

To Special Closed-Ended Type Private Capital Investment Company
„INVL Technology“, Gynėjų g. 14, Vilnius

**SPECIAL CLOSED-END TYPE PRIVATE CAPITAL INVESTMENT COMPANY INVL TECHNOLOGY AUDIT
COMMITTEE ACTIVITY REPORT FOR THE FINANCIAL YEAR 2023**

8 April 2024, Vilnius

GENERAL PART

The Audit Committee (hereinafter – the Committee) of the special closed-end type private capital investment company INVL Technology (hereinafter –INVL Technology or the Company) was formed by the decision of the General Meeting of Shareholders on the 29th of April 2021.

The Committee works in accordance with the laws of the Republic of Lithuania, the Articles of Association of INVL Technology and Regulations of the Audit Committee of INVL Technology (hereinafter – the Regulations), approved by the decision of the General Meeting of Shareholders on 27th of April 2017.

COMPOSITION OF THE COMMITTEE

INVL Technology (company code 300893533) was registered in the Centre of Registers of the Republic of Lithuania on. 27th of June, 2007.

On the 14nd of July 2016 after the board of supervisory authority – the Bank of Lithuania has approved the Company to act as a closed-end investment company, all rights and obligations of the management body of the Company were transferred to the management company UAB INVL Asset Management, company code 126263073 (hereinafter – the Management company).

On the 29th of April 2021 General Meeting of Shareholders of INVL Technology was held. At the meeting Tomas Bubinas and Danguolė Pranckėnienė were appointed as the independent members of the audit committee of INVL Technology for a four-year term.

The members of the Committee correspond with the qualification and experience requirements set out in the Regulations:

- an independent member of the Committee has a university degree in economics and more than three years work experience in the field of accounting;
- an independent member of the Committee has a university degree in economics and more than three years work experience in the field of audit.

Information and data which approve qualification and experience of the members of the Committee were submitted to the General Meeting of Shareholders on the 29th of April 2021.

The independent members of the Committee comply with the main criteria set out in the Regulations which are used for identifying whether a member of the Committee can be considered as independent:

1. he/she is not and has not been for the last five years a manager of the Company or the associated companies (as they are defined in clause 24 of Description on requirements for audit committee (hereinafter – Description) approved by the board of Bank of Lithuania in 2017 January 24 Resolution No. 03-14);
2. he/she is not and has not been for the last three years an employee of the Company or the associated companies;
3. he/she is not receiving and has not been receiving significant, compared to the revenue received by the member of the Audit Committee, additional remuneration from the Company or the associated companies other than remuneration for the duties of a member of the Audit Committee and / or a member of the Supervisory Body;
4. he/she is not a controlling shareholder and is not a representative of such shareholder;
5. he/she does not have and has not had any material business relations with the Company or associated company within the past year directly or as a partner, shareholder or a member, managing employee of the subject having such relationships (a subject is considered to have business relations when it is a major supplier or service

provider (including financial, legal, advisory and consulting services), major client or organisation receiving significant part of the income from the Company or its group);

6. he/she is not and has not been for the last three years a partner or employee of the current or former external audit company of the Company or the associated companies;
7. he/she has not been in the position of a member of the Committee of the Company for over than 12 years;
8. he/she is not a close relative to the managers of the Management Company or to any person specified in paragraphs 1 – 7 above (a spouse (partner), children (adopted children), parents (adoptive parents), brothers (stepbrothers) and sisters (stepsisters) are considered to be close relatives).

FUNCTIONS AND PROCEDURE OF WORK OF THE COMMITTEE

The main functions of the Committee:

1. to inform the Management Company about the results of the audit of financial statements and explain how this audit has contributed to the credibility of financial statements and what role has been performed therein by the Committee;
2. to monitor the financial reporting process and submit recommendations regarding ensuring of the credibility thereof;
3. to monitor the effectiveness of the Company's internal quality control and risk management systems affecting the financial statements of the Company and internal audit, without prejudice to the independence of the internal audit;
4. to monitor the audit of annual financial statements with a particular focus on its performance, having regard to the deficiencies of the audit of financial statements identified during the inspection of the Company and to the drawn conclusions;
5. to review and monitor the independence of auditors and audit companies seeking to avoid conflict of interests;
6. to bear responsibility for the carrying out of the procedure of selection of the auditor or the audit company and the submission of a recommendation for the appointment of the auditor or the audit company;
7. to submit recommendations to the General Meeting of Shareholders of the Company related to selection, appointment, repeated appointment and revocation of external audit company and terms of agreement with external audit company;
8. to monitor and evaluate whether process of the financial statements audit is effective.

