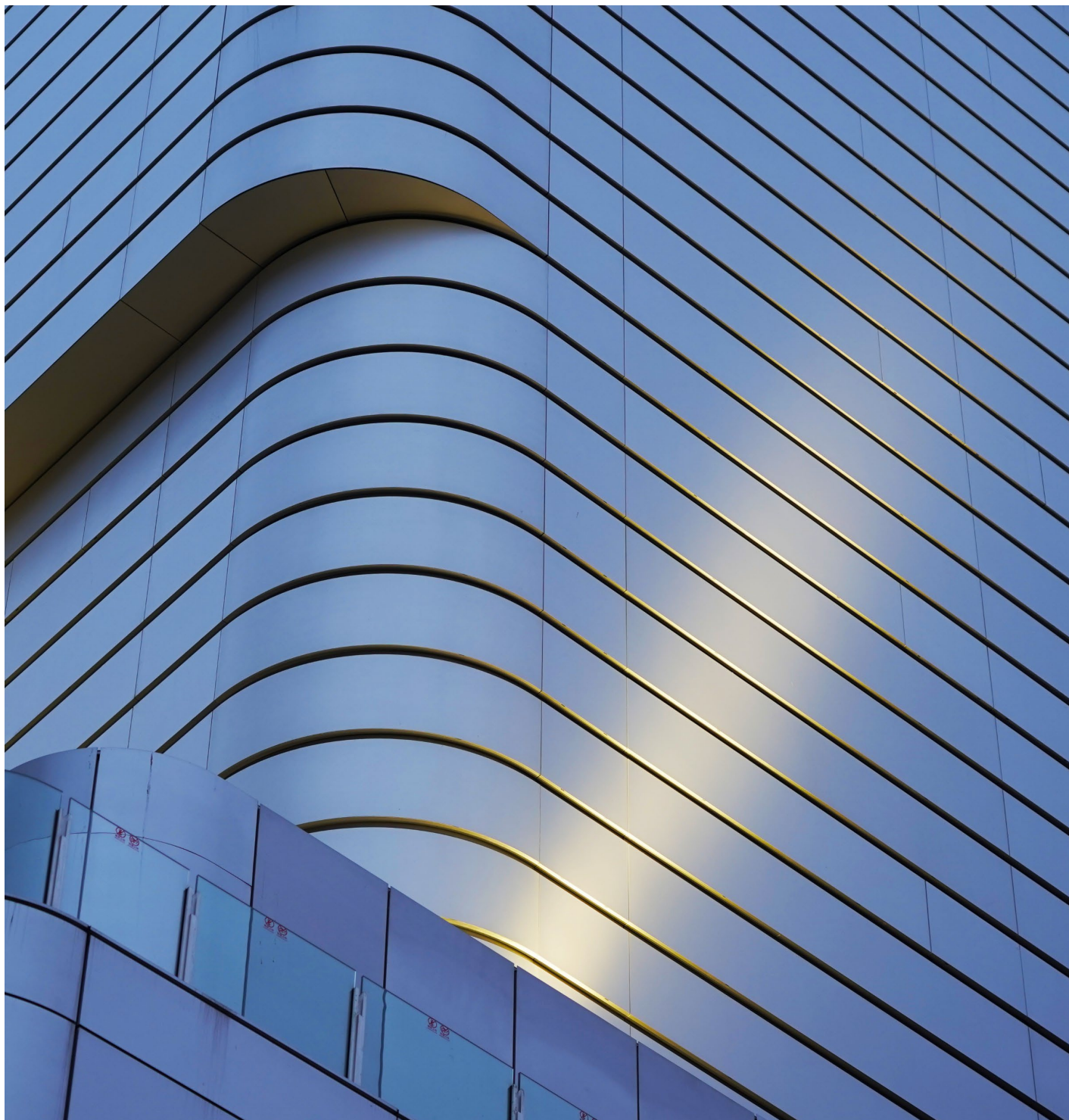




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SPECIALIAL CLOSED-ENDED TYPE
PRIVATE EQUITY INVESTMENT COMPANY

INVL Technology

ANNUAL REPORT, COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

<p>Kazimieras Tonkūnas</p> <p>Chairman of the Investment Committee of INVL Technology, signs the Company's Financial Statements for 2022, also Annual Report for 2022 and Confirmation of responsible persons with a qualified electronic signature.</p>	<p>Agnė Vainauskienė</p> <p>Chief financier of the Management Company of INVL Technology, signs the Company's Financial Statements for 2022, and Confirmation of responsible persons with a qualified electronic signature.</p>
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CONFIRMATION OF RESPONSIBLE PERSONS

6 April 2023

Following the Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (Article 12) of the Republic of Lithuania, management of INVL Technology hereby confirms that, to the best of our knowledge, the attached Company's Financial statements for 2022 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 of INVL Technology.

Presented Annual Report for 2022 includes a fair review of the development and performance of the business and position of the company and its companies' group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSED:

Company's financial statements for 2022.
Annual Report for 2022.

Chairman of the Investment Committee
of INVL Technology

Kazimieras Tonkūnas

Chief Financier of the Management Company
INVL Asset Management

Agnė Vainauskienė

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 the financial statements takes precedence over the English language version.

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BASIC DETAILS

Management

Supervisory Board

Audrius Matikiūnas (untill 6 February 2023)
Indrė Mišeikytė (untill 6 February 2023)
Gintaras Rutkauskas (untill 6 February 2023)

Management Company

INVL Asset Management UAB

Investment committee

Mr Kazimieras Tonkūnas (Chairman)
Mrs Vida Tonkūnė
Mr Vytautas Plunksnis
Mr Nerijus Drobavičius

Depository

AB SEB bank

Address of registered office and company code

Registered office address:
Gynėjų g. 14,
Vilnius,
Lithuania

Company code 300893533

Banks

AB SEB bank

These financial statements were authorised for issue by the Management Company and signed on 6 April 2023.

The document is signed with a
qualified electronic signature

Kazimieras Tonkūnas
Chairman of the Investment
Committee INVL Technology

The document is signed with a
qualified electronic signature

Agnė Vainauskienė
Chief financier at INVL Asset
Management UAB

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022	2021
Income			
Net change in fair value of financial assets	4	(424)	2,713
Dividend income	11	800	1,415
Interest income	11	138	25
Total net income		514	4,153
Management fee	2.8	(590)	(603)
Success fee/fee reversal	8	2,339	(804)
Other expenses	2.8, 12	(148)	(125)
Total operating expenses		1,601	(1,532)
Operating profit (loss)		2,115	2,621
Finance costs		-	-
Profit (loss) before tax for the reporting period		2,115	2,621
Income tax		-	-
Profit (loss) for the reporting period		2,115	2,621
Other comprehensive income for the reporting period, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD		2,115	2,621
Basic and diluted earnings (deficit) per share (in EUR)	14	0.18	0.22

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2022	As at 31 December 2021
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	4	34,941	35,365
Loans	6	1,895	1,189
Total non-current assets		36,836	36,554
Current assets			
Loans	6	878	-
Cash and cash equivalents	5	733	2,097
Total current assets		1,611	2,097
Total assets		38,447	38,651
EQUITY AND LIABILITIES			
Equity			
Share capital	1	3,531	3,531
Share premium		8,268	8,268
Own shares		(294)	(296)
Reserves	7	10,257	10,229
Retained earnings		16,508	14,393
Total equity		38,270	36,125
Liabilities			
Provisions for success and accrued management fees	8	-	2,339
Total long term liabilities		-	2,339
Current liabilities			
Trade payables		-	-
Other current liabilities	9	177	187
Total current liabilities		177	187
Total liabilities		177	2,526
Total equity and liabilities		38,447	38,651

STATEMENT OF CASH FLOWS

	Notes	2022	2021
Cash flows from operating activities			
Net profit for the reporting period		2,115	2,621
Adjustments for:			
Adjustment of financial and investment activities		-	-
Dividend income		(800)	(1,415)
Interest income	11	(138)	(25)
Net change in fair value of financial assets	4	424	(2,713)
Provisions for success and accrued management fees	8	(2,339)	804
		(738)	(728)
Changes in working capital:			
Decrease (increase) in other current assets		-	1
Dividends received	11	800	1,415
Increase (decrease) in other current liabilities	9	(11)	44
Cash flows from (used in) operating activities		789	1,460
Income tax paid		-	-
Net cash flows from (used in) operating activities		51	732
Cash flows from investing activities			
Interest received	15	25	15
Loans granted	15	(2,070)	(1,675)
Loan repayments received	15	600	650
Bonds redemption	15	-	405
Net cash flows from (used in) investing activities		(1,445)	(605)
Cash flows from financing activities			
Repurchase of own shares		-	(296)
Received payments for share based awards		30	75
Net cash flows from (used in) financing activities		30	(221)
Foreign exchange effect on the balance of cash and cash equivalents		-	-
Net increase (decrease) in cash and cash equivalents		(1,364)	(94)
Cash and cash equivalents in the beginning of the period		2,097	2,191
Cash and cash equivalents at the end of the period	5	733	2,097

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Own shares	Legal reserve	Reserve for acquisition of own shares	Reserves for share-based payments	Retained earnings	Total
Balance at 31 December 2020	3,531	8,268	-	354	9,800	-	11,772	33,725
Purchase of own shares	-	-	(296)	-	-	-	-	(296)
Share based payments	-	-	-	-	-	75	-	75
Redistribution of retained earnings to the reserves	-	-	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity	-	-	(296)	-	-	75	-	(221)
Net profit (loss) for 2021	-	-	-	-	-	-	2,621	2,621
Total comprehensive income for 2021	-	-	-	-	-	-	2,621	2,621
Balance at 31 December 2021	3,531	8,268	(296)	354	9,800	75	14,393	36,125
Purchase of own shares	-	-	-	-	-	-	-	-
Share based payments	-	-	2	-	-	28	-	30
Redistribution of retained earnings to the reserves	-	-	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity	-	-	2	-	-	28	-	30
Net profit (loss) for 2022	-	-	-	-	-	-	2,115	2,115
Total comprehensive income for 2022	-	-	-	-	-	-	2,115	2,115
Balance at 31 December 2022	3,531	8,268	(294)	354	9,800	103	16,508	38,270

NOTES TO THE FINANCIAL STATEMENTS

1 General information

INVL Technology UTIB (company code 300893533, hereinafter “the Company”) is a closed-ended type investment company registered in the Republic of Lithuania. The Company’s registered office address is Gynėjų g. 14, Vilnius, Lithuania.

On 14 July 2016 the Company has been issued a closed-ended type investment company (UTIB) license by the Bank of Lithuania. Under the company’s Articles of Association, INVL Technology UTIB will operate until 14 July 2026, with extension possible for further two years. With the status of an investment entity, the Company’s activities are supervised by the Bank of Lithuania, thereby providing additional security to the investors.

INVL Technology strategy is to invest in national-level European IT businesses with high globalisation potential and grow them into global players by utilizing the sales channels and intellectual capital of the managed companies.

Based on the Management Company’s INVL Asset Management Board decision the Investment Committee was formed in order to ensure efficiency and control of investments. The Investment Committee consists of 4 (four) representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company). The purpose of the Investment Committee is to ensure the Managed Company’s objectives, its investment strategy and the adoption of prudent decisions for the investment and management of the Managed Company’s assets, to supervise the adopted decisions. On 29 April 2021, the Company approved the establishment of the Supervisory Board of the Company which replaced the Advisory Committee, formed back in April 2017. The purpose of the Supervisory Board is to ensure the representation of the interests of the Company’s shareholders, the accountability of this body to the shareholders and the objective and impartial supervision of the Company’s activities. The Supervisory Board consists of three members who are appointed and removed by the Board of the Managing Company.

The Company operates as a cluster of IT businesses working with large corporate and public entities. The entities managed by the Company are classified into 3 functional groups: business climate improvement and e-government, IT services and software, and cyber security. NRD Group companies belong to the business climate improvement and e-government group, the cyber security group covers NRD CS, whereas the IT services and software group is formed by joining the areas of IT infrastructure and IT intensive industries’ solutions. At the end of 2022 INVL Technology portfolio consists of 18 operating companies. At the end of 2021 INVL Technology portfolio consisted of 18 operating companies. Investments of INVL Technology are currently in businesses based in Lithuania, Estonia, Moldova, Norway, Tanzania, Rwanda, Uganda and Bangladesh.

The Company has an agreement on depository services with SEB Bankas which acts as depository of the Company’s assets.

The Management Company manages the portfolio of investment instruments of the Company following principles of diversification set in the Articles of Association (the conformity of the portfolio of investment instruments of the Company to those principles shall be achieved within four years from the date the Bank of Lithuania issued a permission to certify Company’s incorporation documents and to choose the Depository). The Company cannot invest more than 30% of net asset value of the Company into any single issuer of the instrument. The indicator may be exceeded up to 4 years after the date the Company became a closed-ended investment company. More detailed requirements are lined out in the Articles of Association of the Company and in Note 18.1.

As at 31 December 2022 and 2021, the Company’s authorised share capital was divided into 12,175,321 ordinary registered shares with par value of EUR 0.29 each. All the shares of the Company have been fully paid. The Company’s subsidiaries hold no shares of the Company. The shareholders holding ownership to or otherwise controlling over 5% of the Company’s authorised share capital (by number of votes held) are as follows as of 31 December 2022 and 31 December 2021:

	Number of shares held as at 2022.12.31	Percentage share of share capital 2022.12.31	Number of shares held as at 2021.12.31	Percentage share of share capital 2021.12.31
LJB Investments UAB	2,424,152	19.91%	2,424,152	19.91%
UAB INVL LIFE	1,873,678	15.39%	-	-
Invalda INVL AB	-	-	1,873,678	15.39%
Ms Irena Ona Mišeikienė	1,466,421	12.04%	1,466,421	12.04%
Lietuvos Draudimas AB	909,090	7.47%	909,090	7.47%
Mr Kazimieras Tonkūnas	675,452	5.55%	675,452	5.55%
Mr Alvydas Banys	618,745	5.08%	618,745	5.08%
Company (own shares)	106,799	0.88%	107,686	0.88%
Other minor shareholders	4,100,984	33.68%	4,100,097	33.68%
Total	12,175,321	100.00%	12,175,321	100.00%

The Company’s shares are traded in the Baltic Secondary List of NASDAQ Vilnius stock exchange since 4 June 2014.

In 2022 and 2021 the Company did not have own employees.

2 Basis of preparation and accounting policies

2.1 Basis of preparation

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Company meets the definition criteria of an investment entity under IFRS 10. The Company has no subsidiaries that provide services related to the Company's investment activities – therefore no subsidiaries to be consolidated – and the Company does not prepare consolidated financial statements.

These financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss (including derivatives). The financial statements are presented in EUR thousands, and all the amounts have been rounded to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. Although these estimates are based on management's best knowledge of current circumstances, events or actions, actual results may ultimately differ from these estimates.

Adoption of new and/or changed IFRSs and International Financial Reporting Interpretations Committee (IFRIC) interpretations

The following IFRSs, amendments thereto were adopted by the Company for the first time in the financial year ended 31 December 2022:

- Annual Improvements to IFRSs 2018-2020 cycle (amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture) and narrow scope amendments to IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 January 2022).

All amendments adopted as of 1 January 2022 had no impact on the Company's financial statements for the year ended 31 December 2022.

Standards adopted by the EU but not yet effective and have not been early adopted

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023).

IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Amendments to IAS 8: Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023).

The amendments to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are not expected to have a material impact on the Company's financial statements.

Other amendments to existing standards and new standards, which are adopted by the EU, but not yet effective, are not relevant to the Company.

Standards not yet adopted by the EU

Amendments to existing standards and new standards, which are not yet adopted by the EU, are not relevant to the Company.

2 Basis of preparation and accounting policies (cont'd)

2.2 Investment entity and consolidated financial statements

Investment entity

The Company has multiple unrelated investors. The Company has multiple investments. Ownership interests in the Company are in the form of equity securities issued by the Company – ordinary registered shares. In accordance with IFRS, the Company meets all the requirements for an investment entity:

- (i) The Company obtains funds from investors for the purpose of providing them with investment management services.
- (ii) The Company commits to investors that its business purpose is to invest for capital appreciation, investment income or both;
- (iii) The management measures and evaluates its investments and makes investment decisions on a fair value basis as a key criterion.

Subsidiaries

The Company meets the definition of an investment entity as defined by IFRS 10 and is required to account for the investments in its subsidiaries at fair value through profit and loss. The fair value of subsidiary investments is determined on a consistent basis as described in the Note 4.

Where the Company is deemed to control an underlying portfolio company, whereby the control is exercised via voting rights or indirectly through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying portfolio company and its results are also not consolidated and are instead reflected at fair value through profit or loss.

