured at fair value through profit or loss.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value through profit or loss. Changes in the fair value of these financial assets are recognised within "Net changes in fair value of financial instruments at fair value through profit or loss" in the income statement.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10. Fair value estimation

The fair value of investments traded in active markets is based on quoted market prices at the close of trading, which is the date closest to the reporting date. The fair value of investments that are not traded in active markets is determined by using valuation techniques. Such valuation techniques may include the most recent transactions in the market, the market price for similar transactions, discounted cash flow analysis or any other valuation models.

2 Summary of material accounting policies (cont'd)

2.11. Impairment of financial and contract assets

The Group and the Company assess on a forward-looking basis the expected credit losses associated with their financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's and the Company's financial assets at amortised cost comprised trade and other receivables, cash and cash equivalents. Cash and cash equivalents are considered to be low credit risk at the reporting date (Stage 1). Therefore, the Group/the Company is not relevant a three-stage model for impairment for financial assets other than trade receivables. Loans granted are measured at fair value through profit or loss as part of investments to unconsolidated subsidiaries and associates. For Stage 1 financial assets 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

The financial asset is considered as credit-impaired, if objective evidence of impairment exists at the reporting date. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation.

Financial assets are written off, in whole or in part, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

For trade, other receivables and contract assets, the Group/the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables and contract assets are classified either to Stage 2 or Stage 3:

- Stage 2 – comprises receivables for which the simplified approach was applied to measure the expected lifetime credit losses, except for certain trade receivables classified in Stage 3;
- Stage 3 – comprises trade receivables which are overdue more than 90 days (except is reasonable explanation for that) or individually identified as impaired.

The Group trade receivables and contract assets mainly comprised receivables from related parties and managed funds by the subsidiaries. The Company's trade receivables and contract assets mainly comprised receivables from related parties. Trade receivables is covered within month after reporting date or settlement is deferred by the Group decision. Therefore, for Stage 2 trade receivables/contract assets the ECL are calculated and recognised if would be determined material amount for potential impairment based on settlement of trade receivables after reporting date.

2.12. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and the Company hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's and Company's impairment policies and the calculation of the loss allowance are provided in Note 2.11.

2.13. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and for purpose of the cash flow statement comprise cash at banks and short-term deposits with an original maturity of three months or less.

2 Summary of material accounting policies (cont'd)

2.14. Financial liabilities

The Group and the Company recognise a financial liability when they first become parties to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at fair value through profit or loss) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Financial liabilities included in trade payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group/Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Financial liabilities at fair value through profit or loss

After initial recognition, financial liabilities at fair value through profit or loss are subsequently measured at fair value through profit or loss. To this group of financial liabilities is attributable contingent consideration and derivatives that are liabilities.

2 Summary of material accounting policies (cont'd)

2.15. Leases

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use assets

The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group/the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. As at 31 December 2024 and 2023 right-of-use assets of the Group/the Company relate to leased properties and are depreciated over 0.25-4 and 1.25-5 years, respectively.

The Group/the Company presents right-of-use assets in 'property, plant and equipment' in the statement of financial position.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's/the Company's incremental borrowing rate. The Group/the Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group/the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group/the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group/the Company is reasonably certain not to terminate early.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, it is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's/the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group/the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group/the Company lease liabilities in separate line in the statement of financial position.

2 Summary of material accounting policies (cont'd)

2.15 Leases (cont'd)

Short-term leases and leases of low-value assets

The Group/the Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group/the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease modification

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The Group/the Company account for a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract. For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group/the Company allocate the consideration in the modified contract to each lease component on the basis of its relative stand-alone prices, determine the lease term of the modified lease and remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined. For a lease modification that is not accounted for as a separate lease, the Group/the Company account for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and making a corresponding adjustment to the right-of-use asset for all other lease modifications, the Group/the Company recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

2.16. Revenue recognition and costs to obtain contract with customers

Revenue from contracts with customers includes asset management, brokerage and other services revenue.

Revenue from the asset management and brokerage services

Revenue from asset management services is recognized as a percentage from asset under management or investors commitments over the period in which the control of the asset management services is transferred to the client, i.e. when services are provided. Asset management services are provided as long as the client has the investment in funds managed by the Group. Revenue from brokerage services is recognized at point in time when the control of the brokerage services is transferred to the client, i.e. when services are actually provided. It is the date when securities are recorded on the client's account (transaction settlement date).

The Group assesses whether some asset management services are separate services provided to the customer (i.e. separate performance obligation). If the service is a separate service provided to the customer, its income is recognized when the service is actual provided. If it is not a separate service provided to the customer but part of the asset management service to manage funds, the recognition of the revenue is deferred and recognized over the average period of the client's contract. The Group earns fund distribution income from investors that invest into certain funds. The Group analysed whether distribution is a separate service provided to the clients or part of the asset management service to manage funds and concluded that the distribution of alternative funds for informed investors and the distribution of investment funds is separate service, as each fund is specialized, and the Group provides a separate identification service for the person or entity investing in such a fund, which includes elements of fund selection and application. Meanwhile, in the case of the distribution of Lithuanian pension funds (actual until 2023, when retail business was transferred), the Company assesses that the distribution is not a separate service, but a part of the asset management service, because pension funds are standardized products designed for a retail client. As a result, the revenue of the pension fund distribution fee is considered as a contractual obligation and recognized over the average term of the client contract - 10 years.

The Group earns variable remuneration - a success fee when the return of certain funds exceeds the expected return limit. Depending on the fund rules, the Group earns the right to a success fee as soon as the fund's return exceeds the expected return limit or only at the end of the fund's life when the fund's assets are distributed. The Group recognizes the success fee as revenue when it earns the right to a calculated success fee, but only to the extent that it is highly probable that a significant reversal in the amount of success fee recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

2 Summary of material accounting policies (cont'd)

2.16 Revenue recognition and costs to obtain contract with customers (cont'd)

Costs to obtain contracts with customers (actual until 2023, when retail business was transferred)

Costs to obtain contracts with customers are commissions paid to external intermediaries for distribution of pension funds. They are capitalised and presented in the statement of financial position within 'Intangible and costs to obtain contracts with customers assets'. The amortization period used for Costs to obtain contracts with customers is 10 years and is based on the average expected duration of the client's stay with the Group.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Disposal of investments

Gain (loss) from sale of investment is recognised when the significant risk and rewards of ownership of the investment have passed to the buyer and are recognised within operating activity, as the parent company treats the securities trading as its main activity.

Dividends income

Income is recognised when the Group's and the Company's right to receive the payment is established.

2 Summary of material accounting policies (cont'd)

2.17. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Company and its consolidated subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The standard income tax rate in Lithuania was 15 % in 2024 and in 2023. From 2025, the standard corporate tax rate in Lithuania is 16%. Starting from 2010, tax losses can be transferred within Lithuania at no consideration or in exchange for certain consideration between the group companies if certain conditions are met.

Deferred income taxes are calculated using the liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse based on tax rates enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

By Lithuanian Income Tax Law shall be not taxed sale of shares of an entity, registered or otherwise organised in a state of the European Economic Area or in a state with which a treaty for the avoidance of double taxation has been concluded and brought into effect and which is a payer of corporate income tax or an equivalent tax, to another entity or a natural person where the entity transferring the shares held more than 10% of voting shares in that entity for an uninterrupted period of at least two years. If mentioned condition is met or will be met by judgement of the management of the Company, there are not recognised any deferred tax liabilities or assets in respect of temporary differences associated with these investments. By Lithuanian Income Tax Law shall be not also taxed income from investments into collective investment undertakings.

Deferred tax asset has been recognised in the statement of financial position to the extent the management believes it will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

Deferred tax asset are not recognised:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

In Lithuania tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. In Lithuania such carrying forward is disrupted if the Company changes its activities due to which these losses incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself. In Lithuania the losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. From 1 January 2014 current year taxable profit could be decreased by previous year tax losses only up to 70% in Lithuania.

2 Summary of material accounting policies (cont'd)

2.17 Current and deferred income tax (cont'd)

According to the new Corporate Income Tax Act of Latvia the annual profit would be not taxed. Corporate income tax would be paid on distributed profit, including conditional distributed profit as for example: expenditure not related to economic activities, some loans granted to related parties, some provisions for doubtful debts. The tax rate on (net) distributed profit would be 20/80. The tax base would be reduced by the gain on sale of shares, if the shares were held for an uninterrupted period of at least 36 months. The excess gain can be transferred and utilized in the future periods. The income tax payable on dividends from Latvian consolidated subsidiaries is recognised as the income tax expense of the period in which the dividends are declared, except for deferred tax liability from undistributed profit earned from 1 January 2018 recognised by the Group when it expected to be distributed in the foreseeable future.

In Estonia taxation applied only upon distribution of dividends with the tax rate on (net) distributed profit equalled to 20/80.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the retained earnings. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2 Summary of material accounting policies (cont'd)

2.19. Employee benefits

Social security contributions

The Company and the Group pay social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on an accrual basis and included in payroll expenses.

Bonus plans

The Company and the Group recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. The bonus plans that provides the employee with a choice of two settlement alternatives that are mutually exclusive, and in which one of the alternative is equity-settled share-based payment and other alternative is cash that is not share-based payment, accounted for as a share-based payment by applying the requirements in IFRS 2 for compound instruments by analogy. The liability for the cash alternative that is not share-based payment are measured and remeasured in accordance with IAS 19 for such arrangements with employees. Some part of bonuses payment is deferred from one to five years after end of reporting period and employment contract have to be not terminated until payment date to receive relevant part of bonus. The deferred amount of bonuses is recognised into profit or loss over the service vesting period. Any incremental fair value of the share-based payment over the initial value of the liability component is accounted for as an equity component. If and when the choice for a cash alternative is sacrificed, then the liability is reclassified to equity and further the Group/the Company recognise employee services received as equity-settled share-based payment transactions.

Pension obligations

If there is an individual arrangement with an employee the Company and the Group may make payments into defined contribution pension plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.20. Share-based payments

The Group operates a number of equity-settled, share-based compensation plans (including bonus plans with cash-alternative), under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an employee benefits expense. The total amount to be expensed as equity component of share based payments is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Grant date is the date at which the Group/Company and the employee agree to a share-based payment arrangement, and requires that the entity and the employee have a shared understanding of the terms and conditions of the arrangement. If the agreement is subject to an approval process, then grant date is the date on which that approval is obtained. If the employee services is rendered before grant date, the Group/the Company estimating the fair value of the equity instruments is by assuming that grant date is at the reporting date. Once grant date has been established, the Group/the Company revises the earlier estimates so that the amounts recognised for services received are based on the grant-date fair value of the equity instruments.

2 Summary of material accounting policies (cont'd)

2.20 Share-based payments (cont'd)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised into profit or loss over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity (to separate share based payments reserve).

If the share-based payments are granted by the consolidated subsidiary and is settled in the equity instruments of consolidated subsidiary (by issue new shares), the credit entry to equity is to non-controlling interests.

When the options are exercised, the Company issues new shares or sell own shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised by issuing of new shares.

In its separate financial statements the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Share - based payments – modification and cancellation

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognised for that award, as at the date of forfeiture, is treated as if it had never been recognised. At the same time, any expense previously recognised on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Share - based payment – settlement choice of employee

If the counterparty has the right to choose whether a share-based payment transaction is settled in cash or by issuing equity instruments, the Group/the Company has granted a compound financial instrument, which includes a debt component and an equity component. The fair value of the compound financial instrument is the sum of the fair values of the two components. The Group/the Company measure the fair value of the debt component as the fair value of the liability under the cash alternative. If the liability for the cash alternative that is not share-based payment are measured and remeasured in accordance with IAS 19 for such arrangements with employees. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, taking into account that the counterparty must forfeit the right to receive cash in order to receive the equity instrument. The Group/the Company account separately for employee services received in respect of each component of the compound financial instrument. For the debt component, the Group/the Company recognise employee services received, and a liability to pay for those services, as the counterparty renders service. For the equity component, the Group/the Company recognise employee services received, and an increase in equity, as the counterparty renders service as equity-settled share-based payment transactions. If and when the choice for a cash alternative is sacrificed, then the liability is reclassified to equity and further recognise employee services received as equity-settled share-based payment transactions. If the Group/the Company pays in cash on settlement rather than issuing equity instruments, that payment settled the liability in full. Any equity component previously recognised remain within equity.

2.21. Comparative figures

After transfer of retail business funds distribution fees expenses became very small and they are attributed to other expenses in the income statement, but professional fees expenses are included directly to income statement (in previous year it was disclosed in caption 'other expenses'). Therefore, income statements amount for 2023 was restated.

2 Summary of material accounting policies (cont'd)

2.22. Significant accounting judgements and estimates

The preparation of financial statements requires management of the Group and the Company to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Group accounting policies, management has made the following judgement, which has most significant effect on the amounts recognised in the consolidated financial statements:

Investment entity

According to the management, the Company meets all the defining criteria of an investment entity from the split-off in 2014 and henceforth investments in unconsolidated subsidiaries and associates are measured at fair value through profit or loss. The management is continually reviewing whether the Company meets all the defining criteria of an investment entity. In addition, the management assesses the Company's operation objective, investment strategy, origin of income and fair value models and whether investment-related services provided by the consolidated subsidiaries to third parties are ancillary to its core investing activities.

The identification of customer of asset management entities

When the Group starts to manage the new fund, it decides on who is the client of the Group: the fund itself or its participant. This decision affects the accounting for the cost of concluding contracts with fund participants in accordance with IFRS 15. The Group has made the following decisions about who is the client of the funds it manages:

- In the case of Lithuanian pension funds (actual until 2023, when retail business was transferred), its client is each participants of the fund, because the Group manages the information of the fund participant and communicates directly with each participant of pension funds. As a result, incremental costs to obtain contract for these clients are capitalised by the Group;
- In the case of investment funds, alternative funds and Latvian pension funds, the Group estimates that its client is a fund rather than a separate fund participant. This solution is based on the fact that these funds are distributed and relationships with fund investors are supported by intermediaries - usually financial brokerage firms or fund platforms. The Group usually has no contact with the investors of these funds and does not directly communicate with them. Often, the Group does not even have information about the end customers because it only accesses the compound account of the investors and not the individual accounts of the fund participants. As a result, incremental costs to sign-up new investors to these funds are expensed as incurred by the Group.

Success fee

The Group does not recognize the success fee, accrued in the managed funds, as revenue until the condition for non-returnable payment of it is not met. The Group is judged that until the condition for non-returnable payment is met, it exist significant uncertainty about the possible amount, timing of payment and a significant reversal in received amount of success fee, if it applicable. As at 31 December 2023 and 2024 the Group has not received any success fee, which could be returned to managed funds. In 2023, following discussions with the Latvian competent authority regarding the interpretation of Latvian applicable law, the Latvian subsidiary returned EUR 685 thousand of success fees to its managed pension funds.

Control of managed entities/funds

The Group decides whether is control managed entities and funds. The main factors that the Group is assessed together are aggregate economic interests and investors held rights, including kick-out rights. A higher aggregate economic interest was identified for the closed-ended type investment companies INVL Technology and INVL Baltic Real Estate. Unlike other managed funds, the shareholders of these entities have full voting rights, as in any joint stock company. Investors can realize return from them first by selling shares on the stock exchange and receiving dividends. Decisions regarding dividends can only be made by shareholders and not by fund managers and the Group does not have sufficient power to alone decide regarding dividend. Both companies have at least two other major shareholders holding together larger shareholdings than the Group. These shareholders also jointly control the Group. Therefore, after assessment the Group decides that it do not have control over managed entities and funds.

2 Summary of material accounting policies (cont'd)

2.22 Significant accounting judgements and estimates (cont'd)

Judgements (cont'd)

Discontinued operation (applicable for 2023)

On 22 November 2022 the Company and AB Šiaulių Bankas signed an agreement on the merger of part of the retail businesses. Second and third pillar pension funds and investment funds asset management business in Lithuania and also life insurance activities would be transferred to group of AB Šiaulių Bankas for 62,270,383 shares of AB Šiaulių Bankas, which will constitute 9.39 % of AB Šiaulių Bankas.

The transferred businesses do not meet the criteria for discontinued operation for the following reason:

- The pension fund's and the investment fund's asset management business is not a component of the entity, due to the fact that its operations and cash flows cannot be separately identified.
- The transferred businesses are not major line of businesses of the Group. The pension fund's and the investment fund's asset management business is part of the Group's asset management segment. Also in the Group remains the management of pension funds in Latvia and management of alternative investments. The Group has acquired life insurance activities in July 2022. In July 2022 Letter of Intent regarding merging of retail businesses with AB Šiaulių Bankas was signed. Therefore, acquired life insurance activities has exit strategy, is valued at fair value and it is part of investment activity segment

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant areas of estimation used in the preparation of these financial statements are discussed below.

Fair value of investments in unconsolidated subsidiaries and associates in financial statements

The fair values of investments in unconsolidated subsidiaries and associates are determined by using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The models used to determine fair values are periodically reviewed and compared against historical results to ensure their reliability. Details of the inputs and valuation models used to determine Level 3 fair value, is provided in Note 12.

The fair value of the investments in unconsolidated subsidiaries and associates of the Group as at 31 December 2024 was EUR 27,287 thousand and EUR 29,470 thousand, respectively (as at 31 December 2023 - EUR 43,120 thousand and EUR 23,313 thousand, respectively). The fair value of the investments in unconsolidated subsidiaries and associates of the Company as at 31 December 2024 was EUR 27,272 thousand and EUR 29,470 thousand, respectively (as at 31 December 2023 - EUR 66,010 thousand and EUR 23,313 thousand, respectively) (described in more details in Note 12).

2 Summary of material accounting policies (cont'd)

2.22 Significant accounting judgements and estimates (cont'd)

Estimates and assumptions (cont'd)

Bonuses

The Group have bonus plans, where employees have choice of two settlement alternatives that are mutually exclusive, and in which one of the alternative is equity-settled share-based payment (by granting share options of the Company) and other alternative is cash that is not share-based payment. As described in more details in Note 2.20, this arrangement with employees is accounted as a compound financial instrument, which includes a debt component and an equity component. The Group use estimates of employee service vesting period and recognise expenses proportionately over estimated vesting period. The equity component as equity-settled share-based payment are measured at the grant date fair value of share-options. The valuation method of fair value of share-options is a significant accounting estimate. The fair value of equity-settled share-based payment is calculated using the Black-Scholes option valuation method. All key inputs, with the exception of share price volatility, are directly observable in the market (the Company's share price and risk-free interest rate). For volatility input is used historical shares volatility on exchange. More details on inputs are disclosed in Note 17.

Other areas involving estimates include useful lives of property, plant and equipment, discount rate for lease liabilities and allowances for accounts receivable. According to the management, these estimates do not have significant risk of causing a material adjustment.

3. Business combinations, investments into associates, disposals

The movement of investments in associates was as follows:

	Group		Company	
	2024	2023	2024	2023
At 1 January	23,313	25,975	23,313	25,975
Acquisition of additional shares in associate	-	-	-	-
Loans granted/repaid, net value	290	-	290	-
Interest charged/paid, net value	25	-	25	-
Acquired loan to UAB Litagra from unconsolidated subsidiary INVL Life UAB	1,548	-	1,548	-
Disposal of associate	-	-	-	-
Changes in fair value	4,294	(2,662)	4,294	(2,662)
At 31 December	29,470	23,313	29,470	23,313
At fair value – shares	27,607	23,313	27,607	23,313
At fair value – granted loans	1,863	-	1,863	-

The Group and the Company presented investments in associates in separate section of statements of financial position regardless the Company owns them directly or indirectly. Therefore, purchase of INVL Baltic Real Estate and UAB Cedus Invest (unconsolidated subsidiary who owns associate UAB Litagra) from wholly owned unconsolidated subsidiary INVL Life UAB to the Company to did not change classification of associates and did not present in the movement above.

The movement of investments in subsidiaries of the Company was as follows:

	Company	
	2024	2023
At 1 January	107,195	70,272
Share of net profit (loss) of consolidated subsidiaries accounted for using equity method	1,224	23,709
Equity method - acquisition of non-controlling interests of subsidiaries	-	(291)
Establishment of subsidiaries and increase of share capital	-	250
Acquisition of investments from unconsolidated subsidiary INVL Life UAB*	48,975	-
Disposals	-	-
Dividends from consolidated subsidiaries	(29,631)	(615)
Share-based payments of consolidated subsidiaries	532	703
Changes in fair value	(13,365)	13,167
Decreased share capital (free funds returned) of INVL Life UAB	(47,999)	-
Reclassification to financial assets at fair value (acquired investments from INVL Life UAB)*	(26,349)	-
At 31 December	40,582	107,195
At equity method	13,310	41,185
At fair value – shares	27,272	66,010

*As at 31 December 2023 INVL Life UAB comprise investments to associates and financial assets at fair value through profit or loss, which are transferred from Company to subsidiary to form the capital to run life insurance activities. Investments into associates is presented in separate caption of statement of financial position of the Group and the Company. Investments into financial assets at fair value through profit or loss is presented also in separate caption of statement of financial position of the Group to better disclose information for users of financial statements (the same investments owned by the Company or consolidated subsidiary are presented in the same caption as the same investments of INVL Life UAB). In the statements of financial position of the Company presented in separate caption only investments to associates, all remaining investments are presented within caption 'Investments into subsidiaries'. In 2024 all investments were sold back to the Company for EUR 48,975 thousand and mainly was set-offed with payables of INVL Life UAB for decreased share capital. The movements are presented gross – separately formation fair value of INVL Life UAB from receivables of from sold investments represent minus decreased share capital of entity and minus reclassification of acquired financial assets at fair value through profit or loss from entity to respectively caption of statements of financial position.

3 Business combinations, investments into associates, disposals (cont'd)

The movement of investments in unconsolidated subsidiaries of the Group was as follows:

	Group	
	2024	2023
At 1 January	43,120	18,416
Additional investment	-	-
Changes in fair value	(16,809)	8,890
Share-based payments	-	30
Acquisition of investments from unconsolidated subsidiary INV L Life UAB*	48,975	-
Decrease of share capital*	(47,999)	-
Reclassification to/from disposals group classified as held for sale (Note 21)	-	15,784
Disposals	-	-
At 31 December	27,287	43,120
Shares	27,287	43,120

* See description in page above.

The primary reason for the decline in fair value of unconsolidated subsidiaries is the allocation of dividends by INV L Life UAB, amounting to EUR 17,257 thousand.

In 2023 life insurance activities were transferred as part of retail business at the level of unconsolidated subsidiary and it is not directly visible at the Group level. Following this transfer, INV L Life UAB assigned its claims on the receivables from AB Šiaulių Bankas to the Company. As a result, INV L Life UAB holds receivables from the Company related to these activities, which was major remaining asset of the unconsolidated subsidiary, except own investments described above. Therefore, the fair value of INV L Life UAB was reclassified from held for sale to investments of unconsolidated subsidiaries.

Acquisitions in 2024 and 2023

The Group did not have any acquisition of subsidiaries in 2024 and 2023, except below described establishment of entities or increased share capital in previously acquired/established entities or acquisition of non-controlling interests.

Establishment of companies (increase or decrease of share capital) in 2024 and 2023 and acquisition from unconsolidated subsidiaries

The Company has acquired from INV L Life UAB these financial assets in 2024:

- 23.43% of INV L Baltic Real Estate for EUR 4,345 thousand;
- 15.39% of UTIB INV L Technology for EUR 5,358 thousand;
- 100% of shares of UAB Cedus Invest, which invests in Litagra group, for the EUR 18,282 thousand;
- part, equal to EUR 7,621,959.71 capital contributed, of the units of INV L Baltic Sea Growth Fund for EUR 20,990 thousand.

The amounts have been offset with receivables from INV L Life UAB (dividends and decrease of share capital). Any amounts in not paid in cash in 2024 for these investments.

In September 2024 the share capital of UAB INV L Life was reduced by EUR 47,999 thousand. A total of EUR 1,200 thousand was paid in cash, remaining amount was offset against payable amounts to INV L Life UAB for acquired investments.

In 2023 the Company has additional invested EUR 250 thousand into the share capital of consolidated subsidiaries UAB FMJ INV L Financial Advisors.

3 Business combinations, investments into associates, disposals (cont'd)

Acquisition of non-controlling interests in 2024 and 2023

On 29 December 2022 the Group has signed an agreement to acquire the remaining shares (48.99%) in UAB Mundus, an asset management company managing a private debt fund Mundus Bridge Finance. The transaction was closed on 10 February 2023. The consideration depends on current and future value of net assets of managed fund and on equity value of the entity and was estimated at EUR 428 thousand. The consideration had to be paid until mid-year of 2024. In 2024 and in 2023 EUR 92 thousand and 376 thousand were paid, respectively. In 2023 impact to equity attributable to the equity holders of the parent was loss of EUR 291 thousand.

Acquisition of associates in 2024 and 2023

During 2024 and 2023 the Company/the Group did not have any acquisition of associates.

Disposals of subsidiaries in 2024 and 2023

In June 2021 the Company has sold 100% of the shares of UAB Kelio ženklai. However, it maintained a granted loan of EUR 750 thousand to UAB Kelio ženklai, which had carrying amount of EUR 384 thousand as at 31 December 2022, measured at fair value. The loan was fully repaid in 2023.

Disposals of associates in 2024 and 2023

During 2024 and 2023 the Company/the Group did not have any disposals of associates.

Transfer of retail business

Transfer of retail business from the Group to group of AB Šiaulių Bankas took place at midnight from 30 November to 1 December 2023 and is disclosed in more details Notes 2.22 and 21.

4. Segment information

The Management Board monitors the operating results of the business units of the Group separately for the purpose of making decisions about resource allocations and performance assessment. Investment results are evaluated based on changes in fair value of investments, including dividends and interest income received by the Group, regardless of whether the Company or subsidiary invested. After transfer of retail business some changes to presenting results of segments is changed. Investments to managed funds of the Group and investments to third party funds by asset management subsidiaries are allocated to asset management segments (changes in fair value and other income included in result of segment and respective investments to assets of segments). The historically investment of the Company (directly or through unconsolidated subsidiaries are allocated to historical investments activity segment (name of segments was revised). Asset management segment's performance is evaluated based on profit (loss) before income tax, after eliminating changes in the fair value of investments of subsidiaries to historical investments, dividends and interest income received from these investments. Finance costs are allocated between segments on basis of separate legal entities, attributable to segments. Income tax, consolidation adjustments and eliminations are not allocated on a segment basis. Segment assets are measured in a manner consistent with that of the financial statements. All assets are allocated between segments, because segments are identified on a basis of separate legal entities and the Group's historical investments are attributed to the historical investment activity segment, regardless of who invested in them. The granted loans by the Company are allocated to segment's, to which entities they are granted, assets. The impairment losses of these loans are allocated to a segment to which the loan was granted initially. Presentation for 2023 was restated.

For management purposes, the Group is organised into following operating segments based on their products and services:

Asset management

The asset management segment includes pension, investment funds (in 2023), alternative investments (private equity, real assets and private debt) and portfolio management, financial brokerage and land administration services. The segment also includes real estate activities, as investments is collective investment undertakings managed by asset management entity.

Real estate

The real estate activities are investing in investment properties held for future development and in commercial real estate and its rent.

Historically investments activity

The investment activity segment includes the Group investment activities to the unconsolidated subsidiaries, associates and financial assets at fair value, administrative activities of the Companies. Each investment activity is not considered as separate business segment. The main investment activities of the Company, which is presented to the management separately is disclosed below:

Agriculture

Agricultural activities include the primary crop and livestock (milk) production, feed production and grain processing, agricultural services and poultry farming.

Life insurance (in 2023)

The life insurance activities include life insurance services. They were transferred on 30 November 2023 as part of the merger of the retail businesses with group of AB Šiaulių Bankas.

Bank activities

Bank activities represent indirectly investment into MAIB, bank operating in Moldova and investments into AB Šiaulių bankas, bank operating in Lithuania, held by the Company. Because both investments amounts are material and operate in different markets, they are analysed separately.

All other activities

All other activities comprise other investments held by the Company.

Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in column 'Inter-segment transactions and consolidation adjustments'. Capital expenditure consists of additions to property, plant and equipment, intangible assets, costs to obtain contract including assets from the acquisition of consolidated subsidiaries.

4 Segment information (cont'd)

The following table presents revenues, profit (loss) and certain assets and liabilities information regarding the Group's business segments for the year ended 31 December 2024:

	Asset management	Historically investments activity	Inter-segment transactions and consolidation adjustments	Total
Year ended				
31 December 2024				
Revenue				
Sales to external customers	13,980	131	-	14,111
Inter-segment sales	75	6	(81)	-
Total revenue	14,055	137	(81)	14,111
Results				
Net changes in fair value of financial assets	17,673	4,270	-	21,943
Interest income	59	25	-	84
Dividend income	-	27,791	-	27,791
Other income	243	-	-	243
Employee benefits expense	(9,463)	(1,544)	-	(11,007)
Depreciation and amortization	(826)	(27)	-	(853)
Impairment	-	-	-	-
Interest expenses	(55)	(533)	-	(588)
Other expenses	(3,840)	(444)	81	(4,203)
Profit (loss) before income tax	17,846	29,675	-	47,521
As at 31 December 2024				
Assets and liabilities				
Segment assets	85,767	163,904	(2,001)	247,670
Segment liabilities	4,094	23,359	(2,001)	25,452
Other segment information				
Capital expenditure:				
• Property, plant and equipment	118	1	-	119
• Intangible assets	31	-	-	31

4 Segment information (cont'd)

The following table presents revenues, profit (loss) and certain assets and liabilities information regarding the Group's business segments for the year ended 31 December 2023:

Restated	Asset management	Historically investments activity	Inter-segment transactions and consolidation adjustments	Total
Year ended 31 December 2023				
Revenue				
Sales to external customers	16,825	135	-	16,960
Inter-segment sales	-	7	(7)	-
Total revenue	16,825	142	(7)	16,960
Results				
Net changes in fair value of financial assets	11,998	10,501	-	22,499
Gain from transfer of retail business (Note 21)	29,753	-	-	29,753
Interest income	25	41	-	66
Dividend income	-	1,759	-	1,759
Other income	58	-	-	58
Employee benefits expense	(12,541)	(844)	-	(13,385)
Depreciation and amortization	(718)	(26)	-	(744)
Impairment	(1)	-	-	(1)
Interest expenses	(63)	(252)	-	(315)
Other expenses	(6,024)	(311)	7	(6,328)
Profit (loss) before income tax	39,312	11,010	-	50,322
As at 31 December 2023				
Assets and liabilities				
Segment assets	97,892	152,576	(32,004)	218,464
Segment liabilities	8,242	64,196	(32,004)	40,434
Other segment information				
Capital expenditure:				
• Property, plant and equipment	606	7	-	613
• Intangible assets	32	-	-	32
• Costs to obtain contract	338	-	-	338

4 Segment information (cont'd)

The following tables present measurement of investment activities results on the basis of changes in fair value, including dividend and interest income:

	Agriculture	Real estate	Bank sector (MAIB)	Bank sector (AB Šiaulių bankas)	Other investments	Total
Year ended						
31 December 2024						
Net changes in fair value on financial assets	3,274	1,020	125	17,806	(282)	21,943
Dividend income	-	-	4,694	5,839	17,258	27,791
Interest income	25	8	-	-	-	33
Total income from investments	3,299	1,028	4,819	23,645	16,976	49,767
Investments fair value as at 31 December 2024	24,483	4,987	22,364	108,865	75,270	235,969

	Agriculture	Real estate	Bank sector (MAIB)	Bank sector (AB Šiaulių bankas)	Life insurance	Other investments	Total
Year ended							
31 December 2023							
Net changes in fair value on financial assets	(2,586)	(76)	5,409	3,802	5,040	10,910	22,499
Dividend income	-	-	728	969	-	62	1,759
Interest income	-	-	-	-	-	41	41
Total income from investments	(2,586)	(76)	6,137	4,771	5,040	11,013	24,299
Investments fair value as at 31 December 2023	19,346	3,967	22,239	85,401	20,824	76,327	228,104

Analysis of revenue by timing of revenue recognition:

	2024		2023	
	Group	Company	Group	Company
Revenue recognised over time:	13,710	137	16,269	142
<i>Management fee</i>	10,607	-	15,559	-
<i>Success fee</i>	1,834	-	(590)	-
<i>Other consideration</i>	1,269	137	1,300	142
Revenue recognised at a point in time	401	-	691	-
Total revenue	14,111	137	16,960	142

Success fee amount is negative in 2023, because following discussions with the Latvian competent authority regarding the interpretation of Latvian applicable law, the Latvian subsidiary returned EUR 685 thousand of success fees to its managed pension funds.