The work of the Committee is organized taking into account the specifics of the activity of the Company, external factors and changes in legal environment.

The right of initiative of convoking the meetings of the Committee is held by both members of the Committee. Usually the time of the meetings is combined with discussion of preparation process of financial and audit (including intermediate financial statements) statements.

During the reporting period the Committee discussed all questions collegially.

Managers of the Management Company have cooperated with the members of the Committee, updated on the activity of the Company, provided with detailed information regarding the specific peculiarities of accounting, finance and activity of the Company, informed about methods of settlement for important and unusual transactions when the settlement may be included in accounting in several different ways, provided with other information which is necessary to carry out the functions of the Committee properly.

The Committee has received information regarding all questions of the external audit from the management of the Company on time.

THE ACTIVITY OF THE COMMITTEE IN FINANCIAL YEAR 2023

Monitoring of the financial statements' preparation process

Without prejudice to the responsibility and rights of the administration, management of the Management Company also the external audit company, the Committee *inter alia*, observed the Company's financial statements (including intermediate) preparation process.

The members of the Committee were informed about any possible non-compliance with the accounting policies or problems of disclosure, a regular two-way dialogue between the members of the Committee, and persons, responsible for preparing financial statements took place, information regarding work of independent audit was received.

The Company pays enough attention and resources to ensure timely implementation of all legislative changes governing the preparation of financial statements.

The members of the Committee, after familiarizing with the audited set of annual financial statements for the year 2023 and report for the Committee, hearing from the Head of Alternative Funds Accounting of the Management Company about the preparation process of the above mentioned statements and problems related with it and discussed with Company's auditors the process of audit and related issues, recommended to the Company's Management Company to submit audited set of annual financial statements for the year 2023 to the General Meeting of Shareholders of the Company, which will be held in April 2024.

Monitoring of the efficiency of internal control and risk management systems

Without prejudice to the rights and responsibility of the administration, management of the Management Company and the external audit company, the Committee monitored the effectiveness of internal control and risk management systems having impact on the financial statements of the Company and assessed the need of internal audit function in the Company.

The Management Company by performing management functions of the Company in year 2023 has ensured the functioning of risk management and internal control instruments.

Independence and objectivity of external auditor and the audit company

Without prejudice to the rights and responsibility of the administration, management of the Management Company and the external audit company, the Committee *inter alia* monitored the process of external audit.

Management of the Company's Management Company as well as Audit Company provided the members of the Committee with information about the process of external audit of financial statements of year 2023 of the Company.

The main questions of the audit for year 2023 discussed with auditors: (i) estimating the fair value of the investment properties of the Company, (ii) accruals for success and management fees, (iii) share based payments (iv) preparation of the entire annual financial reports of the Company in XHTML format according to the 17 December 2018 Commission delegated regulation (EU) 2019/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format.

Selection, independence and objectivity of external auditor and the audit company.

The Committee reviews and observes an independence of external auditor and the audit company first of all in the point of view of provision of additional services to the audited subject.