2.3 Functional and presentation currency

The financial statements are prepared in euros (EUR), which is the Company's functional and presentation currency. Amounts are rounded to the nearest thousand (EUR thousand) unless otherwise stated. Due to the rounding effects, the totals in the tables may not add up.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the year end. All translation differences are accounted for in profit or loss. All non-monetary items carried at historical cost and denominated in foreign currency are translated using the exchange rates prevailing at the dates of original transactions. All non-monetary items carried at fair value and denominated in foreign currency are translated using the exchange rates prevailing at the dates of fair value measurement.

2.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement 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.

At the end of each reporting period fair values for unlisted equity securities are determined by the external qualified valuer using valuation techniques. Such valuation techniques may include earnings multiples (based on the budget earnings or historical earnings of the issuer and earnings multiples of comparable listed companies) and discounted cash flows (based on the expected future cash flows discounted at an appropriate discount rate). The Company adjusts the valuation model as deemed necessary for factors such as non-maintainable earnings, seasonality of earnings, market risk differences in operations relative to the peer multiples etc. The valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisition of the investments and other factors pertinent to the valuation of the investments, with reference to such rights in connection with realisation, recent third-party transactions of comparable types of instruments, and reliable indicative offers from potential buyers. In determining fair value, the Company may rely on the financial data of investee portfolio companies and on estimates by the management of the investee portfolio companies as to the effect of future developments. Although the external qualified valuer uses its best judgement, and cross-references results of primary valuation models against secondary models in estimating the fair value of investments, there are inherent limitations in any estimation techniques. Whilst the fair value estimates presented herein attempt to present the amount the Company could realise in a current transaction, the final realisation may be different as future events will also affect the current estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

Where portfolio investments are held through subsidiary holding companies, the net assets of the holding company are added to the value of the portfolio investment being assessed to produce the fair value of the holding company held by the Company.

2 Basis of preparation and accounting policies (cont'd)

2.5 Financial assets

Financial assets within the scope of IFRS 9 are classified as:

- financial assets at fair value through profit or loss,
- financial assets at fair value, recognizing the change in fair value as other comprehensive income,
- 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.

The Company classifies its investments in equity securities as financial assets measured at fair value through profit or loss.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognized in the income statement under "Net change in fair value of financial assets". Dividends on investments are recognized in the income statement under "Dividend income" when the right to pay dividends is established. Assets in this category are classified as current assets if the payment is settled within 12 months; otherwise, it is recorded as non-current assets.

As the business model for the Company's bonds and loans granted is held to collect contractual cash flows and they are solely payments of principal and interest, the Company classifies these financial assets as measured at amortised cost. This category also includes other receivables and cash and cash equivalents. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

The value of financial assets at amortized cost at the balance sheet date is determined using the effective interest method, less impairment.

Financial assets are recognised at fair value when the Company becomes party 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 Company has transferred substantially all the risks and rewards of ownership.

2.6 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company follows a three-stage model for impairment for financial assets other than trade receivables:

- Stage 1 – balances, for which the credit risk has not increased significantly since initial recognition, or that have low credit risk at the reporting date. For these 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;
- Stage 2 – comprises balances for which there have been a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight;
- Stage 3 – comprises balances with objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Loans granted and bonds purchased are considered to be low credit risk when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

The financial assets are 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 are 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 other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are classified either to Stage 2 or Stage 3:

2 Basis of preparation and accounting policies (cont'd)

2.6 Impairment of financial assets (cont'd)

- 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 or individually identified as impaired.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

2.8 Success fee and Management fee

The Management Fee is the remuneration paid to the Management Company for management of the assets of the Company, which is payable for each quarter of a calendar year and is 0,5 percent of the weighted average capitalisation of the Company, calculated according to the Articles of Association. The Management Fee during Investment Period for a full quarter is 0,625 percent (Investment Period is five years after obtaining a license for the Company (Note 1)). The Management Fee for the Investment Period is disbursed according to the following rules:

- 80 percent of the Management Fee is paid not later than 5 Business Day after the last day of the quarter of a calendar year;
- 20 percent of the Management Fee (total amount cannot exceed EUR 750 thousand) is disbursed with the first disbursement of Success Fee; if Success Fee is not disbursed, this portion of Management Fee is not payable.

After Investment Period Management Fee is payable for each quarter of a calendar year and is 0,5 percent of the weighted average capitalisation of the Company, calculated according to the Articles of Association.

The Success Fee depends on the return earned by the Company, which shall be calculated for the whole Company but not for an individual shareholder and is based on internal rate of return. The Success Fee is disbursed after annual internal rate return of disbursements reaches annual rate of 8 percent during lifetime of the Company. The basis of calculation of annual internal rate of return is initial net assets value of the Company as of 13 July 2016 and is equal to EUR 23,906,150.

After internal rate of return reaches 8 percent, excess return earned is allocated as the Success Fee until total return on investment is distributed according to the proportion of 80/20 (20 percent of the return is the Success Fee payable to the Management Company). Any amounts exceeding aforementioned return are disbursed to the shareholders after 20 percent deduction as the Success Fee payable to the Management Company.

The Success Fee shall be disbursed to the Management Company only after the Shareholders are paid their initial investment with average annual return of 8 percent. Until then, the Success Fee shall be accumulated and reflected in financial statements as a liability to the Management Company according to the accounting policy. The Success Fee shall be disbursed to the Management Company each time when funds are disbursed to Shareholders if the condition provided above is satisfied.

2.9 Financial liabilities

The Company recognises a financial liability when it first becomes a party 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. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Other short term liabilities

Other short term liabilities 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). These financial liabilities 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.

Management fee

Determined Management Fee is payable quarterly is recorded as a financial liability and is measured at amortised cost.

Success fee

The Success Fee is accounted as a provision on a quarterly basis until the conditions, as described in note 2.8, for the payment of the Performance Fee are satisfied, when payable part of the Success Fee is recorded as financial liability and is further accounted for at amortised cost.

2 Basis of preparation and accounting policies (cont'd)

2.10 Borrowing costs

Borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Revenue recognition

The Company recognizes revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow and certain criteria are met for each of the Company's activities as described below.

The following criteria also apply to income recognition:

Profit from investment transfer

Investment gains / losses are recognized when the significant portion of the risks and rewards of ownership of the investment is transferred to the buyer. Gains / losses on investments are disclosed in conjunction with changes in the fair value of investments.

Interest Income

Interest income is recognized on an accrual basis using the effective interest rate that is used to discount accurately the estimated future cash inflows over the expected useful life of the financial instruments to their net carrying amount.

Dividend income

Dividend income is recognized in the period in which the Company's right to receive payment is established.

2.12 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 share premium.

The financial instrument (shares of the Company) include legal obligation for the issuing entity to deliver pro rata share of its net assets upon liquidation, which is certain to occur as the Company has finite life (Note 1). However, the shares of the Company meet the following conditions, thus shares of the Company are treated as equity:

- It entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its asset;
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.

2.13 Share-based payments

As at 31 December 2022, the Company's subsidiaries maintained a share-based payment scheme for the Subsidiaries' employees remuneration. According to this program part of employee remuneration is settled in equity. Grant date is the date at which the Company, Subsidiary and the employee agree to a share-based payment arrangement, and requires that the entity, Subsidiary and the employee have a shared understanding of the terms and conditions of the arrangement. If the employee services is rendered before grant date, 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 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. Options under this programme will vest notwithstanding any other conditions and is a non-optional part of remuneration. The option holder acquires the ownership right to the option shares after the agreed period (5 years). Under certain conditions ownership rights could be exercised earlier.

The fair values of options granted in 2022 were determined using weighted average of the last full month prior to pricing. The fair values of options granted in 2021 were determined using the purchase price of own shares as at 10 November 2021. All options granted during 2022 and 2021 was for the remuneration related to 2021 and 2020 respectively and are fully vested.

In total, EUR 105 thousand (EUR 30 thousand in 2022 and EUR 75 thousand in 2021) of employee remuneration was levied by the Company to its subsidiaries has been paid by the Subsidiaries and included in reserve for share-based payments. When the options are exercised, the Company sells own shares. During 2022 the Company has sold its own shares for EUR 2 thousand.

In its separate financial statements the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings is treated as a reserve for share-based payments. The fair value of employee services received, measured by reference to the grant date fair value is recognized as a change in the investment in the subsidiary by adjusting for the change in the value of the investment.

2 Basis of preparation and accounting policies (cont'd)

2.14 Net Asset Value

Net asset value is a non-IFRS financial measure disclosed by the Company and means the difference between the carrying amount of the total assets owned by the Company reduced by the long-term and current liabilities of the Company, i.e. residual interest in the entity by the shareholders and equals to the total equity of the Company.

2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Management Company that makes strategic decisions. All financial information, including the measure of profit, total assets and total liabilities, is analysed as a single operating segment – investments in information technology businesses, therefore, it is not further disclosed in these financial statements.

2.16 Current and deferred income tax

Following the provisions of the Lithuanian Law on Corporate Income Tax, investment income of closed-end investment companies operating in accordance with the Lithuanian Law on Collective Investment Undertakings shall not be subject to income tax.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the profit or loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for success fee and part of management fee

The Company is obliged to pay success fee and part of the management fee to the management company under certain circumstances (note 2.8).

As management services are provided during the period, provision for success and part of management fee should be recognised when the Company has a present obligation (legal or constructive) as a result of a past event (the annual return of the Company exceeds hurdle rate of 8%). The amount to be recognized equals the best estimate of economic resources needed to cover the obligation.

3 Accounting estimates and judgements

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in these financial statements:

Investment entity status

The management periodically reviews whether the Company meets all the definition criteria of an investment entity. In addition, the management assesses the Company's business objective (Note 1), investment strategy, origin of income and fair value valuation techniques. According to the management, the Company met all the definition criteria of an investment entity throughout all the periods presented in these financial statements.

3.2 Accounting 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 Company based its assumptions and estimates on parameters available when the 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 Company. 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 that are not traded in an active market

Fair values of investments in subsidiaries that are not traded in an active market are determined by using valuation techniques, primarily discounted cash flows, income multipliers and last comparable transactions. The valuation techniques 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 are provided in Note 4.

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3 Accounting estimates and judgements (cont'd)

3.2 Accounting estimates and assumptions (cont'd)

Provision for success fee and accrued part of management fee

As described in Notes 2.9 and 2.17, if the conditions provided for in the Company's Articles of Association are met, the Company has an obligation to pay a success fee and a cumulative part of the management fee to the Management Company. Since the Company's estimated return as at 31 December 2022 did not exceed the minimum return barrier over the entire Company's period, i.e. a binding past event did not occur, the Company did not calculate a provision for success and accrued management fees. The Company's estimated return as at 31 December 2021 exceeded the minimum return barrier over the entire Company's period, i.e. a binding past event occurred, the Company calculated a provision for success and accrued management fees.

The Company estimates that the best estimate of the provision for the performance fee and the accrued management fee is the excess of the actual earnings as at 31 December 2022 over the minimum return barrier that would have been paid to the Management Company if the Company had sold all its investments at the balance sheet date at the fair value of the investments determined in the balance sheet. This method of calculation is based on the assumption that the fair value of the investment presented in the balance sheet is the best estimate of the possible selling price of the investment at the balance sheet date. If the actual selling price of the investment were 5 % higher, the amount of the provision would increase by EUR 999 thousand, and if the selling price were 5% lower, provision would not change (would not be formed).

4 Financial assets at fair value through profit or loss

The Company 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 which have a significant effect on the recorded fair value that are not based on observable market data.

The Company's financial assets at fair value through profit or loss included assets attributed to Level 3 in the fair value hierarchy. The Company has no Level 1 or Level 2 instruments.

The table below presents the Company's direct and indirect investments in unconsolidated subsidiaries as at **31 December 2022**:

Name	Country of incorporation	Shares (voting rights) held directly/indirectly by the Company, (%)	Profile of activities
Novian UAB	Lithuania	100	Investing in IT companies
Novian Technologies UAB*	Lithuania	100	Information technology solutions
Novian Esti OU* **	Estonia	100	Information technology solutions
Andmevara SRL*	Moldova	100	Information technology solutions
Zissor AS*	Norway	100	Information technology solutions
Novian Systems UAB* **	Lithuania	100	Information technology solutions
Elsis PRO UAB*	Lithuania	100	Information technology solutions
Andmevara AS*	Estonia	100	Information technology solutions
NRD Companies AS	Norway	100	Information technology solutions
NRD Systems UAB*	Lithuania	95.91	Information technology solutions
Etronika UAB*	Lithuania	90	Information technology solutions
Norway Registers Development AS (with NRD AS Lithuania) *	Norway	100	Information technology solutions
Norway Registers Development Rwanda Ltd*	Rwanda	100	Information technology solutions
Infobank Uganda Ltd*	Uganda	30	Information technology solutions
NRD CS UAB	Lithuania	100	Information technology solutions
NRD Bangladesh Ltd*	Bangladesh	100	Information technology solutions
FINtime UAB	Lithuania	100	Business process outsourcing

* These entities were indirectly controlled by the Company as at 31 December 2022.

** As of 7 June 2022, Admevara Services OU has changed their name to Novian Esti OU.

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4 Financial assets at fair value through profit or loss (cont'd)

The table below presents the Company's direct and indirect investments in unconsolidated subsidiaries as at **31 December 2021**:

Name	Country of incorporation	Shares (voting rights) held directly/indirectly by the Company, (%)	Profile of activities
Novian UAB	Lithuania	100	Investing in IT companies
Novian Technologies UAB*	Lithuania	100	Information technology solutions
Andmevara Services * **	Estonia	100	Information technology solutions
Andmevara SRL*	Moldova	100	Information technology solutions
Zissor AS*	Norway	100	Information technology solutions
Novian Systems UAB* **	Lithuania	100	Information technology solutions
Elsis PRO UAB*	Lithuania	100	Information technology solutions
Andmevara AS*	Estonia	100	Information technology solutions
NRD Companies AS	Norway	100	Information technology solutions
NRD Systems UAB*	Lithuania	95.91	Information technology solutions
Etronika UAB*	Lithuania	90	Information technology solutions
Norway Registers Development AS (with NRD AS Lithuania) *	Norway	100	Information technology solutions
Norway Registers Development Rwanda Ltd*	Rwanda	100	Information technology solutions
Infobank Uganda Ltd*	Uganda	30	Information technology solutions
NRD CS UAB	Lithuania	100	Information technology solutions
NRD Bangladesh Ltd*	Bangladesh	100	Information technology solutions
FINtime UAB	Lithuania	100	Business process outsourcing

* These entities were indirectly controlled by the Company as at 31 December 2022.

** As of 8 December 2020, BAIP and Algoritmu Sistemas have changed their names to Novian Technologies and Novian Systems, respectively.

The Company conducts an independent valuation of its investments in subsidiaries when preparing the annual financial statements. As at 31 December 2022 and 31 December 2021, the valuation was carried out by Deloitte Verslo Konsultacijos UAB using the income approach, except for the valuation of FINtime UAB, the net asset value method was used for the full valuation of the company which was considered the most suitable for the company. In the opinion of the management, the fair value of investments was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments. The fair value of investments was determined in compliance with the International Valuation Standards approved by the International Valuation Standards Council. For the income approach, the discounted cash flow method was used. It was based on free cash flow forecasts made by management for the period of 5 years.

The fair values of the Company's unconsolidated subsidiaries were as follows:

Name	At 31 December 2022	At 31 December 2021
Novian UAB Group*	17,618	19,599
NRD Group**	7,289	6,561
NRD CS UAB***	9,876	8,971
FINtime UAB	158	234
Total	34,941	35,365

*Novian UAB group consisted of Novian UAB together with the entities controlled by it – Novian technologies UAB, Novian Esti OU, Andmevara AS, Andmevara SRL, Zissor AS, Novian systems UAB, Elsis Pro UAB.

**Includes all NRD Group companies – NRS Systems UAB, Etronika UAB, Norway Registers Development AS (with NRD AS Lithuania), Norway Registers Development Rwanda Ltd, Infobank Uganda Ltd.

***Includes NRD CS UAB and NRD Bangladesh Ltd.

The subsidiaries of the Company as at 31 December 2022 did not have any significant restrictions on the repayment of dividends to the Company from non-consolidated subsidiaries or the Company's loans to unconsolidated subsidiaries with the exception of Novian UAB subordination agreement which has been signed between the Company, Novian UAB and Citadele Bank regarding the loan agreement that was signed on 18 October 2021. The repayment term of Citadele bank credit is 31 May 2023 whereas the loan repayment to The Company is 31 October 2025.