The Company is domiciled in the Lithuania and the Group operates in Lithuania and Latvia. The result of Group's revenue from external customers in the Lithuania is EUR 10,465 thousand (2023: EUR 16,114 thousand), and the total of revenue from external customers from Latvia is EUR 3,646 thousand (2023: EUR 846 thousand).

In 2024 the Group has not recognised as revenue success fee of EUR 12,389 thousand, accrued in the managed entities and funds, as the condition for non-returnable payment of it is not met (2023: EUR 9,295 thousand).

4 Segment information (cont'd)

The table below presents distribution of the Group non-current assets (other than financial instruments and deferred tax assets) by geographical area as at 31 December 2024 and 2023:

	Lithuania	Latvia	Total
As at 31 December 2024	890	198	1,088
As at 31 December 2023	1,544	256	1,800

5. Other income and expenses

5.1. Net changes in fair value on financial instruments

	Group		Company	
	2024	2023	2024	2023
Net gain (loss) from changes in fair value of unconsolidated subsidiaries and associates	(12,515)	6,228	(9,071)	10,505
Net gain (loss) from financial assets at fair value through profit or loss	34,462	16,288	30,207	10,987
Net gain (loss) from financial liabilities at fair value through profit or loss	(4)	(17)	-	-
<i>Net gain (loss) from financial instruments at fair value through profit or loss, total</i>	<u>21,943</u>	<u>22,499</u>	<u>21,136</u>	<u>21,492</u>

5.2. Employee benefits expenses

	Group		Company	
	2024	2023	2024	2023
Short-term employee benefits	(8,667)	(10,278)	(476)	(482)
Share-based payments (cash alternative)	(1,019)	(2,488)	-	-
Equity-settled share-based payments	(1,321)	(619)	(1,067)	(361)
	<u>(11,007)</u>	<u>(13,385)</u>	<u>(1,543)</u>	<u>(843)</u>

5.3. Other expenses

	Group		Company	
	2024	2023 restated	2024	2023 restated
Vehicles maintenance costs	(180)	(228)	-	-
Repairs and maintenance cost of premises	(88)	(134)	(2)	(1)
Taxes	(499)	(825)	(33)	(45)
Fees for securities	(360)	(751)	(231)	(39)
Other expenses	<u>(1,753)</u>	<u>(1,726)</u>	<u>(94)</u>	<u>(88)</u>
	<u>(2,880)</u>	<u>(3,664)</u>	<u>(360)</u>	<u>(173)</u>

6. Income tax

	Group		Company	
	2024	2023	2024	2023
Components of the income tax expense				
Current year income tax	(216)	(3,472)	-	-
Prior year current income tax correction	-	-	-	-
Deferred income tax income (expense)	(2,921)	(1,034)	(2,694)	(388)
Income tax income (expense) charged to the income statement – total	(3,137)	(4,506)	(2,694)	(388)

There is no income tax expense recognised in other comprehensive income in 2024 and 2023.

Deferred tax asset and liability were estimated at 16% rate in Lithuania as at 31 December 2024.

The movement in deferred tax assets and liabilities of the Group during 2024 is as follows:

	Balance as at 31 December 2023	Recognised in the income statement	Balance as at 31 December 2024
Deferred tax asset			
Tax loss carry forward for indefinite period of time	305	409	714
Receivables	-	-	-
Accruals	242	(13)	229
Lease liabilities	172	(70)	102
Contract liabilities	-	-	-
Recognised deferred tax asset	719	326	1,045
Asset netted with liability of the same legal entities	(605)	(138)	(743)
Deferred tax asset, net	114	188	302
Deferred tax liability			
Property, plant and equipment (right of use assets)	(162)	68	(94)
Intangible assets	(6)	6	-
Investments at fair value through profit or loss	(3,246)	(2,990)	(6,236)
Investments into subsidiaries	-	(331)	(331)
Deferred tax liability	(3,414)	(3,247)	(6,661)
Liability netted with asset of the same legal entities	605	138	743
Deferred tax liability, net	(2,809)	(3,109)	(5,918)
Deferred tax, net	(2,695)	(2,921)	(5,616)

6 Income tax (cont'd)

Deferred tax asset and liability were estimated at 15% rate in Lithuania as at 31 December 2023.

The movement in deferred tax assets and liabilities of the Group during 2023 is as follows:

	Balance as at 31 December 2022	Recognised in the income statement	Transfer of tax losses within group	Transfer to disposal group classified as held for sale	Balance as at 31 December 2023
Deferred tax asset					
Tax loss carry forward for indefinite period of time	822	(496)	(21)	-	305
Receivables	1	(1)	-	-	-
Accruals	180	28	-	34	242
Lease liabilities	210	(38)	-	-	172
Contract liabilities	-	12	-	(12)	-
Recognised deferred tax asset	1,213	(495)	(21)	22	719
Asset netted with liability of the same legal entities	(741)	(20)	-	156	(605)
Deferred tax asset, net	472	(515)	(21)	178	114
Deferred tax liability					
Property, plant and equipment (right of use assets)	(198)	27	-	9	(162)
Intangible assets	(101)	(6)	-	101	(6)
Investments at fair value through profit or loss	(2,812)	(434)	-	-	(3,246)
Costs to obtain contacts with customers	-	(12)	-	12	-
Deferred tax liability	(3,111)	(425)	-	122	(3,414)
Liability netted with asset of the same legal entities	741	20	-	(156)	605
Deferred tax liability, net	(2,370)	(405)	-	(34)	(2,809)
Deferred tax, net	(1,898)	(920)	(21)	144	(2,695)

At the moment of transfer of retail business (Note 21) EUR 114 thousand of deferred tax assets was attributed to disposal group classified as held for sale. Because transfer of retail business is taxable income at the level of subsidiary and current income tax expenses was recognised, The Group presented gain from transfer of retail businesses without effect of income tax. Therefore, the Group presented EUR 114 thousand as deferred income tax expense.

6 Income tax (cont'd)

The movement in deferred tax assets and liabilities of the Company during 2024 is as follows:

	Balance as at 31 December 2023	Recognised in the income statement	Transfer of tax losses	Balance as at 31 December 2024
Deferred tax asset				
Tax loss carry forward for indefinite period of time	305	228	-	533
Lease liabilities	10	(4)	-	6
Recognised deferred tax asset	315	224	-	539
Asset netted with liability of the same legal entities	(315)	(224)	-	(539)
Deferred tax asset, net	-	-	-	-
Deferred tax liability				
Property, plant and equipment (right of use assets)	(9)	4	-	(5)
Investments at fair value through profit or loss	(3,109)	(3,012)	-	(6,121)
Other liability	(90)	90	-	-
Deferred tax liability	(3,208)	(2,918)	-	(6,126)
Liability netted with asset of the same legal entities	315	224	-	539
Deferred tax liability, net	(2,893)	(2,694)	-	(5,587)
Deferred tax, net	(2,893)	(2,694)	-	(5,587)

The movement in deferred tax assets and liabilities of the Company during 2023 is as follows:

	Balance as at 31 December 2022	Recognised in the income statement	Transfer of tax losses	Balance as at 31 December 2023
Deferred tax asset				
Tax loss carry forward for indefinite period of time	326	132	(153)	305
Lease liabilities	13	(3)	-	10
Recognised deferred tax asset	339	129	(153)	315
Asset netted with liability of the same legal entities	(339)	(107)	131	(315)
Deferred tax asset, net	-	22	(22)	-
Deferred tax liability				
Property, plant and equipment (right of use assets)	(12)	3	-	(9)
Investments at fair value through profit or loss	(2,679)	(430)	-	(3,109)
Other liability	-	(90)	-	(90)
Deferred tax liability	(2,691)	(517)	-	(3,208)
Liability netted with asset of the same legal entities	339	107	(131)	315
Deferred tax liability, net	(2,352)	(410)	(131)	(2,893)
Deferred tax, net	(2,352)	(388)	(153)	(2,893)

6 Income tax (cont'd)

The reconciliation of the total income tax to the theoretical amount that would arise using the tax rate of the Group and the Company is as follows:

	Group		Company	
	2024	2023	2024	2023
Profit before income tax	47,521	50,322	47,078	46,204
Tax calculated at the tax rate of 15 %	(7,128)	(7,548)	(7,062)	(6,931)
Non-taxable income - dividend income	4,169	264	4,154	248
Non-taxable income (expenses) – changes in fair value of financial assets	603	2,925	541	2,794
Non-taxable income (expenses) – impact of equity method	-	-	184	3,556
Other tax non-deductible (expenses) / non-taxable income	(416)	(221)	(162)	(55)
Deferred tax expenses arising from write-down, or reversal of a previous write-down, of deferred tax asset due to changes in probability to utilise it	-	-	-	-
The amount of benefit arising from previously unrecognised tax loss of a prior period that is used to reduce current tax expense	-	150	-	-
Change in tax rates	(330)	-	(349)	-
Other	(35)	(76)	-	-
Income tax credit (expenses) recorded in the income statement	(3,137)	(4,506)	(2,694)	(388)

7. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of shares for 2024 and 2023 was as follows:

Calculation of weighted average for the year 2024	Number of shares (thousand)	Par value (EUR)	Issued/366 (days)	Weighted average (thousand)
Shares issued as at 31 December 2023	12,005	0.29	366/366	12,005
Increase of share capital as at 21 June 2024	65	0.29	193/366	34
Acquisition of own shares as at 10 September 2024	(53)		112/366	(16)
Shares issued as at 31 December 2024	12,017	-	-	12,023

Calculation of weighted average for the year 2023	Number of shares (thousand)	Par value (EUR)	Issued/365 (days)	Weighted average (thousand)
Shares issued as at 31 December 2022	11,818	0.29	365/365	11,818
Increase of share capital as at 21 July 2023	187	0.29	163/365	84
Shares issued as at 31 December 2023	12,005	-	-	11,902

The following table reflects the income and share data used in the basic earnings per share computations:

	Group		Company	
	2024	2023	2024	2023
Net profit, attributable to the equity holders of the parent	44,384	45,816	44,384	45,816
Weighted average number of ordinary shares (thousand)	12,023	11,902	12,023	11,902
Basic earnings per share (EUR)	3.69	3.85	3.69	3.85

The following table reflects the share data used in the diluted earnings per share computations in 2024:

	Number of shares (thousand)	Issued/366 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	12,023
Potential dilutive shares from share-based payment (granted on 10 May 2021, on 21 June 2024 share options exercised by issued of new shares)	64	173/366	30
Potential dilutive shares from share-based payment (granted on 31 May 2022)	38	366/366	38
Potential dilutive shares from share-based payment (granted on 12 June 2023)	270	366/366	270
Potential dilutive shares from share-based payment (granted on 30 April 2024)	8	245/366	5
Potential dilutive shares from share-based payment (granted on 28 May 2024)	23	217/366	14
Weighted average number of ordinary shares for diluted earnings per share	-	-	12,380

7. Earnings per share (cont'd)

The following table reflects the share data used in the diluted earnings per share computations in 2023:

	Number of shares (thousand)	Issued/365 (days)	Weighted average (thousand)
Weighted average number of ordinary shares for basic earnings per share	-	-	11,902
Potential dilutive shares from share-based payment (granted on 11 August 2016, on 21 July 2023 share options exercised by issued of new shares)	24	202/365	13
Potential dilutive shares from share-based payment (granted on 25 May 2020, on 21 July 2023 share options exercised by issued of new shares)	56	202/365	31
Potential dilutive shares from share-based payment (granted on 1 July 2020, on 21 July 2023 share options exercised by issued of new shares)	50	202/365	28
Potential dilutive shares from share-based payment (granted on 10 May 2021)	63	365/365	63
Potential dilutive shares from share-based payment (granted on 31 May 2022)	37	365/365	37
Potential dilutive shares from share-based payment (granted on 12 June 2023)	150	202/365	83
Weighted average number of ordinary shares for diluted earnings per share	-	-	12,157

The following table reflects the income data used in the diluted earnings per share computations in 2024 and 2023:

	Group		Company	
	2024	2023	2024	2023
Net profit, attributable to the equity holders of the parent	44,384	45,816	44,384	45,816
Weighted average number of ordinary and potential shares (thousand)	12,380	12,157	12,380	12,157
Diluted earnings per share (EUR)	3.59	3.77	3.59	3.77

8. Dividends per share

A dividend in respect of the year ended 31 December 2023 of EUR 0.10 per share, amounting to a total dividend of EUR 1,200 thousand, was approved at the annual general meeting on 30 April 2024.

Changes in liabilities arising from financing activities (dividends) are presented in the table below:

	Group/Company
	Dividends payable
As at 31 December 2022	742
Dividends paid to equity holders of the parent	(7)
Approved dividends	-
As at 31 December 2023	735
Dividends paid to equity holders of the parent	(1,189)
Approved dividends	1,200
As at 31 December 2024	746

9. Property, plant and equipment

Group	Right-of-use assets (leased premises)	Other property, plant and equipment	Total
Cost:			
Balance as at 31 December 2022	2,243	908	3,151
Additions	532	81	613
Disposals and write-offs	(481)	(4)	(485)
To held for sale	-	(55)	(55)
Balance as at 31 December 2023	2,294	930	3,224
Additions	32	87	119
Disposals and write-offs	-	(132)	(132)
To held for sale	-	-	-
Balance as at 31 December 2024	2,326	885	3,211
Accumulated depreciation:			
Balance as at 31 December 2022	925	516	1,441
Charge for the year	404	118	522
Disposals and write-offs	(276)	(1)	(277)
To held for sale	-	(29)	(29)
Balance as at 31 December 2023	1,053	604	1,657
Charge for the year	549	129	678
Disposals and write-offs	-	(123)	(123)
To held for sale	-	-	-
Balance as at 31 December 2024	1,602	610	2,212
Net book value as at 31 December 2023	1,241	326	1,567
Net book value as at 31 December 2024	724	275	999

Company	Right-of-use assets (leased premises)	Other property, plant and equipment	Total
Cost:			
Balance as at 31 December 2022	156	100	256
Additions	5	2	7
Disposals and write-offs	-	-	-
Balance as at 31 December 2023	161	102	263
Additions	-	1	1
Disposals and write-offs	-	-	-
Balance as at 31 December 2024	161	103	264
Accumulated depreciation:			
Balance as at 31 December 2022	78	98	176
Charge for the year	24	2	26
Disposals and write-offs	-	-	-
Balance as at 31 December 2023	102	100	202
Charge for the year	26	1	27
Disposals and write-offs	-	-	-
Balance as at 31 December 2024	128	101	229
Net book value as at 31 December 2023	59	2	61
Net book value as at 31 December 2024	33	2	35

9 Property, plant and equipment (cont'd)

The depreciation charge of the Group's and the Company's property, plant and equipment for the year 2024 amounts to EUR 678 thousand and EUR 27 thousand, respectively (in the year 2023 EUR 522 thousand and EUR 26 thousand, respectively). Any property, plant and equipment of the Group and the Company as at 31 December 2024 and 2023 hadn't any encumbrance.

10. Intangible assets

Movement in the account of intangible assets is presented below:

Group	Goodwill	Funds' management rights	Software and other intangible assets	Total
Cost:				
Balance as at 31 December 2022	14	1,154	277	1,445
Additions	-	-	32	32
Disposals and write-offs	-	-	-	-
Balance as at 31 December 2023	14	1,154	309	1,477
Additions	-	-	31	31
Disposals and write-offs	-	-	-	-
Balance as at 31 December 2024	14	1,154	340	1,508
Accumulated amortisation:				
Balance as at 31 December 2022	-	883	135	1,018
Charge for the year	-	161	61	222
Impairment	-	-	9	9
Disposals and write-offs	-	-	-	-
Other	-	(5)	-	(5)
Balance as at 31 December 2023	-	1,039	205	1,244
Charge for the year	-	115	60	175
Impairment	-	-	-	-
Disposals and write-offs	-	-	-	-
Other	-	-	-	-
Balance as at 31 December 2024	-	1,154	265	1,419
Net book value as at 31 December 2023	14	115	104	233
Net book value as at 31 December 2024	14	-	75	89

The amortisation charge of the Group's intangible assets for the year ended 31 December 2024 amounts to EUR 175 thousand (in the year 2023 EUR 222 thousand).

CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(all amounts are in EUR thousand unless otherwise stated)

11. Financial instruments by category

Group	Financial assets at amortised cost	Assets at fair value through the profit or loss	Total
31 December 2024			
Assets as per statement of financial position			
Investments into unconsolidated subsidiaries	-	27,272	27,272
Investments into associates	-	29,470	29,470
Other non-current receivables	18	-	18
Trade and other receivables short term excluding tax receivables	3,395	-	3,395
Financial assets at fair value through profit and loss	-	179,227	179,227
Current loans granted	-	-	-
Cash and cash equivalents	5,421	-	5,421
Total	8,834	235,969	244,803

Group	Financial assets at amortised cost	Assets at fair value through the profit or loss	Total
31 December 2023			
Assets as per statement of financial position			
Investments into unconsolidated subsidiaries	-	43,105	43,105
Investments into associates	-	23,313	23,313
Trade and other receivables short term excluding tax receivables	4,299	-	4,299
Financial assets at fair value through profit and loss	-	140,862	140,862
Current loans granted	90	-	90
Cash and cash equivalents	3,710	-	3,710
Total	8,099	207,280	215,379

Group	31 December 2024		31 December 2023	
Liabilities as per statement of financial position	Financial liabilities at amortised cost	Financial liabilities through the profit or loss	Financial liabilities at amortised cost	Financial liabilities through the profit or loss
Borrowings (including issued bonds)	10,031	-	4,900	-
Trade payables	258	-	592	-
Lease liabilities	788	-	1,312	-
Other current payables excluding tax payables and employee benefit payables	5,687	-	24,574	85
Total	16,764	-	31,378	85

0 Financial instruments by category (cont'd)

Company	Financial assets at amortised cost	Assets at fair value through the profit or loss	Total
31 December 2024			
Assets as per statement of financial position			
Investments into unconsolidated subsidiaries	-	27,272	27,272
Investments into associates	-	29,470	29,470
Trade and other receivables	9	-	9
Financial assets at fair value through profit or loss	-	172,515	172,515
Cash and cash equivalents	2,467	-	2,467
Total	2,476	229,257	231,733

Company	Financial assets at amortised cost	Assets at fair value through the profit or loss	Total
31 December 2023			
Assets as per statement of financial position			
Investments into unconsolidated subsidiaries	-	43,105	43,105
Investments into associates	-	23,313	23,313
Trade and other receivables	2,711	-	2,711
Financial assets at fair value through profit or loss	-	106,938	106,938
Cash and cash equivalents	1,305	-	1,305
Total	4,016	173,356	177,372

Company	31 December 2024	31 December 2023
Liabilities as per statement of financial position	Financial liabilities at amortised cost	
Borrowings	10,031	4,900
Lease liabilities	38	67
Trade payables	8	72
Other current payables excluding tax payables and employee benefit payables	7,528	55,731
Total	17,605	60,770

12. Fair value estimation

Financial instruments that are not carried at fair value

The Group's and the Company's principal financial instruments that are not carried at fair value in the statement of financial position are cash and cash equivalents, trade and other receivables, borrowings, trade and other payables.

The fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The carrying amount of the cash and cash equivalents, trade and other receivables, trade and other payables of the Group and the Company as at 31 December 2024 and 2023 approximated their fair value because they are short-term and the impact of discounting is immaterial, except when discounting is recognised at current market rate.

The carrying amount of borrowings of the Group and the Company as at 31 December 2024 and 2023 approximated their fair value. Bank borrowings had floating interest rate (3 months EURIBOR) and were negotiated recently, therefore their interest rate represents the current market rate. The issued bonds have fixed interest rate, determined by market by issue in June of 2024 and its fair value is approximated carrying amounts. The fair values of borrowings are based on discounted cash flows using a current interest rate. They are classified as level 3 fair values in the fair value hierarchy due to use of unobservable inputs, including own credit risk.

Financial instruments carried at fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs with a significant effect on the recorded fair value not based on observable market data.

Unconsolidated subsidiaries and associates are measured at fair value through profit or loss.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on arm's length basis. The quoted market price used for financial assets held by the Group and Company is the measurement date exchange closing price.

The level 2 instruments are investments to collective investment undertakings and entities, where fair value is measured as fair value of net assets value, which is based only on observable inputs. Therefore, collective investment undertakings and these entities have invested only to securities which are measured as Level 1 instruments, and have only cash, current liabilities, which carrying amount approximate to fair value.

The valuation of Level 3 instruments is performed by the Company's employees, analysts, every quarter. The value is estimated as at the last day of quarter. The management of the Company review the valuations prepared by analysts.

In 2024 and 2023 the Group has determined net assets value as difference between assets and liabilities, measured using combination of income and market approach, for valuation of investments into UAB Litagra (agriculture activity). Discounted cash flows technique was used for income approach. Value of land was determined by using market approach. The cash flows were adjusted by rent costs of owned land. The final value of investments was determined by combining value of subgroups, land owned by group of UAB Litagra and other item of assets and liabilities of holding entity to determine net assets value. In 2024 and 2023 substantially all land was valued by external asset valuers.

Agricultural activities include the primary crop and livestock (milk) production, feed production and grain processing and poultry farming. UAB Litagra is holding company which directly and indirectly owned shares of multiple entities which for valuation are divided into two subgroups. It was prepared separate cash flows for each subgroup and used different discount rate. One subgroup comprises the primary crop and livestock (milk) production. Second subgroup comprises feed production and grain processing and poultry farming.

Investments to unconsolidated subsidiary INVL Life UAB measured at fair value of net assets which as at 31 December 2024 represents mainly receivables and payables to the Group, income tax payables and cash, therefore, comprise Level 2 measurement. As at 31 December 2023 additionally investments to unconsolidated subsidiary INVL Life UAB included investments to bank, real estate and information technology sector (Level 1), investments to UAB Litagra (Level 3), of investments to investment entity UAB Cedus Invest (Level 2) and of investments to BSGF (Level 3), which are presented separately in the statements of financial position.

12 Fair value estimation (cont'd)*Financial instruments carried at fair value (cont'd)*

Investments into UAB MD Partners are measured as fair value of net assets value of entity, where main indirectly owned assets – investment into MAIB bank – are measured using price to earnings (P/E) and P/BV multiplier technique of comparable banks from the Central and Eastern Europe (12 peers are selected in 2024 and 12 peers are selected in 2023) and applying discount. Discount reflects lack of marketability and country and MAIB risk. Structure of investments into MAIB is described in Note 1. The Company indirectly has 7.7% shares of MAIB. There were also some cash and liabilities at the level intermediate entities UAB MD Partners and HEIM Partners Limited.

Dormant entities are measured according to its equity, because they have only cash and current liabilities.

The Group and the Company have also invested into collective investment undertakings, which main assets are Level 3 financial instruments. These investments are valued at net assets value of collective investment undertakings, which are measured at fair value and communicated to investor by the management entity of collective investment undertakings. Investments of collective investment undertakings are measured EBITDA and Revenue multiplier technique or by using discounted cash flows technique.

The following table represents inputs and fair value valuation techniques of unconsolidated subsidiaries, associates and other investments used by the Company and the Group as at 31 December 2024:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Agriculture (UAB Litagra) (Level 3)	24,483	Fair value of net assets determined by using combination of discounted cash flows and sales comparison method	EBITDA margin Discount rate Terminal growth rate Average value of 1 ha of land, EUR	10%-13% and 17-19% 9.29% and 9.65% 1% 7,015
Investment entity (UAB MD partners, investment into MAIB (banking activities))* (Level 3)	22,364	Comparable companies in the market	P/BV P/E Net profit, EUR million Equity, EUR million Discount for lack of marketability and country and MAIB risk*	1.23 6.32 72.5 411.9 38%
Investment entity (UAB Cedus Invest) (Level 2)	46	Fair value of net assets	-	-
INVL Life UAB (Level 2)	4,843	Fair value of net assets	-	-
Dormant SPEs (Level 2)	19	Fair value of net assets	-	-
BSGF (Level 3)	58,617	Fair value of net assets determined by using discounted cash flows	Discount rate Terminal growth rate EBITDA margin	10.47% - 12.94% 2% - 2.5% 4.8-23.5%
INVL Sustainable Timberland and Farmland Fund II (investment is held by consolidated subsidiary) (Level 3)	1,401	Fair value of net assets determined by using discounted cash flows	Discount rate Annual inflation rate	5.5%-6.5% 2%
INVL Renewable Energy Fund I (Level 3)	1,335	Fair value of net assets determined by using discounted cash flows	Discount rate Annual inflation rate	8.85%-9.38% 2%

*In 2024 the discount for lack of marketability and political risk of MAIB and of country has been not changed. The management has expectation to have sale transaction in 2025, but any agreements is not reached.

12 Fair value estimation (cont'd)

Financial instruments carried at fair value (cont'd)

The following table represents inputs and fair value valuation techniques of unconsolidated subsidiaries and associates used by the Company and the Group as at 31 December 2023:

Profile of activities	Fair value	Valuation technique	Inputs	Values of inputs
Agriculture (UAB Litagra) (Level 3)	19,346	Fair value of net assets determined by using combination of discounted cash flows and sales comparison method	EBITDA margin	7%-12% and 16-20%
			Discount rate	10.1% and 10.45%
			Terminal growth rate	1%
			Average value of 1 ha of land, EUR	7,027
Investment entity (UAB MD partners, investment into MAIB (banking activities))* (Level 3)	22,239	Comparable companies in the market	P/BV	1.36
			P/E	6.03
			Net profit, EUR million	63.6
			Equity, EUR million	401.0
			Discount for lack of marketability and country and MAIB risk*	38%
Investment entity (UAB Cedus Invest) (Level 2)	25	Fair value of net assets	-	-
INVL Life UAB (Level 2)	20,824	Fair value of net assets	-	-
Dormant SPEs (Level 2)	17	Fair value of net assets	-	-
BSGF (Level 3)	42,263	Fair value of net assets determined by using discounted cash flows	Discount rate	11.1%-15.26%
			Terminal growth rate	2%
			EBITDA margin	7.2-25.2%
INVL Sustainable Timberland and Farmland Fund II (investment is held by consolidated subsidiary) (Level 3)	5,483	Fair value of net assets determined by using discounted cash flows	Discount rate	5.5-5.75%
			Annual inflation rate	2%
INVL Renewable Energy Fund I (Level 3)	1,629	Fair value of net assets determined by using discounted cash flows	Discount rate	8.89-9.56%
			Annual inflation rate	2%

*In 2023 the discount for lack of marketability and political risk of MAIB and of country has been not changed. The management has expectation to have the bank's initial public offering in 2024.

12 Fair value estimation (cont'd)

Financial instruments carried at fair value (cont'd)

The table below presents the effect of changing one or more those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions:

Profile of activities	Unobservable inputs	Reasonable possible shift +/- (absolute value/bps/%)	Change in Valuation +/-	
			As at 31 December 2024	As at 31 December 2023
Agriculture (UAB Litagra) (Level 3)	Change in average value of 1 ha of land	1%	136/(136)	137/(137)
	Discount rate	100 bps	(2,555)/3,216	(2,098)/2,586
	Terminal growth rate	50 bps	1,063/(946)	830/(746)
Investment entity (UAB MD partners, investment into MAIB (banking activities)) (Level 3)	P/BV	0.1	897/(932)	860/(860)
	P/E	0.5	783/(818)	693/(693)
	Net profit, EUR thousand	5%	582/(618)	512/(512)
	Discount for lack of marketability and country risk	100 bps	(351)/316	(324)/324
BSGF (Level 3)	Discount rate	200 bps	(12,338)/17,418	(8,868)/12,906
	Terminal growth rate	100 bps	5,228/(4,568)	6,323/(5,304)
	EBITDA margin	100 bps	6,060/(6,189)	5,977/(6,020)
INVL Sustainable Timberland and Farmland Fund II (investment is held by consolidated subsidiary) (Level 3)	Discount rate	100 bps	(146)/2,098	(2,042)/3,107
	Annual inflation rate	100 bps	2,162/(151)	3,212/(2,085)
INVL Renewable Energy Fund I (Level 3)	Discount rate	100 bps	(360)/4,532	(1,049)/2,438
	Annual inflation rate	100 bps	4,700/(388)	2,580/(1,058)

12 Fair value estimation (cont'd)*Financial instruments carried at fair value (cont'd)*

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2024:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Bank sector	-	-	22,364	22,364
- Other activities	-	4,908	-	4,908
Associates				
- Agriculture (including granted loans)	-	-	24,483	24,483
- Real estate	4,987	-	-	4,987
Financial assets at fair value through profit or loss				
- Information technology	6,752	-	-	6,752
- Bank sector	108,865	-	-	108,865
- Other ordinary shares	-	2	445	447
- Collective investment undertakings – funds	-	1,238	61,925	63,163
Total Assets	120,604	6,148	109,217	235,969
Liabilities	-	-	-	-

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2024:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Bank sector	-	-	22,364	22,364
- Other activities	-	4,908	-	4,908
Associates				
- Agriculture (including granted loans)	-	-	24,483	24,483
- Real estate	4,987	-	-	4,987
Financial assets at fair value through profit or loss				
- Information technology	6,034	-	-	6,034
- Bank sector	107,217	-	-	107,217
- Other ordinary shares	-	2	445	447
- Collective investment undertakings – funds	-	-	58,817	58,817
Total Assets	118,238	4,910	106,109	229,257
Liabilities	-	-	-	-

12 Fair value estimation (cont'd)*Financial instruments carried at fair value (cont'd)*

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2023:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Bank sector	-	-	22,239	22,239
- Other activities	-	20,866	-	20,866
Associates				
- Agriculture	-	-	19,346	19,346
- Real estate	3,967	-	-	3,967
Financial assets at fair value through profit or loss				
- Information technology	3,984	-	-	3,984
- Bank sector	84,777	624	-	85,401
- Other ordinary shares	-	2	445	447
- Collective investment undertakings – funds	-	1,232	49,798	51,030
Total Assets	92,728	22,724	91,828	207,280
Liabilities	-	-	85	85

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2023:

	Level 1	Level 2	Level 3	Total balance
Assets				
Unconsolidated subsidiaries				
- Bank sector	-	-	22,239	22,239
- Information technology	3,560*	-	-	3,560
- Other activities	-	20,866	19,345*	40,211
Associates				
- Agriculture	-	-	19,346	19,346
- Real estate	3,967	-	-	3,967
Financial assets at fair value through profit or loss				
- Bank sector	82,040	624	-	82,664
- Other ordinary shares	-	2	445	447
- Collective investment undertakings – funds	-	-	23,827	23,827
Total Assets	89,567	21,492	85,202	196,261
Liabilities	-	-	-	-

*All these amounts are presented within caption 'Investments into subsidiaries' in the statements of the financial position of the Company. They represent separate part of the investments held by unconsolidated subsidiary INVL Life UAB.

