

## REMUNERATION REPORT

### ***Brief overview of the Company's activities in 2023***

INVL Baltic Real Estate's consolidated net operating income from its own properties in 2023 amounted to 2.4 million euros or 19 per cent more than in 2022 (2.03 million euros). INVL Baltic Real Estate's consolidated income in 2023 comprised 3.6 million euros or 6 per cent more than in 2022 (3.4 million euros), the consolidated rental income from own property increased by 16 per cent to 2.2 million euros.

The group's net profit in 2023 reached 0.7 million euros, the value of assets under management increased by 5.6 million euros in 2023, and at the end of the year amounted to 42.1 million euros. The value of equity at the end of the year reached 23.52 million euros. The equity value per share was 2.92 euros and increased by 3 per cent (after assessing the dividends paid in 2023) during the year.

In 2023, 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 37<sup>3</sup> 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. Moreover, from 26 July 2021 until 11 May 2023 the Company had a collegial supervisory body – the Supervisory Board. The General Meeting of Shareholders, held on 29 April 2021 approved the Remuneration Policy of the Supervisory Board of the Company. For the purposes of this Report, the General manager of the Management Company, members of the Board of the Management Company, members of the Investment Committee appointed by the Management Company (hereinafter referred to as the Management) and the members of the Supervisory Board of the Company (hereinafter referred to as the members of the Supervisory Board) were considered to be managers of INVL Baltic Real Estate. Considering that a new version of the Republic of Lithuania Law on Companies entered into effect on 30 November 2022 and according to the provisions of Section 1 of Article 78 therein, the requirement to form a collegial body with supervisory functions no longer applies to investment companies specified in the Republic of Lithuania Law on Collective Investment Undertakings with the legal form of a public limited liability company whose shares are admitted to trading on a regulated market, General Ordinary Shareholders Meeting that was held on 18 April 2023, made a decision to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, therefore, from 11 May 2023 the Remuneration Policy of the Supervisory Board of the Company is no longer relevant.

### ***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 criteria, such as adherence to internal rules and procedures, communication with clients and investors, compliance with rules, enhancement of professional qualifications, 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 the established business objectives, the Company has the right to make a decision not to pay the bonus or part thereof, or to reduce the amount of previously estimated bonus, as well as the payment of such amounts earned previously, by defining the period of such non-payment or reduction. 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.

The bonus is paid to Management in cash in accordance with the following payment terms:

- 60 per cent of the bonus amount is paid as a lump-sum under the procedure and within the time frames established in the order of the Management Company's General Manager or in the decision of the Board of the Company.

- the remaining portion of 40 per cent is paid to the employee on a pro rata basis within three years, i.e. the deferred portion of the bonus is distributed proportionally over the entire deferral period, beginning not earlier than 1 year after the end of the employee's performance assessment and is paid on a yearly basis by disbursing the portion of the bonus calculated pro rata. In individual cases, the competent body of the Management Company has the right to decide on a longer deferral period, usually not longer than 5 years, taking into consideration the business cycle and performance of activities of the Management Company and/or respective collective investment undertaking and other criteria provided for in the legislation.

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 2023 will be allocated in 2024, 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 and 2023 are presented in the tables on the pages below.

**Breakdown of wages allocated and paid during 2023:**

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*				
Laura Križinauskienė, General manager of the Management Company (until 30 November 2023)	[sensitive data]	1.59	-	-	2.27	-	-	0.45	4.31	52.74
Paulius Žurauskas, General manager of the Management Company (from 1 December 2023)	[sensitive data]	0.87	-	-	-	-	0.47	0.01	1.35	-
Darius Šulnis, Chairman of the Board of the Management Company	[sensitive data]	0.56	-	-	-	-	-	-	0.56	-
Nerijus Drobavičius, Member of the Board of the Management Company	[sensitive data]	1.05	-	-	0.61	-	2.27	0.01	3.94	73.12
Vytautas Plunksnis, Member of the Board of the	[sensitive data]	0.77	-	-	-	-	-	0.16	0.93	-

Management Company									
Vytautas Bakšinskas, Member of the Investment Committee	[sensitive data]	81.68	-	-	-	-	1.59	83.27	-
Andrius Daukšas, Member of the Investment Committee	[sensitive data]	42.69	-	-	-	-	2.29	44.98	-
Raimondas Rajeckas, Member of the Supervisory Board	[sensitive data]	-	-	-	-	-	-	-	-
Mantas Gofmanas, Member of the Supervisory Board	[sensitive data]	-	-	-	-	-	-	-	-
Eglė Surplienė, Chairman of the Supervisory Board**	[sensitive data]	-	-	-	-	-	-	-	-

\* The variable remuneration component for 2023 will be allocated in 2024, after approval of financial statements for 2023.

\*\* It was set an hourly salary of EUR 145 (excluding taxes) for an independent member of the Supervisory Board Eglė Surplienė. For 2023 no remuneration was paid to Eglė Surplienė.

**Breakdown of wages allocated and paid during 2023 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 payments, in EUR 000s	4. Contributions to pension funds, in EUR 000s	5. Total remuneration, in EUR 000s	6. Portion of variable remuneration in %*
		Official annual remuneration	Other payouts	Reward in kind	Annual bonuses*	Multiannual results bonuses*				
Vytautas Bakšinskas, Member of the Investment Committee**	[sensitive data]	1.5	-	-	-	-	-	-	1.5	-

\* The variable remuneration component for 2023 will be allocated in 2024, after approval of financial statements for 2023.

\*\*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. It is also not possible to provide information on the annual changes in the remuneration of the

members of the Supervisory Board and the average remuneration, as the members of the Supervisory Board do not receive remuneration.

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.

<b>The remuneration of the Investment Committee***</b>	<b>ID code</b>	<b>2019 (in EUR 000s)</b>	<b>2020 (in EUR 000s)</b>	<b>2021 (in EUR 000s)</b>	<b>2022 (in EUR 000s)</b>	<b>2023 (in EUR 000s)</b>
Vytautas Bakšinskas, Member of the Investment Committee	[sensitive data]	113.97	224.56	233.26	88.57	84.77
Andrius Daukšas, Member of the Investment Committee	[sensitive data]	47.35	66.16	68.62	45.12	44.98

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

<b>The Company's results</b>	<b>2019 (in EUR 000s)</b>	<b>2020 (in EUR 000s)</b>	<b>2021 (in EUR 000s)</b>	<b>2022 (in EUR 000s)</b>	<b>2023 (in EUR 000s)</b>
Net profit per share****	0.79	0.41	0.37	0.52	0.09
Net profit	10,423	5,416	3,399	4,224	699
Assets	75,377	41,935	33,026	39,016	44,564

\*\*\*\* Recalculated with the par value per share at EUR 1.45.

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