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4 Financial assets at fair value through profit or loss (cont'd)

Due to changes in the fair value of subsidiaries of the Company, the Company may incur losses.

Information about dividends is presented in Note 11.

The table below presents movements in Level 3 financial instruments during 2022:

Opening balance at 1 January 2022	35,365
Increase the authorized capital of portfolio companies in cash	-
Increase of the authorized capital of portfolio companies by contributing directly managed portfolio companies	-
Sale of directly managed portfolio companies to other portfolio companies	-
Transfer of directly managed portfolio companies to other portfolio companies by increasing their share capital	-
Unrealized gains and losses for the reporting period recognized in the income statement for assets managed at the end of the reporting period	(424)
Closing balance at 31 December 2022	34,941

The table below shows the fair value (Level 3) valuation methods of the investments in subsidiaries, the input data used and the sensitivity analysis for changes in input data:

Name	Fair value, EUR '000	Valuation technique	Inputs	Input value	Reasonable possible shift - +/-	Change in valuation +/-
Novian Group	17,618	Discounted cash flow	Weighted average cost of capital	9.8%	-/+ 0.5%	1,165/(1,023)
			Long-term growth rate	2.0%	-/+ 0.5%	(693)/788
			Free cash flows	-	-/+ 10%	(1,587)/1,587
			Discount for lack of marketability	12.8%	-/+ 2%	322/(322)
			5y revenue growth rate	-	-/+ 0.5%	(397)/403
NRD Group	7,289	Discounted cash flow	Weighted average cost of capital	10.7%	-/+ 0.5%	433/(386)
			Long-term growth rate	2.0%	-/+ 0.5%	(270)/302
			Free cash flows	-	-/+ 10%	(674)/674
			Discount for lack of marketability	14.0%	-/+ 2%	171/(171)
			5y revenue growth rate	-	-/+ 0.5%	(135)/137
NRD CS UAB	9,876	Discounted cash flow	Weighted average cost of capital	10.8%	-/+ 0.5%	530/(473)
			Long-term growth rate	2.0%	-/+ 0.5%	(346)/388
			Free cash flows	-	-/+ 10%	(869)/869
			Discount for lack of marketability	14.1%	-/+ 2%	230/(230)
			5y revenue growth rate	-	-/+ 0.5%	(153)/155
FINtime UAB	158	Net assets value	N/A	N/D	N/D	N/D
Total:	34,941					

The fair value was based on discounted cash flow method, which was selected by the external valuator as the best representation of the company specific development potential, except for FINtime UAB where net assets value method was used. Different method was selected as at the current moment the entity is not expected to generate significant free cash flows. Due to the limited number of comparable companies and transactions, lack of reliability of the market data and limited comparability of peers, the results of the guideline public companies and transaction methods were used as a supplementary analysis and were provided only for illustrative purposes in valuation report.

Cash flow projections made by Company's management for the period of 5 years (2023-2027) were used as a basis in the income method. Free cash flows were calculated as net profit plus depreciation/amortisation of property, plant and equipment and intangible assets, plus or minus changes in working capital and minus capital expenditure. The resulting value was adjusted by discount for lack of marketability and the amount of surplus assets/liabilities. As part of the valuation process, valuator had analysed items presented on the balance sheet of each company and had identified assets and liabilities, which can be treated as surplus assets (e.g. net working capital above normalised level, non-operating cash balances, loans to related parties) and debt/debt-like items; all of which were adjusted when arriving at equity value of the company.

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4 Financial assets at fair value through profit or loss (cont'd)

The table below presents movements in Level 3 financial instruments during 2021:

Opening balance at 1 January 2021	32,652
Increase the authorized capital of portfolio companies in cash	-
Increase of the authorized capital of portfolio companies by contributing directly managed portfolio companies	-
Sale of directly managed portfolio companies to other portfolio companies	-
Transfer of directly managed portfolio companies to other portfolio companies by increasing their share capital	-
Unrealized gains and losses for the reporting period recognized in the income statement for assets managed at the end of the reporting period	2,713
Closing balance at 31 December 2021	35,365

The table below shows the fair value (Level 3) valuation methods of the investments in subsidiaries, the input data used and the sensitivity analysis for changes in input data:

Name	Fair value, EUR '000	Valuation technique	Inputs	Input value	Reasonable possible shift -/+	Change in valuation +/-
Novian Group	19,599	Discounted cash flow	Weighted average cost of capital	7.4%	-/+ 0.5 %	1,783 / (1,480)
			Long-term growth rate	2.0%	-/+ 0.5 %	(1,137) / 1,369
			Free cash flows	-	-/+ 10 %	(1,683) / 1,683
			Discount for lack of marketability	13.3%	-/+ 2 %	372 / (372)
			5y revenue growth rate	-	-/+ 0.5 %	(535) / 545
NRD Group	6,561	Discounted cash flow	Weighted average cost of capital	9.5%	-/+ 0.5 %	441 / (386)
			Long-term growth rate	2.0%	-/+ 0.5 %	(280) / 321
			Free cash flows	-	-/+ 10 %	(448) / 449
			Discount for lack of marketability	14.9%	-/+ 2 %	241 / (225)
			5y revenue growth rate	-	-/+ 0.5 %	(265) / 267
NRD CS UAB	8,971	Discounted cash flow	Weighted average cost of capital	8.8%	-/+ 0.5 %	671 / (578)
			Long-term growth rate	2.0%	-/+ 0.5 %	(429) / 497
			Free cash flows	-	-/+ 10 %	(833) / 833
			Discount for lack of marketability	14.5%	-/+ 2 %	209 / (209)
			5y revenue growth rate	-	-/+ 0.5 %	(195) / 198
FINtime UAB	234	Net assets value	N/A	N/A	N/A	N/A
Total:	35,365					

The fair value was based on discounted cash flow method, which was selected by the external valuator as the best representation of the company specific development potential, except for FINtime UAB where net assets value method was used. Different method was selected as at the current moment the entity is not expected to generate significant free cash flows. Due to the limited number of comparable companies and transactions, lack of reliability of the market data and limited comparability of peers, the results of the guideline public companies and transaction methods were used as a supplementary analysis and were provided only for illustrative purposes in valuation report.

Cash flow projections made by Company management for the period of 5 years (2021-2025) were used as a basis in the income method. Free cash flows were calculated as operating profit after tax plus depreciation/amortisation of property, plant and equipment and intangible assets, plus or minus changes in working capital and minus capital expenditure. The resulting value was adjusted by discount for lack of marketability and the amount of surplus assets/liabilities. As part of the valuation process, valuator had analysed items presented on the balance sheet of each company and had identified assets and liabilities, which can be treated as surplus assets (e.g. net working capital above normalised level, non-operating cash balances, loans to related parties) and debt/debt-like items; all of which were adjusted when arriving at equity value of the company.

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5 Cash and cash equivalents

	<u>At 31 December 2022</u>	<u>At 31 December 2021</u>
Cash in bank accounts	733	2,097
Total cash and cash equivalents	<u>733</u>	<u>2,097</u>

All Company's cash and cash equivalents comprised funds in the bank's current accounts, all cash is held in euros and no restrictions are put on cash balance as at 31 December 2022 and 2021.

6 Loans

As at 31 December 2022 and 2021, the expected credit loss was estimated not to be material and was, therefore, not recognized in these financial statements.

Loans

	<u>At 31 December 2022</u>	<u>At 31 December 2021</u>
Classified as non - current asset	<u>1,895</u>	<u>1,189</u>
<i>Loans</i>	1,895	1,175
<i>Accrued interest</i>	-	14
Classified as current asset	<u>878</u>	-
<i>Loans</i>	750	-
<i>Accrued interest</i>	128	-
Total value of loans	<u>2,773</u>	<u>1,189</u>

As at 31 December 2022, the Company has granted a long-term loan of EUR 1,895 thousand to Novian UAB. Loan is accounted for at amortized cost as it is considered to be held for cash flow interest payments and principal repayments only. The loan shall be repaid in full no later than 31 October 2025. Interest for using the loan is paid at the end of each year. The first interest payment deadline is 31 December 2023.

As at 31 December 2022, the Company has granted short-term loans to Novian UAB and NRD Systems UAB, EUR 550 thousand and EUR 200 thousand respectively. The loans and accrued interests shall be repaid in full no later than 31 July 2023 and 30 April 2023 respectively.

As at 31 December 2021, the Company has granted a loan to Novian UAB. Loans are accounted for at amortized cost as they are considered to be held for cash flow interest payments and principal repayments only. The loans and accrued interests shall be repaid in full no later than 31 October 2023.

As at 31 December 2022 and 2021, the expected credit loss was estimated not to be material and was, therefore, not recognized in these financial statements.

7 Reserves

As at 31 December 2022, the Company's reserves consisted of the reserve for acquisition of own shares amounting to EUR 9,800 thousand, share based payment reserve amounting to EUR 103 thousand, and legal reserve amounting to EUR 354 thousand (EUR 9,800 thousand, EUR 75 thousand, and EUR 354 thousand as at 31 December 2021, respectively). The reserves were formed upon appropriation of the Company's result in the past, except for share based payment reserve which was formed according to share options agreements.

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. As at 31 December 2022 and 2021 legal reserve was fully formed.

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7 Reserves (cont'd)

Reserve for acquisition of own shares

Reserve for acquisition of own shares is formed for the purpose of acquiring own shares in order to keep their liquidity and manage price fluctuations. It is formed from profit for appropriation. The reserve cannot be used to increase the share capital. The reserve is reduced upon annulment of own shares. During the ordinary general meeting of shareholders, the shareholder may decide to transfer the amounts not used for acquisition of own shares to the retained earnings. The Company's management did not have a formally approved programme for buy-up of its own shares as at the reporting date.

Share-based payments reserve

In June 2022 and December 2021 the Company entered into agreements with three of its subsidiaries to grant share options to its employees for the consideration paid by the appropriate subsidiary. As at 31 December 2022 and 31 December 2021 all payments for the reserved shares have been received by the Company.

The value of share-based payments in 2022 by investment committee decision was calculated as weighted average of the last full month prior to pricing (value for 2021 was calculated using the Black-Scholes method). The historical value of the share price volatility is taken to calculate the value.

Share options and exercise prices are as follows for the reporting periods presented:

	<u>Number of shares</u>	<u>Exercise price per share</u>
Outstanding at 31 December 2020	-	-
Granted	27,340	2.74
Forfeited	-	-
Exercised	-	-
Outstanding at 31 December 2021	<u>27,340</u>	<u>2.74</u>
Granted	11,667	2.69
Forfeited (<i>from 2021 stream</i>)	(436)	2.74
Forfeited (<i>from 2022 stream</i>)	(221)	2.69
Exercised (<i>from 2021 stream</i>)	(637)	2.74
Exercised (<i>from 2022 stream</i>)	(250)	2.69
Outstanding at 31 December 2022	<u>37,463</u>	<u>-</u>

Weighted exercise price per share for share options outstanding as at 31 December 2022 is 2.73 (as at 31 December 2021 – 2.74).

8 Provisions

As at 31 December 2022, the Company's estimated return did not exceed the minimum return barrier over the entire Company's period, the Company did not calculate a provision for success and accrued management fees. Since the Company's estimated return as at 31 December 2021 exceeded the minimum return barrier over the entire Company's period, the Company calculated a provision for success and accrued management fees:

	<u>At 31 December 2022</u>	<u>At 31 December 2021</u>
Success fee	-	1,805
Accrued management fee	-	534
	<u>-</u>	<u>2,339</u>

Movements of success fee and accrued management fee were recorded during the year.

Opening balance at 1 January 2022	<u>2,339</u>
Increase of success fee	(1,805)
Increase of accrued management fee	(534)
Closing balance at 31 December 2022	<u>-</u>

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9 Other current liabilities

	<u>At 31 December 2022</u>	<u>At 31 December 2021</u>
Management fee	131	165
Accrued audit expenses	14	10
Payable depository fee	11	10
Trade payables	21	2
Total other current liabilities	177	187

10 Net Asset Value (a non-IFRS measure)

	<u>At 31 December 2022</u>	<u>At 31 December 2021</u>
Net asset value, total, EUR	38,270,309	36,125,378
Net asset value per share, EUR	3.1711	2.9936

11 Dividends and interest income

During the year of 2022 and 2021 there were no declared dividends by the Company.

During the year of 2022 EUR 800 thousand of dividends were received by the Company (2021 EUR 1,415 thousand).

	<u>2022</u>	<u>2021</u>
Interest income	138	25
Dividend income	800	1,415
Total	938	1,440

12 Other expenses

	<u>2022</u>	<u>2021</u>
Professional services	62	37
Depository fees	42	40
Stock exchange and securities fees	25	24
Audit services	16	13
Other expenses	3	11
Other expenses (total)	148	125

13 Income tax

Since 2017 according to the provisions of the Lithuanian Law on Corporate Income Tax, investment income of a closed-ended investment companies operating in accordance with the Lithuanian Law on Collective Investment Undertakings are not subject to income tax. From 1 January 2018 all income of Collective Investment Undertakings are not subject to income tax.

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14 Earnings per share

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

The weighted average number of shares for 12 months of reporting period was as follows:

Calculation of weighted average for the year 2021	Number of shares (thousand)*	Par value (EUR)	Issued/365 (days)	Weighted average (thousand)*
Shares outstanding as at 31 December 2021	12,067	0.29	365/365	12,067
Own shares sold as at 6 January 2022	-	0.29	359/365	-
Own shares sold as at 4 March 2022	-	0.29	302/365	-
Own shares sold as at 28 April 2022	-	0.29	247/365	-
Own shares sold as at 12 August 2022	-	0.29	186/365	-
Own shares sold as at 27 September 2022	-	0.29	141/365	-
Own shares sold as at 31 December 2022	-	0.29	95/365	-
Shares outstanding as at 31 December 2022	12,068	0.29	-	12,068

*The company sold a total of 887 units. own shares in 2022

The weighted average number of shares for 12 months of 2021 was as follows:

Calculation of weighted average for 12 months of 2021	Number of shares (thousand)	Par value (EUR)	Issued/365 (days)	Weighted average (thousand)
Shares outstanding as at 31 December 2020	12,175	0.29	365/365	12,175
Own shares acquired as at 11 November 2021	(108)	0.29	314/365	(15)
Shares outstanding as at 31 December 2021	12,067	0.29	-	12,160

The following table reflects data on profit and shares used in the basic earnings per share computations:

	2022	2021
Net profit attributable to the equity holders of the parent entity (EUR '000)	2,115	2,621
Weighted average number of ordinary shares (thousand)	12,068	12,160
Basic and diluted earnings per share (EUR)	0.18	0.22

15 Related-party transactions

The related parties of the Company were directly and indirectly managed subsidiaries (note 4) and management company.

The Company's transactions with other related parties during 2022 and outstanding balances as at 31 December 2022 were as follows:

	Revenue and income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
UTIB „INVL Technology“ subsidiaries				
Loans	-	-	2,645	-
Interest on loans	138	-	128	-
Management company UAB “INVL Asset management”				
Success fee	-	(2,339)	-	-
Management fee	-	590	-	131
	138	(1,749)	2,773	131

INVL TECHNOLOGY UTIB
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
 (All amounts are in EUR thousands unless otherwise stated)

15 Related-party transactions (cont'd)

The Company's transactions with other related parties during 2021 and outstanding balances as at 31 December 2021 were as follows:

	Revenue and income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
<i>UTIB „INVL Technology“ subsidiaries</i>				
Bonds	-	-	-	-
Interest on bonds	7	-	-	-
Loans	-	-	1,175	-
Interest on loans	18	-	14	-
<i>Management company UAB “INVL Asset management”</i>				
Success fee	-	804	-	2,339
Management fee	-	603	-	165
	25	1,407	1,189	2,504

Changes in loans and bonds granted to subsidiaries:

	2022	2021
Outstanding as at 1 January	1,189	559
Interest charged	138	25
Bonds repayments received	-	(405)
Interest received	(24)	(15)
Loans granted	2,070	1,675
Loans repaid	(600)	(650)
Outstanding as at 31 December	2,773	1,189

All transactions with related parties are subject to the same terms and conditions that are applicable to third parties.

16 Segment reporting

The Company has defined its operating segments in a manner consistent with the internal reporting provided to the Investment committee of the Management company that is responsible for making strategic decisions.

The Investment committee is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Investment committee's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the Investment committee for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

The Company has its headquarters in Lithuania. The Company's dividend income is disclosed in Note 11. The Company has no significant fixed assets.

INVL TECHNOLOGY UTIB
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
 (All amounts are in EUR thousands unless otherwise stated)

17 Financial instruments by category

The Company's financial assets at fair value through profit or loss consisted of assets in Level 3. The Company has no instruments in Level 1 and 2.