During 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

12 Fair value estimation (cont'd)*Financial instruments carried at fair value (cont'd)***Financial instruments in Level 3 (cont'd)**

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The following table presents the changes in Level 3 instruments of the Group for the period ended 31 December 2024:

	Agriculture	Bank sector (MAIB)	Other activities	Collective investment undertakings	Total
Balance at 31 December 2023	19,346	22,239	445	49,798	91,828
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	3,274	125	-	13,762	17,161
Loans granted	290	-	-	-	290
Interest charged	25	-	-	-	25
Loans repaid and interest paid	-	-	-	-	-
Acquired loans to UAB Litagra from INVL Life UAB	1,548	-	-	-	1,548
Acquisition	-	-	-	2,547	2,547
Disposal	-	-	-	(4,182)	(4,182)
Balance at 31 December 2024	24,483	22,364	445	61,925	109,217
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	3,274	125	-	13,762	17,161

The following table presents the changes in Level 3 instruments of the Company for the period ended 31 December 2024:

	Agriculture	Bank sector (MAIB)	Other activities	Collective investment undertakings	Total
Balance at 31 December 2023	19,346	22,239	445	43,172	85,202
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	3,274	125	-	13,650	17,049
Loans granted	290	-	-	-	290
Interest charged	25	-	-	-	25
Loans repaid and interest paid	-	-	-	-	-
Acquired loans from INVL Life UAB	1,548	-	-	-	1,548
Acquisition	-	-	-	1,995	1,995
Disposal	-	-	-	-	-
Balance at 31 December 2024	24,483	22,364	445	58,817	106,109
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	3,274	125	-	13,650	17,049

12 Fair value estimation (cont'd)*Financial instruments carried at fair value (cont'd)***Financial instruments in Level 3 (cont'd)**

The following table presents the changes in Level 3 instruments of the Group for the period ended 31 December 2023:

	Agriculture	Bank sector (MAIB)	Other activities	Life insurance	Collective investment undertakings	Total
Balance at 31 December 2022	21,932	16,830	829	6,809	34,432	80,832
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	(2,586)	5,409	366	5,040	12,539	20,768
Loans granted	-	-	-	-	-	-
Interest charged	-	-	41	-	-	41
Loans repaid and interest paid	-	-	(791)	-	-	(791)
Reclassification - Acquisition of shares of AB Šiaulių Bankas through unconsolidated subsidiary and disposals of shares of AB Šiaulių Bankas to the Company (Note 13)	-	-	-	8,975	-	8,975
Acquisition	-	-	-	-	2,827	2,827
Disposal	-	-	-	-	-	-
Reclassification to Level 2 instruments	-	-	-	(20,824)	-	(20,824)
Balance at 31 December 2023	19,346	22,239	445	-	49,798	91,828
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(2,586)	5,409	-	-	12,539	15,362

The following table presents the changes in Level 3 instruments of the Company for the period ended 31 December 2023:

	Agriculture	Bank sector (MAIB)	Other activities	Life insurance	Collective investment undertakings	Total
Balance at 31 December 2022	21,932	16,830	829	6,809	29,168	75,568
Gains and losses recognised in profit or loss (within 'Net changes in fair value of financial assets at fair value through profit or loss')	(2,586)	5,409	366	5,040	11,613	19,842
Loans granted	-	-	-	-	-	-
Interest charged	-	-	41	-	-	41
Loans repaid and interest paid	-	-	(791)	-	-	(791)
Reclassification - Acquisition of shares of AB Šiaulių Bankas through unconsolidated subsidiary and disposals of shares of AB Šiaulių Bankas to the Company (Note 13)	-	-	-	8,975	-	8,975
Acquisition	-	-	-	-	2,391	2,391
Disposal	-	-	-	-	-	-
Reclassification to Level 2 instruments	-	-	-	(20,824)	-	(20,824)
Balance at 31 December 2023	19,346	22,239	445	-	43,172	85,202
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(2,586)	5,409	-	-	11,613	14,436

13. Financial assets at fair value through profit or loss

	Group		Company	
	2024	2023	2024	2023
<i>Financial assets at fair value through profit or loss (excluding held-for-trading)</i>				
Ordinary shares – quoted	115,617	88,761	113,251	82,040
Derivatives (forward)	-	624	-	624
Investment funds units	63,163	51,030	58,817	23,827
Ordinary shares - unquoted	447	447	447	447
Loans granted	-	-	-	-
Total financial assets at fair value through profit or loss	179,227	140,862	172,515	106,938
Non-current financial assets at fair value through profit or loss	177,989	139,740	172,515	106,938
Current financial assets at fair value through profit or loss	1,238	1,122	-	-

Investing in AB Šiaulių Bankas

On 22 December 2021 the Company signed a Share Purchase-Sale Agreement with the European Bank for Reconstruction and Development (EBRD). The parties agreed that the Company will directly and/or indirectly acquire from EBRD 35,240,296 shares of AB Šiaulių Bankas by 31 May 2024 at the latest. The shares will not be acquired all at once, but in instalments, in separate tranches. The parties have agreed that the initial price for AB Šiaulių Bankas shares is EUR 0.633 per share and it will be recalculated during every payment considering dividends paid or other changes in capital by AB Šiaulių Bankas, as well as 5% annual interest calculated from the date of signing the agreement. The agreement provides that if the shares acquired under this agreement within 18 months, after their acquisition, would be disposed, 50% of the earned gain must be paid to the EBRD. However, when selling the shares of AB Šiaulių Bankas, it is primarily considered that the shares held by the Group prior to the agreement are being sold. No profit-sharing is foreseen from them.

On 31 May December 2023 the unconsolidated subsidiary INVL Life UAB completed second tranche by acquiring 11,733,728 shares (1.95% of shares) for the total amount of EUR 7,234 thousand. On 30 November 2023 the Company acquired 3.91% of shares of AB Šiaulių Bankas for EUR 16,209 thousand from unconsolidated subsidiary INVL Life UAB (all the shares held by entity). Payment for acquired shares has been deferred until 30 June 2024. The debt was set off against receivables from distributed dividends and decreased share capital of INVL Life UAB.

On 31 May 2024 the Company completed third (last) tranche by acquiring 11,733,728 shares for the total amount of EUR 7,025 thousand. In 2024 the Group through consolidated subsidiary sold 0.29% shares of AB Šiaulių bankas for EUR 1,367 thousand.

At 31 December 2024 the Group owned 19.93% of the shares of AB Šiaulių Bankas.

As at 31 December 2023 the Company has recognised forward (derivative) at fair value of EUR 624 thousand as consequence of obligation to purchase shares in the future. As at 31 December 2024 and 2023 5,886,420 and 11,772,840 shares of AB Šiaulių Bankas, owned by the Company was pledged to EBRD to secure obligation of mentioned above agreement, respectively (as at 31 December 2024 carrying amount – EUR 4,850 thousand, as at 31 December 2023 carrying amount – EUR 8,159 thousand).

Investing into a closed-end private equity fund INVL Baltic Sea Growth Fund

The Management Board of the Company on 5 February 2019 approved entering into INVL Baltic Sea Growth Fund Partnership Agreement and a Subscription Agreement related to investment in the closed-end private equity fund INVL Baltic Sea Growth Fund (hereinafter – BSGF), which is managed by consolidated subsidiary UAB INVL Asset Management. The Company has committed to invest EUR 20,124 thousand in BSGF. It is provided that the capital committed to the fund will be called in stages, for the execution of specific transactions. After the investment in BSGF is made, the Company undertakes not to invest in private equity assets that comply with the fund's strategy and to conduct its main investment activity through this fund.

After final closing the Company has owned 12.2% of fund units. During 2023 and 2024 the Company has transferred EUR 2,327 thousand and EUR 1,915 thousand of cash into BSGF, respectively. The outstanding capital commitment to BSGF is EUR 3,391 thousand.

In 2024 the Group and the Company have additionally invested EUR 632 thousand and EUR 81 thousand by cash into other financial assets at fair value through profit or loss, respectively. In 2023 the Group and the Company have additionally invested EUR 500 thousand and EUR 64 thousand by cash into other financial assets at fair value through profit or loss, respectively. In 2024 the Group has received EUR 4,089 thousand from redemption of participating unit of INVL Sustainable Timberland and Farmland Fund II and EUR 213 thousand from redemption of other funds units.

14. Trade, other receivables and contract assets

	Group		Company	
	2024	2023	2024	2023
Trade and other receivables, gross	3,395	4,389	9	2,711
Dividends receivable (including receivable from share capital decrease)	-	-	-	-
Taxes receivable, gross	30	20	-	-
Contract assets	832	629	-	-
Less: allowance for doubtful trade and other receivables	-	-	-	-
	<u>4,257</u>	<u>5,038</u>	<u>9</u>	<u>2,711</u>

Changes in allowance for doubtful trade and other receivables for the year 2024 and 2023 have been included within 'Provision for impairment of financial and contract assets' expenses in the income statement. Trade and other receivables are non-interest bearing and are generally on 10–30 days terms. Receivables from related parties are disclosed in more details in Note 25.

Movements in the allowance for accounts receivable of the Group and the Company were as follows:

	Group	Company
Balance as at 31 December 2022	8	-
Charge for the year	-	-
Write-off	-	-
Reversal of amounts previously impaired	(8)	-
Balance as at 31 December 2023	-	-
Charge for the year	-	-
Write-off	-	-
Reversal of amounts previously impaired	-	-
Balance as at 31 December 2024	-	-

14 Trade, other receivables and contract assets (cont'd)

The credit risk exposure of trade and other receivables and contract assets of the Group can be assessed on the ageing analysis disclosed below:

	Current	Less than 30 days	30–90 days	90–180 days	More than 180 days	Total
As at 31 December 2024						
Trade and other receivables, gross	3,202	3	142	47	1	3,395
Contract assets	832	-	-	-	-	832
Expected credit losses	-	-	-	-	-	-
Trade and other receivable and contract assets net of expected credit losses	4,034	3	142	47	1	4,227
As at 31 December 2023						
Trade and other receivables, gross	4,270	26	87	6	-	4,389
Contract assets	629	-	-	-	-	629
Expected credit losses	-	-	-	-	-	-
Trade and other receivable and contract assets net of expected credit losses	4,899	26	87	6	-	5,018

The credit quality of trade and other receivables of the Company can be assessed on the ageing analysis disclosed below:

	Current	Less than 30 days	30–90 days	90–180 days	More than 180 days	Total
As at 31 December 2024						
Trade and other receivables, gross	9	-	-	-	-	9
Expected credit losses	-	-	-	-	-	-
Trade and other receivable net of expected credit losses	9	-	-	-	-	9
As at 31 December 2023						
Trade and other receivables, gross	2,711	-	-	-	-	2,711
Expected credit losses	-	-	-	-	-	-
Trade and other receivable net of expected credit losses	2,711	-	-	-	-	2,711

15. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
Cash at bank	5,421	3,710	2,467	1,305
	5,421	3,710	2,467	1,305

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Group's and the Company's cash and cash equivalents did not have any encumbrance, except pledge to Luminor Bank AS Lithuania branch (Note 18).

As at 31 December 2024 and 2023, the Group and the Company had previous term deposits at insolvent AB Bankas Snoras with the maturity of more than 3 months, which are fully provided for and as impact of IFRS 9 is written-off as at 1 January 2018, but are still subject to enforcement activity (gross amount EUR 3,122 thousand).

All cash balances have a low credit risk at the reporting date and the impairment loss determined on 12-month expected credit losses is resulted in an immaterial amount.

The credit quality of cash can be assessed by reference to external credit ratings of the banks:

	Group		Company	
	2024	2023	2024	2023
Moody's ratings				
Prime-1	4,080	1,868	1,253	2
Prime-2	1,341	1,842	1,214	1,303
Prime-3	-	-	-	-
	5,421	3,710	2,467	1,305

16. Share capital, share premium and own shares

The total authorised number of ordinary shares is 12,299,375 (as of 31 December 2023: 12,234,305 shares) with a par value of EUR 0.29 per share. All issued shares are fully paid.

Changes during 2023

On 21 May 2023 the Register of Legal Entities has registered an increased authorised capital of the Company. Since that date the total number of issued shares is 12,234,305 with a par value of EUR 0.29 per share. Authorised share capital of the Company is amounted to EUR 3,547,948.45. It was issued 186,253 ordinary registered shares, including 82,609 shares with an issue price of 0.35 euros and 103,644 shares with an issue price of 6 euros. The shares were issued in order to realise the stock options granted in 2020 to the employees of the Group. All issue price was paid in cash.

Changes during 2024

On 21 June 2024 the Register of Legal Entities has registered an increased authorised capital of the Company. Since that date the total number of issued shares is 12,299,375 with a par value of EUR 0.29 per share. Authorised share capital of the Company is amounted to EUR 3,566,818.75. It was issued 65,070 ordinary registered shares with an issue price of EUR 0.29. The shares were issued in order to realise the stock options granted in 2021 to the employees of the Group. EUR 0.25 per share was paid in cash and EUR 0.04 per share was settled from reserve for the grant of shares. The share capital was increased of EUR 19 thousand and reserve to grant the shares was reduced of EUR 3 thousand.

From 2 September 2024 until 6 September 2024 the Company implemented share buy-back through the tender offer market. Maximum number of shares to be acquired was 67,430. Share acquisition price established at EUR 14.83 per share on the basis of Dutch auction. During buy-back 53,043 shares were acquired for EUR 788 thousand, including brokerage fees. The acquired shares were settled on 10 September 2024. As at 31 December 2024 the Company owned 282,584 own ordinary registered shares.

17. Reserves

The movements in legal and other reserves are as follows:

Group	Legal reserve	Reserve for the acquisition of own shares	Reserve for the grant of shares	Share based payments reserve	Total
As at 31 December 2022	947	10,817	889	1,561	14,214
Transfer to reserves	3	-	-	(573)	(570)
Share-based payments	-	-	-	1,064	1,064
Increase of share capital (share option exercised)	-	-	-	-	-
As at 31 December 2023	950	10,817	889	2,052	14,708
Transfer to reserves	78	-	-	(545)	(467)
Share-based payments	-	-	-	1,599	1,599
Increase of share capital (share option exercised)	-	-	(3)	-	(3)
As at 31 December 2024	1,028	10,817	886	3,106	15,837

Reserves of the Company is the same as in the Group, except the legal reserve, which is amounted to EUR 473 thousand as at 31 December 2023 and 2024.

Legal reserve

Legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5 % of net profit, calculated in accordance with the statutory financial statements, are compulsory until the reserve reaches 10 % of the share capital. The reserve can be used only to cover the accumulated losses.

Reserve for the acquisition of own shares

Reserve for the acquisition of own shares is formed for the purpose of buying own shares in order to keep their liquidity and manage price fluctuations. It can be formed by shareholders' decision at the Annual Shareholders Meeting from the profit available for distribution. The reserve cannot be used to increase the share capital. The reserve does not change when Company acquires own shares, but is utilised when own shares are cancelled. The shareholders can decide to transfer unused amounts of the reserve back to retained earnings at the Annual Shareholders Meeting.

Reserve for the grant of shares

Reserve for the grant of shares is formed when shares are granted by issuing a new share emission. The amount of the reserve for the grant of shares shall not be less than the sum of the emission price of the shares issued when the shares are granted free of charge, and (or) difference between the sum of the emission price of the shares issued and the sums paid by the persons acquiring the shares, when the shares are granted partly in consideration.

17 Reserves (cont'd)

Share-based payments reserve

The share-based payment transactions reserve is used to recognise the value of equity-settled share-based payment transactions provided to employee of the Group.

Share option based on the Company's shares

The Company every year offered to employees of the Group the share options transaction. With some key employees of the consolidated subsidiaries is signed formal agreement, which determined principle of bonus remuneration to them. In these agreements the employee have choice to receive fixed cash or share options. In two consolidated subsidiaries exist bonus plans, where employees could choose share options as alternative to fixed cash after issuing audited financial statements. The choice of employee is irrevocable. In all above mentioned cases, the quantity of share option is calculated as division fixed cash amount to share option value. Latter is calculated as difference between audited consolidated equity per share at year-end or share price at year-end, which is higher, and option exercise price. The main conditions of share options transactions were:

- The employee has the right to acquire the shares after three years after conclusion of the share options agreements, early exercising is not allowed;
- Option exercise price – EUR 1;
- Some transactions have service vesting condition. The right to acquire share in the part of transactions come in to force in future in three years, if the employment contract is not terminated until mentioned dates.
- When the time to exercise is matures the right to acquire the shares will be realized by selling of own shares of the Company or by offering to sign newly issued shares of the Company to employee;
- The options could not be sold.

The Company also entered into agreements for share options that are part of a long-term incentive program. They would entitle employees to acquire shares of the Company in 2026 if the Company's net asset value on 31 December 2025 is above EUR 15.0552 per share. The value of the share options would be determined on the basis of the value of the net assets per share at 31 December 2025 and the number of shares would be recalculated with a purchase price of EUR 1 per share, while keeping the total value of the options granted the same. Initial not recalculated quantity is of 840 thousand units. In the tables below are used forecasted recalculated quantity of share option with exercise price of EUR 1, determined by estimating of net asset value per share at 31 December 2025.

The value of share-based payments was calculated using the Black-Scholes formula. For volatility input is used historical shares volatility on exchange.

Set out below are summaries of options granted by the Company:

	Number of options, thousand	
	2024	2023
Balance as at 1 January	272	421
Granted during year	33	166
Change in estimation of quantity of long-term incentive program	124	-
Decrease in quantity due to change exercise price	-	(129)
Forfeited	-	-
Exercised	(65)	(186)
Balance as at 31 December	364	272
Vested and exercisable at 31 December	98	129

In June 2024 the Group employees exercised share options granted in May 2021 by acquiring new issued shares of the Company for EUR 0.25 per share. Exercise price was decreased from EUR 1 to EUR 0.25 to reflect approved and paid dividends of EUR 0.75 per share. The share price at the date of exercise of share options was EUR 13.5.

In July 2023 the Group employees exercised share options granted in August 2016 and May 2020 by acquiring new issued shares of the Company for EUR 0.35 per share. Exercise price was decreased from EUR 1 to EUR 0.35 to reflect approved and paid dividends of EUR 0.65 per share. On the same date the Group employees exercised share options granted on 1 July 2020 by acquiring new issued shares of the Company for EUR 6 per share. The initial exercise price was decreased at the employees request and share quantity was accordingly decreased. The share price at the date of exercise of share options was EUR 11.

17 Reserves (cont'd)

Share-based payments reserve (cont'd)*Share option based on the Company's shares (cont'd)*

Share options outstanding at the end of the year have following expiry dates and inputs to measure fair value:

As at 31 December 2024	Expiry date	Share options, thousand	Share price	Volatility	Expected dividend yield	Risk-free interest rate	Fair value of share option
Granted on 31 May 2022	31 May 2025	41	12.10	31.26%	0%	0.657%	11.12
Granted on 12 June 2023	12 June 2026	290	11.10	30.63%	0%	2.587%	10.17
Granted on 30 April 2024*	30 April 2027	9	-	-	-	-	-
Granted on 28 May 2024	28 May 2027	24	12.30	29.85%	0%	2.770%	11.38
Total	-	364	-	-	-	-	-

*Valuation is not performed as at grant date the option was vested and all accrued cash liability was reclassified to equity

As at 31 December 2023	Expiry date	Share options, thousand	Share price	Volatility	Expected dividend yield	Risk-free interest rate	Fair value of share option
Granted on 10 May 2021	10 May 2024	65	9.40	30.03%	0%	(0.692%)	8.38
Granted on 31 May 2022	31 May 2025	41	12.10	31.26%	0%	0.657%	11.12
Granted on 12 June 2023	12 June 2026	166	11.10	30.63%	0%	2.587%	10.17
Total	-	272	-	-	-	-	-

In 2024 and 2023 the share-based payment expenses were recognised in the income statement of the Company and the Group within "Employee benefits expenses" as the fair value of share options. In 2024 and 2023 the Group recognized EUR 1,321 thousand and EUR 619 thousand of expenses from equity settled share-based payment transaction, respectively. In 2024 and 2023 on the Group level liability of EUR 278 thousand and EUR 415 thousand was reclassified to the share based payment reserve, respectively, when employees choose share option instead of cash alternative. In 2024 and 2023 the Group has recognised EUR 1,019 thousand and 2,488 EUR thousand from cash alternative of share based payment transaction. In 2024 the Company has recognised EUR 1,067 thousand of expenses and EUR 532 thousand as additional investment to consolidated subsidiaries. In 2023 the Company has recognised EUR 361 thousand of expenses and EUR 703 thousand as additional investment to consolidated subsidiaries. In 2023 the Group and the Company has recognised EUR 30 thousand as additional investment to unconsolidated subsidiary INVL Life UAB. The unrecognised liability from cash alternative of share-based payment arrangement for unvested service condition is amounted to EUR 177 thousand (2023: EUR 285 thousand). The unrecognised expenses from equity settled share-based payment transaction for unvested service condition is amounted to EUR 897 thousand (2023: EUR 872 thousand)

Share option based on shares of consolidated subsidiary

In December 2024 the consolidated subsidiary UAB INVL Finacoial advisors agreed on the terms of share acquisition options with certain employees:

- option grant date: 16 December 2024;
- option vesting date: 30 June 2028;
- The right to acquire a part of the option shares becomes effective on future dates: 31/12/2024 (16.67%); 31/12/2025 (33.34%); 31/12/2026 (50%); and 31/12/2027 (100%), provided the employee's employment contract remains in force until the respective date;
- option exercise price: EUR 0;
- number of share options granted: depends on the excess of the consolidated subsidiary's fair value over the target value as at 31 December 2027, and is awarded only if the minimum thresholds for additional performance indicators, as defined in the agreement, are met: the consolidated subsidiary's assets under supervision; annual recurring revenue; the cost-to-income (C/I) ratio; and the number of clients.

Based on the most likely the consolidated subsidiary's economic growth scenario, the total number of share options estimated to be granted as at 31 December 2024 is: 582 share options, from which vested is 97.

17 Reserves (cont'd)Share-based payments reserve (cont'd)*Share option based on shares of consolidated subsidiary (cont'd)*

The value of a single granted share option has been calculated using the Black-Scholes valuation model. Key inputs are presented in the table below:

As at 31 December 2024

	<u>Expiry date</u>	<u>Share options, units</u>	<u>Share price</u>	<u>Volatility</u>	<u>Expected dividend yield</u>	<u>Risk-free interest rate</u>	<u>Fair value of share option</u>
Granted on 16 December 2024	30 June 2028	582	706.32	28.79%	0%	1.946%	706.32

The unconsolidated subsidiary's share price was estimated using a multiples-based valuation approach. In line with common valuation practices for comparable companies, the EV/Revenue (enterprise value to revenue) multiple was applied. The estimated share price volatility was based on historical volatility data of the comparable companies used to determine the unconsolidated subsidiary's share price under the multiples method. The Group recognised EUR 177 thousand of expenses from share option based on shares of consolidated subsidiary with credit entry in non-controlling interests. The unrecognised expenses from these share based payment transaction is amounted to EUR 234 thousand.

18. Borrowings

The borrowings are presented in the table below:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Non-current:</u>				
Issued bonds	10,000	-	10,000	-
Non-current bank borrowings	-	-	-	-
	10,000	-	10,000	-
<u>Current:</u>				
Bonds interest	31	-	31	-
Current bank borrowings	-	4,900	-	4,900
	31	4,900	31	4,900
Total borrowings	<u>10,031</u>	<u>4,900</u>	<u>10,031</u>	<u>4,900</u>

All borrowings are expressed in EUR. As at 31 December 2023 borrowings had floating interest rate with changes in 3 months period. The carrying amounts of assets pledged to the banks to secure the repayment of borrowings and issued bonds are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Financial assets at fair value through profit or loss	41,076	14,448	41,076	14,448
Cash	-	99	-	99

Weighted average effective interest rates of borrowings during the year:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Borrowings	<u>7.11%</u>	<u>7.51%</u>	<u>7.11%</u>	<u>7.51%</u>

On 14 June 2024 the Company issued its first public issue of EUR 10,000 thousand bond. The debt securities, which were 2.9 times oversubscribed, were acquired by 216 retail and institutional investors in the Baltics. Orders for EUR 29,035 thousand were received from a total of 481 investors. The size, quality and diversity of the orders enabled the Company to set the fixed annual interest rate on the bonds at 7% – the lower limit of the specified range. The fixed rate of interest was determined by auction in the range of 7%-8%. The bonds' maturity is three years (maturity date 14 June 2027). Interest will be paid to investors semi-annually. First payment was on 14 December 2024. The received funds were used to cover the Group's liabilities. From 1 July 2024 bonds are listed on Nasdaq Baltic Bond list. The bonds are secured by pledging as collateral a portion of the shares held by the Company in AB Šiaulių Bankas, targeting to keep the value of the collateral at a loan-to-value ratio (the ratio of the bonds' issue size to the value of the pledged assets) not exceeding 50%. The valuation of the collateral is based on the average weighted market price of the shares on a semi-annual basis. Currently, 29,000,000 units of shares of AB Šiaulių Bankas are pledged. The offering of bonds was organized by AB Šiaulių Bankas and FMĮ INVL Financial Advisors.

18 Borrowings (cont'd)

Changes in liabilities arising from financing activities (borrowings) are presented in the table below (changes in lease liabilities is presented in Note 24):

Company/Group	Borrowings	
	2024	2023
As at 1 January	4,900	3,300
Proceeds from borrowings	6,750	3,400
Repayment of borrowings	(11,650)	(1,800)
Issue of bonds	10,000	-
Interest paid	(500)	(249)
<i>Total changes from financing cash flows</i>	<i>4,600</i>	<i>1,351</i>
Interest expenses	531	249
As at 31 December	10,031	4,900

In October 2022 the Company signed a EUR 6.3 million credit line agreement with Luminor Bank AS Lithuanian branch. The funds from the credit line will be available on demand until maturity of agreement. The borrowing is secured with shares of AB Šiaulių Bankas. As at 31 December 2023 the Company have complied with bank loan covenants. As at 31 December 2023 the unused portion of the credit line was EUR 1,400 thousand. As at 31 December 2024 credit line agreement is matured.

19. Trade payables

Trade payables are non-interest bearing and are normally settled on 14–60 day terms. For terms and conditions relating to related parties please refer to Note 25.

20. Other liabilities

The other current and non-current liabilities are presented in the table below:

	Group		Company	
	2024	2023	2024	2023
Financial liabilities				
Dividends payable	746	735	746	735
Contingent consideration – financial liabilities at fair value through profit or loss	-	85	-	-
Other amounts payable	4,941	23,839	6,782	54,996
	5,687	24,659	7,528	55,731
Non – financial liabilities				
Salaries, bonus plans (excluding cash alternative of share-based payment arrangement) and social security payable	1,059	1,172	167	152
Cash alternative of share-based payment arrangement and social security payable	1,538	1,509	-	-
Tax payable	55	120	1	4
	2,652	2,801	168	156
Total other current and non-current liabilities	8,339	27,460	7,696	55,887
Non-current liabilities	178	233	-	-
Current liabilities	8,161	27,227	7,696	55,887

As at 31 December 2023 the Company's and the Group's 'other amounts payables' primarily consist of EUR 54,976 thousand and EUR 23,570 thousand of liabilities to its subsidiaries that arose after the assignment of claims to AB Šiaulių Bankas as at 31 December 2023, respectively. These claims originate at the subsidiary level from the transfer of the retail business to the AB Šiaulių Bankas group. In 2024 the main part of the debt was set off against receivables from decrease of share capital of the subsidiaries' and distributed dividends. As 31 December 2024 the Company's and the Group's 'other amounts payables' primarily consist of EUR 4,757 thousand and EUR 6,742 thousand of remaining liabilities to its subsidiaries. Part of liabilities was paid in cash in 1st quarter of 2025, remaining part would be set off against distributed dividends for year of 2024.

21. Transfer of retail business

On 22 November 2022 the Company and AB Šiaulių Bankas signed the agreement on the merger of part of the retail businesses. Second and third pillar pension funds and investment funds asset management business in Lithuania and also life insurance activities were transferred to group of AB Šiaulių Bankas for 62,270,383 shares of AB Šiaulių Bankas, which constitute 9.39 % of AB Šiaulių Bankas. On 22 February 2023 the transaction was approved by the shareholders meetings of AB Šiaulių Bankas and the Company, respectively. The transaction was completed after all the required regulatory permissions are obtained at midnight from 30 November to 1 December 2023. To finalize the transaction, AB Šiaulių Bankas issued a targeted share issue for purchase by the Company, at the price of EUR 0.645 per share. The Company received the shares on 15 December 2023. After the completion of this share acquisitions, the Group owned 18.45% of shares of AB Šiaulių Bankas. The price for transferred retail business was EUR 41,760 thousand and comprised from:

- Price allocated to consolidated subsidiaries UAB INVL Asset Management and UAB FMJ INVL Financial Advisors was EUR 32,804 thousand. The Company acquired receivables from its subsidiaries and offset them against the purchase price of bank shares issued, resulting in indebtedness to the subsidiaries. In 2024 EUR 2,300 thousand was paid in cash, mainly part was set off against distributed dividends. As at 31 December remaining liability is amounted to 1,985 thousand and was paid in cash in 1st quarter of 2025.
- Price allocated to unconsolidated subsidiaries INVL Life UAB was 8,955 thousand. The Company acquired receivables of EUR 7,360 thousand from INVL Life UAB and offset them against the purchase price of bank shares issued, resulting in indebtedness to the subsidiary. The remaining part of prices, amounted to EUR 1,595 thousand., was received by INVL Life UAB in cash. In 2024 EUR 2,700 thousand was paid in cash, remaining part was set off against distributed dividends and decreased share capital.

The major classes of assets and liabilities which are transferred from consolidated subsidiaries are as follows:

Intangible assets	1,803
Costs to obtain contracts	2,944
Property, plant and equipment	29
Financial assets at fair value through profit loss	114
Deferred tax asset	114
Prepayments and deferred charges	8
Trade, other receivables and contract assets	9
Cash and cash equivalent	747
Total assets	5,768
Contract liabilities	(1,787)
Other liabilities	(877)
Total liabilities	(2,664)
Carrying amounts of transferred net assets	3,104
Price for transferred assets	32,804
Accrued liabilities for remaining obligation for transaction	(61)
Gain from transfer of retail business, excluding deferred tax asset (the latter recognised in caption "income tax expenses")	29,753
Received cash for transferred retail business	-
Transferred cash	(747)
Proceeds from transfer of retail business, net of cash transferred	(747)

All assets and liabilities, except investments into subsidiaries at fair value (life insurance activities, presented within historically investment activity segment), are presented within asset management segment.

22. Financial risk management

22.1. Financial risk factors

The risk management function within the Group is carried out in respect of financial risks (credit, market and liquidity), operational risks and legal risks. On an overall Group level strategical risk management is executed by the Board of Directors. Operational risk management is carried out at each entity level by directors. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Group's and the Company's principal financial liabilities comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to raise finance for the Group's and the Company's operations. The Group and the Company have various financial assets such as trade and other receivables, loans granted, investments in equity and debt securities, deposits held in banks and cash which arise directly from its operations. The Group and Company have not used any of derivative instruments for hedging so far, as management considered that there is no necessity for them.

The Group is being managed the way so its main businesses would be separated from each other. Each entity managed its risk separately. This is to diversify the operational risk and create conditions for selling any business avoiding any risk to the Company and the Group.

The Company's policy is to not provide any guarantee or surety for the Group's companies. The Group's companies do not provide any guarantees one against another usually.

The main risks arising from the financial instruments are market risk (including currency risk, cash flow and fair value interest rate risk and price risk), liquidity risk and credit risk. The risks are identified and disclosed below.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding trade receivables, loans granted and debt securities.

The Group estimates the credit risk separately by the segments.

The maximum exposure to credit risk and impairment of trade and other receivables and loans granted is disclosed in Note 14. The maximum exposure to credit risk for loans granted classified as 'financial assets at fair value through profit or loss' in 2024 and as 'financial assets at fair value through profit or loss' in 2023 are their carrying amounts (EUR 1,863 thousand as at 31 December 2024 and nil as at 31 December 2023). In Note 14 is also disclosed credit risk exposure of trade receivable. There are no significant transactions of the Group or the Company that occur outside Lithuania and Latvia.

