

REMUNERATION REPORT

Brief overview of the Company's activities in 2024

INVL Baltic Real Estate's consolidated net operating income from its own properties in 2024 amounted to 2.8 million euros or 14 per cent more than in 2023 (2.4 million euros). INVL Baltic Real Estate's consolidated income in 2024 comprised 4 million euros or 10 per cent more than in 2023 (3.6 million euros), the consolidated rental income from own property increased by 11 per cent to 2.5 million euros.

The group's net profit in 2024 reached 2.7 million euros, the value of assets under management increased by 0.5 million euros in 2024, and at the end of the year amounted to 42.6 million euros. The value of equity at the end of the year reached 25.25 million euros. The equity value per share was 3.17 euros and increased by 11.6 per cent (after assessing the dividends paid in 2024) during the year.

In 2024, the premises managed by INVL Baltic Real Estate were characterised by a high occupancy rate and improving operating results. In the coming years, we will continue to meet the expectations of our customers and increase the value for investors.

Management of the company

The management of INVL Baltic Real Estate is delegated to UAB INVL Asset Management (hereinafter – the Management Company), which also performs the functions of the Board and Managers of INVL Baltic Real Estate. Given that and taking into account the fact that INVL Baltic Real Estate has to approve the remuneration policy (hereinafter referred to as the Policy) in accordance with Article 37³ of the Law on Companies of the Republic of Lithuania, it is established that the Company is subject to the Policy of the Management Company, the provisions of which are adapted in order to reveal as much as possible the transparency of remuneration of the persons considered to be managers of INVL Baltic Real Estate, the accountability of the management and to enable the shareholders, potential investors and stakeholders to get a comprehensive and reliable picture of the wages paid to each manager of INVL Baltic Real Estate. For the purposes of this Report, the General manager of the Management Company, members of the Board of the Management Company and members of the Investment Committee appointed by the Management Company (hereinafter - the Management) were considered to be managers of INVL Baltic Real Estate.

Official monthly wage

The regular remuneration of the Management includes the official monthly wage, employee fees and additional benefits granted irrespective of the performance results and paid to all employees meeting the established criteria in accordance with the procedure in force in the Management Company (e.g. pension contributions to II or III pillar pension funds). In addition to the official monthly wage or remuneration received in a different form, a supplementary component may be paid - the variable wage allocated depending on the fulfilment of the Company's annual business plan and/or budget and the fulfilment of the Management's individual plans and tasks. The official monthly wage is determined in such a way as to ensure proper proportions between the official monthly wage and the bonus components. The official monthly wage constitutes a sufficiently high proportion of the total remuneration paid so that it makes it possible to implement a flexible incentive policy.

Bonuses and the procedure for payment thereof

A bonus, including the deferred part thereof, may be granted and/or paid to the Management only in the case of a sustainable financial situation in the Company, taking into account the Company's performance results, and only if the results of the annual individual assessment of the Management are positive. In assessing the individual performance results of the Management, non-financial and behavioural criteria, such as adherence to internal rules, procedures and instructions of the Board, communication with customers and investors, compliance with rules, involvement in improving the Company's performance, professional development, etc., are also taken into account. If the financial performance results of the Company in a given year are negative or the Company has failed to achieve its performance targets, the Chief Executive Officer has the right to make a decision not to pay the bonus or part of it, or to reduce the amount of the bonus previously determined, as well to suspend the payment of the Bonus, specifying the period of time for which such decision is to be made. No such adjustment or deferral was applied during the reporting period. Likewise, the Board of the Management Company is entitled to demand that the Management refunds all or part of the bonus paid to it if it subsequently becomes clear that the bonus was paid to it as a result of the Management's bad faith or errors in the accounts.

A bonus calculated and approved in accordance with the procedures set out in the Remuneration Policy for risk-taking decision-makers shall be paid to the employee in cash. The terms of payment shall be as follows:

- 60% of the Bonus shall be paid in a single payment in accordance with an order of the CEO of the Management Company or a decision of the Management Board of the Company;
- the remaining 40% of the bonus shall be paid on a pro rata basis over three years, starting no earlier than one year after the end of the employee's performance appraisal, with a pro rata amount paid annually. The competent body of the Management Company may decide on a longer deferral period of up to 5 years, considering the life cycle and operational characteristics of the Management Company or the relevant collective investment undertaking. If the size of the bonus is particularly large, a deferral of at least 60% of the amount may be decided.

The Management Company shall not apply the requirement to mandatorily pay the bonus in financial instruments. However, if the Management Company provides for such possibility, the bonus may, at the employee's choice, be paid in financial instruments or equivalent instruments (share options, contributions to the pension fund, insurance instalments).

Upon termination of the employment relationship, before the bonus is paid, regardless of the grounds for termination of the employment relationship, the deferred part of the bonus payable will not be paid out.