	At amortised cost	At fair value through profit or loss	Total
At 31 December 2022			
Financial assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	34,941	34,941
Loans	2,773	-	2,773
Cash and cash equivalents	733	-	733
Total	3,506	34,941	38,447

	At amortised cost	At fair value through profit or loss	Total
At 31 December 2021			
Financial assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	35,365	35,365
Loans	1,189	-	1,189
Cash and cash equivalents	2,097	-	2,097
Total	3,286	35,365	38,651

	At amortised cost	
At 31 December 2022		
Financial liabilities as per statement of financial position		
Trade payables		21
Other current liabilities		156
Total		177

	At amortised cost	
At 31 December 2021		
Financial liabilities as per statement of financial position		
Trade payables		2
Other current liabilities		185
Total		187

18 Financial risk management

18.1 Financial risk factors

The risk management function within the Company is carried out by the Management Company in respect of financial risks (credit, liquidity, market, foreign exchange and interest rate risks), operational risk and legal risk. The primary objective of the financial risk management function is to establish the risk limits, and then make sure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of the internal policies and procedures necessary to mitigate the operational and legal risks.

The Company's financial liabilities consist of trade and other payables. The Company has various categories of financial assets, however, the major items of its financial assets were financial assets at fair value through profit loss (consisting of the investments in unconsolidated subsidiaries) and cash and cash equivalents.

The Company is being managed in a way that its portfolio companies are operating independently from each other. This helps to diversify the operational risk and to create conditions for selling any controlled business without exposing the Company to any risks.

The Company's business objective is to achieve medium to long-term return on investments in carefully selected unlisted private companies operating in information technology sector.

The main risks arising from the financial instruments are market risk (including foreign exchange risk, interest rate risk and price risk), liquidity risk, concentration risk and credit risk. The risks are described below.

Market risk

Foreign exchange risk

The Company has no material exposures or transactions in currencies other than euro, therefore it is not exposed to foreign currency risk.

Interest rate risk

The Company is exposed to the risk of changes in market interest rates primarily due to assets with variable interest rates.

The following table reveals the sensitivity of the Company's pre-tax profit to reasonably expected changes in floating interest rates (EURIBOR), all other variables being constant (assessing the impact of granted loans with floating interest rates). There is no impact on the company's assets, except for the impact on the current year's profit.

	<u>Increase, in basis points</u>	<u>Company</u>
2022 m.		
EUR	+300	(79)
	-100	26
2021 m.		
EUR	+50	(6)

In 2022 the Company had loans in total EUR 2.645 thousand. Loan interest rates are variable, the interest rate for long-term loans is base interest rate and 3-month EURIBOR, short-term loans are base interest rate and 6-month EURIBOR and are calculated on the last day of each month.

In 2021 the Company did not have bonds and had a loan in total EUR 1.175 thousand. Loan interests was fixed and calculated each month on a last day. As interest rates on bonds and loans were fixed and bonds and loans were accounted at amortised cost, the company did not have interest rate risk related to acquired bonds.

Price risk

The Company's investments are susceptible to price risk arising from uncertainties about future values of the investments that are not traded in an active market. To manage the price risk, the Investment committee reviews the performance of the portfolio companies on a quarterly basis, and keep regular contact with the management of the portfolio companies for business development and day-to-day operation matters.

The information technology business and the information technology market are changing rapidly. Therefore, there is a risk that unforeseen market changes may reduce the value of the Company's investments or the investment return of the Company's investment objects. The realization price of the Company's investments may be higher or lower than the value of the assets determined by the property appraiser (refer to Note 4 for more details).

As at 31 December 2022, the fair value of the Company's investments exposed to price risk was EUR 34,941 thousand (31 December 2021: EUR 35,365 thousand).

INVL TECHNOLOGY UTIB
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
 (All amounts are in EUR thousands unless otherwise stated)

18 Financial risk management (cont'd)

18.1 Financial risk factors (cont'd)

Liquidity risk

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 its commitments at a given date in accordance with the strategic plans.

Liquidity risk of the Company is managed by the Management company. The liquidity risk management is divided into long-term and short-term risk management.

The aim of the short-term liquidity risk management is to meet the day-to-day needs for funds. Each subsidiary is independently planning its internal cash flows. Short-term liquidity of the Company is managed through monthly monitoring of the liquidity status at the Company.

Long-term liquidity risk is managed by analysing the cash flow projections by taking into account the potential sources of financing. Before approving a new investment project, the Company evaluates the possibilities to attract the required funding. Based on monthly reports, the Company makes projections of monetary income and expenses over the next one year, thereby ensuring an effective planning of the Company's funding.

The Company's liquidity ratio (total current assets / total current liabilities) as at 31 December 2022 and 2021 was approximately 9.1 and 11.21, respectively.

As at 31 December 2022 the current assets of the Company were higher than current liabilities by EUR 1,434 thousand. The management of the Company forecasted the cash flows of the Company for 2023 and indicates that the Company will have sufficient funds to cover liabilities, which fall due in 2023.

The Company's financial liabilities based on undiscounted contractual payments consisted of:

	Up to 3 months	4 - 12 months	2 to 5 years	Over 5 years	Total
Other current liabilities	177	-	-	-	177
At 31 December 2022	177	-	-	-	177

	Up to 3 months	4 - 12 months	2 to 5 years	Over 5 years	Total
Other current liabilities	187	-	2,339	-	2,526
At 31 December 2021	187	-	2,339	-	2,526

The company has no liquidity problems and there are no expectations that they will arise in the foreseeable future.

Concentration risk

Through investment diversification and risk management the Company seeks to reduce the risk and prevent potential reduction in the value of investments and create value by selecting investment objects and relying on the experience of other market participants.

The Company manages the Company's portfolio of investment instruments in compliance with the following main principles of diversification:

- investments into Operational Companies which are registered or carry out their activities in the European Union (European Economic Area) Member States, in the Organisation for Economic Cooperation and Development (OECD) member countries and Israel.
- at least 70 per cent of the Net Asset Value is invested directly or through a SPV into the stakes of Operational Companies in order to control or to make a significant impact on such companies.
- the total amount of investments into transferable securities issued by a single person, money market instruments, deposits and liabilities arising out of financial derivatives transactions with that person may not exceed 30 per cent of the Net Asset Value.
- no more than 30 per cent of the Net Asset Value can be invested in:
 - o deposits for a term no longer than 12 months which can be collected upon demand in a credit institution, domiciled in an EU Member State or in another state where risk limiting supervision is no less strict than in the European Union
 - o financial derivatives which are admitted to trading on the multi-lateral trading facility but not admitted to trading on regulated markets and in which the counterparty in the transactions concluded beyond these markets conform to the criteria established by the Supervisory Authority and is subject to risk limiting supervision and which can be checked and reliably and accurately assessed on a daily basis and sold or otherwise realised for a consideration at any time at their fair value.

18 Financial risk management (cont'd)

18.1 Financial risk factors (cont'd)

Concentration risk (cont'd)

Upon the establishment of the Company, its investment portfolio may not meet the set diversification requirements for 4 years after the date on which the Supervisory Authority issued a permit to approve its incorporation documents and to choose the Depository. In the event that, upon the expiration of the set term, the investment requirements shall be violated due to the reasons beyond the control of the Management Company, such non-conformity must be eliminated as soon as possible but no later than within 1 year from the date on which the Management Company became aware of this situation.

If the diversification requirements are not complied with for reasons beyond the control of the management company, the requirement must be reinstated within 1 year. In exceptional cases, the time limit may be extended, provided that the supervisory authority is duly informed. In July 2021, the supervisory authority (the Bank of Lithuania) extended this deadline until 2024.

Credit risk

Credit risk arises from cash and cash equivalents, outstanding balances of trade and other receivables, and outstanding balances of loans granted.

With respect to trade and other receivables neither past due nor impaired, there were no indications as at the reporting date that the debtors will fail to fulfil their liabilities in due time, since the Company constantly reviews the balances of receivables. The Company has no significant transactions in a country other than the countries of domicile of the subsidiaries and their investments. All material receivables of the Company are from subsidiaries, and their settlement terms are set by the Company itself with no history of uncollected accounts.

With respect to credit risk arising from other financial assets of the Company (consisting of cash and cash equivalents and loans granted), the Company's exposure to credit risk arises from default of the counterparty. The maximum exposure to credit risk was equal to the carrying amount of these instruments:

Assets with no credit rating assigned

	<u>At 31 December 2022</u>	<u>At 31 December 2021</u>
Loans	2,773	1,189
Cash and cash equivalents	733	2,097
Total current assets	<u>3,506</u>	<u>3,286</u>

The Company accepts the services from the banks and the financial institutions which (or the controlling financial institutions of which) have been assigned a high credit rating by an independent rating agency. As at 31 December 2022 and 2021 the Company's cash balances were held in the financial institutions which have not been assigned individual credit ratings, but the controlling financial institutions of which have been assigned "Prime-1" rating by Moody's agency. The credit risk of loans granted is described in more details in Note 6.

18.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company carries investments in subsidiaries at fair value (please refer to Note 4 for more details).

The Company's principal financial instruments that are not carried at fair value in the statement of financial position are cash and cash equivalents, loans granted to portfolio companies, as well as trade and other payables.

The carrying amount of the cash and cash of the Company as at 31 December 2022 and 2021 approximated their fair value because they are short-term and the impact of discounting is immaterial.

In the management's opinion, the interest rate of short-term and long-term loans corresponds to market conditions, therefore it is considered that their value in 2022 and 2021 was close to their fair value.

18. Financial risk management (cont'd)

18.3 Capital management

The Company's primary objective when managing capital is to safeguard that the Company will be able to maintain a strong credit health and healthy capital ratios in order to support its business and maximise returns for shareholders. The Company's capital management is conducted through supervision of activities of individual subsidiaries to ensure that their capital is sufficient to continue as a going concern. Management of entities oversees to ensure that the subsidiaries are in compliance with the capital requirements defined in relevant legal acts and loan contracts, and that they provide the Company's management with the necessary information.

The Company's capital comprises share capital, share premium, reserves and retained earnings. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risks specific to its activity. To maintain or adjust the capital structure, the Company may issue new shares, reduce share capital, and adjust the dividend payment to shareholders.

During 2022, no changes were introduced in the objectives of capital management, policies or processes.

The Company is obliged to keep its equity ratio at not less than 50 % of its share capital, as imposed by the Lithuanian Law on Companies. As at 31 December 2022 and 2021 the Company complied with this requirement.

19 Impact of invasion of the Russian Federation to Ukraine

The Company has not owned any assets and does not perform any operation in Ukraine, Russia, and Belarus. Activities were affected by general economic situation – it has increased expenses. At the moment, the Company and its subsidiaries has not encountered the worsening settlement of debt by the tenants compared with previous years. Therefore, invasion of the Russian Federation to Ukraine, occurred on 24 February 2022, did not have any significant impact on the Company's activities.

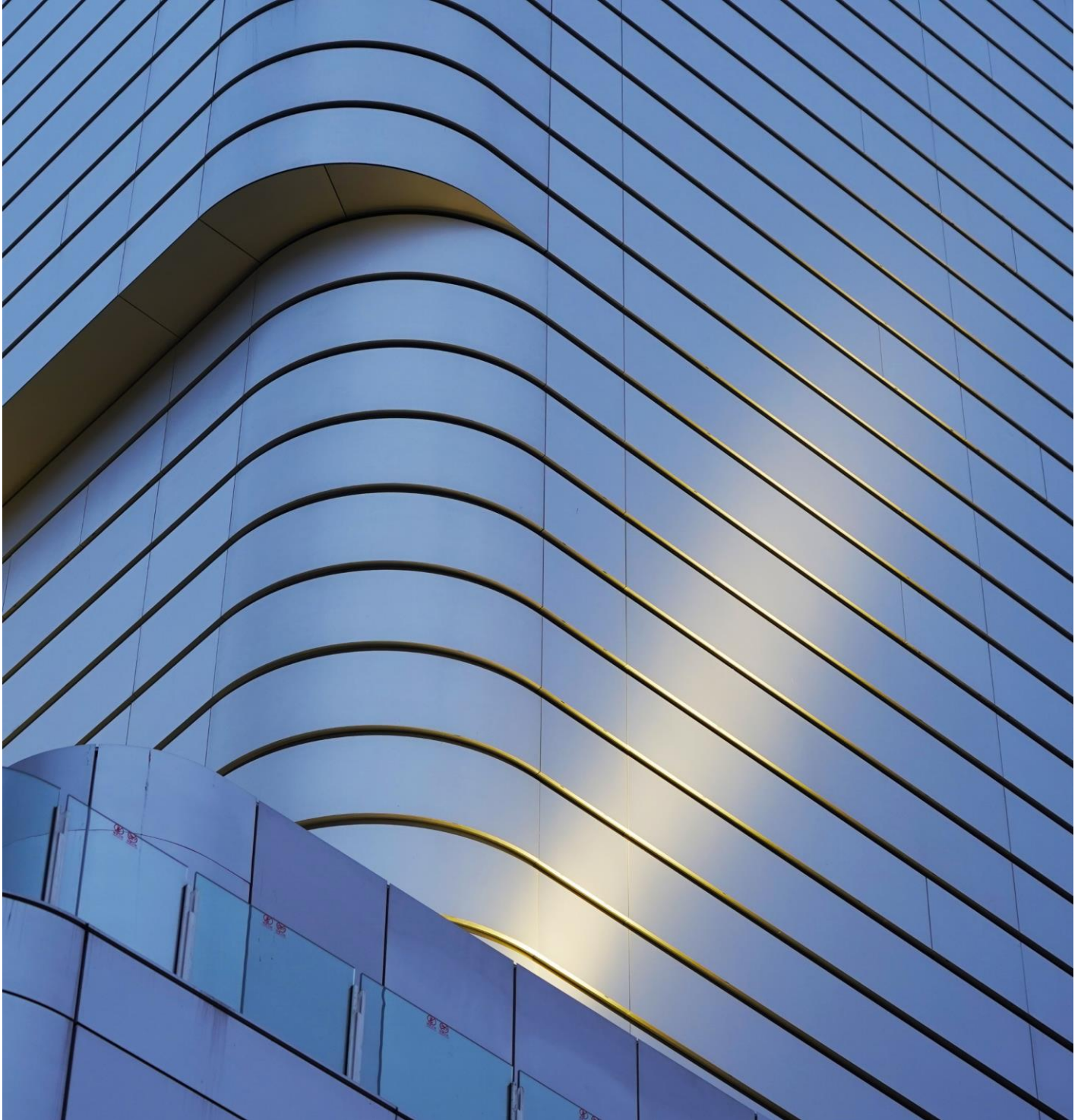
20 Events after the reporting period

20 February 2023 the Company granted short-term loan to Norway Register Development AS with the repayment term of 31 May 2023.

31 March 2023 UAB NRD Systems partially returned a short-term loan of EUR 100 thousand.



TECHNOLOGY



SPECIAL CLOSED-ENDED TYPE
PRIVATE CAPITAL INVESTMENT COMPANY'S

INVL Technology

Annual Report Of 2022

Translation note:

This version of the Annual Report of 2022 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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Foreword of the Managing Partner of INVL Technology

INVL Technology's net asset value rose to EUR 38.27 million



INVL Technology's equity and net asset value grew 5.9% in 2022 and amounted to EUR 38.27 million at year-end. Equity per share increased the same percentage in the year to EUR 3.17 at the end of 2022.

The company had a net profit of EUR 2.1 million last year, which is 19.3% less than in 2021.

From 14 July 2016, when INVL Technology began to operate as a closed-end investment company, through the end of 2022, its equity per share rose from EUR 1.96 to EUR 3.17 (also taking own-share purchases in 2021 into account).

Total growth was thus 61.5%, and the compound annual growth rate for the period was 7.7%.

Calculating the change of the same indicator from the completion of INVL Technology's secondary share offering in 2015 through the end of 2022, equity per share increased 92.2% from EUR 1.65, with a CAGR of 9.1% for the period.

INVL Technology has begun to prepare for the sale of the businesses it owns and the wind-down of the fund in 2026.

Trends

The fall in the value of technology companies worldwide and increased cost of capital in 2022 also had a negative impact on INVL Technology's asset holdings.

During 2022, accounting for the effect of dividends that were paid, the value of the cyber-security company NRD Cyber Security grew 16% to EUR 9.9 million, the value of NRD Companies, which works in business climate improvement and e-governance, increased 11% to EUR 7.3 million, and the value of the Novian group of IT service businesses decreased 9% to EUR 17.6 million.

On the other hand, the outlook for the businesses owned is positive. With increased sales of products and services in international markets, we believe their revenues will continue to grow faster than labour costs.