With respect to credit risk arising from other financial assets of the Group and the Company, which comprise deposits at banks and cash and cash equivalents, the Group's and the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk from financial assets are:

	Group		Company	
	2024	2023	2024	2023
Trade and other receivables	3,395	4,389	9	2,711
Loans granted	1,863	-	1,863	-
Cash at bank	5,421	3,710	2,467	1,305
	<u>10,679</u>	<u>8,099</u>	<u>4,339</u>	<u>4,016</u>

22 Financial risk management (cont'd)

22.1 Financial risk factors (cont'd)

Cash flow and fair value interest rate risk

The Group's and the Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates and to the owned bonds.

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates (EURIBOR), with all other variables held constant, of the Group's and the Company's profit before tax (through the impact on floating rate borrowings). There is no impact on the Group's and the Company's equity other than current year profit impact.

	Increase in basis points	Group	Company
2024			
EUR	+100 bps	-	-
	-100 bps	-	-
2023			
EUR	+100 bps	(49)	(49)
	-100 bps	49	49

As at 31 December 2023 the Group and the Company had one loans with floating interest rates (3 month EURIBOR).

The Company and the Group have loans granted to their unconsolidated subsidiaries and to associates with fixed interest rates for one year. The Group and the Company have issued bonds with fixed interest rate. Therefore, the Group and the Company are not exposed to cash flow interest rate risk from loans granted and issued bonds.

Share price risk

The Group and the Company are exposed to equity securities price risk because of investments held by the Group and the Company and classified on the statement of financial position at fair value through profit or loss. The Group and the Company are not exposed to commodity price risk. To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

The Group's and the Company's investments in equity of other entities that are publicly traded are included in the equity index: OMX Baltic Benchmark Gross Index (OMXBGGI).

The table below summarises the impact of increases/decreases of the equity index on the Group's and the Company's profit before tax for the year. The analysis is based on the assumption that the equity index had increased/decreased by 20% with all other variables held constant and all the Group's and Company's equity instruments moved according to the historical correlation with the index:

Index	Group		Company	
	2024	2023	2024	2023
OMXBGGI	26,274	20,541	25,825	19,855

Profit before tax for the year would increase/decrease as a result of gains/losses on equity securities classified at fair value through profit or loss.

Foreign exchange risk

As a result of operations the statement of financial position of the Group can be affected by movements in the reporting currencies' exchange rates. The Group's and the Company's policy is related to matching of money inflows from the most probable potential sales with purchases by each foreign currency. The Group and the Company do not apply any financial instruments allowing to hedge foreign currency risks, because these risks are considered insignificant.

The foreign currency risk at the Group and the Company is not large, taking into consideration that most monetary assets and obligations are denominated in euro. As at 31 December 2024 and 2023 the Group and Company have insignificant assets denominated in foreign currency.

22 Financial risk management (cont'd)**22.1 Financial risk factors (cont'd)**Liquidity risk

The Group's and the Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet their commitments at a given date in accordance with strategic plans. The liquidity risk of the Group and the Company is controlled on a level of consolidated subsidiaries. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings. The liquidity risk management is divided into long-term and short-term risk management.

The aim of the short-term liquidity management is to meet daily needs for funds. Each operating segment is independently planning its internal cash flows. Short-term liquidity for the Group and the Company is controlled through monthly monitoring of the liquidity status and needs of funds according to the Group's operating segments.

Long-term liquidity risk is managed by analysing the predicted future cash flows taking into account the possible financing sources. Before approving the new investment projects the Group and the Company evaluate the possibilities to attract needed funds. The general rule is applied in the Group to finance the Group companies or to take loans from them through the parent company in order to minimise the presence of direct borrowings between the companies of different operating segments.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted payments.

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Borrowings	-	-	700	11,050	-	11,750
Lease liabilities	-	153	420	255	-	828
Trade and other payables	-	258	-	-	-	258
Other liabilities	746	3,379	1,548	14	-	5,687
Balance as at 31 December 2024	746	3,790	2,668	11,319	-	18,523
Borrowings	-	89	5,091	-	-	5,180
Lease liabilities	-	141	450	781	-	1,372
Trade and other payables	-	592	-	-	-	592
Other liabilities	735	269	23,658	-	-	24,662
Balance as at 31 December 2023	735	1,091	29,199	781	-	31,806

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted payments.

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Borrowings	-	-	700	11,050	-	11,750
Financial lease liabilities	-	8	23	8	-	39
Trade and other payables	-	8	-	-	-	8
Other current liabilities	746	5,234	1,548	-	-	7,528
Balance as at 31 December 2024	746	5,250	2,271	11,058	-	19,325
Borrowings	-	89	5,091	-	-	5,180
Financial lease liabilities	-	8	23	39	-	70
Trade and other payables	-	72	-	-	-	72
Other current liabilities	735	20	55,574	-	-	56,329
Balance as at 31 December 2023	735	189	60,688	39	-	61,651

22 Financial risk management (cont'd)

22.1 Financial risk factors (cont'd)

Liquidity risk (cont'd)

The Group's liquidity ratio (total current assets / total current liabilities) as at 31 December 2024 was approximately 1.26 (0.28 as at 31 December 2023). The Company's liquidity ratio as at 31 December 2024 was approximately 0.36 (0.07 as at 31 December 2023). As at 31 December 2024 the current assets were higher than current liabilities by EUR 2,402 thousand in the Group and the current assets were lower than current liabilities by EUR 4,966 thousand in the Company. The Company main current liabilities are to its subsidiaries – EUR 6,742 thousand. Part of liabilities (EUR 1,985 thousand) was paid in cash in 1st quarter of 2025 after receiving cash from redemption of funds units (Note 27), remaining part would be set off against distributed dividends for year of 2024 from INVL Life UAB (at least EUR 4,757 thousand).

22.2. Capital management

The primary objective of the capital management is to ensure that the Group and the Company maintain a strong credit health and healthy capital ratios in order to support their business and maximise shareholder value. The Company's management supervises the investments so that they are in compliance with requirements applied to the capital, specified in the appropriate legal acts and credit agreements, as well as provide the Group's management with necessary information.

The Group's and the Company's capital comprises share capital, share premium, reserves and retained earnings.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions and specific risks of their activity. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year 2024 and 2023.

The Company is obliged to keep its equity ratio at not less than 50 % of its share capital, as imposed by the Law on Companies of Republic of Lithuania. As at 31 December 2024 and 2023 all the Group consolidated subsidiaries, except one dormant subsidiary, comply with above mentioned requirement. Pursuant to the Law on State Funded Pensions of Republic of Latvia the authorised share capital of an investment management entity must be not less than EUR 2,000,000, if it managed pension funds of total assets more than 100 million, but up to EUR 200 million, and must be not less than EUR 3,000,000, if it managed pension funds of total assets more than EUR 200 million. As of 31 December 2024 and 2023 IPAS INVL Asset Management complied with this requirement.

The Company's consolidated subsidiaries UAB INVL Asset Management and UAB FMĮ INVL Financial Advisors are managing their capital and all relevant risks in accordance with requirements set by the Bank of Lithuania. The Company's consolidated subsidiary IPAS INVL Asset Management is managing their capital and all relevant risks in accordance with requirements set by the Financial and Capital Market Commission of Latvia. Internally there was approved a common risk level – to which extent the minimal capital adequacy requirement would not be violated and there would not be a real threat of its violation. UAB INVL Asset Management ensure that the capital adequacy ratio which is calculated dividing the entity's own funds by the required amount of capital according to the Bank of Lithuania requirements would be at least 1.0. Following the EU Regulation 2019/2033 on Prudential Requirements of Investment Firms which came into force in 2021, UAB FMĮ INVL Financial Advisors ensures that the capital adequacy ratio which is calculated dividing the entity's own funds by the total risk exposure amount according to the Bank of Lithuania requirements would be at least 100%. IPAS INVL Asset Management own funds may never be lower than the higher of: 1) the sum total of the minimum initial capital and additional total own funds or 2) 25 per cent of the sum total amount of the fixed costs or fixed overheads of the previous full reporting year. As at 31 December 2024 and 2023 the above mentioned consolidated subsidiaries complied with these requirements.

Following the EU Regulation 2019/2033 on Prudential Requirements of Investment Firms the Company is a union parent investment holding company and have to ensure that capital adequacy ratio on the Group level would be at least 100%. The requirements are applied on the Group level from 2024.

23. Commitments and contingencies

Commitments to invest

As at 31 December 2024 the outstanding commitment of the Company to invest to BSGF is amounted to EUR 3,391 thousand.

As at 31 December 2023 the outstanding commitment of the Company to invest to BSGF is amounted to EUR 5,306 thousand, to invest to other funds is amounted to EUR 81 thousand.

As at 31 December 2024 the outstanding commitment of the Group to invest to funds is amounted to EUR 3,650 thousand.

As at 31 December 2023 the outstanding commitment of the Group to invest to funds is amounted to EUR 5,922 thousand.

Tax legislation

Tax authorities have right to examine accounting records of the Company and its consolidated subsidiaries in Lithuania at any time during the current period and for 3 previous years before the reporting period, in some cases 5 or 10 years before the reporting period, and account for additional taxes and fines. In the opinion of the Company's management, currently there are no circumstances which would raise substantial tax liability in this respect to the Company and to the Group. Activity in the Republic of Latvia is not subject to corporate income tax. Instead of taxation on the profit of the current year, the tax is applied only upon profit distribution, i.e. upon payment of dividends.

24. Lease

The Company has lease contract for premises and parking spaces. The lease term is until 31 March 2026. The lease contract has not any termination and extension option. The Company could only sub-lease premises to the Group companies, but has not entered in any sublease agreements. The Group has several lease contracts for premises and parking spaces. The lease terms were until 2025, 2026 and 2028, except leases, which are less than 12 months and for which Group applies the 'short-term lease' recognition exemption. The Group's lease agreements have not unilaterally extension options. Some agreements have termination options, but the Group does expect to use them. Generally, the Group is restricted from assigning and subleasing the leased assets, excluding that in some contracts is determined right to sub-lease premises. The Group has entered in sublease agreement with AB Šiaulių Bankas group for premises in Vilnius before used by employees of transferred retail businesses. Most of leases has lease indexation clause based on customer price index change. The terms of lease do not include restrictions on the activities of the Group and the Company in connection with the dividends, additional borrowings or additional lease agreements.

Right-of-use assets are presented as property, plant and equipment and is disclosed in Note 9. The maturity analysis of leases liabilities is disclosed in Note 22.1 (section liquidity risk).

The following is the amounts recognised in profit or loss in 2024:

	Group	Company
Depreciation charge for right-of-use assets	(549)	(26)
Interest expenses (included in finance cost)	(54)	(2)
Expense relating to short-term lease	(24)	-

The following is the amounts recognised in profit or loss in 2023:

	Group	Company
Depreciation charge for right-of-use assets	(404)	(24)
Interest expenses (included in finance cost)	(50)	(3)
Expense relating to short-term lease	(89)	-

Changes in liabilities arising from financing activities (lease liabilities) are presented in the table below:

	Group	Company
As at 1 January 2023	1,402	86
Lease payments	(406)	(25)
Interest paid	(50)	(3)
Interest expenses	50	3
Addition	532	6
Derecognition	(216)	-
As at 31 December 2023	1,312	67
Lease payments	(556)	(29)
Interest paid	(54)	(2)
Interest expenses	54	2
Addition	32	-
Derecognition	-	-
As at 31 December 2024	788	38

The Group has not any lease contracts that have not yet commenced at 31 December 2023 and 2024.

25. Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions.

The related parties of the Group in 2024 and 2023 were unconsolidated subsidiaries, associates, the shareholders of the Company, who have joint control or significance influence (Note 1) and key management personnel, including companies under control or joint control of key management and shareholders having significant influence or joint control and including companies, where shareholders having joint control over the Company are key management personnel or having significant influence. To the other related parties are attributed entities left the Group during split-off occurred in 2014, because shareholders having joint control over the Company are key management personnel of these entities or having significant influence.

Receivables from related parties are presented in carrying amount. They include loans granted to unconsolidated subsidiaries and associates, that are considered as part of investments to unconsolidated subsidiaries and associates. Interest income and expenses are presented in the 'revenue and other income' and 'purchases' columns, respectively.

Transactions of the Group with unconsolidated subsidiaries in 2024 and balances as at 31 December 2024 were as follows:

2024 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties (including presented in carrying value of investments)	Payables to related parties
Loans and borrowings	-	-	-	-
Dividends	21,951	-	-	-
Accounting services	5	-	1	-
Acquisition or disposals of investments	-	50,523	-	4,757
Transfer of tax losses	2	-	-	-
Other	1	-	-	-
	21,959	50,523	1	4,757

Transactions of the Group with associates in 2024 and balances as at 31 December 2024 were as follows:

2024 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	33	-	1,863	-
Dividends	-	-	-	-
Management and success fees	173	-	17	-
Accounting services	41	-	4	-
Other services	5	-	-	-
	252	-	1,884	-

Transactions of the Group with other related parties in 2024 and balances as at 31 December 2024 were as follows:

2024 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Accounting services	74	-	7	-
The group of UTIB INVL Technology (information technology maintenance services)	-	215	-	25
The group of AB INVL Baltic Farmland (land administration services)	268	-	150	-
Management fee	641	-	205	-
Other services or compensation	21	-	-	-
	1,004	215	362	25

25 Related party transactions (cont'd)

Transactions of the Group with unconsolidated subsidiaries in 2023 and balances as at 31 December 2023 were as follows:

2023 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties (including presented in carrying value of investments)	Payables to related parties
Loans and borrowings	-	-	-	-
Dividends	788	-	-	-
Accounting services	5	-	-	-
Acquisition or disposals of investments	-	16,209	2,580	23,570
Operation with Life insurance activities	300	3	44	-
Other	2	-	-	-
	<u>1,095</u>	<u>16,212</u>	<u>2,624</u>	<u>23,570</u>

Transactions of the Group with associates in 2023 and balances as at 31 December 2023 were as follows:

2023 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	-	-	-	-
Dividends	-	-	-	-
Management and success fees	172	-	13	-
Accounting services	41	-	-	-
Other services	4	-	-	-
	<u>217</u>	<u>-</u>	<u>13</u>	<u>-</u>

Transactions of the Group with other related parties in 2023 and balances as at 31 December 2023 were as follows:

2023 Group	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Accounting services	75	-	-	-
The group of UTIB INVL Technology (information technology maintenance services)	-	246	-	39
The group of AB INVL Baltic Farmland (land administration services)	172	-	84	-
Management fee	481	-	113	-
Other services or compensation	43	19	-	-
	<u>771</u>	<u>265</u>	<u>197</u>	<u>39</u>

25 Related party transactions (cont'd)

The Company's related parties were the subsidiaries, associates, joint ventures, shareholders, who have joint control or significance influence (Note 1), key management personnel, companies under control or joint control of key management and shareholders with significant influence or joint control and companies, where shareholders having joint control over the Company are key management personnel or having significant influence. To the other related parties are also attributed entities left the Group during split-off occurred in 2014, because shareholders having joint control over the Company are key management personnel of these entities or having significant influence.

Transactions of the Company with subsidiaries in 2024 and balances as at 31 December 2024 were as follows:

2024 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	-	-	-	-
Dividends	51,582	-	-	-
Transfer of tax losses	131	-	-	-
Accounting services	11	-	-	-
Acquisition or disposals of investments	-	50,523	-	6,742
Discounting effect	-	598	-	-
Bond distribution fee	-	75	-	-
Other services	-	9	9	7
	<u>51,724</u>	<u>51,205</u>	<u>9</u>	<u>6,749</u>

Transactions of the Company with associates in 2024 and balances as at 31 December 2024 were as follows:

2024 Company	Revenue and other income from related Parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	33	-	1,863	-
Dividends	-	-	-	-
Accounting services	38	-	-	-
Other services or compensation	3	-	-	-
	<u>74</u>	<u>-</u>	<u>1,863</u>	<u>-</u>

Transactions of the Company with other related parties in 2024 and balances as at 31 December 2024 were as follows:

2024 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
The group of UTIB INVL Technology (information technology maintenance services)	-	9	-	1
Accounting services	69	-	-	-
Other services (insurance costs compensation)	21	-	-	-
	<u>90</u>	<u>9</u>	<u>-</u>	<u>1</u>

25 Related party transactions (cont'd)

Transactions of the Company with subsidiaries in 2023 and balances as at 31 December 2023 were as follows:

2023 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	-	-	-	-
Dividends	1,403	-	-	-
Transfer of tax losses	21	-	-	-
Accounting services	12	-	-	-
Acquisition or disposals of investments	-	16,209	2,580	55,574
Other services	-	-	-	-
	<u>1,436</u>	<u>16,209</u>	<u>2,580</u>	<u>55,574</u>

Transactions of the Company with associates in 2023 and balances as at 31 December 2023 were as follows:

2023 Company	Revenue and other income from related Parties	Purchases from related parties	Receivables from related parties	Payables to related parties
Loans and borrowings	-	-	-	-
Dividends	-	-	-	-
Accounting services	41	-	-	-
Other services or compensation	3	-	-	-
	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>

Transactions of the Company with other related parties in 2023 and balances as at 31 December 2023 were as follows:

2023 Company	Revenue and other income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
The group of UTIB INVL Technology (information technology maintenance services)	-	8	-	1
Accounting services	75	-	-	-
Other services (insurance costs compensation)	22	-	-	-
	<u>97</u>	<u>8</u>	<u>-</u>	<u>1</u>

The movements of loans granted to associates were:

	Group		Company	
	2024	2023	2024	2023
At 1 January	-	-	-	-
Loans granted during year	1,090	-	1,090	-
Loans repayment received	(800)	-	(800)	-
Loans granted, acquired from INVL Life UAB (offsetting)	1,548	-	1,548	-
Interest charged	33	-	33	-
Interest received	(8)	-	(8)	-
At 31 December	<u>1,863</u>	<u>-</u>	<u>1,863</u>	<u>-</u>

25 Related party transactions (cont'd)

Key management compensation and other payments

The management remuneration contains short-term employees' benefits and share-based payments. In 2024 and 2023 key management of the Company and Group includes CEO, Board members and Chief financial officer of the Company.

	Group		Company	
	2024	2023	2024	2023
Wages, salaries and bonuses	330	310	279	260
Social security contributions	5	5	4	4
Share-based payments	1,031	344	1,031	344
Transfers to pension funds	25	16	25	16
Total key management compensation	1,391	675	1,339	624

There were no loans granted during the reporting period or outstanding at the end of the reporting period.

In 2024 to the Board members, which are shareholders of the Company, were paid EUR 98 thousand of dividends, net of tax. To the entities, which are controlled by the Board members or CEO, were paid EUR 628 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 279 thousand of dividends, net of tax.

26. Remuneration to Auditor

	Group		Company	
	2024	2023	2024	2023
The Group's and the Company's statutory audit fee	109	108	49	48
Audit fee for managed funds of the Group and unconsolidated subsidiary	119	154	-	-
Other assurance services	-	-	-	-
Tax advisory services	-	-	-	-
Other services (including funds)	8	9	-	-
	236	271	49	48

From 2019 the Group's and the Company's statutory audit was performed by KPMG Baltics, UAB (Auditor). In table above are included accruals for 11 months of 2023 of second pillar pension funds, which are covered by the Group. Audit fee for transferred third pillar pension funds and investments funds to AB Šiaulių Bankas was not included as is not covered by the Group.

27. Events after the reporting period

Commitment to invest into INVL Private Equity Fund II

In February 2025 the Company has signed a Subscription agreement relating to INVL Private Equity Fund II. Invalda INVL has committed to invest EUR 30.8 million in INVL Private Equity Fund II, a closed-end private equity investment fund for informed investors managed by consolidated subsidiary UAB INVL Asset Management. This currently represents 10 percent of the total fund size. Fundraising will continue to reach a hard cap of EUR 400 million. It is expected that funds will be called to the aforementioned fund in stages for the execution of specific transactions.

Completing the first closing of INVL Private Equity Fund II EUR 305 million were raised and its target of EUR 250 million was exceeded. INVL Private Equity Fund II is the second-generation private equity fund the Group, which will build on the strategy of BSGF, which has been successfully operating since 2019.

By signing the Partnership Agreement and investing in INVL Private Equity Fund II, as in the case of investing in BSGF, the Company INVL committed not to invest in private equity assets that are in line with the funds' strategy and will execute its main investment activities through these funds.

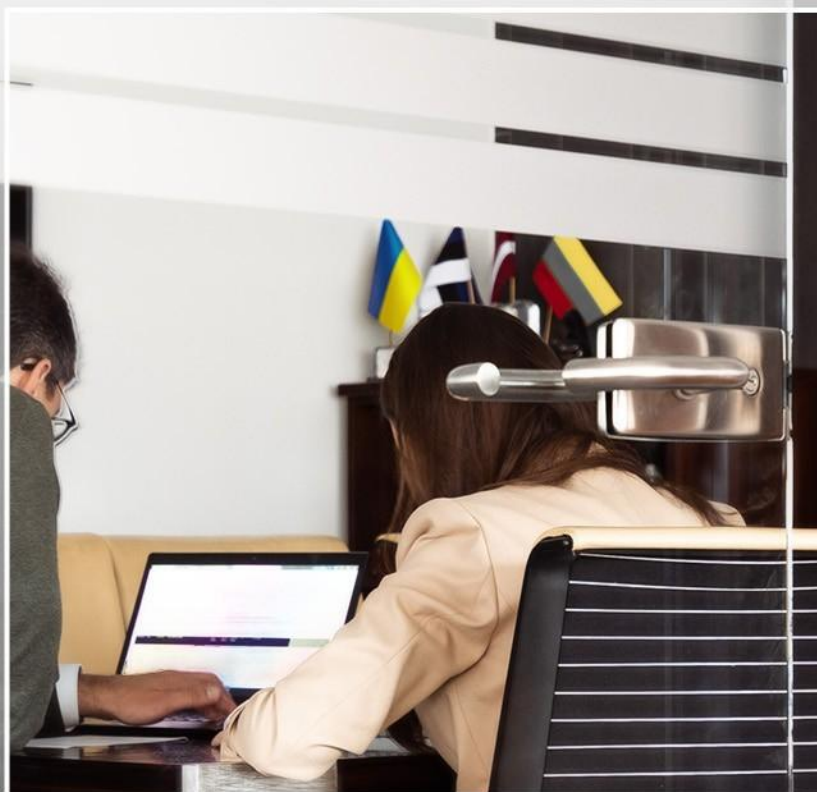
By investing in INVL Private Equity Fund II, Invalda INVL is entitled to a future return, if any, a pro rata share of the success fee. The consolidated subsidiary is entitled to a management fee, the amount of which, depending on the size of the fund, will be the maximum the Group has received from the management of an alternative investment fund. Cap on management fee paid to the management company over the life of the fund is 17% of total capital commitments.

Redemption of fund units of BSGF

In March 2025 the Company received in cash EUR 9,267 thousand from redemption of fund units of BSGF. BSGF is closed first sale deal of its investments and distributed free funds to its investors. Approximately 55% of initial investment amount was returned to the investors.



CONSOLIDATED ANNUAL MANAGEMENT REPORT FOR 2024



Translation note:

This version of the Annual Management Report is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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CEO'S REVIEW



Dear all,

2024 was a successful and profitable year for our clients and for the Invalda INVL group.

In a rapidly changing geopolitical and economic environment, we consistently focus our work on creating long-term value: investing, ensuring asset diversification and liquidity for our clients, and by growing and strengthening the managed businesses and their competitiveness. We monitor the processes and changes that are taking place, adapting and reacting to take advantage of the opportunities that arise.

Our fundamental priority is generating returns for clients. In 2024, we earned EUR 157 million for our clients, our assets under management increased by 17% to EUR 1.68 billion at the end of the year.

The core of our work is managing the assets entrusted to us. We do that under our strategy of creating market-leading investment solutions in areas where we have expertise, experience and a competitive advantage. In 2024, we also focused on strengthening our investor base, developing new products and growing our team in a qualitative sense. These deliberate steps offer a solid foundation for stable operations in the present and will have a positive impact on our business in the coming years.

In 2024 we earned a profit of EUR 44.38 million and the company's net asset value was EUR 222.04 million at year-end. This reflects the success of our strategic core business and the growth of Invalda INVL's investments. Last year, in its inaugural public bond offering, Invalda INVL successfully placed a EUR 10 million issue of notes.

During 2025, we will continue to focus on the management of the assets entrusted to us, growing their value, enhancing their quality and meeting the strategic objectives for each business line and investment. Strong investment performance and product diversification in line with clients' needs are a prerequisite for retaining existing clients and expanding the circle of individual and institutional investors that entrust their funds to us.

The Invalda INVL group will continue to pursue strong organic business growth in 2025 and, when circumstances are favourable, will take advantage of merger and acquisition opportunities.

On behalf of the entire group, I want to thank investors for their support, capital and high standards that enable us to succeed, as well as our team for their effectiveness, determination and dedication, and our shareholders for their trust in us to grow value.

Sincerely,

Darius Šulnis

Chief Executive officer of Invalda INVL

I. GENERAL INFORMATION

1. Reporting period for which the report is prepared

The report is prepared for 12 months of 2024 (January – December). The report also includes significant events of the company and the group that took place after the reporting period.

2. General information about the Issuer and other companies comprising the group

2.1. INFORMATION ABOUT THE ISSUER

Name of the Issuer	The public joint-stock company Invalda INVL
Code	121304349
Address	Gynėjų str. 14, LT01110 Vilnius, Lithuania
Telephone	+370 5279 0601
E-mail	info@invalidainvl.com
Website	www.invalidainvl.com
Legal form	The public joint-stock company
Date and place of registration	20 March 1992. Register of Enterprise of Vilnius
Register in which data about the Company are accumulated and stored	Register of Legal Entities

2.2. COMPANY'S PHILOSOPHY AND OPERATING PRINCIPLES

Who are we?

Invalda INVL is the leading Baltic asset management group with an open approach, which grows and develops, and creates well-being for people through its activities.

We have been working consistently and purposefully since our inception, prioritizing the interests of our clients. Our core values remain unchanged as we expand, while staying open to new opportunities, markets, and methods of operation. We believe that an open-minded approach and thorough evaluation of innovative concepts significantly enhance the success and quality of our solutions.

We grow by investing in the organic expansion of the asset management business, and when opportunities arise, we make new acquisitions in this sector. We believe that we create value for all stakeholders by first and foremost excelling in our direct work and fulfilling our duties.

We believe that the success of the business is inseparable from contributing to the progressive processes of society. Therefore, we invest in knowledge enhancement, team cohesion, social initiatives, and sustainability practices.

What do we seek?

Invalda INVL is dedicated to creating long-term value for investors while fostering a positive economic impact within the regions and areas where we operate. Our strategic focus is on the asset classes and regions we know best. Presently, our focus is on alternative investments and family office services.

How do we operate?

Asset management and investing forms the cornerstone of our operations. Our group's assets under management include investments in private equity, forestry and agricultural land, renewable energy, real estate, and private debt. Additionally, our group's activities also include family office services in Lithuania, Latvia and Estonia, pension fund management in Latvia, and investments in global third-party funds. We also invest in products managed by the group alongside our clients to foster alignment of interests. The residual part of our portfolio consists of historical investments.

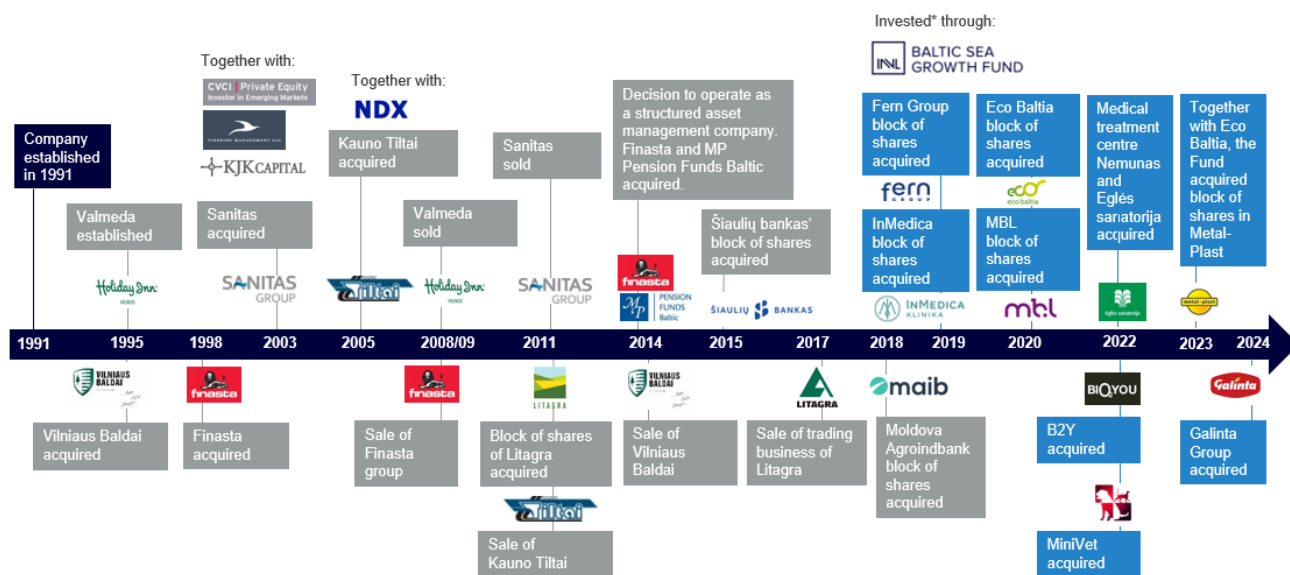
The list of group companies as well as their contact information is presented in Annex 1 to this Annual Report.

The financial data of the businesses that make up the group are presented in sections 5.1 and 5.2 of this report.

What is our experience?

Invalda INVL was founded in 1991 by a group of individuals from the academic community with the aim of creating value and contributing to the country's economy. The company's shares have been traded on the Nasdaq Vilnius stock exchange since 1995. Since the listing began, the company has paid EUR 72.37 million to its shareholders in dividends and share repurchases.

INVALDA INVL'S EXPERIENCE IN THE PRIVATE EQUITY MARKET



* Since the end of the first closing of INVL Baltic Sea Growth Fund on February 2019 Invalda INVL undertakes not to invest in private equity assets that comply with the fund's strategy and to conduct its main investment activity through this fund.

II. FINANCIAL INFORMATION AND SIGNIFICANT EVENTS

3. Business environment

GDP growth trends and forecasts

After two years of stagnation, the Lithuanian economy began to grow in the first half of 2024 and continued to gain momentum in the second half. Economic activity increased by 1.1% in the third quarter and by 0.8% in the fourth quarter of 2024, compared to the previous quarters—remaining above the long-term average overall. These positive trends led to a 2.7% year-on-year increase in Lithuania's GDP for 2024. Growth over the past six months has been broad-based, with value added increasing across nearly all sectors. Manufacturing and trade were the main drivers, while other service industries also made a notable contribution.

Looking ahead, the Lithuanian economy is expected to continue expanding. This outlook is supported by a gradual recovery in external demand, rising household purchasing power—boosting consumption—and growing investment, fuelled by increased EU funding and the diminishing impact of previously tight monetary policy. Real GDP is projected to grow by 2.9% in 2025 and by 3.0% annually in both 2026 and 2027.

Geopolitical and other major developments in recent years have had a significant impact on the economies of Lithuania and many other regions around the world. However, the effects have varied considerably across countries. Particularly Baltic economies have followed notably different paths. Over the five years since 2019—a period that began before the onset of the global pandemic, the escalation of Russia's aggression against Ukraine, and the sharp surge in commodity and other prices—Lithuania's economy grew by 12.5%. In contrast, Latvia's economy expanded by a more modest 7.9%, while Estonia's, marked by significant fluctuations, saw little overall growth.

Inflation and monetary policy

Inflation in the euro area continues to decline along the projected path and is expected to return to the European Central Bank's (ECB) medium-term objective of 2%. From October 2022, when inflation in the euro area surpassed 10%, it fell to 2.4% by February 2025. Annual inflation in Lithuania has been rising as prices of energy and other raw materials recover. After reaching its lowest point (0.1%) in almost four years in October, it has been rising since January, reaching 3.4%. The increase in annual inflation has been mainly driven by higher energy prices, while services remained the main driver.