The variable remuneration component for 2024 will be allocated in 2025, after the approval of the financial statements for 2023. In the allocation of this portion of the remuneration, account will be taken, inter alia, of the real estate purchase transaction carried out by INVL Baltic Real Estate during the reporting period. More information about the transaction is available at: <https://view.news.eu.nasdaq.com/view?id=b2f72c6e21372737bfad242283c1e8e3e&lang=en>

The remunerations of the General Manager and Board members of the Management Company are calculated on the basis of the proportion of the Management Company's management income (including management and success fee revenues) received from the Company within the total income of the Management Company. The remunerations of the members of the Investment Committee of the Company are calculated in accordance with the part of the time actually allocated to the Company's management. Amounts of remuneration allocated and paid to Management for the years 2020, 2021, 2022, 2023 and 2024 are presented in the tables on the pages below.

Breakdown of wages allocated and paid during 2024:

Name Surname, Position	ID code	1. Regular remuneration, in EUR 000s			2. Variable remuneration, in EUR 000s		3. One-time payments, in EUR 000s	4. Contributi ons to pension funds, in EUR 000s	5. Total remuner ation, in EUR 000s	6. Portion of variable remune- ration in %*
		Official annual re- muneration	Other payouts	Reward in kind	Annual bonuses*	Multiannual results bonuses*				
Paulius Žurauskas, General manager of the Management Company	[sensitive data]	2.69	-	-	0.22	-	-	0.05	2.96	9.12
Darius Šulnis, Chairman of the Board of the Management Company	[sensitive data]	0.73	-	-	-	-	-	-	0.73	-
Nerijus Drobavičius, Member of the Board of the Management Company (until 29 April 2024)	[sensitive data]	0.53	-	-	0.26	-	3.13	-	3.92	6.63
Asta Jovaišienė, Member of the Board of the Management Company (from 30 April 2024)	[sensitive data]	-	-	-	-	-	-	-	-	-
Vytautas Plunksnis, Member of the Board of the Management Company	[sensitive data]	1.09	-	-	-	-	-	0.22	1.31	16.79
Vytautas Bakšinskas, Member of the Investment Committee	[sensitive data]	98.66	-	-	38.40	-	-	3.03	140.09	29.57
Andrius Daukšas, Member of the Investment Committee	[sensitive data]	55.17	-	-	-	-	-	1.10	56.27	1.95

* The variable remuneration component for 2024 will be allocated in 2025, after approval of financial statements for 2024.

Breakdown of wages allocated and paid during 2024 in other undertakings of the Group of the Company:

Name Surname, Position	ID code	1. Regular remuneration, in EUR 000s			2. Variable remuneration, in EUR 000s		3. One-time payment s, in EUR 000s	4. Contributi ons to pension funds, in EUR 000s	5. Total remunerat ion, in EUR 000s	6. Portion of variable remune- ration in %*
		Official annual re- muneration	Other payouts	Reward in kind	Annual bonuses*	Multiannual results bonuses *				
Vytautas Bakšinskas, Member of the Investment Committee**	[sensitive data]	2.08	-	-	-	-	-	-	2.08	-

* The variable remuneration component for 2024 will be allocated in 2025, after approval of financial statements for 2025.

**Other members of the Management did not receive remuneration from other companies of the Group of the Company.

As a rule, the bonus is paid in cash. The Management Company, in accordance with the principle of proportionality, does not apply the requirement regarding the mandatory payment of the bonus in financial instruments. The managers of the Company are not granted shares of the Company, nor are there any share options for the Company's shares with them. In accordance with the Policy of the Management Company in force in the Company, the portion of the variable remuneration allocated to the employee of the Management Company (all or part of it) may be allocated in the options of AB Invalda INVL. Their pro rata payment is realised through the assignment of shares (i.e. the grant or obtaining of the right to acquire the relevant quantities of shares at different terms) under the procedures and conditions laid down in the option agreements.

Comparison of wages allocated and paid over the last five years

Due to the fact that the management of the Company is delegated to the Management Company and its management bodies are not formed, and the Company itself does not have employees, the annual changes in remuneration and the full-time equivalent changes in average remuneration, based on the employees of the Company who are not members of the management bodies, cannot be compared

Since only the remunerations of the members of the Investment Committee of the Company are calculated on the basis of the actual part of the time allocated to the management of the Company and their remunerations depend on the performance of the Management Company related to the activities of the Company, therefore, the table below reflects only the remunerations of the members of the Investment Committee and the financial results of the Company.

The remuneration of the Investment Committee***	ID code	2020 (in EUR 000s)	2021 (in EUR 000s)	2022 (in EUR 000s)	2023 (in EUR 000s)	2024 (in EUR 000s)
Vytautas Bakšinskas, Member of the Investment Committee	[sensitive data]	224.56	233.26	88.57	84.77	142.17
Andrius Daukšas, Member of the Investment Committee	[sensitive data]	66.16	68.62	45.12	44.98	56.27

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

The Company's results	2020 (in EUR 000s)	2021 (in EUR 000s)	2022 (in EUR 000s)	2023 (in EUR 000s)	2024 (in EUR 000s)
Net profit per share	0.41	0.37	0.52	0.09	0.34
Net profit	5,416	3,399	4,224	699	2,739
Assets	41,935	33,026	39,016	44,564	45,347

The Company's Remuneration Report and the Policy are publicly available on INVL Baltic Real Estate website at <https://bre.invl.com/lit/en>