Performance of business holdings

Based on unaudited figures, the businesses that INVL Technology owns and manages had aggregated revenues of EUR 50.2 million in 2022, which is 24.7% more than in 2021.

Their gross profit grew 22.4% in the period of comparison to EUR 14.7 million, while their aggregated EBITDA decreased 14.1% to EUR 2.5 million.

Labour costs, which had been rising sharply, stabilised in the second half of 2022. Moreover, the businesses' earnings outside Lithuania started to grow significantly and profitability recovered.

Kazimieras Tonkūnas,

INVL Technology Managing Partner

I. General Information

1. Reporting period for which the report is prepared

This Annual Report is prepared for the period from 1 January 2022 until 31 December 2022. The report also includes important events of the company and group occurring after the end of the reporting period. The report was reviewed by the auditor.

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

2.1. Information about the issuer

Name of the Issuer	Special closed-ended type private capital investment company INVL Technology
Code	300893533
Address	Gynėjų Str. 14, LT01109 Vilnius, Lithuania
Telephone	+370 5 279 0601
E-mail	info@invltechnology.lt
Website	www.invltechnology.lt
LEI code	5299006UHD9X339RUR46
Legal form	Public joint-stock company
Type of the company	Closed-ended type investment company
Date and place of registration	27 June 2007; Register of Legal Entities
Date on which the supervisory authority approved the documents on the formation of the collective investment undertaking	14 July 2016
Period of activity of the Company	Till 14 July 2026 (+2 years)
Register in which data about the Company are accumulated and stored	Register of Legal Entities
Management company	INVL Asset Management UAB, code 126263073, licence No. VĮK-005
The depository	SEB Bank, AB, code 112021238, bank licence No. 2

2.2. Information on company's goals, philosophy and strategy

INVL Technology is a specialised company which invests in IT businesses. With investment and development of information technology businesses, INVL Technology contributes to innovations in countries, sectors and companies, as well as advancement of the society.

INVL Technology is managed by the company INVL Asset Management which adheres to the Principles for Responsible Investment. The PRI, founded in 2006 and supported by the UN, aims to assess the investment implications of environmental, social and governance (ESG) factors.

A strategy of INVL Technology is to invest in national-level European IT businesses with high globalisation potential and grow them into global players by utilizing the sales channels and intellectual capital of the managed companies.

INVL Technology's management aims to reduce constraints on the value growth of the managed companies by lowering entry barriers to new markets, accelerating product development, and shortening the learning curve.

INVL Technology finances, controls and supports responsible development of intangible assets in the managed companies. It considers companies' products, experience, research and development projects, project companies' knowledge, expertise in fast growing markets and customer relationships as strategically important for the growth of the value of financial assets.

Intellectual capital is the property of the managed companies. Its commercialization is a principal part of the companies' transformation strategy.

Managed companies have to operate efficiently and grow faster than the sector. Their cooperation is based on market relations. However, managed companies have priority access to each other's know-how and experience.

2.3. Information about the Issuer's group of companies

INVL Technology is structured into three company groups:



NRD Companies is a global IT and consulting group of companies, specializing in governance and economic digital infrastructure development. Headquartered in Norway, the group unites companies operating in Fintech, GovTech, and practice-based consulting areas in aiding countries to reach UN sustainable development goals. NRD Companies have a successful track record of implementing projects, such as e-registers, e-service delivery platforms, national post digitalization, tax administration platforms, and other digital solutions, in all 5 continents. The group is a recognized leader in the industry and is controlled by the INVL Technology.

NRD Companies is a parent company for the following subsidiary corporations: Norway Registers Development AS, NRD Systems, NRD Rwanda, ETRONIKA, Infobank Uganda. More information: www.nrdcompanies.com.



The companies of the Novian information technology services group provide both stand-alone and integrated solutions and services relevant to the context of digital transformation in the areas of software, IT infrastructure and digitization. Combining the capabilities of its companies in the Baltic and Nordic countries, the Novian group acts as an integrator, ensuring clients get a package of services tailored to their needs.

Companies:

- Novian UAB;
- In the technologies area: Novian Technologies UAB with subsidiary Novian Eesti OÜ and its subsidiary Andmevara SLR ;
- In the software services area: Novian Systems UAB with subsidiaries Andmevara AS and Elsis PRO;
- In the area of media monitoring and digitization services: Zissor AS.



NRD CS (NRD Cyber Security) companies, acting in the field of cyber security, provide technology consulting, incident response services and assistance in creating national Computer Incident Response Teams (CIRTs/SOCs). They focus on services for law enforcement, national communication regulators, CERTs, and corporate information security departments.

Companies:

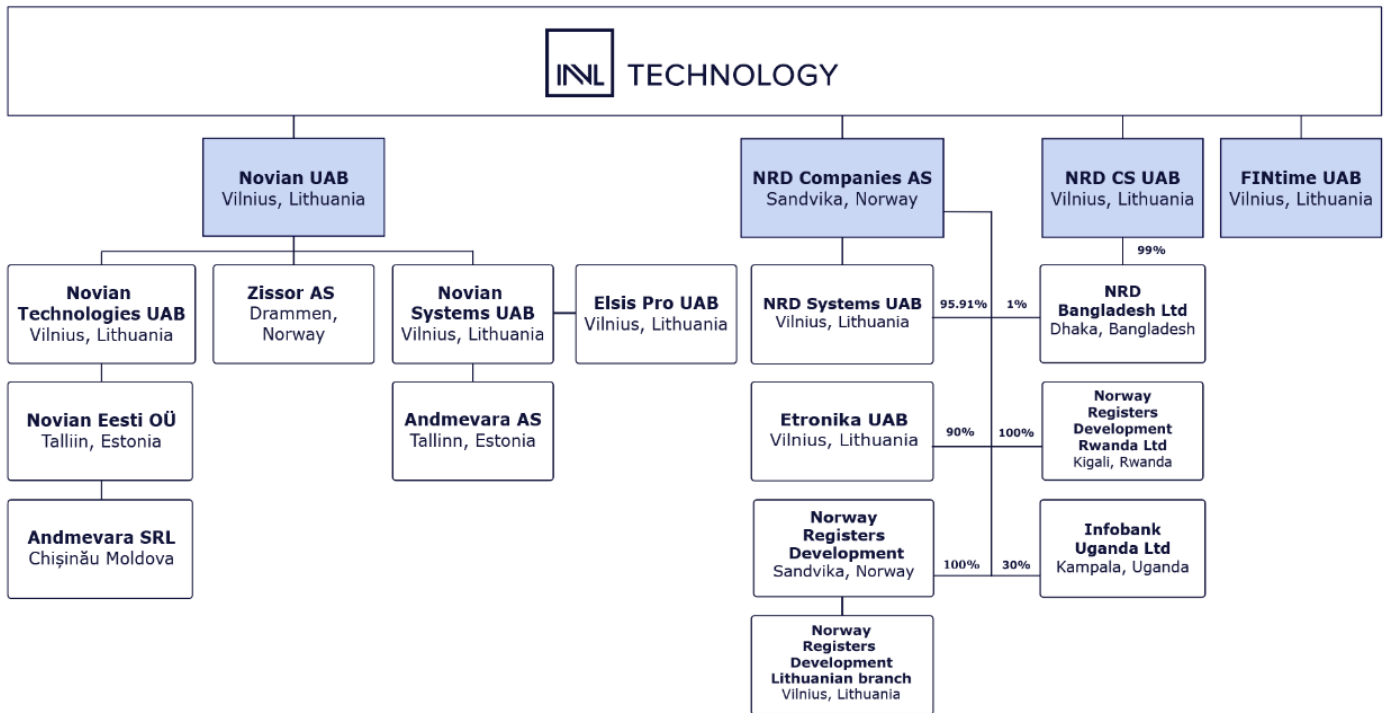
- NRD CS UAB;
- NRD Bangladesh.

Also:



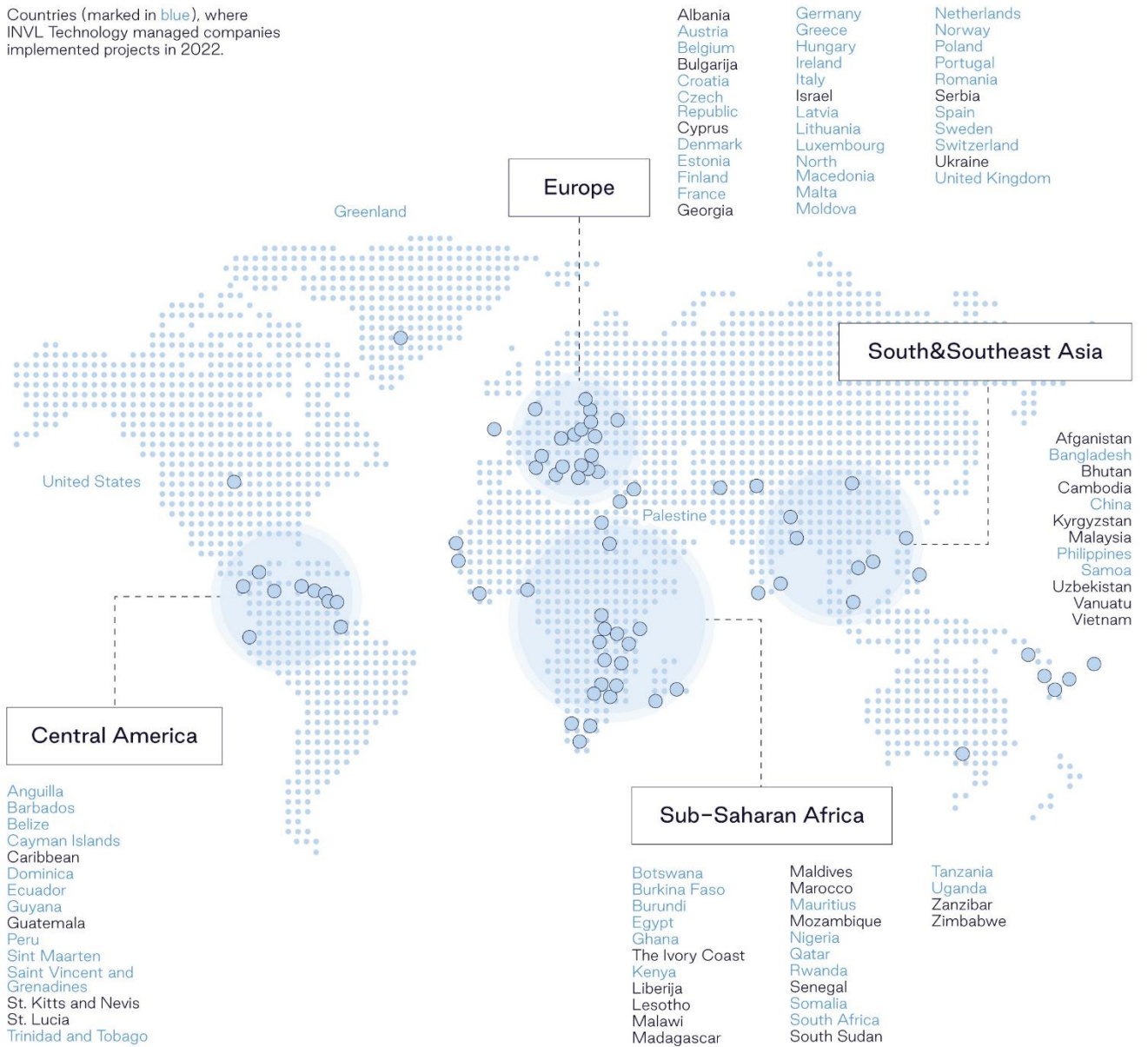
The group also owns the business process outsourcing company FINtime UAB, which provides centralized financial management, accounting and front-office services and operates the premises of the main office of INVL Technology companies.

2.3.1. Structure of the portfolio companies of INVL Technology



2.3.2. Geography of INVL Technology’s portfolio companies

Countries (marked in blue), where INVL Technology managed companies implemented projects in 2022.



II. Information About the Issuer's and Its Group Companies' Activity

3. Key figures of INVL Technology

3.1. Net Asset Value, EUR

	31.12.2020	31.12.2021	31.12.2022
NAV	33,725,239	36,125,378	38,270,309
NAV per share	2.7700	2.9936	3.1711

3.2. Key figures of INVL Technology, thous. EUR

	12 months of 2020	12 months of 2021	12 months of 2022
Change in the fair value of financial assets	6,740	2,713	(424)
Dividends, interest and other incomes	150	1,440	938
Operating expenses	(2,123) ¹	(1,532) ¹	1,601 ²
Net profit (loss)	4,767	2,621	2,115²

	31.12.2020	31.12.2021	31.12.2022
Financial assets value	32,652	35,365	34,941
Cash and Cash equivalents	2,191	2,097	733
Bonds	408	-	-
Loans	151	1,189	2,773
Other assets	2	-	-
TOTAL ASSETS	35,404	38,651	38,447
Other liabilities	1,679 ¹	2,526 ²	177
Equity	33,725	36,125	38,270
TOTAL EQUITY AND LIABILITIES	35,404	38,651	38,447

¹ INVL Technology in the year of 2020 has calculated a provision for success and accrued management fees of EUR 1,075 thousand and EUR 460 thousand respectively. The provisions were equal to EUR 1,805 thousand and EUR 534 thousand as of 31 December 2021, their impact was EUR 730 thousand and EUR 74 thousand on the results of year 2021.

² The provision for success fee and accumulated management fee was not formed as at 31-12-2022 and was equal to nil at the end of the year. Due to derecognition of provisions in 2022 the result was impacted by EUR 1,805 thousand and EUR 534 thousand respectively.

Equity of the Company, after the revaluation of financial assets, as of 31 December 2022 was EUR 38,270 thousand or EUR 3.17 per share (vs EUR 2.99 per share at the end of 2021). The Company's investments in its business holdings at the end of 2022 amounted to EUR 34,941 thousand.

The Company's net asset value as of 31 December 2022 was EUR 38,270,309 or EUR 3.1711 per share.

The Company conducts an independent valuation of its investments in subsidiaries when preparing the annual financial statements. As at 31 December 2022 the valuation was carried out by Deloitte Verslo Konsultacijos UAB. The fair value of investments was determined in compliance with the International Valuation Standards approved by the International Valuation Standards Council. In the opinion of the management, the fair value of investments was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments.

The fair value was based on discounted cash flow method, which was selected by the external valuator as the best representation of the company specific development potential, except for FINtime UAB, where net assets value method was used. Different method was selected as because as of current moment the entity does not expect to generate significant free cash flows. Due to the limited number of comparable companies and transactions, lack of reliability of the market data and limited comparability of peers, the results of the guideline public companies and transaction methods were used as a supplementary analysis and were provided only for illustrative purposes in valuation report.

3.3. Financial assets, thous. EUR

Company	31.12.2021	31.12.2022
NRD Companies (includes Norway Registers Development AS, NRD Systems, NRD Rwanda, ETRONIKA, Infobank Uganda)	6,561	7,289
Novian (includes Novian Technologies, Novian Systems, Elsis PRO and others)*	19,599	17,618
NRD CS (includes NRD Bangladesh)*	8,971	9,876
FINtime	234	158
Total	35,365	34,941

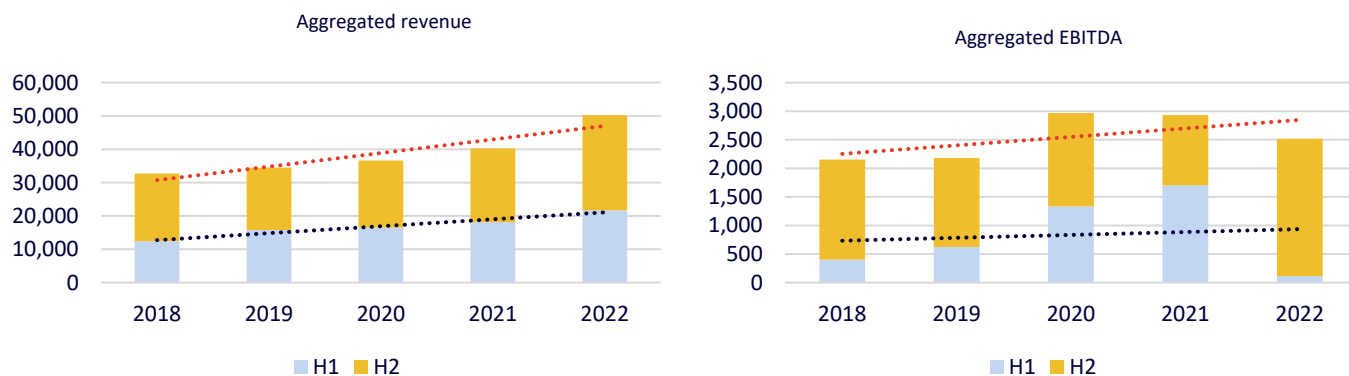
3.4. Change in fair value of financial assets, thous. EUR

Opening balance (31.12.2021)	35,365
Revaluation, excluding dividends	376
Dividends awarded*	(800)
Closing balance (31.12.2022)	34,941

* Novian UAB declared and paid dividends of EUR 300 thousand in 2022; NRD CS UAB declared and paid dividends of EUR 500 thousand in 2022.