The Governing Council of the ECB has continued to ease monetary policy consistently. Taking into account the current dynamics of underlying inflation in the euro area, inflation expectations and the transmission of monetary policy, the Governing Council of the ECB quadrupled the deposit facility rate from October 2024 to 2.50%. Since the peak of 4% in 2023, interest rates have been cut by a total of 150 basis points.

Labor market:

The Lithuanian labor market continued to be in good shape at the end of 2024. The favorable migration trends of recent years have a significant impact on labor market indicators. Labor force participation rates have reached highs last seen only around 2004, before the major emigration wave following EU accession. With population growth and the entry of more workers into the labor market for the third consecutive year, the number of people in employment in Lithuania is at its highest level since 1998.

Registered unemployment as reported by the Employment Service stood at 9% in December 2024, down 0.3 percentage points from a year earlier. The Bank of Lithuania forecasts that the unemployment rate will reach 6.8% in 2025 and fall to 6.7% in 2026.

According to the fourth quarter data of average earnings, wages and salaries in the domestic economy grew by 10.7%, with the public sector continuing to grow at a faster annual rate (14.5%) than the private sector (8.9%). Historically, labor income growth continued at a strong pace and labor market tensions remained at historically high levels. This is reflected in the vacancy rate, which has been close to 2% for some time now. Wage growth is projected to reach 9.2% in 2025 and slow to 8.3% in 2026.

Overview of financial markets:

Corporate lending continues to grow as demand for credit increases. The loan portfolio of non-financial corporates was growing at an annual rate of 12% at the end of 2024, compared to just 1% in the euro area. The corporate loan-to-GDP ratio has reached its lowest level since 2004 (15% at the end of Q3 2024) and remains one of the lowest in the euro area, leaving room for further portfolio growth.

The results of the bank survey show that demand for loans to corporates has increased for the second consecutive quarter due to cheaper lending, with demand growth expected in the SME segment in the first quarter of 2025. Banks indicated a slight tightening of lending standards to corporates in the fourth quarter of 2024, but the share of rejected corporate loan applications remained unchanged for the second consecutive quarter, according to them. Banks' assessment of the financial health of companies in the hotels and restaurants sector was the weakest, while the assessment of the financial health of transport companies improved during the quarter, but the latter sectors remained the most restrictive for lending. However, banks remain relatively optimistic and view the financial situation of all companies as stable or improving.

Baltic Stock Exchange:

All stock indices (OMX Tallinn, OMX Riga, OMX Vilnius) are calculated separately for each of the Baltic exchanges. All companies listed on the Official and Supplementary Lists of the Baltic Stock Exchanges are included, except for companies where one shareholder owns 90% or more of the issued shares. These indices reflect the situation and developments in the securities market in each Baltic country or in the Baltic securities market as a whole.

DYNAMICS OF THE BALTIC STOCK MARKETS

Index	31/12/2024	31/12/2023	+/- Change
OMX Tallinn	1,733.00	1,768.56	-2.01%
OMX Riga	869.3	1,336.34	-34.95%
OMX Vilnius	1,065.48	946.76	+12.54%

Source: Nasdaq Baltic

In 2024, the Baltic equity markets faced challenges as investors shifted their focus to bonds. Nasdaq Baltic's equity trading volume fell for the third year in a row to EUR 401 million, down 16% from the previous year and more than double the EUR 917 million in 2021. Of the more than 70 listed companies, only 26 recorded share price growth.

The Tallinn Stock Exchange recorded the biggest drop in trading volume, down 21% to EUR 237 million, but retained its position as the most active exchange in the Baltics, accounting for 59% of Nasdaq Baltic's total turnover. The Vilnius Stock Exchange saw a 7% drop in turnover to €150 million, while its share of total Baltic turnover increased from 34% to 37%. The Riga Stock Exchange, despite the debuts of two new companies, saw an 11% drop in turnover to EUR 13 million, accounting for only 3% of total turnover.

4. Performance results of the issuer and the group

4.1. MAIN ITEMS OF FINANCIAL STATEMENTS

EUR thousand	COMPANY'S			GROUP'S		
	2024	2023	2022	2024	2023	2022
Non-current assets	242,602	237,507	134,263	236,154	208,087	121,358
Current assets	2,799	4,342	3,155	11,516	10,377	22,668
Equity	222,041	178,030	130,790	222,218	178,030	130,927
Non-current liabilities	15,595	2,931	2,413	16,338	3,815	3,599
Current liabilities	7,765	60,888	4,215	9,114	36,619	9,500
Result before taxes	47,078	46,204	16,119	47,521	50,322	15,918
Net result	44,384	45,816	16,666	44,384	45,816	16,714
Net result attributable to holders of the parent Company	-	-	-	44,384	45,816	16,666

4.2. CALCULATION OF THE NET ASSET VALUE OF INVALDA INVL

EUR thousand	2024	2023	2022
Investments	242,567	237,446	134,183
Cash and cash equivalents	2,467	1,305	372
Other assets	367	3,098	2,863
Total assets	245,401	241,849	137,418
Liabilities	-23,360	-63,819	-6,628
Net asset value	222,041	178,030	130,790
Net asset value per share	18.48	14.83	11.07

4.3. FINANCIAL RATIOS

	Company's			Group's		
	2024	2023	2022	2024	2023	2022
Return on Equity (ROE), %	22.19	29.67	13.23	22.18	29.66	13.23
Debt ratio	0.10	0.26	0.05	0.10	0.19	0.09
Debt – Equity ratio	0.11	0.36	0.05	0.11	0.23	0.10
Liquidity ratio	0.36	0.07	0.75	1.26	0.28	2.39
Earnings per share (EPS), EUR	3.69	3.85	1.41	3.69	3.85	1.41
Price Earnings ratio (P/E)	5.09	3.09	8.07	5.09	3.09	8.07

The Company publishes Alternative performance measures (AVR) that are in use by the Company and the definitions of the indicators. All information is disclosed on the Company's website <https://www.invalidainvl.com/en/investor-relations/financial-information-and-documents/formulas-of-performance-indicators/>

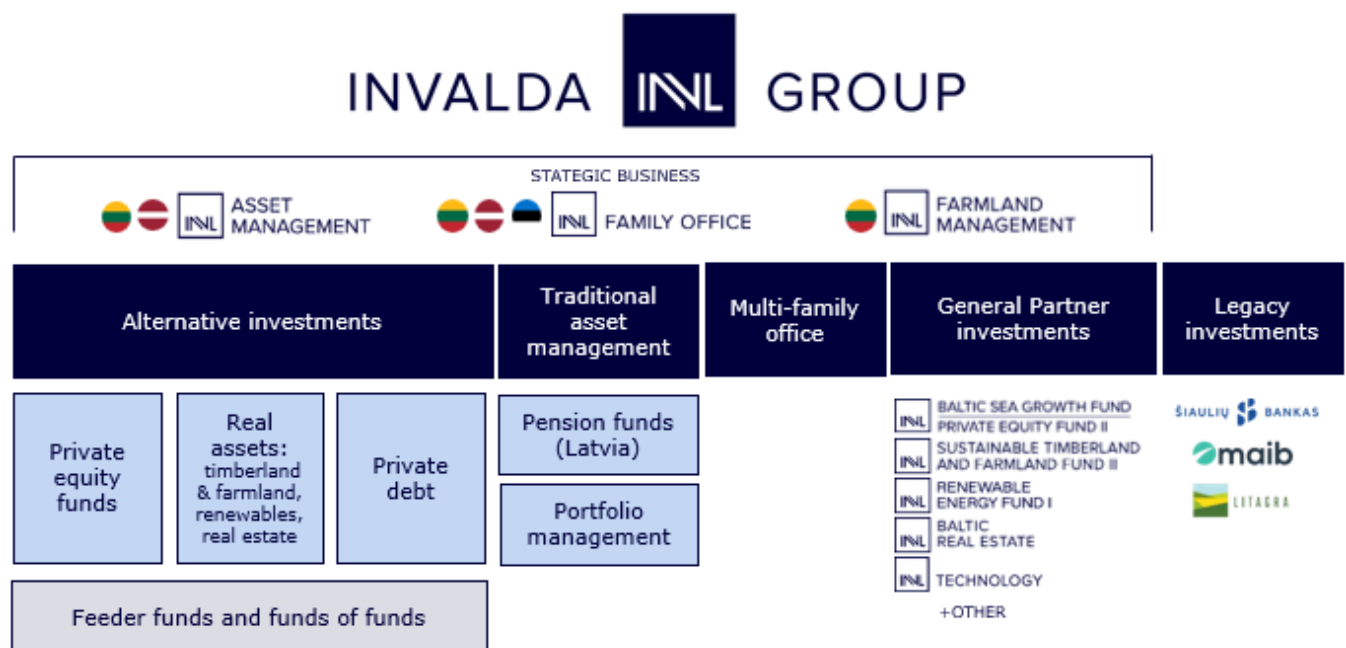
The profit of Invalda INVL is significantly impacted by the recalculation of investments based on fair value as well as acquisition and sale deals, therefore, not all company performance indicators are suitable for the evaluation of Invalda INVL, AB. Furthermore, investments into main asset management business are recorded

using the equity method, therefore, the book value may be different from the market price. Accordingly, some ratios may not represent the real situation of the company.

5. Information on the group's activities

5.1. STRATEGIC BUSINESS: ASSET MANAGEMENT

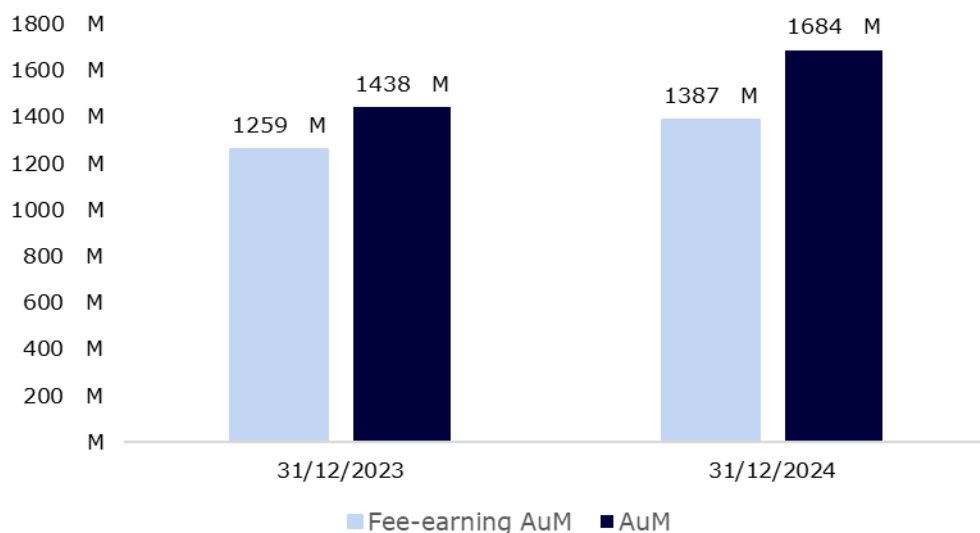
Invalda INVL manages asset management companies INVL Asset Management in Lithuania and Latvia, financial brokerage company INVL Financial Advisors, acting under brandname INVL Family Office, and land administration company INVL Farmland Management. We also invest in products managed by the group alongside our clients (General Partner investments) to foster alignment of interests.



	Value, EUR million		Revenue, EUR million		Profit (loss), EUR million	
	2024	2023	2024	2023	2024	2023
Core companies of strategic business (100%)	6.6*	30.2*	14.1	16.8	17.8	39.4**
General Partner investments	74.9	59.0				

*equity method

**profit from transfer of retail business was included – EUR 29.8 million.




ASSETS MANAGED BY INVALDA INVL GROUP, CALCULATED ACCORDING TO DIFFERENT METHODOLOGIES


AuM refers to the assets we manage or supervise and generally equals to the sum of the following: fair value of managed or supervised assets (for example, NAV or capitalization of funds) and uncalled capital commitments. This AuM represents the size of assets to which the Group has economic influence through management or supervision. We believe that such AuM stands as a better measure of our investment and fundraising performance.

Fee-earning AUM refers to the assets we manage or supervise-and from which we derive recurring fees. We have updated the indicator calculation methodology and added assets under supervision of family office.

Our calculations of AuM and Fee-earning AuM may differ from the calculations of other asset managers. As a result, these measures may not be comparable to similar measures presented by other asset managers. The reported amount is the aggregated, not consolidated, sum of the assets.

5.2. LEGACY INVESTMENTS

Company	Share of votes controlled (%)		Value, EUR million		Profit (loss) from investment, EUR million	
	2024	2023	2024	2023	2024	2023
	19.93%	18.45%	108.9	85.4	23.6	4.8
	7.45%	7.92%	22.4	22.2	4.8	6.1
	48.81%	48.81%	24.5	19.3	3.3	(2.6)

6. Estimation of Issuer's and Group's activity last year and activity plans and forecasts

6.1. EVALUATION OF IMPLEMENTATION OF GOALS FOR 2024

Our fundamental priority is generating returns for clients. In 2024, we earned EUR 157 million for our clients, our assets under management increased by 17% to EUR 1.68 billion at the end of the year.

As we said a year ago, a key priority for 2024 is the successful launch of the new private equity fund - INVL Private Equity Fund II. The target was to raise at least EUR 250 million from investors. Last year preparatory work was underway for the launch of the second private equity fund. After raising EUR 305 million, INVL Private Equity Fund II, the largest private equity fund in the Baltics, was launched in February this year, having already exceeded its target size at first close.

We planned to focus on the successful launch of the INVL Family Office in Latvia and Estonia. This goal has been fully accomplished. INVL Family Office has continued its successful operations in Lithuania and has expanded its activities in the other Baltic States, with the first clients already being served in the Family Office offices in Latvia and Estonia.

We continued our consistent and focused work and strengthened our existing asset management business lines. In February 2024, INVL Baltic Sea Growth Fund acquired buckwheat producer and grain trader Galinta and, towards the end of the year, signed an agreement to acquire the shares of Pehart Group, a leading producer of household and industrial paper products in Romania. Upon completion of this transaction, the Pehart Group will become the fund's tenth and final investment. Other companies in INVL Baltic Sea Growth Fund's portfolio are also being successfully strengthened and some are already being prepared for sale.

Last year, in its inaugural public bond offering, Invalda INVL successfully placed a EUR 10 million issue of notes, introducing a safe, transparent investment product to the market while tapping into another alternative source of capital for the company. Demand for the bonds exceeded supply 2.9 times. The size, quality and diversity of the applications allowed Invalda INVL to set an annual interest rate of 7%, the lowest end of the range specified in the bond offering.

6.2. ACTIVITY PLANS AND FORECASTS

During 2025, we will continue to focus on the management of the assets entrusted to us, growing their value, enhancing their quality and meeting the strategic objectives for each business line and investment. Strong investment performance and product diversification in line with clients' needs are a prerequisite for retaining existing clients and expanding the circle of individual and institutional investors that entrust their funds to us.

In March 2025, INVL Baltic Sea Growth Fund completed the sale of InMedica Group, a private medical services network, demonstrating the success of the fund's strategy to build sector leaders. In the six years of the Fund's investment in InMedica Group, it has grown its revenues more than 15 times. Other companies in INVL Baltic Sea Growth Fund's portfolio are also being successfully strengthened and some are already being prepared for sale. In 2025, we will focus on generating cash flows from the fund's portfolio and solid returns for our investors.

In 2025, we plan to complete the launch of INVL Private Equity Fund II and add the first investments to the fund's portfolio.

INVL Renewable Energy Fund I is due to complete its investment phase this year and prepare for the management of power generation projects that are already generating income. The fund team will also aim to realise value, including the possible sale of the projects.

INVL Sustainable Timberland and Farmland Fund II will focus on improving the quality of the portfolio, pursuing value-creating transactions and aiming to deliver targeted returns to investors.

The Invalda INVL group will continue to pursue strong organic business growth in 2025 and, when circumstances are favourable, will make good use of merger and acquisition opportunities.

III. INFORMATION ABOUT SECURITIES

7. Information about Issuer's authorised capital

7.1. ADJUSTMENTS OF THE AUTHORISED CAPITAL

Information concerning adjustments of Invalda INVL, AB authorised capital during past 10 years is presented below:

- The amended Articles of Association of Invalda LT, AB were registered with the Register of Legal Entities on 29 April 2014. The Articles of Association were amended due to split-off of the company. After the completion of the split-off of Invalda LT, the authorised capital was EUR 3.44 million and was divided into 11,865,993 ordinary registered shares.
- The amended Articles of Association were registered with the Register of Legal Entities on 11 May 2015. According to amended Articles of Association the name of the company was changed into Invalda INVL, AB. The authorised capital was recounted into EUR and made EUR 3,441,137.97. It was divided into 11,865,993 ordinary registered shares with nominal value EUR 0.29 each.
- On 23 May 2019 a new edition of the Articles of Association of Invalda INVL was registered in the Register of Legal Entities. The Articles of Association were amended by increasing the authorized capital up to EUR 3,456,480.71 in order to realize the stock options granted to the employees of Invalda INVL Group in 2016.
- On 8 June 2021, a new edition of the Articles of Association of Invalda INVL was registered in the Register of Legal Entities. Invalda INVL increased its share capital to EUR 3,473,786.17 by issuing 59,674 new ordinary registered shares. The newly issued shares were acquired by the employees of Invalda INVL Group exercising the stock options granted to them in 2018.
- On 11 May 2022, a new wording of the Articles of Association of Invalda INVL AB was registered in the Register of Legal Entities. This draft of the company's Articles of Association was approved by the shareholders at the Ordinary General Meeting of Shareholders held on 30 April 2022. Invalda INVL increased its share capital to EUR 3,493,935.08 by issuing 69,479 new ordinary registered shares. The newly issued shares were subscribed by the employees of Invalda INVL Group exercising the stock options granted to them in 2019.
- On 21 July 2023, a new wording of the Articles of Association of Invalda INVL AB was registered in the Register of Legal Entities. This draft of the company's Articles of Association was approved by the shareholders at the Ordinary General Meeting of Shareholders held on 30 April 2023. Invalda INVL increased its share capital to EUR 3,547,948.45 by issuing 186,253 new ordinary registered shares. The newly issued shares were subscribed by the employees of Invalda INVL Group exercising the stock options granted to them in 2020.
- On 21 June 2024 a new version of the Articles of Association of Invalda INVL was registered in the Register of Legal Entities. Following the issue of 65 070 new ordinary registered shares with a nominal value of EUR 0.29, the authorised capital of Invalda INVL increased to EUR 3,566,819. The newly issued shares were subscribed exclusively by employees of the Invalda INVL Group, who exercised the options granted to them in 2021. The shareholders of Invalda INVL approved the increase in share capital and the updated Articles of Association at a meeting held on 30 April 2024.

7.2. STRUCTURE OF THE AUTHORIZED CAPITAL AS OF 31 DECEMBER 2024

Type of shares	Number of shares, units	Total number of votes granted by all issued shares, units	Number of votes calculating the quorum of the General Meeting of Shareholders *	Nominal value, EUR	Total nominal value, EUR	Portion of the authorised capital, %
Ordinary registered shares	12,299,375	12,299,375	12,016,791	0.29	3,566,818.75	100

* according to Article 27 (4) of the Law on Companies' in determining the quorum of the General Meeting of Shareholders, it is considered that the acquired own shares do not grant voting rights.

All shares are fully paid-up, and no restrictions apply on their transfer.

Invalda INVL group manages asset management company INVL Asset Management (through it – asset management company Mundus) and financial brokerage company INVL Financial Advisors. According to Lithuanian law, a natural or legal person (or persons acting in concert), indirectly willing to acquire or increase their shareholding in an asset management company (more than 20, 30 or 50 percent), have to obtain a decision from the Bank of Lithuania not to object this acquisition. This means that investors, willing to acquire more than 20 percent shareholding in Invalda INVL, AB, can do so only with a prior decision from the Bank of Lithuania.

Invalda INVL also owns asset management company INVL Asset Management in Latvia (through it – INVL atklatais pensiju fonds", managing 3rd pillar pension funds in Latvia), therefore according to Latvian Financial and Capital Market Commission restrictions under acquisition of the shareholding in Invalda INVL might be fulfilled as well.

In addition, Invalda INVL group has indirectly invested in Moldova-Agroindbank, the largest commercial bank in Moldova, therefore the relevant requirements of the Central Bank of Moldova may also apply to the acquisition of block of shares in Invalda INVL.

7.3. INFORMATION ABOUT THE ISSUER'S TREASURY SHARES

Year of acquisition / loss of own shares	Acquired (transferred) amount, units	Price for one share, EUR	Comments
2024	53,043	14.83	
2021 - 2023	-	-	
2020	(78,867)	0.20	Own shares were transferred to the employees of the company and the group by exercising the share options granted in 2017
2019	2,552	5.67	
2018	3,396	5.53	
2017	23,076	4.55	
2016	135,739	4.11	
2015	143,645	3.82	
total	282,584		

During the reporting period, the company bought back its own shares through the market of official tender offers of the Nasdaq Vilnius Stock Exchange on 2-6 September 2024. 53,043 shares were offered for buy-back, during which a maximum of 67,430 shares could be bought back. The company purchased 0.43 % of its shares for which it paid EUR 786.7 thousand (excluding brokerage fees). The purchase price of the shares was determined by the Dutch-auction principle. Every shareholder sold 100 % of offered shares for the price of EUR 14.83 per share.

At the end of the reporting period, the number of treasury shares acquired by Invalda INVL amounted to 282,584. Pursuant to Article 27 (4) of the Law on Companies, when determining the quorum of the general meeting of shareholders, it is considered that the acquired own shares do not give votes at the shareholders' meeting.

7.4. INFORMATION ABOUT EMPLOYEES STOCK OPTIONS

Employees of Invalda INVL and companies where Invalda INVL owns more than 50% of shares may be offered to enter into stock option agreements on the basis of which, within 3 (three) years they are granted the stock options. Employees shall be entitled to acquire 0.29 EUR nominal value ordinary registered Invalda INVL shares. If shareholders adopts a decision on the payment of dividends, the reduction of authorized capital paying out free funds to shareholders or other measures involving pay-outs to shareholders, then the General Meeting of Shareholders must consider the matter of changing the number of Shares which Employees are allowed to acquire and/or the price of the Shares in such a way as to maintain balance between the economic logic of the contract on entering into an agreement to acquire Shares and the interests of the parties.

There is no employee share incentive scheme in Invalda INVL. The shares are granted in accordance with the Rules for Granting Equity Incentives approved by the Company's General Meeting of Shareholders, which are published on the company's website <https://invalidainvl.com/files/EN/Draft%20Rules%20for%20Granting%20Equity%20Incentives.pdf>.

OPTION CONTRACTS CONCLUDED AND STOCK OPTIONS EXERCISED:

Allocation of options		Exercise of options		
The year when stock options contracts have been signed	Number of shares, units	The year when stock options are exercised	The number of shares (units) acquired by employees under option contracts	Method of granting shares
2024	33,324	2027	N/A	
2023	47,394*	2026	N/A	
2022	40,862	2025	N/A	
2021	65,287	2024	65,070	Newly issued shares have been subscribed
2020	317,227	2023	186,253	Newly issued shares have been subscribed
2019	70,397	2022	69,479	Newly issued shares have been subscribed
2018	59,674	2021	59,674	Newly issued shares have been subscribed
2017	80,571	2020	78,867	The company's own shares were transferred
2016	52,906	2019	52,906	Newly issued shares have been subscribed

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

8. The order of amendment of Issuer's Articles of Association

The Articles of Association of Invalda INVL, AB may be amended by resolution of the General Shareholders' Meeting, if the decision is passed by more than 2/3 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

On 21 June 2024, a new wording of the Articles of Association of Invalda INVL was registered in the Register of Legal Entities. This draft of the Company's Articles of Association was approved by the shareholders at the Ordinary General Meeting of Shareholders held on 30 April 2024.

The actual wording of the Articles of Association is dated as of June 2024. The translation of the document is published on the company's website <https://www.invalidainvl.com/en/investor-relations/financial-information-and-documents/documents/>

9. Shareholders

9.1. INFORMATION ABOUT SHAREHOLDERS OF THE COMPANY

At the end of 2024 the total number of shareholders was 3,737. There are no shareholders entitled to special rights of control.

The shareholders of Invalda INVL: Alvydas Banys, UAB LJB Investments, Irena Ona Mišeikienė, Indrė Mišeikytė, Darius Šulnis and UAB Lucrum Investicija, have signed a Contracts with the purpose of agreeing on the long-term management policy of Invalda INVL. Therefore, their votes are counted together in accordance with Article 16, Section 1, Item 2 of the Securities Law. Since the said contract does not contain provisions on the use of

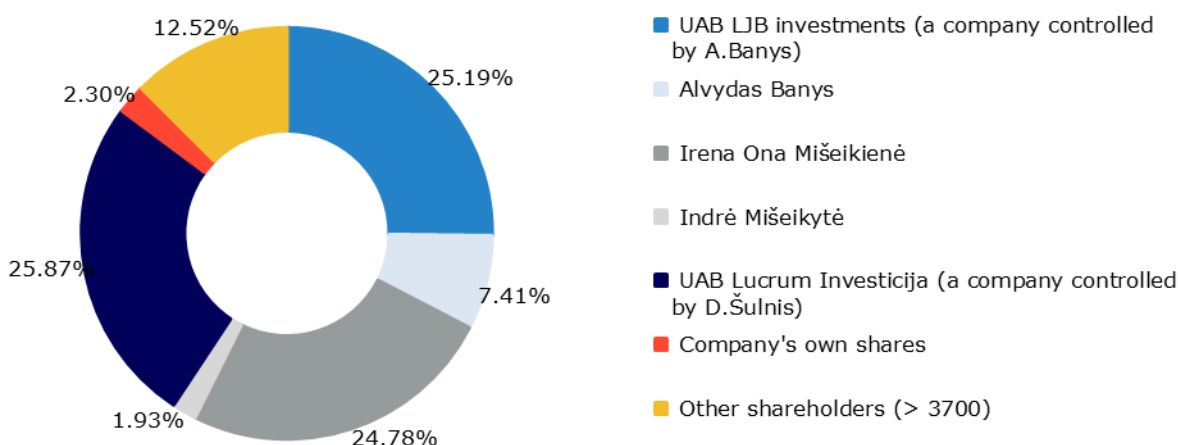
votes held directly by the parties in other companies related to Invalda INVL, their votes are counted together only at the issuer level, i.e. only in Invalda INVL.

Considering the share of the company's authorized capital and / or votes held by the company's shareholders as of the date of this report, as well as the purpose and provisions of the above-mentioned Invalda INVL Group long-term management policy agreement, the company does not have a controlling shareholder, i.e. the parties to the said Agreement control the company as part of a group, but not individually. Invalda INVL AB is not aware of any voting restrictions or agreements between shareholders that may limit the transfer of securities and/or voting rights. During the twelve months of 2024, no agreements were entered into to which the issuer is a party, and which would become effective, change or terminate upon a change of control.

SHAREHOLDERS WHO HELD TITLE TO MORE THAN 5% OF INVALDA INVL AUTHORISED CAPITAL AND/OR VOTES 31 DECEMBER 2024

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital and votes held, %	Indirectly held votes ¹ , %	Total votes of the shareholders group*, %
LJB Investments. UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	3,098,196	25.19	59.98	85.17
Alvydas Banys ²	910,875	7.41	77.76	
Irena Ona Mišeikienė	3,048,161	24.78	60.39	
Indrė Mišeikytė	236,867	1.93	83.24	
Lucrum Investicija, UAB code 300806471. Gynėjų str. 14, Vilnius	3,181,702	25.87	59.30	
Darius Šulnis ³	0	0.00	85.17	

SHAREHOLDERS OF INVALDA INVL AS OF 31 DECEMBER 2024



¹ Invalda INVL shareholders Alvydas Banys, UAB LJB Investments, Irena Ona Mišeikienė, Indrė Mišeikytė, Darius Šulnis and UAB Lucrum Investicija have signed an Agreement with the purpose of agreeing on the long-term management policy of Invalda INVL. Therefore, in accordance with Article 16, Section 1, Point 2 of the Securities Law, their votes are counted together. Given that the said agreement does not contain provisions on the use of the parties' directly owned votes in other companies related to Invalda INVL, their votes are counted together only at the level of the issuer

² It is considered that Alvydas Banys has the votes of the controlled company UAB LJB investments.

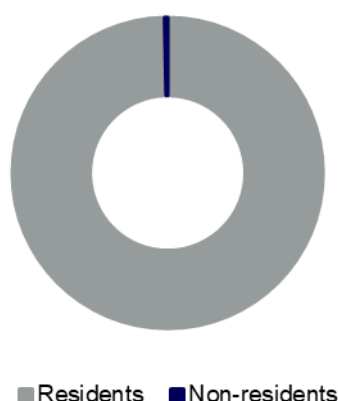
³ It is considered that Darius Šulnis has the votes of the controlled company UAB Lucrum Investicija.

DISTRIBUTION OF SHAREHOLDERS BY INVESTOR GROUPS AS OF 31 DECEMBER 2024



Investor group	Shareholders		Votes held by shareholders	
	number	proportion, %	number	proportion, %
Legal entities	42	1.12	6,600,876	53.67
Natural persons	3,695	98.88	5,698,499	46.33

DISTRIBUTION OF SHAREHOLDERS BY THEIR RESIDENCE AS OF 31 DECEMBER 2024



Investor group	Shareholders		Votes held by shareholders	
	number	proportion, %	number	proportion, %
Residents	3,567	95.45	12,262,706	99.70
Non-residents	170	4.55	36,669	0.30

9.2. RIGHTS AND OBLIGATIONS CARRIED BY THE SHARES

9.2.1. Rights of the shareholders

The Company's shareholders have the following property and non-property rights:

- 1) to receive a part of the Company's profit (dividend);
- 2) to receive the company's funds when the authorised capital of the company is reduced with a view to paying out the company's funds to the shareholders;
- 3) to receive a part of assets of the company in liquidation;
- 4) to receive shares without payment if the authorised capital is increased out of the Company funds, except in cases provided by the laws of the Republic of Lithuania;
- 5) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Shareholders' Meeting in the manner prescribed in the Law on Companies of the Republic of Lithuania decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;

- 6) to lend to the company in the manner prescribed by law; however, when borrowing from its shareholders, the company may not pledge its assets to the shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the company and shareholders shall be prohibited from negotiating a higher interest rate;
- 7) other property rights provided by laws;
- 8) to attend the General Shareholders' Meetings;
- 9) to submit to the Company in advance the questions connected with the issues on the agenda of the General Meeting of Shareholders;
- 10) to vote at the General Shareholders' Meetings according to voting rights carried by their shares;
- 11) to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
- 12) to appeal to the court for reparation of damage resulting from nonfeasance or malfeasance by the Company's manager and the Board members of their obligations prescribed by the Law on Companies of Republic of Lithuania and other laws of the Republic of Lithuania and the Company's Articles of Association as well as in other cases laid down by laws;
- 13) to receive information on a public company whose shares are admitted to trading on a regulated market as specified in the Law on Companies of Financial Instruments Markets in the Republic of Lithuania;
- 14) other non-property rights established by laws and the Company's Articles of Association.

9.2.2. Obligations of the shareholders

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Shareholders' Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Shareholders' Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

A person who has acquired all the shares of a company or has acquired a part of the shares of a public limited company from the shareholder of this company shall notify the company no later than 5 days after the conclusion of the transaction. The notice must include the number of shares acquired, including the number of shares by class, where the shares of the different classes are acquired, their nominal value and the identity of the person transferring and acquiring the shares (name, surname, personal identity number and place of residence or address of the natural person; name, legal form, code and registered office and name, surname, personal code, place of residence or address of the legal representative). The notice shall be accompanied by a document confirming the acquisition of the shares or an extract thereof. If a document is provided, it must include the parties to the transaction, the subject of the transaction and the date of acquisition of the shares.