On 4 April 2024 the Committee reviewed statements from the audit company for non-audit services provided and that the audit company Pricewaterhouse Coopers, UAB was independent of INVL Technology during performance of financial statements' audit for the year 2023. The members of the Committee confirm that:

- a) No non audit services were provided by the audit company in 2023.
- b) Rasa Selevičienė and (or) the audit company – PricewaterhouseCoopers, UAB are not directly or indirectly related to the Company and there are no grounds which could harm the independence of the auditor and (or) the audit company.
- c) Rasa Selevičienė is considered to be independent of the Company since:
 - she is not linked by family with the participants of the Company and/or the subsidiary or its significant subsidiaries, managers, chief accountant or with any other employee of the Company or its significant subsidiaries, who may have a direct and material influence on the drawing up of financial statements, and managing persons of the Company or its significant subsidiaries;
 - she is not linked by close family relationship with the Company or its significant subsidiaries participants, according to the audit firm's quality control policies and procedures set out criteria with a significant effect

on the Company or its significant subsidiaries, managers, chief accountant (accountant) or any other company or its significant subsidiaries employee who may have a direct and significant influence on the preparation of the financial statements, the persons who are in management positions in the Company or its significant subsidiaries;

- she is not an employee of the Company or its significant subsidiaries and has not been an employee that may have a direct and significant influence on the preparation of the financial statements of the Company or its significant subsidiaries during the period covered by the audited financial statements;
- she is not and has never been a participant of the Company or its significant subsidiaries and has not been a participant of the Company or its significant subsidiaries during the period covered by the audited financial statements;
- she or persons who may have a direct or indirect impact on the results of financial statements do not have financial instruments of the Company, except for interests indirectly held under diversified collective investment schemes;
- she or persons who may have a direct or indirect impact on the results of financial statements do not have financial instruments of any entity associated with the Company, which ownership may cause a conflict of interests or is usually expected to cause it, except for interests indirectly held under diversified collective investment schemes;
- other than grounds specified above does not have and does not receive material and direct benefit of any financial instruments issued, guaranteed or otherwise supported by the Company, except for interests indirectly held under diversified collective investment schemes, including managed funds, and does not participate in any transaction on any financial instrument;
- during the period of carrying out the audit of financial statements of the Company and during the periods covered by the audited financial statements, has not had work, business or other relations which may cause a conflict of interests, as described in the Code of Ethics of Professional Accountants, or is usually expected to cause it;
- she is not influenced by other significant conditions that might affect her independence.

d) PricewaterhouseCoopers, UAB is considered to be independent of the Company and its significant subsidiary companies since:

- neither the Company nor its significant subsidiaries are participants of the audit company;
- the audit company, participants in the audit company and managing persons, except for persons holding management positions who do not provide services to the Company or its significant subsidiaries, are not members of the Company or its significant subsidiaries;
- participants in the audit company and managing persons, other than those in management positions, who do not provide services to the Company or its significant subsidiaries, are not linked by family relationship with the Company or its affiliated subsidiaries or linked by close family relationship with the Company or its significant subsidiaries, according to the criteria established by the audit company's quality control policies and procedures and having a significant influence on the Company or its significant subsidiaries;
- the audit company or persons who may have a direct or indirect impact on the results of financial statements do not have financial instruments of the Company, except for interests indirectly held under diversified collective investment schemes;
- the audit company or persons who may have a direct or indirect impact on the results of financial statements do not have financial instruments of any entity associated with the Company, which ownership may cause a conflict of interests or is usually expected to cause it, except for interests indirectly held under diversified collective investment schemes;
- other than grounds specified above does not have and does not receive material and direct benefit of any financial instruments issued, guaranteed or otherwise supported by the Company, except for interests indirectly held under diversified collective investment schemes, including managed funds, and does not participate in any transaction on any financial instrument;

- during the period of carrying out the audit of financial statements of the Company and during the periods covered by the audited financial statements, has not had work, business or other relations which may cause a conflict of interests, as described in the Code of Ethics of Professional Accountants, or is usually expected to cause it;
- it is not influenced by other significant conditions that might affect its independence.

e) Audit fee for the performance of the audit, indicated in the agreement with the audit company, in the opinion of the Committee ensures that the audit will be performed according to the principles of professional ethics and requirements of international standards of audit. There are no indefinite conditions set in the agreement concluded with the audit company, which could influence the amount of payment for the audit services. The payment for other services, rendered by the same audit company, does not influence the audit services fee.

Chairman of the Committee:

Tomas Bubinas

Member of the Committee:

Danguolė Pranckėnienė