3.5. Key figures of INVL Technology portfolio companies

Aggregated indicators of INVL Technology portfolio companies, thous. EUR



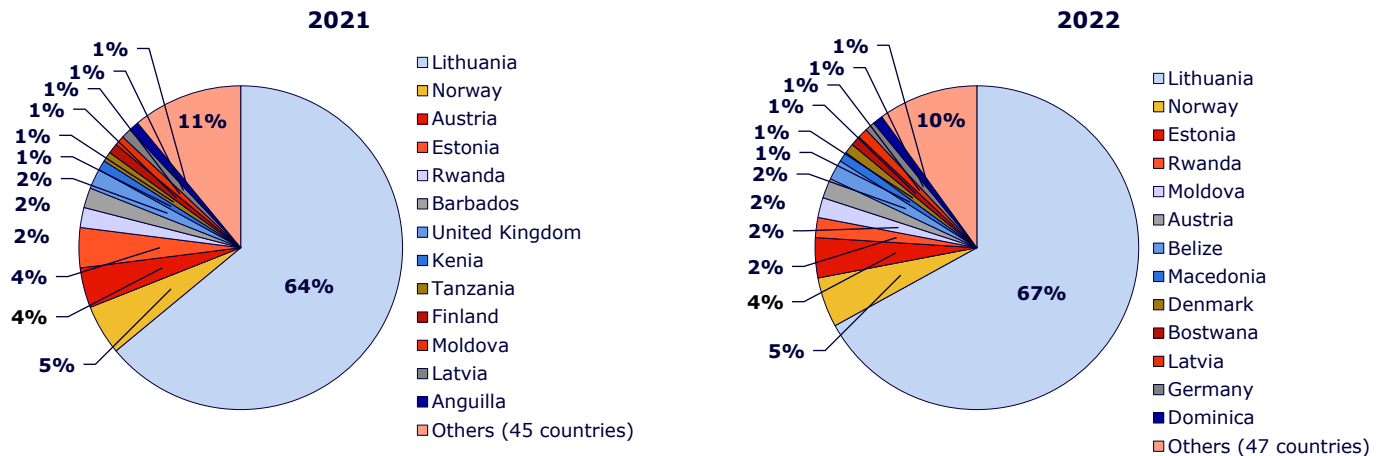
Thous. Eur	2018	2019	2020	2021*	2022
Revenue	32,723	34,529	36,634	40,265	50,220
Gross profit	9,935	9,349	10,258	12,002	14,694
EBITDA**	2,152	2,181	2,969	2,931	2,518
EBIT	1,591	949	1,623	1,495	1,049
Net profit (loss)***	1,120	493	1,104	968	567

* The annual results of Elsis PRO are included in the data (revenue EUR 2,956 thousand, EBITDA EUR 382 thousand).

** As of 2019, IFRS 16 was adopted, impacting the size of EBITDA. As a result, EBITDA figures for 2018 and those for 2019-2022 are not directly comparable.

***Net profit (loss) is presented without including dividend income and elimination of one-off and atypical impairments of investments in subsidiaries recognized in standalone company reports.

Revenue of INVL Technology by country, thous. EUR



Thous. EUR	2021	2022	Change
Lithuania	25,579 (64%)	33,523 (67%)	7,944
Other countries	14,686 (36%)	16,697 (33%)	2,011
Total	40,265	50,220	9,955

During the reporting period, the companies owned and managed by INVL Technology conducted operations in more than 60 countries, with 33% of income generated by activities abroad. Operations in Lithuania accounted for 67% of revenue. In 2022 the owned and managed businesses added activities in new countries including People’s Republic of China, Greenland.

3.6. Performance indicators for INVL Technology in Indexes 2020-2022

	2020	2021	2022
Net Asset Value per share, EUR	2.7700	2.9936	3.1711
Total Net asset value (equity value), thous. EUR	33,725	36,125	38,270
Return on equity (ROE) = net profit / equity * 100	14.13%	7.26%	5.53%
Earnings per share (EPS) = net profit / number of shares	0.39	0.22	0.18
Debt ratio = liabilities/ assets	0.047	0.065	0.005
Change in fair value, thous. EUR	6,740	2,713	(424)
Net profit, thous. EUR	4,767	2,621	2,115
Ratio of liquid assets to total assets = cash and cash equivalents/assets	6.19%	5.43%	1.91%
Ratio of investment in one operating company to net asset value *	41.43%**	36.04%**	32.70%**

*For the convenience of investors, the Company publishes definitions and formulas for the alternative performance measures (APMs) it uses on its website as well as in Appendix 4 of this Annual Report. See the website section "For Investors" → "Financial information and reports" → "Formulas of performance indicators", which can be reached via this link <https://www.invltechnology.lt/lit/en/for-investors/reports/formulas-of-performance-indicators>.

** Diversification requirements not met for reasons beyond the control of the management company must be recovered within 1 year. In exceptional cases, the deadline may be extended if the supervisory authority is duly informed. In July 2021, the supervisory authority (the Bank of Lithuania) extended this deadline until 2024.

4. Significant Issuer's events during the reporting period, effect on the financial statement

Significant events during the reporting period

FINANCIAL REPORTS

- **6 April 2022** INVL Technology announced that on 31 December 2021 the Net Asset Value of the Company was EUR 36,125,378 million or EUR 2.9936 per share. Moreover, the audited results were announced. Audited net profit of INVL Technology for 2021, was EUR 2.6 million.
- **29 April 2022** INVL Technology reported preliminary operating results for 3 months of 2022. Equity of the Company and the Company's net asset value as of 31 March 2022 was EUR 36,82 million or EUR 3.05 per share (in the end of 2021 - EUR 36,12 million and EUR 2.99 respectively). Investments of the Company into managed companies at the end of March 2022 amounted to EUR 35.01 million (EUR 32,69 million - at the end of March 2021). The net profit of the Company for 3 months of 2022 was EUR 0.7 million (net profit for the same period in 2021 was EUR 0.6 million).
- **26 August 2022** INVL Technology announced results for 6 months of 2022. The equity of the Company and its net asset value as of 30 June 2022 was EUR 37.43 million or EUR 3.10 per share (at the end of 2021 it was EUR 36.13 million and EUR 2.99 respectively). The Company's investments in its business holdings at the end of June 2022 amounted to EUR 33.86 million (versus EUR 31.80 million at the end of June 2021). Net profit for 6 months of 2022 was EUR 1.28 million (versus a net profit of EUR 1.31 for the same period in 2021).
- **31 October 2022** INVL Technology announced preliminary results for 9 months of 2022. The equity of the Company and its net asset value as of 30 September 2022 was EUR 37.35 million or EUR 3.09 per share (at the end of 2021 it was EUR 36.13 million and EUR 2.99 respectively). The Company's investments in its business holdings at the end of September 2022 amounted to EUR 33.91 million (vs EUR 31.78 million at the end of September 2021). Net profit for 9 months of 2022 was EUR 1.19 million (versus a net profit of EUR 1.54 million for the same period in 2021).

GENERAL SHAREHOLDERS MEETING

- **7 April 2022** the Company has announced about the convocation of the General Shareholders Meeting on 29 April 2022. The Meeting was held at the premises of the Company, located at Gyneju str. 14, Vilnius. The draft agenda of the General Shareholders Meeting of INVL Technology was announced - which includes the following questions: presentation of shareholders to the Company's annual report of 2021, as well as presentation of the independent auditor's report on the Company's financial statement and annual report, Company's Supervisory Board's feedback and suggestions on the stand-alone financial statements for 2021 of the Company, draft of the profit (loss) distribution (including the formation of the reserve), Company's annual report for 2021, draft of the remuneration policy, also regarding the activity of the Board of the Management Company and Company's investment committee also presentation of the information on Company's strategy implementation. The agenda of the meeting also includes issues related to the approval of the company's remuneration policy as a part of the annual report of the Company for the year 2021, approval of the stand-alone financial statements for 2021 of the Company, decision on profit distribution of the Company. The following questions were also included in agenda: presentation of the Company's Management Company's statement on the share purchase price, determination of the rules for procedure to purchase of own shares of the Company, adjustment of the terms of payment for audit services, presentation of the Report of the Audit Committee of the Company.
- **13 April 2022** the Company has announced the agenda of General Shareholders Meeting that will be held on 29 April 2022 was supplemented by item No. 12. The shareholders were offered to approve that option agreements with employees of the Company's subsidiaries (companies of which more than 2/3 of the shares are owned by the Company by right of ownership) would be concluded in 2022 under which employees of the subsidiaries of the Company by 30 June 2025 and according to the procedure and time-limits prescribed by the option agreements will be granted the right to acquire free of charge up to 15,000 ordinary registered shares of the Company with the value of EUR 0.29 per share. Also considering the fact that employees of the subsidiaries are granted with the right to acquire shares of the Company free of charge (that is, employees will not pay for the acquired shares of the Company), Shareholders were offered to approve than when own shares acquired by the Company are handed over to employees of the subsidiaries, the subsidiaries shall, within 10 business days after their employees acquire the right of ownership to the Company's shares, compensate to the Company for the cost of acquisition of these shares.
- **29 April 2022** The resolutions of the General Shareholders Meeting of INVL Technology were published. The shareholders of the Company were introduced with the annual report for 2021 and an independent auditor's report on the financial statements and annual report of the Company, with of Company's investment committee's recommendation on the draft of the profit (loss) distribution (including the formation of the reserve) and draft of the remuneration policy. The shareholders were also introduced to Company's Supervisory Board's feedback and suggestions on the stand-alone financial statements for 2021 of the Company, draft of the profit (loss) distribution, Company's annual report for 2021, draft of the remuneration policy, also regarding the activity of the Board of the Management Company and Company's investment committee, presentation of the information on Company's strategy implementation. The shareholders approved the remuneration report, as a part of the annual report of the Company for the year 2021, the stand-alone financial statements for 2021 of the Company and decided on profit distribution of the Company. The shareholders were introduced to the Company's Management Company's statement on the share purchase price, determine the rules of purchasing of own shares of the Company, decided not to approve the adjustment of the terms of payment for audit services. Also, during the meeting, the shareholders were introduced to the Report of the Audit Committee of the Company and approved the terms of share options.

LEGAL REGULATION

- 27 December 2022** INVL Technology informs that under the provision of the Law on Collective Investment Undertakings of the Republic of Lithuania (hereinafter – CIU), the Company operating under the CIU is under an obligation to have a valid prospectus (hereinafter – the Prospectus) prepared in accordance with the requirements of the CIU or of the Law on Securities of the Republic of Lithuania (hereinafter – LS). Considering that at the time of publication of the information there are no grounds that the Company should prepare and own a prospectus complying with the requirements of the LS, on 22 December 2022, the Management company of the Company approved the updated version of the Prospectus and approved its publication.

INFORMATION ABOUT MANAGED COMPANIES

- 21 April 2022** Cybersecurity consulting and technology development company NRD Cyber Security, managed by INVL Technology, announced its results of the activity. Revenue of the NRD Cyber Security in 2021 reached EUR 5.37 million, earnings before interest, taxes, amortization and depreciation (EBITDA) amounted to 784 thousand euros. The company's revenue grew up by 66%, EBITDA by 80.6%.
- 3 May 2022** NRD Companies announced its results of 2021. Revenue of this global group of information technology companies, managed by INVL Technology, in 2021 reached EUR 6.35 million and it was slightly down (9.2%) from 2020. EBITDA was EUR 368 thousand compared to EUR 602 thousand in the previous year while operating profit amounted to EUR 0.1 million.
- 19 May 2022** Novian announced its results of activity of 2021. The Novian software services and IT infrastructure group had aggregated revenue of EUR 25.8 million in 2021, or 7.1% more than in 2020. The group's EBITDA was EUR 1.7 million and compared to 2020 contracted 3.5%, while its operating profit was EUR 0.81 million and decreased 18.3%.
- 26 May 2022** The Novian software and IT infrastructure services group, managed by INVL Technology, has made full settlement in the transaction to acquire the software services company Elsis PRO. It did so on 26 May this year, as per the agreements on the purchase and sale of the shares of Elsis PRO.
- 8 June 2022** INVL Technology announced that on 7 of June 2021 the Estonian IT company Andmevara Services OÜ has changed its name to Novian Eesti OÜ. Acting under the name of the Novian international software development and IT infrastructure services group, the company continues to provide IT infrastructure and digitization services and also represents the group's other IT services and solutions.
- 31 August 2022** NRD Cyber Security, managed by INVL Technology, announced its results of the activity of 6 months of 2022. NRD Cyber Security's revenue for the first half of this year amounted to EUR 2,421 million an increase of 22% on the same period in 2021. The company's EBIT totalled EUR 217,000, which is 50.8% lower than in the same period last year.
- 12 September 2022** Novian announced its results of activity of first half of 2022. The Novian software and IT infrastructure services group had aggregated revenue of EUR 14.5 million in the first half of this year, or 25.5% more than in the same period of 2021. The group's EBITDA in the reporting period was EUR 0.16 million and contracted 81.7% year-on-year. There was an operating loss of EUR 0.34 million, versus an operating profit of EUR 0.46 million in the same period last year.
- 15 September 2022** NRD Companies announced its results of first half of 2022. The group's revenue in the first half of 2022 decreased by 6 percent, compared to the same period in 2021 - from 3.3 million to 3.1 million EUR. EBITDA (earnings before interest, taxes, depreciation and amortization) decreased from 204 thousand to -359 thousand EUR. That said, revenue from the retail sector grew by 119%, while the E-Government sector decreased by 15% compared to 2021 H1.

OTHER SIGNIFICANT EVENTS

- 14 January 2022** Company received notifications from its management and shareholders regarding the acquisition and disposal of shares. Accordingly, the structure of shareholders holding or controlling more than 5% of the Company's authorized capital and/or votes changed.
- 4 March 2022** The Company transferred 116 shares to employees of INVL Technology subsidiaries who had the right to pre-empt realization of the option right under the basis and terms of signed option agreements. The Issuer hereby announced the data on shares issued by the Issuer as of 4 March 2022.
- 2 May 2022** The Company transferred 128 shares to employees of INVL Technology subsidiaries who had the right to pre-empt realization of the option right under the basis and terms of signed option agreements. The Issuer hereby announced the data on shares issued by the Issuer as of 28 April 2022.
- 29 June 2022** The Company transferred 174 shares to employees of INVL Technology subsidiaries who had the right to pre-empt realization of the option right under the basis and terms of signed option agreements. The Issuer hereby announced the data on shares issued by the Issuer as of 29 June 2022.
- 31 August 2022** The Company transferred 120 shares to employees of INVL Technology subsidiaries who had the right to pre-empt realization of the option right under the basis and terms of signed option agreements. The Issuer hereby announced the data on shares issued by the Issuer as of 31 August 2022.
- 27 September 2022** The Company transferred 139 shares to employees of INVL Technology subsidiaries who had the right to pre-empt realization of the option right under the basis and terms of signed option agreements. The Issuer hereby announced the data on shares issued by the Issuer as of 27 September 2022.