Contracts between the company and holder of all its share shall be executed in a simple written form unless the Civil Code prescribes the mandatory notarised form.

A shareholder shall repay the Company any dividend paid out in violation of the mandatory norms of the Law on Companies, if the Company proves that the shareholder knew or should have known thereof.

Each shareholder shall be entitled to authorise a natural or legal person to represent him when maintaining contacts with the Company and other persons.

10. Dividends

The decision to pay dividends and the amount of dividends to be paid is determined by the company's general meeting of shareholders

The company's Ordinary General Meeting of 30 April 2024 approved a dividend of EUR 0.10 per share for 2023. The total dividend amount is EUR 1.2 million.

RATIOS RELATED WITH SHARES

	2024	2023	2022
Net Asset Value per share, EUR	18.48	14.83	11.07
Price to book value (P/Bv)	1.02	0.80	1.03

The Company publishes on its website the definitions of the operational and financial indicators used in its business (Alternative performance measures (AVR), provides indicators definitions. All the information is disclosed in the Company's web site section „Investor relations“ → „Reports“ → „Formulas for performance indicators.

<https://www.invaldainvl.com/en/investor-relations/financial-information-and-documents/formulas-of-performance-indicators/>

11. Trading in Issuer's securities as well as securities of the group companies'

11.1. TRADING IN ISSUER'S SECURITIES

MAIN CHARACTERISTICS OF INVALDA INVL, AB SHARES ADMITTED TO TRADING

Shares issued, units	12,299,375
Nominal value	0.29 EUR
Total nominal value	3,566,818.75 EUR
ISIN code	LT0000102279
The Issuer Agent	AB Šiaulių bankas
Exchange	Nasdaq Vilnius
Ticker	IVL1L
List	Baltic Secondary list Baltic Main List (from 1 January 2008 until 20 July 2015)
Listing date	19 December 1995
LEI code	529900011QUJ710GHH43

From 3 August 2020, Šiaulių bankas AB provides the company with a market making service.

TRADING IN INVALDA INVL SHARES

	2024	2023	2022
Share price, EUR			
- open	11.20	11.40	17.00
- high	19.00	11.90	17.00
- low	11.10	9.00	10.00
- last	18.80	11.90	11.40
Turnover, units	81,064	92,027	70,365
Turnover, EUR	1,133,932	1,004,925	888,205
Traded volume, units	1,641	1,317	1,684
Capitalisation, EUR mln.	225.92	142.86	134.73

TRADING IN THE COMPANY'S SHARES DURING THE PERIOD OF 2022–2024 (QUARTERLY) ON NASDAQ VILNIUS STOCK EXCHANGE:

Reporting period	Price, €			Last trading date	Total turnover	
	high	low	units		units	€
2024, 4th Q	19.00	14.30	18.80	30.12.2024	28,298	461,984
2024, 3rd Q	14.70	13.80	14.30	30.09.2024	10,150	145,187
2024, 2nd Q	14.00	11.90	13.90	28.06.2024	24,559	311,015
2024, 1st Q	13.00	11.10	11.90	28.03.2024	18,057	215,746

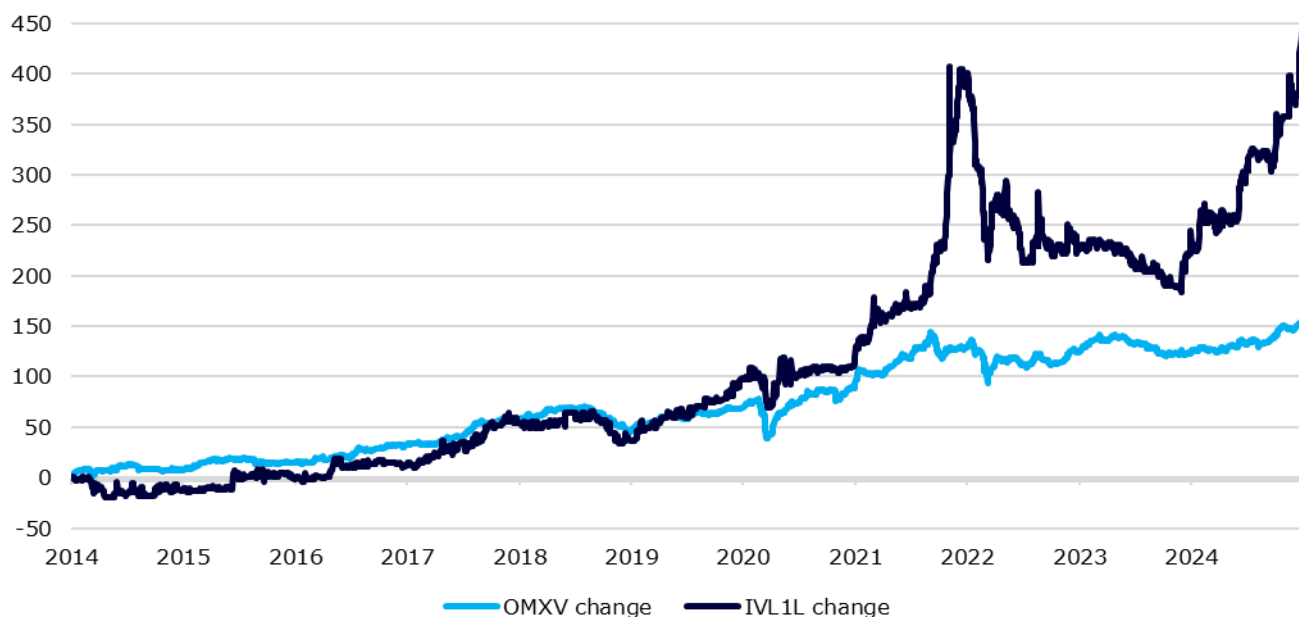
2023, 4th Q	11.90	9.80	11.90	29.12.2023	18,332	192,444
2023, 3rd Q	11.00	10.30	10.30	29.09.2023	35,238	378,792
2023, 2nd Q	11.50	9.00	10.70	30.06.2023	22,263	249,654
2023, 1st Q	11.90	11.00	11.40	31.03.2023	16,194	184,035
2022, 4th Q	12.20	11.00	11.40	30.12.2022	11,317	129,787
2022, 3rd Q	13.20	10.60	11.00	30.09.2022	11,573	131,869
2022, 2nd Q	13.60	10.80	10.90	30.06.2022	18,823	234,545
2022, 1st Q	17.00	10.00	12.60	31.03.2022	28,652	392,004

CAPITALISATION

Last trading date	Number of shares (company's own shares excluded), units	Last price, €	Capitalisation, €
30.12.2024	12,016,791	18.80	225,915,671
30.09.2024	12,016,791	14.30	171,840,111
28.06.2024	12,069,834	13.90	167,770,693
28.03.2024	12,004,764	11.90	142,856,692
29.12.2023	12,004,764	11.90	142,856,692
29.09.2023	12,004,764	10.30	123,649,069
30.06.2023	11,818,511	10.70	126,458,068
31.03.2023	11,818,511	11.40	134,731,025
30.12.2022	11,818,511	11.40	134,731,025
30.09.2022	11,818,511	11.00	130,003,621
30.06.2022	11,818,511	10.90	128,821,770
31.03.2022	11,749,032	12.60	148,037,803

TURNOVER OF INVALDA INVL SHARES AND SHARE PRICE DURING THE PAST 3 YEARS





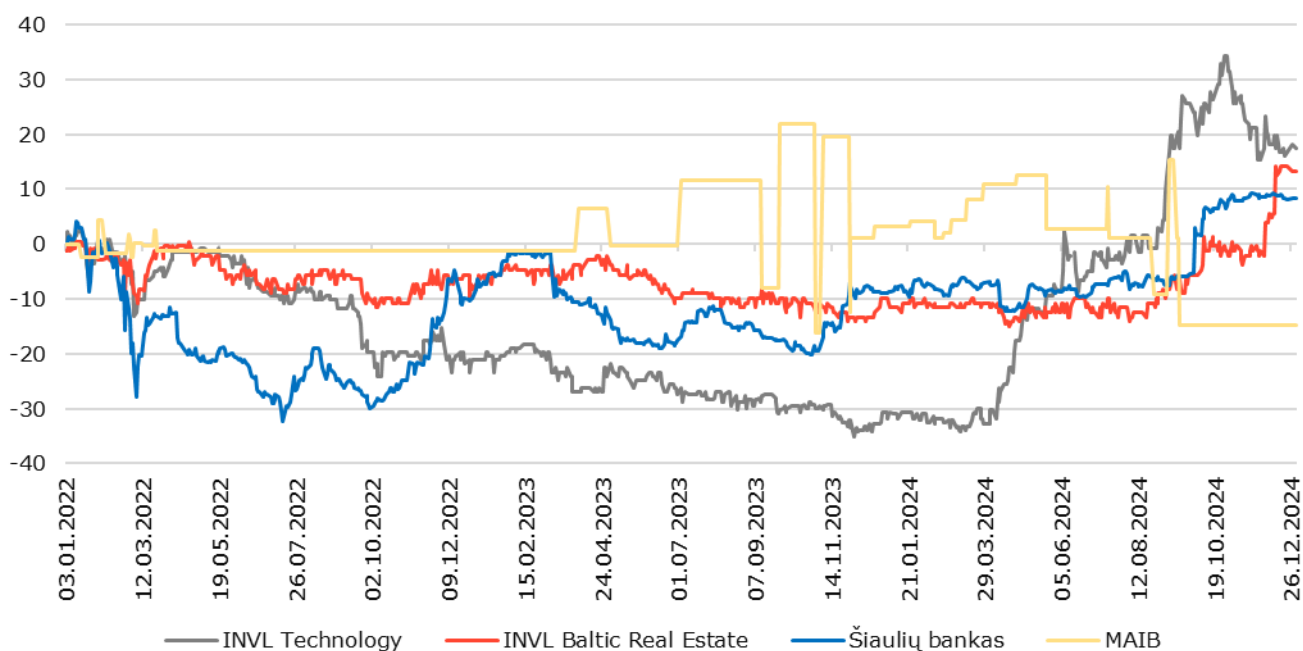
CHANGES IN INVALDA INVL SHARE PRICE AND OMX VILNIUS INDEX OVER 10 YEARS, %

Index/Shares	30.12.2024	01.01.2024	01.01.2014	Change (%) since 2014	Change (%) in 12 months of 2024
— OMX Vilnius	1,065.48	946.76	421.60	152.72 ↑	12.54 ↑
— Invalda INVL	EUR 18.80	EUR 11.90	EUR 3.45	444.93 ↑	57.98 ↑

11.2. TRADING IN SECURITIES OF THE GROUP COMPANIES'

Shares of subsidiary companies of Invalda INVL, forming the group, are not traded on stock exchanges. INVL Baltic Real Estate, INVL Technology and Šiaulių Bankas, companies Invalda INVL directly or indirectly invested in, are listed on Nasdaq Vilnius stock exchange. Invalda INVL has also indirectly invested in maib, the largest bank in Moldova, with shares traded on the Moldovan Stock Exchange.

CHANGE IN THE SHARE PRICE OF COMPANIES INVESTED IN BY INVALDA INVL



12. INFORMATION ABOUT DEBT SECURITIES

From 3 June 2024 to 12 June 2024 the company was offering EUR 10 million of non-convertible medium-term notes to the public. 481 investors submitted orders to subscribe for notes for a total amount of EUR 29.035 million – resulting in an oversubscription of 2.9 times the issue volume. The notes were subscribed by 216 investors from the Baltic States. The notes were transferred to the securities accounts of the investors on 14 June 2024.

Fixed interest rates were determined through an auction in the range of 7% to 8%. The size, quality, and diversity of the orders allowed Invalda INVL to set an annual interest rate of 7% – the lowest limit of the specified range. Interest is paid to investors semi-annually, with a calculation basis of 30E/360. The first interest coupon on the bonds was paid to bondholders on 14 December 2024.

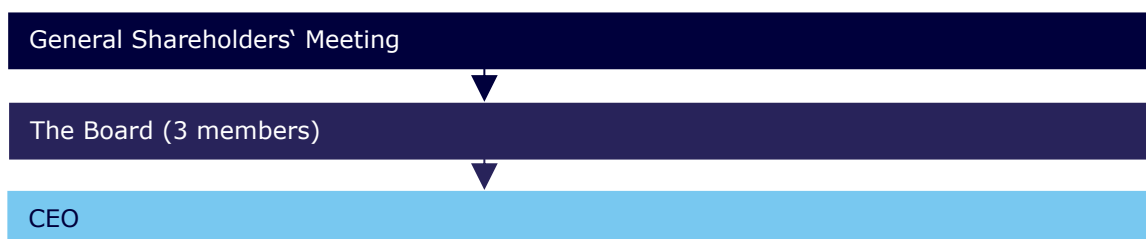
The company's bonds are listed on the Baltic Bond List of the Nasdaq Vilnius Stock Exchange as of 1 July 2024. Trading in the Nasdaq Baltic Bond Market in the company's bonds was almost non-existent in 2024. A total of 2 transactions were concluded with a total turnover of EUR 4,169.92.

THE MAIN TERMS OF THE BONDS ISSUE

Issue size, units	10,000
Nominal value of one bond	EUR 1,000
The total amount of the first issue	EUR 10,000,000
The interest rate	Fixed annual interest rate of 7 percent.
Payment of interest	Interest will be paid semi-annually on a 30E/360 basis
Maturity	3 years
FISN	Invalda INVL/BD 229 20270614
ISIN code	LT0000409229
Listing	Nasdaq Baltic Bond List from 1 July 2024
Maturity date	14 June 2027

IV. ISSUER'S MANAGING AND SUPERVISORY BODIES

13. Management structure, authorities, the procedure for appointment and replacement



The governing bodies of Invalda INVL, AB are the General Shareholders' Meeting, sole governing body – the CEO and a collegial governing body – the Board. The Supervisory Board is not formed.

13.1. GENERAL SHAREHOLDERS' MEETING

Powers of the General Shareholders' Meeting

Persons who were shareholders of the Company at the close of the accounting day of the meeting (the 5th working day before the General Shareholders' Meeting) shall have the right to attend and vote at the General Shareholders' Meeting in person unless otherwise provided for by laws or may authorise other persons to vote for them as proxies or may conclude an agreement on the disposal of the voting right with third parties. The shareholder's right to attend the General Shareholders' Meeting shall also cover the right to speak and enquire.

The General Shareholders' Meeting may take decisions and shall be held valid if attended by the shareholders who hold the shares carrying not less than $\frac{1}{2}$ of all votes. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the General Shareholders' Meeting. If a quorum is not present, the General Shareholders' Meeting shall be considered invalid and a repeat General Shareholders' Meeting must be convened, which shall be authorised to take decisions only on the issues on the agenda of the General Shareholders' Meeting that has not been held and to which the quorum requirement shall not apply.

An Annual General Shareholders' Meeting must be held every year at least within 4 months from the close of the financial year.

The General Shareholders' Meeting shall have the exclusive right to:

- amend the Articles of Association of the Company. unless otherwise provided for by the Law on Companies of the Republic of Lithuania;
- change registered office of the company;
- elect members of the Board;
- dismiss the Board or its members;
- elect and dismiss the firm of auditors. set the conditions for auditor remuneration;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- take a decision regarding conversion of shares of one class into shares of another class. approve share conversion procedure;
- take a decision to change the number of shares of the same class issued by the company and the nominal value per share without changing the amount of the share capital;
- take a decision to replace private limited liability company share certificates by shares;
- approve the annual accounts and the report on company operations;
- take a decision on profit/loss appropriation;
- take a decision on the formation, use, reduction and liquidation of reserves;
- to approve the set of interim financial statements for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year;
- decide on the allocation of dividends for a period shorter than the financial year;
- take a decision on the issue of convertible debentures;
- take a decision on withdrawal for all the shareholders the pre-emption right to acquire the Company's shares or convertible debentures of the specific issue;
- take a decision to increase the authorised capital;
- take a decision to reduce the authorised capital. except the cases provided for by the Law on Companies of the Republic of Lithuania;
- take a decision for the Company to purchase its own shares;
- take a decision to approve rules on giving stock options to employees and /or members of the bodies;
- take a decision on the reorganisation or split-off of the Company and approve the terms of reorganisation or split-off, except the cases provided for in the Law on Companies of the Republic of Lithuania;
- take a decision on transformation of the Company;
- take decisions on company restructuring in the cases provided for in the Law on Restructuring of Enterprises;
- take a decision to liquidate the Company, cancel the liquidation of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania;
- elect and dismiss the liquidator of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania.

The General Shareholders' Meeting may also decide on other matters assigned within the scope of its powers by the Articles of Association of the Company, unless these have been assigned under the Law on Companies of the Republic of Lithuania within the scope of powers of other organs of the Company and provided that. In their essence, these are not the functions of the governing bodies.

Convocation of the General Shareholders' Meeting of Invalda INVL, AB

The documents related to the agenda, draft resolutions on every item of agenda, documents what have to be submitted to the General Shareholders Meeting and other information related to realization of shareholders rights are available at the registered office of the Company during working hours or on company's website www.invaldainvl.com.

The shareholders are entitled: (i) to propose to supplement the agenda of the General Shareholders Meeting submitting draft resolution on every additional item of agenda or, when there is no need to make a decision - explanation of the shareholder (this right is granted to shareholders who hold shares carrying at least 1/20 of all the votes). Proposal to supplement the agenda is submitted in writing sending the proposal by registered mail to the Company at Gyneju str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company or by sending proposal to the Company by email info@invaldainvl.com. The agenda is supplemented if the proposal is received no later than 14 before the General Shareholders Meeting; (ii) to propose draft resolutions on the issues already included or to be included in the agenda of the General Shareholders Meeting at any time prior to the date of the General Shareholders meeting (in writing sending the proposal by registered mail to the Company at Gyneju str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company or by sending proposal to the Company by email info@invaldainvl.com) or in writing during the General Shareholders Meeting (this right is granted to shareholders who hold shares carrying at least 1/20 of all the votes); (iii) to submit questions to the Company related to the issues of agenda of the General Shareholders Meeting in advance but no later than 3 business days prior to the General Shareholders Meeting in writing sending the proposal by registered mail to the Company at Gyneju str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company or by sending proposal to the Company by email info@invaldainvl.com. The company reserves the right to answer to those shareholders of the Company who can be identified and whose questions are not related to the company's confidential information or commercial secrets.

Shareholder participating at the General Shareholders Meeting and having the right to vote must submit documents confirming personal identity. Each shareholder may authorize either a natural or a legal person to participate and to vote on the shareholder's behalf at the General Shareholders Meeting. A power of attorney issued by a natural person must be certified by a notary. The representative has the same rights as his represented shareholder at the General Shareholders Meeting. The authorized persons must have documents confirming their personal identity and power of attorney approved in the manner specified by law which must be submitted to the Company no later than before the commencement of registration for the General Shareholders Meeting. A power of attorney issued in a foreign state must be translated into Lithuanian and legalised in the manner established by law. The Company does not establish special form of power of attorney.

Shareholder is entitled to issue power of attorney by means of electronic communications for legal or natural persons to participate and to vote on its behalf at the General Shareholders Meeting. No notarisation of such authorization is required.

The power of attorney issued through electronic communication means must be confirmed by the shareholder with a safe electronic signature developed by safe signature equipment and approved by a qualified certificate effective in the Republic of Lithuania. The shareholder shall inform the Company on the power of attorney issued through the means of electronic communication by e-mail info@invaldainvl.com not later than on the last business day before the General Shareholders Meeting. The power of attorney and notification must be issued in writing and could be sent to the Company by communication means if the transmitted information is secured and the shareholder's identity can be identified.

Shareholder or its representative may vote in writing by filling general voting bulletin, in such a case the requirement to deliver a personal identity document does not apply. The form of general voting bulletin is presented at the Company's webpage www.invaldainvl.com section For Investors.

If shareholder requests, the Company shall send the general voting bulletin to the requesting shareholder by registered mail or shall deliver it in person against signature no later than 10 days prior to the General Shareholders Meeting free of charge. The filled general voting bulletin must be signed by the shareholder or its authorized representative. Document confirming the right to vote must be added to the general voting bulletin if authorized person is voting. The filled general voting bulletin must be sent by the registered mail to the Company at Gyneju str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company no later than the day before of the General Shareholders Meeting.

1 (one) shareholders' meeting of Invalda INVL was held in 2024. On 30 April 2024, the shareholders of Invalda INVL voted to approve the company's 2023 financial statements. This meeting also resolved on the exercise of share options granted to employees of Invalda INVL and its group companies in 2021 and on the conclusion of option agreements. The meeting also approved a dividend of EUR 0.10 per share.

The decisions of this shareholders meeting can be found here <https://www.invaldainvl.com/en/investor-relations/shareholders-meetings/>

13.2. THE BOARD

Powers of the Board

The Board shall continue in office for the 4-year period or until a new Board is elected and commences its activities, but not longer than until the date of the Annual General Shareholders' Meeting to be held during the final year of the term of office of the Board. If individual members of the Board are elected, they shall serve only until the expiry of the term of office of the current Board.

The Board or its members shall commence their activities after the close of the General Shareholders' Meeting which elected the Board or its members. Where the Articles of Association of the Company are amended due to the increase in the number of its members, newly elected members of the Board may commence their activities solely from the date of registration of the amended Articles of Association. The Board shall elect the chairman of the Board from among its members.

The General Shareholders' Meeting may dismiss from the office the entire Board or its individual members (as well as the Chairman of the Board) before the expiry of their term of office. A member of the Board may resign from his post before the expiry of his term of office, notifying the Board in writing at least 14 calendar days in advance.

The Board shall have all authorities provided for in the Articles of Association of the Company as well as those assigned to the Board by the laws. The activities of the Board shall be based on collegial consideration of issues and decision-making as well as shared responsibility to the General Shareholders' Meeting for the consequences of the decisions made. Striving for as big benefit for the Company and shareholders as possible and in order to ensure the integrity and transparency of the control system, the Board closely cooperates with the manager of the Company. The working procedure of the Board shall be laid down in the rules of procedure of the Board adopted by it.

The Board discusses and approves the issues set forth in the Law on Companies of the Republic of Lithuania.

The Board shall analyse and assess a set of Company's and consolidated annual financial statements and draft of profit/loss appropriation and submit them to the General Shareholders' Meeting together with the annual management report.

The Board shall consider and approve the company's business strategy, analyse and evaluate information about the company's business strategy, the following information is provided to the Annual General Meeting.

It shall be the duty of the Board to convene and organise the General Shareholders' Meetings in due time.

The company's board performs all the following supervisory functions: makes decisions on transactions with related parties, as stipulated in Article 37² of the Law on Companies; supervises the activities of the company's manager, submits feedback and suggestions regarding the activities of the company's manager to the general meeting of shareholders; considers whether the head of the company is suitable for the position, if the company is operating at a loss; submits proposals to the company's manager to revoke his decisions that contradict laws, other legal acts, the company's articles of association and decisions of the general meeting of shareholders or the board; solves other issues assigned to the competence of the board in the decisions of the general meeting of shareholders regarding the supervision of the activities of the company and the company's manager.

Members of the Board must keep commercial secrets of the Company and confidential information which they obtained while holding the office of members of the Board.

Procedure of work of the Board

The order of the formation of the Board of the company should ensure objective, impartial and fair representation of minority shareholders of the company: names and surnames of the candidates to become members of the Board of the company, information about their education, qualification, professional background, positions taken in supervisory and management Boards of other companies, owned block of shares in other companies, larger than 1/20, potential conflicts of interest, information on whether the candidates are applied to administrative sanctions or punishment for violations / crimes against the economy, business policy, property, property rights and property interests, or do they have no obligations neither functions which would threaten the safe and reliable operations of the company, or whether candidates meet the legal requirements made for the Managers, are disclosed not later than 10 days prior the General Shareholders' Meeting in which the election of the Members of the Board is intended, so that the shareholders would have sufficient time to make an informed voting decision.

Any Member of the Board of the company must confound company's property with its own property and do not use it or information which they received while holding position as the Members of the Board for personal benefit or for the benefit of third party on other way than the General Shareholders Meeting and the Board allows it.

Each Member of the Board actively participates in the Meetings of Board and devotes sufficient time and attention to perform his duties as the Member of the Board. Regulation of the work of the Board of the company settles the statements that if the Member of the Board attended the Meetings of the Board less than 2/3 times in the financial year, such information must be disclosed to shareholders in the General Shareholders' Meeting.

There are no agreements of the company and the Members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason, or their employment is terminated in view of the change of the control of the company.

Alvydas Banys, Indrė Mišeikytė and Tomas Bubinas (independent member) were elected to the Board of Invalda INVL on 30 April 2022. The members of the Board elected by the General Meeting of Shareholders act separately and for the benefit of the Company and its shareholders.

13.3. THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer (CEO) of the Company shall be elected and dismissed from office by the Board which shall also fix his salary, approve his job description, provide incentives and impose penalties. An employment contract shall be concluded with the CEO. The CEO shall assume office after the election, unless otherwise provided for in the contract concluded with him. If the Board adopts a decision on his removal from office, the employment contract therewith shall be terminated.

In his activities, the CEO shall be guided by laws and other legal acts, the Articles of Association of the Company, decisions of the General Shareholders' Meeting and the Board, his job description. The CEO is accountable to the Board.

The CEO shall organise daily activities of the Company, hire and dismiss employees, conclude and terminate employment contracts therewith, provide incentives and impose penalties.

The CEO shall act on behalf of the Company and shall be entitled to enter into transactions at his own discretion. The CEO may conclude the transactions to invest, dispose of or lease the fixed assets for the book value which exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction), to pledge or mortgage the fixed assets for the book value which exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions), to offer surety or guarantee for the discharge of obligations of third parties for the amount which exceeds 1/20 of the authorised capital of the Company, to acquire the fixed assets for the price which exceeds 1/20 of the authorised capital of the Company, provided there is a decision of the Board to enter into these transactions.




The CEO shall be responsible for:


- the organisation of activities and the implementation of objects of the company;
- the drawing up of the annual financial statements and annual management report;
- drafting a decision on the issuance of dividends for a period shorter than the financial year, drawing up an interim financial report and preparing an interim report for the adoption of a decision on the allocation of dividends for a period shorter than the financial year. The interim report shall apply mutatis mutandis the provisions of the Law on Company Financial Accountability for the preparation and publication of the annual management report.
- Drafting rules on giving stock options;
- the conclusion of the contract with the firm of auditors where the audit is mandatory or required under the Statutes of the company;
- the submission of information and documents to the General Meeting. the Supervisory Board and the Board in cases laid down in this Law or at their request;
- the submission of documents and particulars of the company to the administrator of the Register of Legal Persons;
- the submission of the documents of a public limited liability company to the Bank of Lithuania and the Central Securities Depository;
- the publication of information referred to in this Law in the daily indicated in the Statutes;
- reporting to the shareholders and the board about the most important events that are relevant to the company's activities;
- the submission of information to shareholders;
- the fulfilment of other duties laid down in this Law and other laws and legal acts as well as in the Statutes and the staff regulations of the manager of the company.

The CEO must keep commercial secrets and confidential information of the Company which he learned while holding this office.

14. Information about members of the Board, CEO and CFO of the Company

The Board of Invalda INVL, AB was elected during the General Shareholders' Meeting on 30 April 2022. Alvydas Banys was elected as the Chairman of the Board. Tomas Bubinas and Indrė Mišeikytė were elected as the Members of the Board. Mr. Šulnis was appointed as the CEO of the company on 22 May 2013.

	Term of office	Educational background and qualifications	Owned number of shares in Invalda INVL	Ongoing management positions
 <p>Alvydas Banyas Chairman of the Board</p>	Since 2022 until 2026	Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economics' Institute of Lithuania's Science Academy.	Personally: 910,875 units of shares, 7.41 % of authorised capital and votes; Together with controlled company LJB Investments: 4,009,071 units of shares. 32.6% of authorized capital and votes. Total votes with others whose votes are counted together - 85.17%.	LJB investments, UAB (code 300822575, A. Juozapavičiaus g. 9A, Vilnius.) – CEO (the main workplace) INVL Asset Management, UAB (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) senior advisor. Also, Investment Committee member of funds INVL Baltic Sea Growth Fund and INVL Private Equity Fund II, managed by INVL Asset Management. INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Chairman of the Board Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius, Lithuania) – Member of the Board LJB property, UAB (code 300822529; A. Juozapavičiaus g. 9A, Vilnius.) CEO
 <p>Indrė Mišeikytė Member of the Board</p>	Since 2022 until 2026	Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture.	Personally: 236,867 units of shares, 1.93% of authorised capital and votes. Total votes with others whose votes are counted together - 85.17%.	Invalda INVL, AB (code 121304349, Gynėjų g. 14, Vilnius, Lithuania) – Adviser (the main workplace) INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – Member of the Board
 <p>Tomas Bubinas Independent Member of the Board</p>	Since 2022 until 2026	Baltic Management Institute (BMI), Executive MBA Association of Chartered Certified Accountants. ACCA. Fellow Member Lithuanian Sworn Registered Auditor Vilnius University, Msc. in Economics	-	The main workplace is an individual consulting activity. INVL Baltic Farmland, AB (code 303299781, Gynėjų g. 14, Vilnius, Lithuania) – independent Member of the Board.

	Educational background and qualifications	Owned number of shares in Invalda INVL	Ongoing management positions
	<p>Duke University (USA). Business Administration. Global Executive MBA.</p> <p>Vilnius University. Faculty of Economics. Master in Accounting and Audit.</p> <p>Financial broker's license (general) No. A109.</p>	<p>Personally: 0 units of shares, 0% of authorised capital and votes.</p> <p>Together with controlled company Lucrum Investicija: 3,181,702 units of shares, 25.87% of authorised capital and votes.</p> <p>Total votes with others whose votes are counted together - 85.17%.</p>	<p>Invalda INVL, AB (code 121304349, Gynėjų g. 14, Vilnius, Lithuania) – the CEO (the main workplace);</p> <p>INVL Asset Management, UAB (code 126263073, Gynėjų g. 14, Vilnius, Lithuania) – Chairman of the Board. Also, Investment Committee member of funds INVL Baltic Sea Growth Fund and INVL Private Equity Fund II, managed by INVL Asset Management;</p> <p>FERN Group UAB (code 306110392, Granito g. 3-101, Vilnius, Lithuania) - Chairman of the Supervisory Board;</p> <p>Šiaulių Bankas AB (code 112025254, Tilžės g. 149, Šiauliai, Lithuania) – Member of the Supervisory Board;</p> <p>Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius, Lithuania) – Board Member.</p>
	<p>Vilnius University, Faculty of Economics, Master of Science in Accounting and Auditing</p>	<p>Personally: 91,821 units of shares, 0.75% of authorised capital and votes.</p>	<p>Invalda INVL, AB (code 121304349, Gynėjų g. 14, Vilnius, Lithuania) CFO (the main workplace).</p> <p>Holds the position of director in companies controlled by Invalda INVL" (all are located at Gynėjų g 14, Vilnius):</p> <p>MD PARTNERS UAB (code 304842899),</p> <p>Invalda INVL Investments, UAB (code 303252237),</p> <p>Cedus, UAB (code 302656796),</p> <p>Cedus Invest, UAB (code 302576631),</p> <p>Regenus, UAB (code 302575821),</p> <p>Consult Invalda, UAB (code 302575814)</p> <p>RPNG, UAB (code 302575892),</p> <p>MGK invest, UAB (code 302531757),</p> <p>MBGK, UAB (code 300083611),</p> <p>Aktyvo, UAB (code 301206846),</p> <p>Aktyvus valdymas, UAB (code 301673764),</p> <p>INVL Life UAB (code 305859887),</p> <p>Iniciatyvos fondas VšĮ (code 300657209).</p>

Darius Šulnis –
the CEO of Invalda INVL

Raimondas Rajeckas
CFO

15. Information about the Audit Committee of the company

The Audit Committee consists of 3 members, 2 of whom are independent. The members of the Audit Committee are elected and dismissed by the General Shareholders' Meeting of Invalda INVL, AB for a term not exceeding 4 years. The main functions of the Audit Committee should be the following:

- provide recommendations to the Board of the company with selection. appointment. reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the process of preparation of financial reports of the company;
- monitor the efficiency of the internal control and risk management systems of the company. Once a year review the need of the internal audit function.
- monitor the implementation of the audit firm's recommendations and comments imposed by the Board and the manager of the company.

The Member of the Audit Committee of the company may resign from his post before the expiry of term of office notifying the Board of the company in writing at least 14 calendar days in advance. When the Board of the Company receives the notice of resignation and estimates all circumstances related to it. the Board may pass the decision either to convene the Extraordinary General Shareholders Meeting to elect the new member of the Audit Committee or to postpone the question upon the election of the new member of the Audit Committee until the nearest General Shareholders Meeting. In any case the new member is elected till the end of term of office of the operating Audit Committee.

Procedure of work of the audit committee

The Audit Committee is a collegial body taking decisions during meetings. The Audit Committee may take decisions and its meeting should be considered valid when both members of the Committee participate in it. The decision should be passed when both members of the Audit Committee vote for it. The Member of the Audit Committee may express his will – for or against the decision in question the draft of which he is familiar with – by voting in advance in writing. Voting in writing should be considered equal to voting by telecommunication end devices, provided text protection is ensured, and it is possible to identify the signature. The right of initiative of convoking the meetings of the Audit Committee is held by both Members of the Audit Committee. The other Member of the Audit Committee should be informed about the convoked meeting, questions that will be discussed there and the suggested drafts of decisions not later than 3 (three) business days in advance in writing (by e-mail or fax). The meetings of the Audit Committee should not be recorded and the taken decisions should be signed by both Members of the committee. When both Audit Committee Members vote in writing, the decision should be written down and signed by the secretary of the Audit Committee who should be appointed by the Board of the Company. The decision should be written down and signed within 7 (seven) days from the day of the meeting of the Audit Committee.

The Audit Committee should have the right to invite the Manager of the Company, Member(s) of the Board, the chief financier and employees responsible for finance, accounting and treasury issues as well as external auditors to its meetings. Members of the Audit Committee may receive remuneration for their work in the committee at the maximum hourly rate approved by the General Shareholders' Meeting.

In its activities, the company's audit committee follows the regulations of the audit committee approved by the general meeting of shareholders on 30 April 2023. On 30 April 2023 the General Shareholders meeting elected Audit Committee members: Dangutė Pranckėnienė, Andrius Lenickas and Tomas Bubinas for the 4 years term of office.

	Term of office	Educational background and qualifications	Owned shares in Invalda INVL	Work experience
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Dangutė Pranckėnienė
Independent audit committee member

2023 - 2027

Vilnius Gediminas Technical University, Master of Business Administration.
Vilnius University, Master of Economics.
The International Coach Union (ICU), professional coach name.
Lithuanian Ministry of Finance, the auditor's name.

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Since 1997 the Partner at Moore Mackonis, UAB
1996 - 1997 Audit Manager, Deloitte & Touche
1995 - 1996 Lecturer, Vilnius Gediminas Technical University
1982 - 1983 Lecturer, Vilnius University

	Term of office	Educational background and qualifications	Owned shares in Invalda INVL	Work experience
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Andrius Lenickas
Independent audit committee member

2023 - 2027

Baltic Management Institute (BMI), Executive MBA
Association of Chartered Certified Accountants. ACCA. Diploma
Lithuanian Sworn Registered Auditor
Vilnius University, Msc. in Economics

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Since 2023, UAB Lea finansai, founder and director
2013 - 2022, UAB AL holdingas, Chief Financial Officer and Head of Administration of the Group
2010 - 2013 - Chief Executive Officer of UAB Euroapotheca.
2007 - 2010 UAB Sanofi Lietuva, Chief Financial Officer for the Baltic States.
2002 - 2006 Chief Financial Officer and Head of Administration of Lawin Law Firm (currently Ellex Valiūnas).
1999 - 2001 PricewaterhouseCoopers UK - senior auditor, manager.
1996 - 1999 Coopers & Lybrand - auditor, senior auditor.
1993-1995 Balticbankas - customer manager.

	Term of office	Educational background and qualifications	Owned shares in Invalda INVL	Work experience
 <p>Tomas Bubinas Audit committee member</p>	2023 - 2027	Baltic Management Institute (BMI), Executive MBA Association of Chartered Certified Accountants. ACCA. Fellow Member Lithuanian Sworn Registered Auditor Vilnius University, Msc. in Economics	-	2013 – 2022 Chief Operating Officer of Biotechpharma, UAB. 2010 – 2012 Senior Director of TEVA Biopharmaceuticals (USA). 2004-2010 – TEVA Pharmaceuticals, Chief Financial Officer for the Baltic States. 2001-2004 – Sicor Biotech, Chief Financial Officer 1999 – 2001 Senior Manager of PricewaterhouseCoopers. 1994 – 1999 Senior Auditor, Manager of Coopers & Lybrand.

16. Information on the Nomination and Remuneration and Business Development Committees

30 July 2024 the Management Board of Invalda INVL has established 2 new committees: nomination and remuneration as well as business development. The composition of both committees is subject to approval by the Management Board. The term of office of the members of the Committees coincides with the term of office of the members of the Management Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is established to provide recommendations to the Management Board of the company, to advise on Invalda INVL Group companies and/or to prepare and propose draft decisions, as appropriate. The Nomination and Remuneration Committee assesses and makes recommendations on the appointment and removal of the group's executives, the procedures for their selection and the applicable requirements. It also considers the evaluation of employees, organisational changes, the incentive system and the bonus and remuneration structure. The Committee held 3 meetings during the reporting period.

	Position in the Committee	Position in Invalda INVL Group
Darius Šulnis	Chairman of the Committee	Chief Executive Officer of the Issuer and Chairman of the Board of INVL Asset Management, a group company
Vaida Norušaitė	Committee member	Group HR and Administration Manager
Raimondas Rajeckas	Committee member	Chief Financial Officer of the Issuer

Business Development Committee

The Business Development Committee evaluates and makes recommendations on business development, new business lines, acquisitions, divestments and partnership transactions. It also analyses new markets and services, contributes to strategy formulation, participates in the oversight of major projects and identifies potential risks related to business development. The Committee held 1 meeting during the reporting period.

	Position in the Committee	Position in Invalda INVL Group
Darius Šulnis	Chairman of the Committee	Chief Executive Officer of the Issuer and Chairman of the Board of INVL Asset Management, a group company
Asta Jovaišienė	Committee member	Head and Board member of INVL Financial Advisors, Board member of INVL Asset Management
Vytautas Plunksnis	Committee member	Board member of INVL Asset Management, Head of Private Equity
Andrej Cyba	Committee member	Board member of INVL Financial Advisors
Paulius Žurauskas	Committee member till 27/12/2024	-

17. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Members of the Board, the president and CFO

The company's manager and chief financier are paid a constant monthly salary. The company does not have an approved policy on the payment of a variable part of the salary to the managers. During 2024, a total of EUR 174 thousand was accrued to the company's manager and chief financier (including accrued salary in other companies of the company's group), an average of EUR 7.3 thousand per month.

The general meeting of shareholders held on 30 April 2022 elected the company's Board for a new term of office and approved the procedure, that didn't change until the release of this report, for remuneration for work on the company's board. Contracts were concluded with the elected members of the board regarding the activity of the board member and the remuneration for the work in the Board of Invalda INVL was set (all taxes and fees applicable to the member of the Board, except for VAT (when the member of the Board becomes liable to pay VAT), inclusive) : (i) the salary of 200 euros per hour is set for the independent board member, paid at least once a quarter for the hours actually spent by the board member participating in the board meetings and preparing for the meetings, according to the report of the board member. During 2024 an independent member of the Board was paid EUR 11,400 (ii) a monthly fixed remuneration of EUR 1,500 was set for other members of the board, a monthly fixed remuneration of EUR 2,000 for the member of the board working as the chairman of the board.

There were no assets transferred, no guarantees granted, no bonuses paid and no special pay-outs made by the company to its managers. The members of the board and CEO were not granted with bonuses by other companies of Invalda INVL group.

During the year 2023, the total remuneration for the members of the Audit Committee of the company amounted to EUR 2,700.

INFORMATION ABOUT CALCULATED REMUNERATION FOR INVALDA INVL, AB MANAGERS FOR 2024

	Calculated remuneration. thousand EUR		
	2024	2023	2022
For members of the Board (according to employment contracts ⁴ as employees of the company and group companies and for working on the Board of the company in accordance with the Agreements on the Activities of the Board Member)	158	158	181
For each member of the Board (average per month)	4	4	5
For members of administration (the CEO and CFO) ⁴	174	155	144
For each member of administration (average per month)	7.3	6.5	6.0

⁴ Remuneration by the company and group companies (including non-consolidated companies)

V. OTHER INFORMATION

18. Agreements with intermediaries on public trading in securities

Invalda INVL, AB uses services of the following intermediaries:

- Šiaulių Bankas, AB (Tilzes str. 149, Šiauliai, Lithuania; tel. +370 41 595 607). The agreement on investment services, the agreement on management of securities accounting, the agreement on payment of dividends, agreement regarding market making service.
- Luminor Bank AS Lithuanian Branch (Konstitucijos av. 21A, Vilnius, Lithuania; tel. +370 5 239 3444). The agreement on financial instruments account management, implementation of orders and offering recommendations.
- SEB Bankas, AB (Gedimino ave. 12, Vilnius, Lithuania; tel. +370 5 268 2370). The agreement on management of securities account.
- UAB FMĮ INVL Financial Advisors (Gynėjų str. 14, Vilnius, Lithuania, tel. +370 5279 0601). Wealth management services agreement.

19. Information on Issuer's branches and representative offices

Invalda INVL, AB has no branches or representative offices.

20. Risk management

20.1. INFORMATION ABOUT THE PRINCIPAL RISKS AND THEIR MANAGEMENT

Macroeconomic risks

The activities of Invalda INVL Group are influenced by the global and specific economic environment of the countries in which we operate and invest. Economic recessions and downturns may affect the companies and assets in which we have invested, both directly and through collective investment undertakings, reducing their value and adversely affecting our results. To minimise this risk, we manage a diversified investment portfolio and actively monitor macroeconomic indicators and their dynamics.

Geopolitical risks

The activities of Invalda INVL Group are directly influenced by the global and specific geopolitical environment of the countries in which businesses are developed, and investments are made. The war in Ukraine and the potential risk of a military conflict in our region reduce the investment appeal of the region, which may adversely affect the value and liquidity of assets under management and the attraction of investor capital. We mainly operate in the Baltic region and to a lesser extent in Central and Eastern Europe, we assess the risks involved, monitor other regions, and invest part of our clients' funds in other regions.

Regulatory risk

We have chosen a regulated asset management business model. INVL Asset Management and all the funds it manages are regulated and supervised by the Bank of Lithuania. Our funds are established and managed in compliance with the most stringent fund management requirements at the EU level, as set out in the Alternative Investment Fund Managers Directives (AIFMD). Compliance with these requirements is directly supervised and controlled by the Bank of Lithuania. This supervision and control enhance security for our investors, and we accept the risk that an increase in the regulatory burden may raise our costs and adversely affect our profitability.

The asset management business is also subject to capital adequacy requirements and, in the event of losses, may require additional contributions to the capital of the asset management companies. We actively monitor the dynamics of the asset management business and conduct stress tests.

Tax risk

The tax authorities have the right to examine the accounts of the Company and its consolidated subsidiaries in Lithuania at any time during the current period and the 3 years preceding the reporting period, and in some cases for 5 or 10 years preceding the reporting period, and to impose additional taxes and penalties. In the opinion of the management of the Company, there are presently no circumstances that would result in a significant tax liability for the Company and the Group in this respect.

Payout and liquidity risk

By purchasing the Company's shares, the shareholders assume the risk of the liquidity of the securities - if the demand for the shares decreases or if they are delisted, investors could face difficulties in disposing of them. If the Company's financial situation worsens, the demand for the company's shares may decrease, and so may the price.

Our investments may be illiquid - there is a risk that the planned transactions will not take place when the management of the issuer wishes. When investing in portfolio companies, there is a possibility that the sale of securities may take longer than planned or may not be as profitable as planned or even unprofitable due to a lack of demand on acceptable terms or other market circumstances. Our investments in corporate shares and collective investment undertakings involve risk, and in the worst case, it is possible to lose the entire amount invested. To maximize the realisable value of investments, the management makes sales strategy decisions relevant to the specific investment.

We have not approved a dividend payment policy and have not set a minimum dividend, so there is no guarantee that funds will be paid to shareholders. Decisions to pay dividends will depend on the profitability of operations, cash flows, investment plans the general financial situation, and other relevant circumstances.

Interest rate risk

Changes in interest rates can affect the cost of capital, profitability, and the ability to raise additional financing. There is a risk that a rise in inflation will cause central banks to raise interest rates, making it more expensive to service the loans associated with the Company's investments, which could reduce the value of the Company's investments. We actively monitor and respond to the interest rate environment to minimise the potential negative impact on managed investments.

Credit risk

There is a risk that buyers of products and services from direct portfolio companies or companies in which we have invested through collective investment undertakings may fail to meet their obligations, which would adversely affect profits. Failure to meet a significant portion of obligations on a timely basis may disrupt the issuer's normal operations and require the issuer to seek additional sources of financing, which may not always be available. The Issuer is also exposed to risk when holding funds in bank accounts or investing in short-term financial instruments.

Risk of incorrect expectations and valuations

The profitability of Invalda INVL's investments may be significantly lower than the average profitability historically achieved by the private equity industry, as past results are not indicative of future profitability.

Invalda INVL may not be able to realise the profit from investments in shares of companies or collective investment undertakings. The companies and collective investment undertakings in which we invest may not create value or may even destroy it, thus devaluing our investments.

The performance of the company and the group may fluctuate significantly and may not reflect future results.

The share price of Invalda INVL may fluctuate considerably. The price of the shares you purchase as an investor may go up or down depending on many factors, some of which are beyond our control.

The market may value the shares of Invalda INVL below the fair value of the assets.

Cyber security risks

The Company may be subject to attempts by others to gain unauthorised access to the information systems of the Company and/or its Group Companies, which may threaten the information security and system stability of the Company and/or its Group Companies. The Company and/or its portfolio companies may not be successful in detecting and protecting against such thefts and attacks. Theft, unauthorised access, or misuse of trade secrets and other confidential business information resulting from such events could materially and adversely affect the Company's business, results of operations or financial condition. We actively monitor and assess vulnerabilities and allocate resources to develop appropriate protective processes and infrastructure.

Human resources risk

Invalda INVL and the asset management business it manages and other companies and collective investment entities in which we invest are dependent on key managers – their loss could adversely affect the company's operations, and we could lose business opportunities. We aim to provide people with opportunities to engage in work that interests them, develop their skills, and witness the positive impact of their contributions. Additionally, we offer competitive salaries and implement long-term motivational systems (including stock option programmes) that link the interests of the company and its employees to long-term successful activities and results. In our opinion, managing this risk involves maintaining all these factors.

Risk of fraud

There exists a theoretical risk that one or more individuals may misappropriate assets from funds or portfolio companies managed by the Company or the Group. The management of this risk is greatly assisted by the oversight provided by the Bank of Lithuania and the safekeeping of the funds' assets by the bank, which acts as the custodian responsible for controlling fund movements. We also have strict procedures for the application of the 'four-eyes' principle, which ensures that not only the fund managers but also the staff of the management company's accounting department, who operate independently of them, are always involved in the movement of the funds. Additionally, Investment Committees are always involved in making and implementing decisions related to fund asset management, and in higher risk situations, the Board of INVL Asset Management.

Risk of double loss

Invalda INVL Group invests in INVL-managed products together with fund participants. There exists a risk that in the event of a decline in the assets of a fund managed by INVL, not only the management company will incur losses or experience fee reductions, but also the Invalda INVL Group, which has invested directly in the fund, will experience the same negative consequences as the other participants in the fund. However, by investing directly in managed funds, we provide additional protection for investors, aligning the interests of the Invalda INVL Group with those of fund investors.

Sustainability risks

There is a risk of an environmental, social or governance (ESG) event or situation occurring that could have a material adverse effect on the value and reputation of an investment. When making investment decisions, we assess sustainability risks and the associated value creation opportunities. In our asset management activities, we follow a policy of responsible investment and integration of sustainability risks, and we provide information on sustainability in the financial services sector.

20.2. THE MAIN INDICATIONS ABOUT INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee supervises preparation of the consolidated financial statements. systems of internal control and financial risk management and how the company follows legal acts that regulate preparation of consolidated financial statements.

Chief financial officer of the company is responsible for the preparation supervision and the final revision of the consolidated financial statements. Moreover, he constantly reviews International Financial Reporting Standards (IFRS) in order to implement in time IFRS changes, analyses company's and group's significant deals. ensures collecting information from the group's companies and timely and fair preparation of this information for the financial statements. CFO of the company periodically informs the Board about the preparation process of financial statements.

Standardized data collection files prepared by Excel program are used for preparation of consolidated numbers. It also facilitates the automatic reconciliation and elimination of balances and transactions between subsidiaries in the preparation of consolidated accounts. Internal control of the financial numbers of the Group's entities and of the Group financial statements is provided by CFO of the Company.

20.3. INFORMATION ON FINANCIAL RISK MANAGEMENT OBJECTIVES USED FOR HEDGING MEASURES WHICH HEDGE ACCOUNTING

Information on financial risk management objectives used for hedging measures which hedge accounting and of price risk, credit risk, liquidity risk and cash flow risk where the company group uses financial instruments and is an important evaluation of the property, own capital, liabilities, revenue and expenses is disclosed in the explanatory notes of the consolidated and Company's financial statements.

21. Issuer's and its group companies' non – financial results. Information related to social responsibility, environment and employees

21.1. RESPONSIBLE BUSINESS ACTIONS IN THE COMPANY

- Ethical business practice

The fundamental basis of ethical norms is the compliance with legal acts and all employees without any exception respect laws and strictly adhere to them. Employees shall avoid situations that may potentially raise

any doubts concerning their abilities to act for the benefit of the company. or could lead to conflicts of interests. Also employees of the company undertake not to disclose any confidential information and shall refrain from insider trading in securities in their own name or on behalf of their members of family or other related persons.

- Information and transparency

The company shall make public all information about the objectives of the company and its activities, financial results, members of its bodies of management and shareholders, related party transactions, the management structure of the company. etc. To ensure that information reaches as many users as possible and provide timely access to such information all this information is uploaded on the website of the company. Such information is simultaneously disclosed to all persons. The company discloses the information that may potentially affect the price of securities issued thereby in its commentaries. interview or other ways only after such information is publicly announced through the information system of the stock exchange.

- Promotion of social initiative

Seeking to implement social initiative promotion programmes in 2007 Invalda INVL established a public enterprise Iniciatyvos Fondas.

The activities of Iniciatyvos Fondas involve the organisation of different programmes designed to enhance knowledge and awareness. The priorities defined for the activities of the foundation may differ from year to year while maintaining its key principle, rather than supporting individual projects, initiate and implement larger-scale integrated projects designed to encourage individual target groups to take independent initiatives and actively contribute to the growth of the Lithuanian economy and the development of a responsible and sustainable society.

Extraordinary times call for extraordinary solutions. It is very important for us that the war in Ukraine ends, and a long-term order is formed, allowing people to live, work and create safely and freely. Therefore, we have decided to temporarily suspend the development of new programs and direct our attention and funds to the support of organizations doing significant work.

Iniciatyvos Fondas organised and implemented the following programs:

- designed to encourage its participants to independently address different social and environmental problems in specific locations;
- designed to promote the feeling of responsibility among young people (schoolchildren) and city communities, teach them to take care of nature and protect environment;
- collecting books from people and donating these book to various libraries;
- designed to promote physical activity of young people (a collective exercise “I’ll grow active 2011” has been recognised as Lithuanian record).
- to encourage young people to read and desire to excel;
- to encourage positive thinking

More information is provided on the web page of Iniciatyvos fondas www.iniciatyvosfondas.lt

- Ensuring the enforcement of key labour principles and employee social wellbeing

Invalda INVL seeks to operate as a company in which the rights, needs and contribution to the operations of the company of each employee are properly respected. In recruiting its employees, the company ensures that no employee is discriminated on the basis of his gender, sexual orientation, race, nationality, language, origin, citizenship or social status, marital or family status, age, beliefs or views, membership in political parties and public organisations.

The working hours and standards of recreation, conditions for the compensation for work and privileges, safety and health at work norms fully comply with the requirements stipulated in all relevant legislation.

- Impartial treatment of shareholders and shareholder rights

All shareholders of the company have equal rights to be informed of and participate in passing important decisions related to the activities of the company. The procedures for convening and conducting General Meetings of Shareholders comply with the provisions of the legislation and provide shareholders with equal

opportunities to participate in the meeting, to have early access to draft resolutions and materials necessary for the adoption of resolutions, and to ask the members of the Management Board of Invalda INVL questions.

21.2. EMPLOYEES

Invalda INVL aims to be a company that respects the rights, needs and contribution of every employee. When forming a team, Invalda INVL focuses on the creativity, professionalism, positive thinking, willingness and ability to work efficiently, to improve, and to comply with high ethical standards.

The company does not have a collective agreement. The Company has a Nomination and Remuneration Committee whose functions and composition are described in this report. Employment contracts in the company are concluded in accordance with the requirements of the Labour Code of the Republic of Lithuania. Employees are hired and dismissed in accordance with the requirements of the Labour Code of the Republic of Lithuania. There are no special rights and obligations for employees in the employment contracts. The Company's remuneration is reviewed once a year, taking into account the employee's performance evaluation and the performance of the year (at the beginning of each year, the employee's annual performance objectives are formulated, which are taken into account in the evaluation of the performance of the year).

Average number of employees in 2024 was 8 (in 2023 it was 7), 6 of whom have the company as their first employer. All company's employees have higher university education.

Number of employees and average monthly salary when the company is the first employer

	Measuring units	2024	2023	2022
Total amount of employees as of the end of the period	persons	6	6	6
- managers	persons	3	3	3
- specialists	persons	3	3	3
Average monthly salary (calculated for)	EUR	5,393	4,725	4,523
- managers	EUR	6,262	5,736	5,661
- specialists	EUR	4,525	3,715	3,259

Number of employees in Invalda INVL Group was 139 on 31 December 2024 (124 on 31 December 2023).

21.3. ENVIRONMENTAL PROTECTION AND ACTIONS ON CLIMATE CHANGE

Invalda INVL Group is integrating the consideration of sustainability risks related to value creation opportunities into investments decisions. Group aims to incorporate a responsible investment approach and contribute broadly to societal wellbeing and sustainable development through environmental, social, governance (ESG) integration, active ownership, exclusions, and commitment to the Principles for Responsible Investment (PRI).

The group company INVL Asset Management has adopted the Policy of Responsible Investment and Sustainability Risk Integration. The purpose of this Responsible Investment & Sustainability risk integration policy is to define the approach companies to integrating the consideration of sustainability risks related to value creation opportunities into investments decisions. Sustainability work embraces several perspectives and methods which together create value for our beneficiaries, but also for society at large. Three methods are applied: (i) integration - traditional fundamental analysis is complimented with ESG consideration; (ii) engagement - we encourage stakeholder partnership and engagement opportunities that support ESG management in its investment management activities; (iii) exclusion's method (restricted sectors) is designed to avoid activities that may represent an unmanageable and unacceptable investment risk and activities consider as harmful to society.

The Group manages various asset classes (e.g. equities, bonds, cash and cash equivalents, alternative investments) through AIF funds and own investments. The integration of addressing sustainability risk and principles for particular fund might depend on the type of assets, strategy, term of investment. INVL Asset Management has officially submitted a Principal Adverse Impact Assessment (PAI), which is publicly available on its website (www.invl.com). INVL Asset Management discloses sustainability-related information as set out

in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

21.4. INFORMATION ON THE RESEARCH AND DEVELOPMENT ACTIVITIES OF THE ISSUER AND THE GROUP

Invalda INVL did not carry out any research and development projects in 2024.

21.5. THE FIGHT AGAINST CORRUPTION AND BRIBERY, BRIBERY OF FOREIGN OFFICIALS IN INTERNATIONAL BUSINESS TRANSACTIONS

We adhere to the highest ethical standards in our operations and comply with all applicable laws, rules and regulations aimed at preventing bribery and corruption. We expect appropriate behaviour from both employees and partners. We must note that in our activities we did not come across cases of bribery of local or foreign officials.

21.6. MAIN INTANGIBLE RESOURCES

Experience of executives and team. The company's management team have unique and complementary experience in the financial sector, enabling them to successfully manage challenging situations and complex transactions. Their long-standing experience enables them to anticipate market trends, make data-driven decisions and successfully navigate through economic cycles. This experience has also enabled the building of a motivated, high-performing team, as well as an extensive and valuable network of partners, investors and experts that can help grow the business and strengthening market position of both the company and the group.

Funds managed by the group. The funds managed by the Invalda INVL group reflect the intellectual capital, investment strategies and experience accumulated over more than 30 years of operation. The group's asset management companies specialise in a wide range of asset classes such as private equity, real estate, forest and agricultural land, renewable energy and private debt. In each asset class, our target is to be the best in terms of investment performance. This diversified investment portfolio and professional team enables the Group to create long-term value for investors and to have a positive economic impact on the areas and regions where we operate.

Group company licences. Invalda INVL manages the licensed asset management companies INVL Asset Management in Lithuania and Latvia and the financial brokerage company INVL Financial Advisors. Licences provide financial institutions with legitimacy, increased client confidence due to regulatory oversight, competitive advantage and broader business opportunities, enabling them to attract clients, partners and investors, while ensuring strict regulation and compliance with international standards.

Listing of the company. Invalda INVL has been listed on the stock exchange since 1995. Listing increases the company's transparency, credibility and accessibility to investors. Since the listing, the company's share price has increased more than 300 times. Listing enables more efficient capital raising, increases the company's liquidity and reflects one of our values - openness.

These intangible resources contribute to the company's value creation, strengthening its financial stability, long-term growth and market competitiveness.

22. Memberships in associations

Invalda INVL together with its INVL Asset Management companies in Lithuania and Latvia, has joined the UN-supported **Principles for Responsible Investment (PRI)** in the middle of 2017. The PRI, aims to assess the investment implications of environmental, social and governance (ESG) factors. An economically efficient, sustainable global financial system is considered a necessity for long-term value creation. Investors who support the PRI voluntarily work to apply the principles in their investment activities.

Invalda INVL along with INVL Asset Management in Latvia is a full member of **Invest Europe** – the organisation that unites Europe's private equity and venture capital companies and investors.

Invalda INVL is also part of the **Lithuanian Private Equity and Venture Capital Association**, which brings together the participants of Lithuania's private equity and venture capital market. The organisation's main goal is, together with the competent Lithuanian institutions and partners, to take part in shaping and implementing a common policy for the PE/VC industry.

Invalda INVL has joined the **Investors' Association** at the end of 2017. The main activities include the following areas: organization of meetings with business leaders and events on the financial markets of the

members of the association, the minority investors' rights advocacy, development of centers of excellence, providing the scientific findings based on the recommendations of the Government and Parliament, drawing attention and warning about the opportunities and risks associated with investing.

Lithuanian Investment Managers Association (LIVA), one of whose founders is INVL Asset Management, aims to contribute to the development of investment, fund improvements in the legal environment and investor education.

INVL Asset Management is an associate member of **The Association of Lithuanian Banks**. This association seeks to ensure a good environment for the banking sector and achieve direct dialogue with the public, supervisory authorities and legislators.

As of 2023, INVL Asset Management has joined the **Lithuanian Business Confederation**, whose mission is to represent modern and responsible business in order to create the best conditions for creating value in Lithuania.

INVL Financial Advisors, operating under the brand INVL Family office, is a member of the **Lithuanian Association of Family Asset Managers**, an association dedicated to empowering families to effectively manage their assets and to supporting Lithuanian market participants that work with such families and their asset management.

23. Information on harmful transactions in which the issuer is a party

There were no harmful transactions (those that are not in line with issuer's goals, not under usual market terms, harmful to the shareholders' or stakeholders' interests. etc.) made in the name of the issuer that had or potentially could have negative effects in the future on the issuer's activities or business results. There were also no transactions where a conflict of interest was present between issuer's management's, controlling shareholders' or other related parties' obligations to the issuer and their private interests.

24. Information on the related parties' transactions

During the reporting period, the largest share of the company and a group of transactions with related parties accounted for loans, computer services, rent and utility costs of purchases, land administration services and asset management services (only group). The detailed information on the related parties' transactions has been disclosed in the consolidated and Company's financial statements for 2024 explanatory notes.

25. Information about significant agreements to which the issuer is a party, which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder, and their impact

In 2024 there were no concluded significant agreements of the company which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder.

26. Significant investments made during the reporting period and after the end of the financial year

In February 2025, Invalda INVL entered into a Subscription Agreement to invest in INVL Private Equity Fund II. Invalda INVL has committed to invest EUR 30.8 million in INVL Private Equity Fund II, a closed-end private equity investment fund for informed investors, managed by INVL Asset Management UAB, a 100% controlled company of Invalda INVL. Completing the first closing of INVL Private Equity Fund II EUR 305 million were raised and its target of EUR 250 million was exceeded. More information about it [Invalda INVL invests in INVL Private Equity Fund II - Invalda INVL](#)

Information on other investments is disclosed in notes to the consolidated and company's financial statements for 2024.

27. References to and additional explanations of the data presented in the financial statements and consolidated financial statements

All data is presented in consolidated and company's financial statements explanatory notes.