SIGNIFICANT EVENTS THAT OCCURRED AFTER THE END OF THE REPORTING PERIOD

- **13 January 2023** the Company has announced about the convocation of the General Shareholders Meeting on 6 February 2023. The Meeting was held at the premises of the Company, located at Gyneju str. 14, Vilnius. The draft agenda of the General Shareholders Meeting of INVL Technology was announced - which includes the following questions: shareholder's awareness of the recommendation of the Company's Management company on the amendment of the terms of the share option, the approval of the terms of the share option, the new wording of the Articles of Association and the provisions of depository services. The agenda also includes the approval of the amendment of the terms of the share option, the approval of the terms of the share option, the abolition of the Supervisory Board, the abolition of the Supervisory Board remuneration policy and the approval of the new version of the Articles of Association, and the provision of depository services. Also included is the appointment of an audit firm to audit the annual accounts and the setting of the terms and conditions for audit services.
- **6 February 2023** The resolutions of the General Shareholders Meeting of INVL Technology have been published. The shareholders of the Company were introduced with the recommendation of the Company's Management company on the amendment of the terms of the share option, the approval of the terms of the share option, the new wording of the Articles of Association and the provisions of depository services. The shareholders have approved the amendment of the terms of the share option, and new terms of the share option. Also the shareholders have decided to eliminate the Company's collegial body with a supervisory function - the Supervisory Board, to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and to approve a new version of the Articles of Association to replace the full text of the Articles of Association (without additionally approving the amendments to the individual sections of the Articles of Association), as well as to repeal the Supervisory board remuneration policy. Shareholders also approved the conclusion of a contract with the PricewaterhouseCoopers for the audit of the Company's annual financial statements for 2023. This Shareholders Meeting also revoked the resolutions of Company's Shareholders Meeting of 29 April 21 by which it was decided: (a) to change the Company's provider of depository services from AB SEB Bankas (company registration number 112021238) to AB Šiaulių Bankas (company registration number 112025254); (b) to terminate (or otherwise end) the Company's depository services agreement with AB SEB Bankas (company registration number 112021238); (c) to enter into a new depository services agreement between the Company and AB Šiaulių Bankas (company registration number 112025254). The Shareholders have decided that the Depository Services Agreement No. 2016-05 (with all amendments and additions) between the Company and AB SEB Bankas (company registration number 112021238) remains in effect.
- **7 February 2023** The Company has announced that in accordance with the resolutions of the Extraordinary General Shareholders meeting of INVL Technology that was held on 6 February 2023, the Company informs that on 7 February 2023 the amendment of the Depository Services Agreement with AB SEB bankas was signed. The amendment was made according to the agreement on a 0.02 percentage point lower depository fee.
- **20 February 2023** The Company has informed that on 20 February 2023 a new wording of the Articles of Association of the Company was registered in the Register of Legal Entities. The new wording of the Articles of Association was approved on 6 February 2023 during the General Shareholders Meeting. According to the provisions of legal acts, the registered Articles of Association will be submitted to the Bank of Lithuania.
- **23 February 2023** the Company has notified of the terms of the reorganisation of Novian Systems UAB and ELSIS PRO UAB, on the basis of which ELSIS PRO UAB is merged with Novian Systems UAB, that is continuing operations. One hundred percent of the shares of Novian Systems UAB are held by Novian UAB. One hundred percent of shares of ELSIS PRO UAB are held by Novian Systems UAB.
- **28 February 2023** It was announced that on 28 February 2023 the Company received a notification from the Bank of Lithuania informing that the Company was allowed to change the Articles of Association of the Company. On 20 February 2023, a new wording of the Articles of Association of the Company was registered in the Register of Legal Entities.
- **10 March 2023** INVL Technology informs that under the provision of the Law on Collective Investment Undertakings of the Republic of Lithuania (hereinafter - CIU), the Company operating under the CIU is under an obligation to have a valid prospectus (hereinafter - the Prospectus) prepared in accordance with the requirements of the CIU or of the Law on Securities of the Republic of Lithuania (hereinafter - LS). Considering that at the time of publication of the information there are no grounds that the Company should prepare and own a prospectus complying with the requirements of the LS, on 8 March 2023, the Management company of the Company approved the updated version of the Prospectus and approved its publication.

Information regarding key events during the reporting period is published on the Company's website in the section "For Investors" → "Regulated information" at <https://www.invltechnology.lt/lit/en/news-center?categories=26&years=2021&months=00>.

5. Significant events of portfolio companies during reporting period

5.1. Business climate improvement and e-governance

NRD COMPANIES AS GROUP

NRD Companies is a global IT and consulting group of companies, specializing in governance and economic digital infrastructure development. Headquartered in Norway, the group unites companies operating in FinTech, GovTech and practice-based consulting areas in aiding countries to reach UN sustainable development goals. NRD Companies have a successful track record of implementing projects, such as e-service delivery platforms, national post digitalization, tax administration platforms and other digital solutions, in all 5 continents. The Group is a recognized leader in the industry and is controlled by the INVL Technology UTIB.

NRD Companies is a parent company for the following subsidiary corporations: Norway Registers Development AS, NRD Systems, NRD Rwanda, ETRONIKA, Infobank Uganda. More information: www.nrdcompanies.com

NRD Companies group companies

Norway Registers Development AS - is a consulting, project leadership and know-how hub for the group based in Sandvika, Norway.

Norway Registers Development AS Lithuanian Branch is a consulting, project leadership and know-how hub based in Vilnius, Lithuania.

NRD Systems UAB is among the TOP 5 in the world delivering custom software for Registry Solutions. It is an information system development and project delivery company based in Vilnius, Lithuania with core competencies in state registry modernization and state tax systems.

NRD Rwanda Ltd. is a regional sales, project leadership, project support and maintenance company for group projects in Rwanda, Burundi and Democratic Republic of the Congo.

ETRONIKA UAB is among the top 100 most innovative FinTech companies in Europe, offering digital platforms for finance and retail sectors, mobile payments, digital services for point-of-sales terminals, and other services. Company is based in Vilnius, Lithuania.

Infobank Uganda Ltd. (dormant) is a specialized company based in Kampala, Uganda providing information on Ugandan businesses.

Strategic business directions 2021-2022

- To proceed to develop own products/platforms for ensuring a rapid and cost-effective custom-designed solutions' launching for government institutions, financial services providers, retailers and citizens all over the world with the main focus on developing countries.
- To provide high-quality practice-based consultancy services for bringing added value to customers and ensure additional revenue streams to stakeholders.
- To proceed with horizontal business integration initiatives of group companies to ensure business growth.

NRD Companies products and services

Products and solutions

- **GxP** – Customer-centric public e-service delivery platform. The platform is a tool for governments to proactively support citizens and businesses with e-services throughout their customer. It addresses issues of inter-institutional integrity and allows institutions to independently provide e-services to citizens. GxP provides data-driven insights to transform public e-services in response to changing citizens' needs and patterns of behaviour.
- **Consultancy Services** - NRD Companies provides practice-based advisory and consulting services that respond to the needs of the clients and correlate to emerging trends. The core competencies lie in Digitalization of public services, Development of Business, civil and other registers, Digital ID + Digital Signature, Digital Inclusion, Digital Skills, Digital transformation assessments/audits/roadmaps/strategies.
- **URP – Unified Registry Platform** is an out of the box proprietary platform enabling Registry Authorities to become the Centers of Registries. URP encompasses solutions for business registration, issuing licenses, registration of beneficial owners, registration of secured transactions and any other type of registration and post-registration related services.
- **BUSREG** – internationally proven company / legal entity registration platform. The platform offers not only a fast solution to the customer, but it can also be easily adapted to the needs of different countries. It improves the accessibility and efficiency of services for businesses and investors.
- **DIGITAL LOANS** – is a platform for SME and Retail loans used by banks and other financial services providers to increase their loan portfolio in a shorter time, keep the lending management and related costs under control and excel in their operational risk management.

- **Banktron** – an award-winning secure and intuitive digital banking platform. It is easily integrated with the latest FinTech solutions.
- **KASU RETAIL** – An omnichannel solution to manage and accelerate retail business.
- **KASU POST** – is a point of sale, counter automation and retail business management solution for the Post offices, focused on maximising the revenue from non-postal operations – financial services, delivery of public services and delivery of integrated 3rd-party commercial offerings.
- **Virtual Fiscal Device Management System (VFDMS)** – is a new generation online cash register management solution. It addresses the latest VAT tax collection challenges that Tax Authorities face and improves tax revenue collection and reduces informal economy with no burden to businesses.
- **KASU Cloud** is a full-fledged cash register hardware (cash register), software (cash register application) and sales network management solution provided to the merchant as a service.

NRD Companies results of 2022

Key profit (loss) items, thous. EUR

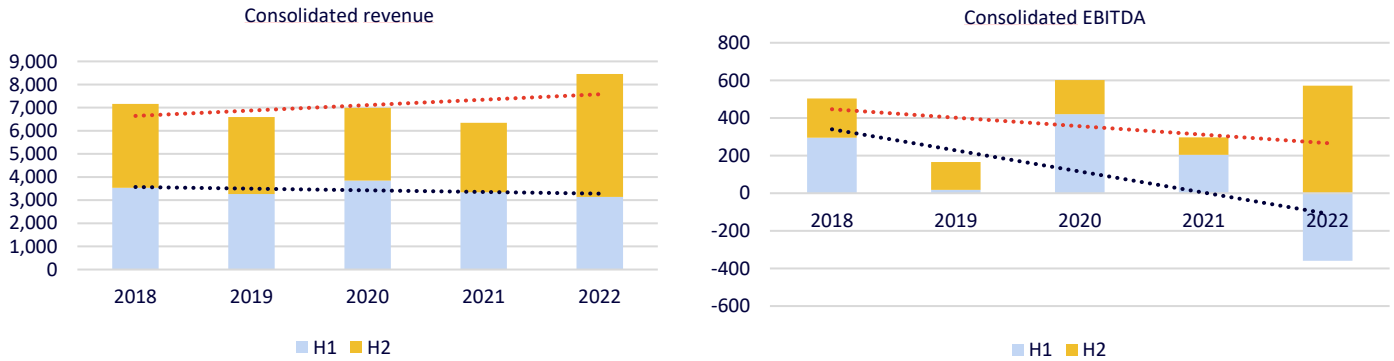
NRD Companies*	NRD AS**		NRD Systems**		Etronika**			
	2021	2022	2021	2022	2021	2022	2021	2022
Revenue	6,347	8,455	3,477	5,115	2,597	2,692	1,934	2,451
Gross profit	2,585	3,068	1,253	1,887	855	598	775	913
EBITDA	297	213	(4)	307	113	(275)	196	224
EBIT	33	4	(11)	300	9	(373)	78	120
Net profit (loss)	(126)	(23)	(122)	292	(25)	(361)	71	125

Key balance sheet items, thous. EUR

NRD Companies*	NRD AS**		NRD Systems**		Etronika**			
	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022
Tangible assets	233	537	4	3	164	237	66	297
Intangible assets	85	44	14	22	-	-	70	23
Other non-current assets	440	614	407	535	16	63	17	16
Current assets	6,168	4,656	3,805	3,463	2,357	1,350	1,326	1,387
of which cash	1,359	264	30	114	788	104	515	28
Total assets	6,926	5,851	4,230	4,023	2,537	1,650	1,479	1,723
Equity	1,535	1,505	615	865	344	(17)	672	797
Non-current liabilities	257	474	-	1	177	210	80	263
Of which financial debt	190	433	-	1	177	210	14	223
Current liabilities	5,134	3,872	3,615	3,157	2,016	1,457	727	663
of which financial debt	546	358	-	1	494	558	52	63
Total liabilities and equity	6,926	5,851	4,230	4,023	2,537	1,650	1,479	1,723

*Unaudited consolidated results of NRD Companies are presented, which includes the results of the companies submitted and the results of NRD Companies and NRD Rwanda.
 ** The audit of standalone annual financial statements of NRD Companies, NRD AS, Etronika UAB and NRD Systems UAB are in progress.

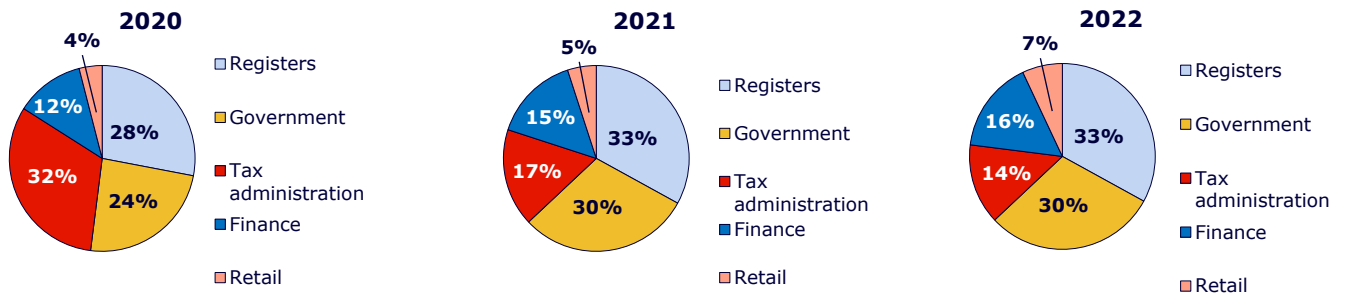
Consolidated revenue and EBITDA of NRD Companies group, thous. EUR*



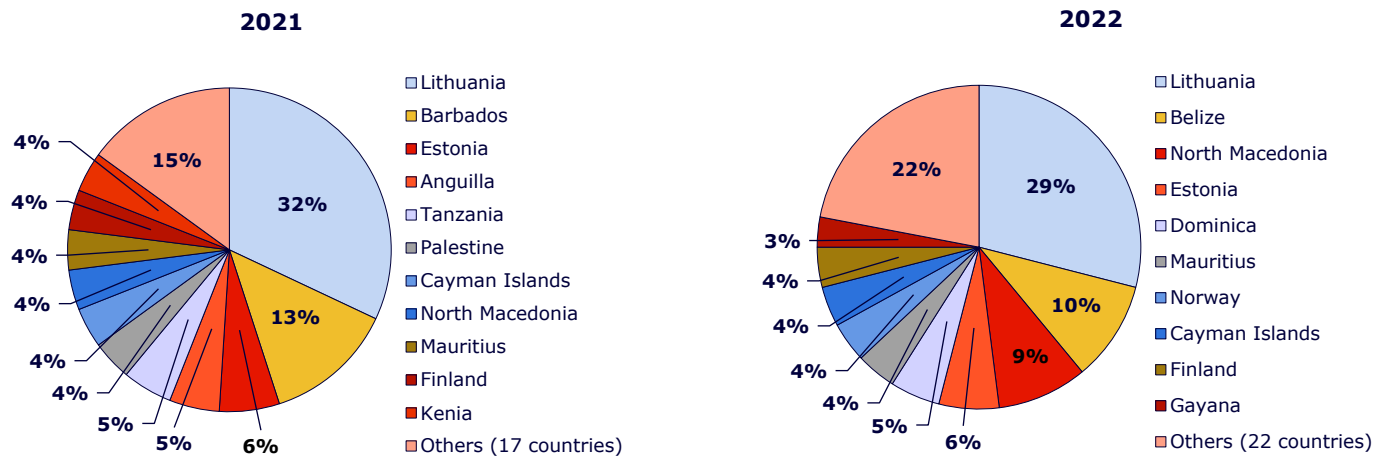
Thous. EUR	2018	2019	2020	2021	2022
Revenue	7,161	6,596	6,989	6,347	8,455
EBITDA	504	166	602	297	213

*IFRS 16 was implemented in 2019 with an impact on the size of EBITDA, thus EBITDA indicators for 2018 and 2019-2022 are not directly comparable.

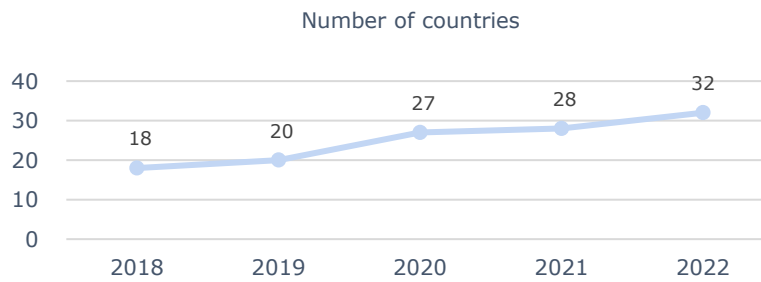
NRD Companies revenue by sector



NRD Companies revenue by countries



Thous. Eur	2021	2022	Change
Lithuania	2,020 (32%)	2,473 (29%)	453
Other countries	4,327 (68%)	5,982 (71%)	1,655
Total	6,347	8,455	2,108



Significant events in 2022

Business Environment

The year 2022 witnessed some instabilities in the global market during its first half due to the Russian aggression in Ukraine and global inflation. To counter the decline in demand for IT development projects and to cater to the increasing global demand for consultancy, NRD Companies invested in developing its consultancy business line, which also served as the foundation for other IT development projects. The company's consultancy business line provided services in various countries such as Ghana, Guyana, Dominica, Philippines, Palestine, Trinidad, and Tobago. Additionally, the company focused its sales, marketing, and advertising efforts towards the Caribbean region, which was deemed economically and politically more resilient. Investments were made to improve the Unified Registers Platform (URP), and methodologies were introduced to monitor and enhance human capital performance. Furthermore, NRD Companies launched a new website with improved brand positioning and clarified offerings.

The second half of the year witnessed more stability in the global market, resulting in an increase in IT development and consultancy projects. NRD Companies won several new projects in global and in local markets.