28. Data on the publicly disclosed information

The information publicly disclosed by Invalda INVL, AB during 2024 is presented on the company's website www.invaldainvl.com

SUMMARY OF PUBLICLY DISCLOSED INFORMATION

Published	Headline	Message Category	Language
16.01.2024	INVL Asset Management fund acquires 1,400 ha of forest in Romania	Other information	En, Lt
18.01.2024	New INVL Asset Management fund will invest in funds managed by Brookfield Asset Management, one of the world's largest real estate management companies	Other information	En, Lt
23.01.2024	INVL Family Office will provide investment services in Latvia	Other information	En, Lt
05.03.2024	New INVL Partner Global Real Estate Fund I raises USD 9.13 million from investors	Other information	En, Lt
22.03.2024	Invalda INVL Group sells part of Šiaulių bankas shares to stay within 20% threshold	Other information	En, Lt
08.04.2024	Convocation of the ordinary general shareholders meeting of Invalda INVL	General meeting of shareholders	En, Lt
09.04.2024	Draft resolutions prepared by the Board for the shareholders' meeting of Invalda INVL to be held on 30/04/2024	General meeting of shareholders	En, Lt
09.04.2024	Audited results of Invalda INVL Group for 2023	Annual information	En, Lt
09.04.2024	The Board of Invalda INVL proposed to allocate dividends for the year 2023	Notification on material event	En, Lt
10.04.2024	The new private equity fund INVL Private Equity Fund II is targeting EUR 250 million	Other information	En, Lt
29.04.2024	Head of INVL Family Office appointed to INVL Asset Management's Board	Other information	En, Lt
30.04.2024	Resolutions of the shareholders' meeting of Invalda INVL held on 30/04/2024	General meeting of shareholders	En, Lt
30.04.2024	Ex-day of dividends allocated by the shareholders' meeting of Invalda INVL held on 30/04/2024	Notification on material event	En, Lt
24.05.2024	Invalda INVL plans offering of bonds this year	Notification on material event	En, Lt
28.05.2024	Correction: Approved base prospectus of Invalda INVL for a debt securities offering	Prospectus	En
28.05.2024	Invalda INVL entered employee stock option agreements	Other information	En, Lt
28.05.2024	Approved base prospectus of Invalda INVL for a debt securities offering	Prospectus	En, Lt
29.05.2024	Invalda INVL dividend payment procedure for the year 2023	Other information	En, Lt
31.05.2024	Unaudited information of Invalda INVL group for 3 months of 2024	Interim information	En, Lt
31.05.2024	Invalda INVL group completes the third (final) tranche of acquisition of Šiaulių bankas shares from the EBRD	Notification on material event	En, Lt
31.05.2024	Invitation to a presentation to investors of a EUR 10 million public offering of Invalda INVL bonds	Other information	En, Lt

31.05.2024	Notice on Public Offering of Notes of AB Invalda INVL	Notification on material event	En, Lt
04.06.2024	INVL Partner Global Real Estate Fund I raises additional USD 3 million from investors	Other information	En, Lt
06.06.2024	The recording of the webinar of Invalda INVL	Other information	En, Lt
06.06.2024	Information to be presented by Invalda INVL at the webinar	Other information	En, Lt
13.06.2024	Announcement about the outcome of distribution of Invalda INVL notes	Notification on material event	En, Lt
25.06.2024	A new wording of Articles of Association of Invalda INVL has been registered. The issued shares were acquired by the group's employees	Other information	En, Lt
25.06.2024	Information about shares issued by Invalda INVL and votes granted	Total number of voting rights and capital	En, Lt
28.06.2024	Invalda INVL notes will be listed on the regulated market	Notification on material event	En, Lt
05.07.2024	INVL Family Office expands its geographical reach - a branch in Estonia will provide investment services	Other information	En, Lt
05.07.2024	The decision of the Management Board of Invalda INVL on the purchase of own shares	Notification on material event	En, Lt
05.08.2024	EBRD, together with Eiffel Investment Group, to provide EUR 24.4 million funding to INVL Renewable Energy Fund I for construction of solar power plant in Romania	Other information	En, Lt
29.08.2024	INVL Baltic Sea Growth Fund-backed FERN Group launches EUR 8 million public bond offering	Other information	En, Lt
30.08.2024	Unaudited information of Invalda INVL group for 6 months of 2024	Half-Yearly information	En, Lt
02.09.2024	Invalda INVL informs that the purchase of own shares is starting	Other information	En, Lt
04.09.2024	INVL Asset Management launches new fund INVL Partner Power Opportunities Fund	Other information	En, Lt
05.09.2024	Invalda INVL and its subsidiary INVL Life have concluded securities purchase and sale agreements	Other information	En, Lt
06.09.2024	Invalda INVL will buy-back 0.43% shares	Acquisition or disposal of the issuer's own shares	En, Lt
10.09.2024	Information on the voting rights attached to the shares issued by Invalda INVL as of 10 September 2024	Total number of voting rights and capital	En, Lt
12.09.2024	INVL Baltic Sea Growth Fund-backed FERN Group completes EUR 8 million public bond offering	Other information	En, Lt
13.09.2024	Maib to buy back 3% of own shares, some shares sold by investor consortium	Other information	En, Lt
18.09.2024	INVL BSGF Co-Invest Fund II established	Other information	En, Lt
11.11.2024	INVL Partner Power Opportunities Fund raises USD 24.71 million from investors	Other information	En, Lt
19.11.2024	INVL Sustainable Timberland and Farmland Fund II - Capital Fund raises EUR 2.09 million	Other information	En, Lt
29.11.2024	Unaudited information of Invalda INVL group for 9 months of 2024	Interim information	En, Lt

03.12.2024	Invalda INVL investor's calendar for 2025	Other information	En, Lt
09.12.2024	INVL Partner Global Real Estate Fund I raises additional USD 1.19 million	Other information	En, Lt
10.12.2024	INVL Baltic Sea Growth Fund signs agreement to acquire the Pehart Group in Romania	Other information	En, Lt
13.12.2024	INVL Asset Management becomes INVL Bridge Finance's management company after reorganization	Other information	En, Lt

In 2024, there were no published notifications of transactions concluded by persons employed in management positions and persons closely associated with them.

29. Information on audit company

The company have not approved criteria for selection of the audit company. Usually the big-four audit companies are attending the competition (Deloitte, KPMG, PricewaterhouseCoopers, Ernst and Young).

The Company's and the Consolidated Financial Statements were audited by the audit firm KPMG Baltics, UAB (company code 111494971, registered address is Lvivo str. 101, Vilnius). It was elected by the shareholders at the extraordinary general meeting of shareholders held on 22 February 2023 to audit the annual financial statements of 2022, with the possibility of appointing this company to audit the 2023 and/or 2024 annual statements. Audit and other services costs for 2024 and 2023 are disclosed notes to the consolidated annual financial statements for 2024.

Audit company	„KPMG Baltics”, UAB
Address of the registered office	Lvivo str. 101, Vilnius, Lithuania
Enterprise code	111494971
Telephone	+370 5210 2600
E-mail	vilnius@kpmg.lt
Website	www.kpmg.com/LT

No internal audit is performed in the company.

Darius Šulnis
CEO

APPENDIX 1. INFORMATION ABOUT GROUP COMPANIES, THEIR CONTACT DETAILS

Company	Registration information	Type of activity	Contact details
ASSET MANAGEMENT BUSINESS			
INVL Asset Management, UAB	Code 126263073 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 21.07.2003	Management of alternative investments	Tel. +370 52790601 E-mail info@invl.com www.invl.com
INVL Asset Management, IPAS (Latvia)	Code 40003605043 Address Elizabetes iela 10B, Rīga, LV-1010, Latvia Legal form – private limited liability company Registration date 02.10.2002	Pension funds management	Tel. +371 67 092 988 E-mail LV@invl.com www.invl.com/lat/lv
AS INVL Atklātais pensiju fonds (Latvia)	Code 40003377918 Address Elizabetes iela 10B, Rīga, LV-1010, Latvia Legal form – limited liability company Registration date 04.02.1998	Pension funds	Tel. +371 67 092 988 E-mail LV@invl.com www.invl.com/lat/lv
INVL Financial Advisors, FMĮ UAB	Code 304049332 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 28.05.2015	Family office services	Tel. +370 52790601 E-mail gerovesvaldymas@invl.com www.invl.com
INVL Farmland Management	Code 303788352 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 26.02.2015	Administration of agricultural land	E-mail juste.gumovskiene@invl.com
INVL LUX GP1 S.a.r.l	Code B248090 Address 3, Rue Gabriel Lippmann, L - 5365 Munsbach, Grand Duchy of Luxembourg Legal form – private limited liability company Registration 29.10.2020	General Partner of the Luxembourg umbrella fund; investment in Luxembourg and foreign companies.	
OTHER INVESTMENTS			
Cedus Invest, UAB	Code 302576631 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 20.12.2010	investments into agriculture companies	Tel. +370 5 263 6129

MD Partners UAB	Code 304842899 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 14.05.2018	SPV for investment into Moldova- Agroindbank	Tel. +370 5 263 6129
Iniciatyvos Fondas, Vsi	Code 300657209 Address Gynėjų str. 14. Vilnius Legal form – public institution Registration date 08.03.2007	organising of social initiative programmes	Tel. +370 5 263 6129 info@iniciatyvosfondas.lt www.iniciatyvosfondas.lt
Aktyvo, UAB	Code 301206846 Address Gynėjų str. 14, Vilnius; Legal form – private limited liability company Registration date 31.10.2007	carries no activity	
Aktyvus Valdymas, UAB	Code 301673764 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 07.04.2008	carries no activity	
IPPG UAB	Code 301673796 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 07.04.2008	carries no activity	
MBGK, UAB	Code 300083611 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 27.01.2005	carries no activity	
MGK Invest, UAB	Code 302531757 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 27.07.2010	carries no activity	
Consult Invalda, UAB	Code 302575814 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 20.12.2010	carries no activity	
RPNG, UAB	Code 302575892 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company	carries no activity	

	Registration date 20.12.2010		
Regenus, UAB	Code 302575821 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 20.12.2010	carries no activity	
Cedus, UAB	Code 302656796 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 18.08.2011	carries no activity	
Invalda INVL Investments, UAB	Code 303252237 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 27.02.2014	carries no activity	
INVL Life, UAB	Code 305859887 Address Gynėjų str. 14, Vilnius Legal form – private limited liability company Registration date 11.08.2021	carries no activity	

APPENDIX 2. DISCLOSURE CONCERNING THE COMPLIANCE WITH THE GOVERNANCE CODE

Invalda INVL, AB (hereinafter referred to as the "Company"), acting in compliance with Article 12 (3) of the Law on Securities of the Republic of Lithuania and paragraph 24.5 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form is provided.

1. Summary of the Corporate Governance Report:

Invalda INVL, AB has a General Meeting of Shareholders and a single-person managing body - the CEO of the Company. The Company has a collegial management body - the Board. During the reporting period, the Nomination and Remuneration and Business Development Committees started operating in the company.

The CEO is elected, recalled and dismissed, his salary is fixed, his job description is approved, he is promoted and penalties are imposed by the Board of the Company. The Board of the Company is elected by the General Meeting of Shareholders for the term of 4 years. The Board shall have all the powers provided for in the Articles of Association of the Company as well as such powers as the Board may have by law. The activities of the Board are based on collegial deliberation and decision making, as well as joint responsibility to the shareholders' meeting for the consequences of the decisions made. In order to maximize the benefit for the company and its shareholders, and to ensure the integrity and transparency of the company's financial accounting and control system, the Board works closely with the Company's CEO.

The supervisory board is not formed in the Company. Nevertheless, the Company's Board and the CEO work closely together to maximize benefits for the Company and all its shareholders.

The Company has an Audit Committee consisting of 3 members, 2 of them are independent members. The members of the Audit Committee are elected and recalled by the General Meeting of Shareholders for the term of four years.

In 2024 the Management Board of Invalda INVL has established 2 new committees: nomination and remuneration as well as business development. The composition of both committees is subject to approval by the Management Board. The term of office of the members of the Committees coincides with the term of office of the members of the Management Board.

The new wording of the Company's Remuneration Policy was approved by the General Meeting of Shareholders on 30 April 2024.

Although the form for filling in the Corporate Governance Code of Nasdaq Vilnius listed companies is based on the "comply or explain" principle, the company, taking into account the recommendations of the Bank of Lithuania, provides an explanation in the "Comment" section in all cases, even if it fully complies with the principle.

2. Structured table for disclosure:

PRINCIPLES/ RECOMMENDATIONS	YES/NO/ NOT APPLICABLE	COMMENTARY
Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.		
1.1.All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished	YES	The Company discloses all regulated information through the Nasdaq Vilnius

with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.		news distribution platform. Information is provided simultaneously in both Lithuanian and English. The company publishes information before or after the Nasdaq Vilnius trading session. The Company periodically updates information in Lithuanian and English on its website. As the company has not issued preference or non-voting shares, all shareholders have equal rights to participate in the general meetings of shareholders of the company.
1.2. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	YES	Since the company did not issue any privileged or non-voting shares, the shares constituting the authorized capital of the company grant equal rights to all shareholders of the company.
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	YES	The company informs about the rights granted by the newly issued shares. Information on the rights granted by the already issued shares of the company is provided in the Articles of Association of the company, in the annual report.
1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	YES/NO	The Articles of Association of the company do not contain a provision specified in Article 34 (5) of the Law on Companies, i.e. decision-making on the sale of fixed assets with a book value higher than 1/20 of the authorized capital is not referred to the shareholders' meeting. However, the company's board is of the opinion and practice that all highly significant and exceptional strategic transactions must be made only with the approval of the shareholders' meeting.

<p>1.5.Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.</p>	<p>YES</p>	<p>Shareholders shall be informed about the convened general meeting in accordance with the notice deadlines, methods of publication and means established by legal acts. The possibility to participate in the meeting is additionally implemented by providing an opportunity to vote by filling in a ballot paper or authorizing another person to represent the shareholder. The General Meeting of Shareholders is held at the address of the Company's registered office. The Company does not restrict the right of shareholders to submit new draft resolutions both before and during the meeting and this is clearly stated in the notice of the convened general meeting of shareholders in Lithuanian and English.</p>
<p>1.6.With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.</p>	<p>YES</p>	<p>All documents and information relevant to the company's general meetings of shareholders, including the notice of the convened meeting, draft resolutions of the meeting are public and simultaneously published in Lithuanian and English through the Nasdaq Vilnius news distribution system and additionally published on the company's website. At the end of the shareholders' meeting, the company announces the adopted resolutions in the same manner as for the convening of the meeting.</p>
<p>1.7.Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.</p>	<p>YES</p>	<p>The shareholders of the company may exercise the right to participate in the shareholders' meeting both in person and through a representative, if the person has a proper power of attorney or a contract for the transfer of voting rights concluded with him in</p>

		accordance with the procedure established by legal acts. The company also enables shareholders to vote by filling in the general voting ballot, which is published together with all information about the convened meeting.
1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	YES	In accordance with the provisions of legal acts, the Company must enable shareholders to participate in the General Meeting of Shareholders and vote by means of electronic communication, as well as submit a voting instruction when it is required by shareholders whose shares hold at least 1/10 of all votes.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	YES	At least 10 days prior to the general meeting of shareholders at which the members (member) of the Board are to be elected, the shareholders shall be disclosed about the candidates for the members of the Board. The elected members of the Board shall inform the Chairman of the Board about the changed data. The information is disclosed in the company's annual reports. Data on the current members of the company's board, their education, qualifications, professional experience, participation in the activities of other companies are also disclosed on the company's website.
1.10. Members of the company's collegial management body, heads of the administration ⁵ or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election	YES	Recently, all interested shareholders voted in advance by submitting completed ballot papers and meetings were not held live. However, the head of the company and the chief financier are ready to

⁵ For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.

of new members is included into the agenda of the general meeting of shareholders.		attend the shareholders' meeting. The proposed candidates for the members of the collegial body participate in the meeting if possible.
Principle 2: Supervisory board 2.1. Functions and liability of the supervisory board The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company. The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.		
2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	NOT APPLICABLE	Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. It performs all essential management functions and ensures accountability and control of CEO of the Company.
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.		
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.		
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent ⁶ members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.		
2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.		
2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal,		

⁶ For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.		
2.2. Formation of the supervisory board The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.		
2.2.1.The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	NOT APPLICABLE	Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. It performs all essential management functions and ensures accountability and control of CEO of the Company.
2.2.2.Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.		
2.2.3.Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.		
2.2.4.Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.		
2.2.5.When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.		
2.2.6.The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.		

2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.		
Principle 3: Management Board		
3.1. Functions and liability of the management board		
The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.		
3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	YES/NO	The strategy of the company has not been approved by the Board, but the Board has set the company's business objectives, which are disclosed in the annual and semi-annual management reports, reports on significant events.
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs <i>inter alia</i> the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	YES/NO	The Board's functions are discussed in the Consolidated Annual Management Report 13.2. section.
3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	YES	The Board ensures that the company complies with the laws and the provisions of the company's internal policy, and in accordance with the established internal management and control measures, also ensures the accountability of the manager.
3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance ⁷ on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	YES/NO	The Board ensures compliance with applicable laws, rules and standards, however, the company does not have written procedures for internal control or compliance.

⁷ Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: <https://www.oecd.org/daf/anti-bribery/44884389.pdf>

3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	YES	When appointing the head of the Company, the Board shall take into account the appropriate qualification, experience and competence of the candidate.
3.2. Formation of the management board		
3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	YES	The members of the Board of the Company have the necessary diverse knowledge, opinions and experience to perform their tasks properly.
3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.	YES	All information shall be provided in accordance with the requirements set out in this point. Details of the members of the Board are provided on section 14 of this Annual Management Report.
3.2.3. All new members of the management board should be familiarized with their duties and the structure and operations of the company.	YES	After the election, all members of the Board are acquainted with the duties, structure and activities of the company.
3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	YES	According to the company's Articles of Association, the members of the Board are elected for four years, without limiting the number of their terms. The company's Articles of Association provide for the possibility to re-elect the Board or an individual member of the Board.
3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the	YES	The chairman of the board is a person who has never been the head of the company and acts impartially.

measures it has taken to ensure the impartiality of supervision.		
3.2.6. Each member the management board should give sufficient time and attention to perform the duties of a member of the Board. If a member of the management Board participated in less than half of the board meetings during the financial year of the Company, the Company's Supervisory Board should be informed if the Supervisory Board is not formed in the Company - the General Shareholder Meeting.	YES	The members of the Board of the company devote sufficient time and attention to their duties. Board members actively participated in all meetings.
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent ⁸ , it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	YES	Tomas Bubinas was elected as an independent member of the board at the company's shareholders' meeting held on 30 April 2022.
3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	YES	At the company's shareholders' meeting held on 30 April 2022, the amounts of remuneration for work on the board were approved
3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	YES	The members of the Board act in good faith towards the company, follow the interests of the company and not their own or third parties, the principles of honesty, reasonableness, respect for confidentiality, sense of responsibility, thereby trying to maintain their independence in decision-making.
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	YES	Once a year, the Board evaluates its activities. The structure of the Board is published by the company in annual reports and on the website.

⁸ For the purposes of this Code, the criteria of independence of the members of the board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

Principle 4: Rules of procedure of the supervisory board and the management board of the company The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.		
4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	YES/NO	The Supervisory Board is not formed. Nevertheless, the Board and the CEO acts in close cooperation seeking to obtain the maximum benefit for the Company and its shareholders.
4.2. It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterrupted resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	YES	Board meetings are held at least once a month according to the pre-approved schedule.
4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	YES	Board meetings schedule is pre-approved. The material is submitted at least one working day before the meeting of the Board so that the members can prepare properly.
4.4. In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	NO	The company cannot implement this recommendation as it only has a board.
Principle 5: Nomination, remuneration and audit committees 5.1. Purpose and formation of committees		

<p>The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.</p> <p>Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.</p>		
5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees ⁹ .	YES	The Company has an Audit Committee whose members are elected by the General Meeting of Shareholders. During the reporting period, the Management Board of the Company formed 2 new committees: Nomination and Remuneration and Business Development.
5.1.2. Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	NOT APPLICABLE	The company has three committees.
5.1.3. In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	NOT APPLICABLE	The company has three committees.
5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	YES	The Audit and Nomination and Remuneration Committees are composed of 3 members each, and the Business Development Committee of 5 members, selected on the basis of their expertise and experience. The Chairman of the Management Board is not a member of the committees.
5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of	YES	The Audit Committee operates in accordance with the Audit Committee's rules approved by the Shareholders' Meeting. The Nomination and Remuneration and Business Development Committees operate on the basis of the regulations

⁹ The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.		approved by the Management Board. The scope and composition of the committees are described in the company's annual management reports.
5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	YES	Members of the Management Board of the Company are not members of committees. Members of the Board may attend committee meetings or have access to decisions taken by the committees.
5.2. Nomination committee		
5.2.1. The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3) devote the attention necessary to ensure succession planning.	YES	The main functions of the Nomination and Remuneration Committee are set out in the Committee's regulations. They are consistent with those set out in this recommendation.
5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	YES	The CEO of the company is the chairman of the committee, so the members of the committee and the CEO consult each other on the issues identified in the recommendation.
5.3. Remuneration committee		
The main functions of the remuneration committee should be as follows: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow	YES	The main functions of the Nomination and Remuneration Committee are set out in the committee's rules. They are consistent with those set out in this recommendation.

<p>the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so;</p> <p>2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned;</p> <p>3) review, on a regular basis, the remuneration policy and its implementation.</p>		
5.4.Audit committee		
5.4.1.The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee ¹⁰ .	YES	In its activities, the Audit Committee of the company follows the legal acts regulating the activities of the Audit Committee, as well as the regulations of the Audit Committee approved by the General Meeting of Shareholders of the company.
5.4.2.All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	YES	The members of the Committee shall be provided with all the detailed information necessary for the performance of the Committee's functions.
5.4.3.The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	YES	The members of the Audit Committee have the opportunity to meet with the needed persons in the absence of the members of the management bodies.
5.4.4.The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	NOT APPLICABLE	Due to the size of the Company, the Company does not have an internal audit function

¹⁰ Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	NOT APPLICABLE	Employees of the company may complain about the matters referred to in this paragraph. As no complaint or report has been made to date, the Audit Committee is unable to verify the provisions of this recommendation.
5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	NO	The activity report is submitted once a year for the annual ordinary shareholders meeting
Principle 6: Prevention and disclosure of conflicts of interest The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.		
Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	YES	Board members avoid situations where their personal interests may conflict with the interests of the company.
Principle 7: Remuneration policy of the company The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.		
7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	YES	The remuneration policy is published on the company's website. Its review will take place in accordance with the requirements established by law.
7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	YES	The remuneration policy includes all forms of remuneration
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	YES	The members of the company's board do not receive remuneration that would depend on the company's performance.

<p>7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.</p>	<p>NOT APPLICABLE</p>	<p>The company's Remuneration Policy does not provide information regarding termination payments. The Company follows the legal acts requirements regarding termination payments.</p>
<p>7.5. In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.</p>	<p>NO</p>	<p>Stock options may be granted in the company, but the Remuneration Policy does not contain very detailed information on the retention of shares after the grant of rights. Share options may be granted in accordance with the rules for granting Shares, which are published on the company's website, not in accordance with the provisions of the Remuneration Policy. Contracts for the acquisition of shares decided to be offered to employees by the decision of the company's general meeting of shareholders shall be concluded and the employees shall acquire the ownership right to the shares not earlier than in the third financial year (excluding the financial year in which the resolution of the general meeting of shareholders of the company was adopted).</p>
<p>7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.</p>	<p>YES</p>	<p>The Remuneration Policy is published on the company's website.</p> <p>The company prepares and presents a remuneration report to the Ordinary General Meeting of Shareholders, which is an integral part of the annual report published on the website</p>
<p>7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive</p>	<p>YES</p>	<p>The company's Remuneration Policy and its amendments are approved by the General Meeting of Shareholders.</p>

remuneration in shares or share options should be approved by the general meeting of shareholders.		The rules for granting the company's Shares are also approved by the General Meeting of Shareholders.
Principle 8: Role of stakeholders in corporate governance The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.		
8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	The company respects the rights of stakeholders and their legitimate interests.
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	YES	All stakeholders have the opportunity to participate in the management of the company in accordance with the procedure established by law.
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	Stakeholders participating in the management process of the company are provided with access to non-confidential information, as long as it does not infringe the interests of the company and other related persons.
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	NO	The Company does not provide possibility of reporting confidentially any illegal or unethical practices
Principle 9: Disclosure of information The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.		
9.1. In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:	YES	The below mentioned information is disclosed in notices of material events published through the information disclosure system of the Nasdaq Vilnius Stock Exchange, on the company's website, in the company's annual and semi-annual information documents to the extent required by law and International

		Financial Reporting Standards in the European Union.
9.1.1. operating and financial results of the company;	YES	Disclosed in annual and semi-annual information.
9.1.2. objectives and non-financial information of the company;	YES	Disclosed in annual information.
9.1.3. persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	YES	Disclosed in annual and semi-annual information and on the company's website.
9.1.4. members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	YES	Disclosed in annual and semi-annual information and on the company's website.
9.1.5. reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	YES	The report of the Audit Committee is made public. The Company's annual management reports describe the scope and composition of the committees.
9.1.6. potential key risk factors, the company's risk management and supervision policy;	YES	Disclosed in annual information.
9.1.7. the company's transactions with related parties;	YES	Disclosed in the annual information and on the company's website.
9.1.8. main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	YES	Information on promotion through stock options is disclosed in the annual information and on the company's website.
9.1.9. structure and strategy of corporate governance;	YES	Disclosed in annual and semi-annual information.
9.1.10. initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.	NO	Due to the size of the Company, information related to the environment, employees and social responsibility policy is not published
9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	YES	The company prepares the consolidated management report and the consolidated financial statements
9.3. When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be	YES	Disclosed in annual and semi-annual information.

provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.		
9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	YES	The company publishes all information through the information disclosure system of the Nasdaq Vilnius Stock Exchange and on the company's website so that it is accessible to everyone and at the same time.
Principle 10: Selection of the company's audit firm The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.		
10.1. With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	YES	The company is audited by an independent audit company.
10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	YES	The Board of the company nominates the audit company to the shareholders' meeting.
10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	YES	In 2024 the audit firm did not provide non audit services to the Company. At the Group level, translation services for the reports of subsidiaries were provided.

APPENDIX 3. COMPANY'S MANAGEMENT REPORT

(Prepared in accordance with the Law of the Republic of Lithuania on Financial Reporting by Undertakings)

1. Reference to the applicable corporate governance code and the place of its publication, and (or) reference to all necessary published information regarding management practices of the entity

The Company discloses the information regarding the compliance with the applicable Corporate Governance Code in Appendix 2 of the consolidated annual management report for 2024. The Company publishes its annual reports on its website.

2. In case of derogation from the provisions of the applicable corporate governance code and (or) when the provisions are not complied with, such provisions and the reasons thereof shall be indicated

The Company discloses such information in sections "Yes/No/Irrelevant" and "Commentary" of Appendix 2 of the consolidated annual management report for 2024. Information regarding the compliance with Corporate Governance Code. The Company, taking into account the recommendations of the Bank of Lithuania, provides an explanation in the "Comment" section in all cases, even if it fully complies with the principle / recommendation.

3. Information regarding the level of risk and risk management – management of risks related to the financial reporting, risk mitigation measures, and internal control systems implemented at the entity shall be described

The Company provides information regarding the level of risk, risk management, and implemented internal control systems, as well as the measures, in item 20 of the consolidated annual management report for 2024.

4. Information regarding significant directly or indirectly managed holdings

Information on shareholders directly or indirectly holding more than 5% of the company's share capital and votes is disclosed in item 9 of the consolidated annual management report for 2024.

5. Information about related parties' transactions in accordance with Article 37² of the Law on Companies of the Republic of Lithuania

Pursuant to Clause 3 of Article 10 of the Law on Companies, for transactions concluded with a subsidiary company, the owner of all shares of which is this company, or when the total amount of such transactions during the financial year does not exceed 1/10 of the asset value specified most recent balance sheet of the company whose shares are allowed to be traded on the regulated market, the provisions of Article 37 of the Law on Companies do not apply. Since all transactions in the Company are transactions with subsidiaries or they do not exceed 1/10 of its assets, the information of such transactions is not detailed.

6. Information regarding the shareholders who have special rights of control and the description of such right

There are no shareholders having special rights of control in the Company.

7. Information regarding all current restrictions on voting rights (such as the restrictions on voting rights of persons having a certain percentage or number of the votes, the deadlines by which voting rights may be exercised or systems, according to which the property rights granted by the securities are to be separated from the holder of those securities)

No restrictions on voting rights are applied in the Company.

8. Information regarding the rules governing the appointment and dismissal of board members, as well as the amendment of the company's articles of association

The Board members of the Company act in accordance with the Law on Companies of the Republic of Lithuania, Articles of Association of the Company, Rules of Procedure of the Board, as well as other applicable legislation. The Board members of the Company always act for the benefit of the Company and its shareholders. The

procedure for changing the Articles of Association is no different from stated in the Law on Companies of the Republic of Lithuania.

9. Information regarding the powers of the board members

The Board members of the Company act in accordance with the Law on Companies of the Republic of Lithuania, Articles of Association of the Company, Rules of Procedure of the Board, as well as other applicable legislation, and have no special powers. The Board members of the Company always act for the benefit of the Company and its shareholders. More information is disclosed in the Clause 13.2. of the Section IV of the consolidated annual management report for 2024.

10. Information regarding the competence of the General Shareholders Meeting, the rights of shareholders and implementation thereof, if such information is not established in the applicable legislation

The company provides information regarding the competence of the General Shareholders Meeting, the rights of shareholders, and implementation thereof, as well as the procedure for convening such meetings, in Clause 13.1. of the consolidated annual management report of 2024.

11. Information regarding the composition of the management, supervisory bodies, and the committees thereof, as well as the fields of activity of the aforesaid bodies and the manager of the company

The Company provides information about Members of the Board of the Company as well as the manager of the Company, members of the Audit Committee in section IV of the consolidated annual management report for 2024.

12. Information about all agreements between shareholders (their essence, conditions).

Information is disclosed in Clause 9 of the consolidated annual management report for 2024.

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

2024 was a successful and profitable year for our clients and for the Invalda INVL group. In 2024 we earned a profit of EUR 44.38 million and the company's net asset value was EUR 222.04 million at year-end. This reflects the success of our strategic core business and the growth of Invalda INVL's investments. In 2024, we earned EUR 157 million for our clients, our assets under management increased by 17% to EUR 1.68 billion at the end of the year.

In 2024, preparatory work was underway for the launch of a second private equity fund. INVL Private Equity Fund II, the largest private equity fund in the Baltics, was launched after raising EUR 305 million, exceeding its target at first close.

In 2024, we also focused on strengthening our investor base, developing new products and growing our team in a qualitative sense.

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

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.

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.

Table 1. Remuneration of the CEO, CFO and each member of the bodies elected by the shareholders' meeting for 2023 and 2024 (EUR, before taxes)

Name, position	Remuneration received from the group														In that number 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			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Darius Šulnis, CEO	73,560	73,624	-	-	852 592	274,742	-	-	-	-	926,152	348,366	8%	21%	-	-
Alvydas Banys, Chairman of the Board	73,250	73,528	-	-	-	-	-	-	-	-	73,250	73,528	100%	100%	49,250	49,528
Indrė Mišeikytė, Advisor, Board member	73,483	73,328	-	-	-	-	-	-	-	-	73,483	73,328	100%	100%	-	-
Tomas Bubinas, audit committee member, independent Board member	12,900	12,229	-	-	-	-	-	-	-	-	12,900	12,229	100%	100%	-	-
Danguolė Pranckėnienė, independent audit committee member	-	572	-	-	-	-	-	-	-	-	-	572	-	100%	-	-
Andrius Lenickas, independent audit committee member	1,200	-	-	-	-	-	-	-	-	-	1,200	-	100%	-	-	-
Raimondas Rajeckas, CFO	100,773	81,473	16,854	20,546	177,929	69,188	-	-	688	16,094	296,244	187,301	34%	43%	4,380	3,947

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

	2024	2023	2022	2021	2020
Šulnis Darius	165.9%	-21.8%	507.0%*	-29.6%	-24.3%
Mišėikytė Indrė	0.2%	-0.7%	0.6%	-2.2%	1.9%
Banys Alvydas	-0.4%	0.2%	0.0%	-0.2%	0.5%
Rajeckas Raimondas	58.2%	57.2%	-1.3%	-3.7%	28.9%
Tomas Bubinas	5.5%	15.6%	1,983.7%**	-44.0%	-54.7%
Dangutė Pranckėnienė	-	6.7%	-7.5%	33.3%	-75.8%
Net profit	-2.1%	174.9%	-55.5%	602.8%	-74.4%
Average salary	21.8%	14.0%	12.7%	31.8%	17.4%

* 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 2024 approved by the shareholders' meeting for options	Securities for which option agreements were concluded in 2024			2024 exercised options (agreed in 2021)	
		number	agreed purchase price	year of acquisition of shares	Number of securities purchased by employees	Method of granting securities of
Employees ⁵	100,000	33,324	EUR 1	2027	65,070	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	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 ⁶
2023 long-term program	2023-2025	12.06.2023 / 31.12.2025 vesting date	2026	1	16,906 ⁷	17,778 ⁷	-	34,684	352,901	177,929

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	Opening balance at 1 January	Share options granted	Share options exercised	Closing balance at 31 December	Value of granted share option	Expenses recognized in the financial statements ⁶
Assigned in 2022	2021	2022-05-31	2025	0.90	33,483	-	-	33,483	-	-
2023 long-term program	2023-2025	12.06.2023 / 31.12.2025 vesting date	2026	1	81,007 ⁷	85,189 ⁷	-	166,196	1,691,001	852,592

⁶ 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.

⁷ The Company has entered into share option agreements for the long-term incentive program under which employees would be entitled to acquire shares in the company in 2026 if the value of the company's net assets per share exceeds EUR 15.0552 on 31 December 2025. 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. The change in the volume forecast and the updated value of options granted as a result of the volume recalculation are shown for the current year.