Significant projects in 2022

*Consultancy #EGovernment
National Recovery Program Bureau
Sint Maarten*

NRD Companies is providing provide Management Consultancy services and leading the Digital Government Transformation Project for National Recovery Program Bureau in Sint Maarten. The project aims to improve the accessibility, efficiency, and resilience of selected administrative public services for citizens and businesses.

*Implementation #Tax
States Tax Inspectorate
Lithuania*

NRD Companies started implementing the project of creation and installation of the subsystem of smart electronic cash registers (i.EKA) of the Tax Inspectorate of the Republic of Lithuania. Over the next few years, Lithuania's domestic companies will have to submit data to the Lithuanian State Tax Inspectorate through the newly created i.EKA subsystem. The virtual fiscalization service will ensure the proper transfer of data from the aforementioned programs to i.EKA, and there will be no need to install special technical receipt signing equipment - a security module - into the devices.

*Consultancys #EGovernment
The Ministry of Public Works and the Digital Economy
Commonwealth of Dominica*

The Ministry of Public Works and the Digital Economy of the Commonwealth of Dominica chose NRD Companies to review and shape policy, legislative, and regulatory aspects needed to the implementation of country's digital transformation vision and strategy.

*Consultancys #Epayments #Taxes
The Ministry of Finance
Trinidad and Tobago*

The Ministry of Finance of Trinidad and Tobago, has recently chosen the services of NRD Companies to provide technical consultancy aimed at improving the efficiency of the existing taxation systems, and digitizing and simplifying the process of paying tax obligations by individuals and businesses.

*Consultancy #EGovernment #EServices
The Government of Guyana
Guyana*

NRD Companies created a strategy for modernizing the organization of state ICT infrastructure in Guyana. It is expected that after implementing the recommendations, the state ICT infrastructure will become the basis for government e-services that will benefit every citizen, particularly those living in remote and underserved areas. The ability to provide online services will help the government better serve citizens in areas of social support, healthcare, education, and other critical services. In the long run, it will

set foundations to contribute to UN Sustainable development goals, such as lower poverty, better health and well-being of the population, reduced gender and wealth inequalities and others.

*Development #ERegister
The Financial Services Commission
Belize*

NRD Companies has implemented of a Project initiated by the Government of Belize and the International Financial Services Commission, which aims to develop and implement a new Business Registry System. The new digital business registry will ensure effortless collaboration of governmental entities and remove redundant manual paperwork in different institutions. The new business registry will make Belize more attractive to foreign investors and local entrepreneurs. It will be a foundation for new jobs, higher tax income, savings of public funds.

*Consultancy #CapacityBuilding #Registers
Ministry of Finance
Ghana*

Consultancy services provided to the External Resource Mobilization and Economic Relations Division, Ministry of Finance for developing corporate strategic plan and organisational policy manuals for the Office of the Registrar of Companies (ORC) and the Registrar-General's Department (RGD) and Facilitate the Decoupling of ORC from the RGD, Ghana.

*Consultancy #Assesment #Registers
Rwanda Development Board
Rwanda*

NRD Companies started providing Conducting services on assessing Technological and Functional Gaps at Rwanda Development Board. During the project, analysis and scoping of mortgage and online business registration systems will be done.

Events in 2022

e-Governance conference in Tallinn. The annual conference, which brought together e-government solution developers and public sector representatives from all over the world after a break of several years due to the pandemic. During the conference, we presented our GxP product and other solutions.

IACA 45th annual conference Phoenix, Arizona. The annual conference is intended for registrars of companies and legal entities in the Americas and the Caribbean.

VŽ Retail 2022. During the conference, we presented our solutions and experience for retailers to the Lithuanian market.

European Business Registry Association (EBRA) conference. Annual Conference of Registrars of the European Region.

GovTech Baltic leaders 2022 Conference and NRD Companies Workshop: We presented our vision of how to create successful citizen-oriented e-government services.

5.2. IT infrastructure and software services

NOVIAN GROUP

The Novian group's companies work in software services, IT infrastructure, and digitization, offering services and solutions for developing organization's digital advantage. Novian's main areas of focus are digital transformation services, data empowerment, artificial intelligence and robotics solutions.

The Novian group's advantage is its ability to provide integrated IT services and solutions by combining the capabilities of the group's companies and thus giving clients more value.

Novian ensures clients get a package of services that is tailored to their needs regardless of which group company they turn to and in which country. Moreover, integration of IT infrastructure and software services is extremely relevant for being able to create a needed digital solution fast.

The companies working in the group's software services area are Novian Systems and Elsis PRO in Lithuania and Andmevara AS in Estonia. Working in the technologies area are Novian Technologies in Lithuania with Novian Eesti OÜ in Estonia and its subsidiary Andmevara SRL in Moldova, which provide digitization services too. The Norwegian company Zissor is a well-known provider of software for media monitoring and for the segmentation and digitization of printed and scanned documents.

The Novian group's companies are certified under ISO 9001 (Novian Technologies, Novian Systems, Elsis PRO, Novian Eesti), ISO 14001 (Novian Technologies, Novian Systems, Elsis PRO), ISO 20000-1 (Novian Technologies, Elsis PRO), ISO 27001 (Novian Systems, Elsis PRO).

For more information see www.novian.io

Long-term objectives of the Novian group:

- Novian is an international group of companies that prioritizes growth and development in Lithuania, Estonia and the Nordic region;
- The Novian group provides products and services that enable the changes involved in digital transformation;
- The Novian group creates added value for clients by helping them achieve their goals: increasing business revenue and improving the quality of public sector services.

Strategic business directions of the Novian group:

- Recurrent IT services – managed IT services, SaaS (software as a service);
- Software development;
- Digitization;
- High performance and cloud computing platforms.

Novian group companies

Technologies

The Novian companies which operate in the technologies area focus heavily on high-performance computing clusters, open-source cloud technologies, document digitization, data archiving, and the provision of highly skilled continuous managed services for the maintenance and support of critical IT infrastructure.

Active in Lithuania and other countries around the world, Novian Technologies, the main company working in this field, focuses on new technological opportunities for business and the public sector, smooth IT operations and the alignment of IT infrastructure with new technological possibilities.

Standing out as extremely promising is the field of high-performance computing device clusters, popularly known as supercomputers. Novian's technology companies are active in the areas of critical IT infrastructure services and modern digital workplaces. They also offer project management general contracting and other services.

Also working in the technologies area are the Novian Technologies subsidiary Novian Eesti OÜ in Estonia and the Moldovan company Andmevara SRL.

For more information – www.novian.io.

Software development

The Novian group companies which operate in the area of software services develop information systems as well as business analytics and process automation solutions for business and the public sector.

Novian Systems, a Lithuanian company is recognized as a developer of reliable customized information systems and IT solutions, also provides business analytics and process automation solutions.

The information systems and software developer Elsis PRO, which joined the Novian group at the end of 2021, brings experience in aviation, defense, energy, and space technologies. Its activities include the development and integration of information systems, artificial intelligence applications, smart solutions for data exchange, big data analytics, and risk management.

Novian's software services professionals are highly experienced in developing tax administration systems and have also worked actively in e-health, environmental protection, smart cities, e-government, risk management and other areas. Their know-how from work with public sector organizations is helpful in identifying solutions for businesses as well.

The group's companies focus on developing and modernization of complex customized information systems for state institutions and large and medium-sized companies as well as solutions for business process digitalization and business analytics. They also carry out integrated projects together with the Novian group's other companies.

For more information – www.novian.io.

Media monitoring and digitization

Zissor is a Norwegian company which in the space of 20 years has become a world-leading provider of media monitoring solutions and media digitization software and services. It became part of the Novian group in 2019.

Zissor's media monitoring software gives media monitoring companies a complete end-to-end solution for automatic production of press clippings with automated segmentation of articles and client searching as well as flexible distribution.

Zissor's digitization software gives libraries, archive institutions and publishers a solution for the digitization of their paper and microfilm archives, including automated segmentation and metadata extraction plus flexible export of images and XML for long-term preservation and search and retrieval. Zissor also take on digitization projects as a service for its clients.

For more information – www.zissor.com.

Novian group results of 2022

Key profit (loss) items, thous. EUR

Novian*	Technologies						Software services						Media monitoring and digitization	
	Novian Technologies		Novian Eesti OU/ Andmevara SRL**		Novian Systems***		Andmevara AS		Elsis PRO		Zissor			
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Revenue	25,826	33,043	16,523	22,222	979	1,861	3,974	4,592	508	188	2,956	3,393	886	783
Gross profit	6,421	8,002	2,672	3,539	876	1,436	1,041	1,043	234	100	890	1,205	708	675
EBITDA	1,725	1,564	1,267	1,468	157	181	291	64	(81)	(86)	382	318	105	(80)
EBIT	814	522	875	934	147	127	148	(83)	(142)	(95)	80	27	103	(85)
Net profit (loss)***	461	76	593	572	117	59	144	(102)	(219)	(122)	94	77	80	(66)

Key balance sheet items, thous. EUR

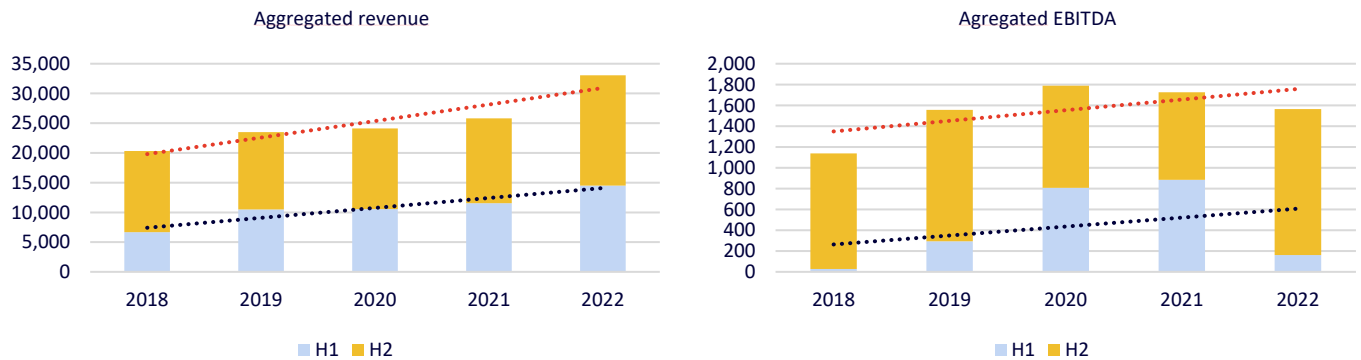
Novian*	Technologies						Software services						Media monitoring and digitization	
	Novian Technologies		Novian Eesti OU/ Andmevara SRL**		Novian Systems***		Andmevara AS		Elsis PRO		Zissor			
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Tangible assets	1,640	2,641	1,124	1,563	28	185	149	471	78	-	246	413	12	7
Intangible assets	2,426	2,229	48	59	4	3	1,882	1,905	-	-	492	262	-	-
Other non-current assts	1,963	3,206	441	102	-	-	1,368	2,123	-	-	97	165	86	100
Current assets	9,218	12,215	5,459	7,424	295	565	1,994	1,495	95	16	994	1,650	397	212
Of which cash	2,687	2,010	1,484	654	111	84	424	86	36	5	357	254	259	102
Total assets	15,247	20,291	7,072	9,148	327	753	5,393	5,994	173	16	1,829	2,490	495	319
Equity	4,645	4,430	2,458	2,530	104	158	2,342	2,162	(811)	(924)	353	330	367	209
Non-current liabilities	2,994	6,345	286	786	-	135	1,389	2,363	27	-	117	1,166	-	-
Of which financial debt	2,834	5,201	262	766	-	135	1,253	2,184	27	-	117	221	-	-
Current liabilities	7,608	9,516	4,328	5,832	223	460	1,662	1,469	957	940	1,359	994	128	110
Of which financial debt	1,373	1,121	418	384	50	20	832	89	876	909	307	81	-	-
Total liabilities and equity⁸	15,247	20,291	7,072	9,148	327	753	5,393	5,994	173	16	1,829	2,490	495	319

*Unaudited aggregated operating results of the Novian group are presented, which include the results of the presented companies and the results of Novian UAB. The aggregation of balance sheet items eliminates the value of investments in subsidiaries and the aggregation of income statement data eliminates dividend income. The audit of standalone financial statements of Novian Technologies, Novian Systems, Elsis PRO and Zissor AS are in progress.

**Includes results of Novian Eesti OU and Andmevara SRL.

***Adjusted net profit is represented after eliminating one-off and atypical losses recognized in the separate reports of Novian Systems UAB arising from the impairment of loans granted to a subsidiary. In 2021, the impairment of the loan to Andmevara AS is eliminated in the amount of EUR 817 thousand (additional deferred income tax income of EUR 123 thousand), in 2022 impairment of the loan is eliminated in the amount of EUR 92 thousand (additional deferred income tax income of EUR 14 thousand). The Novian group's aggregate net profit has been adjusted accordingly.

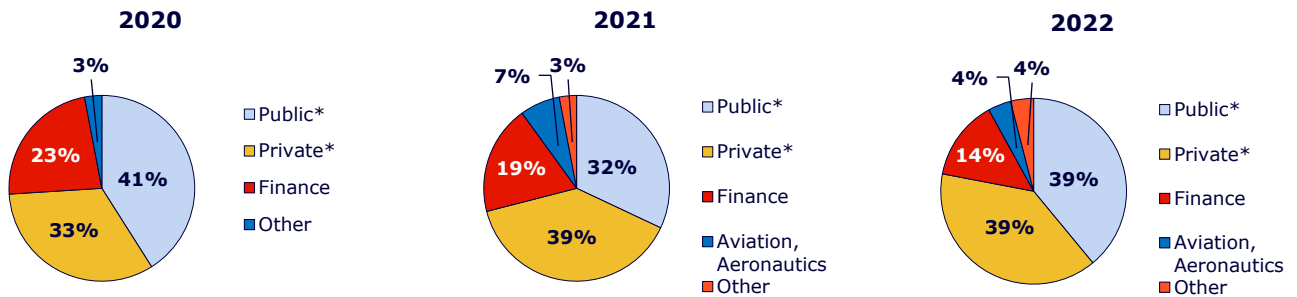
Novian group main financial figures, thous. EUR*



Thous. EUR	2018	2019	2020	2021	2022
Revenue	20,317	23,492	24,113	25,826	33,043
EBITDA	1,138	1,556	1,788	1,725	1,564

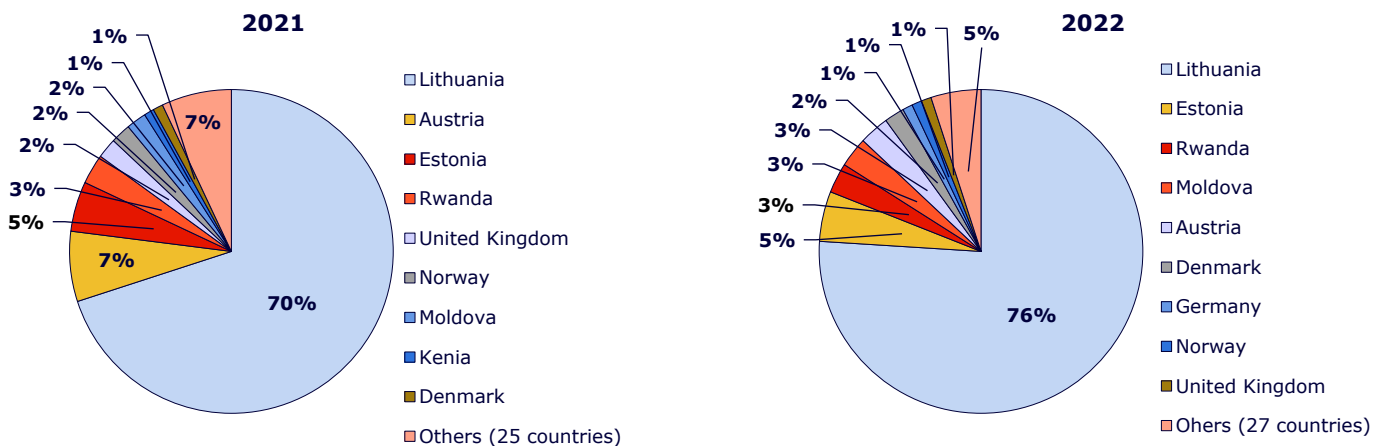
* IFRS 16 was implemented in 2019 with an impact on the size of EBITDA, thus the EBITDA indicators for 2018 and 2019-2022 are not directly comparable. The results of 2021 include results of Elsis PRO UAB that was acquired in 2021 (revenue EUR 2,956 thousand and EBITDA EUR 382 thousand).

Novian group revenue by sector

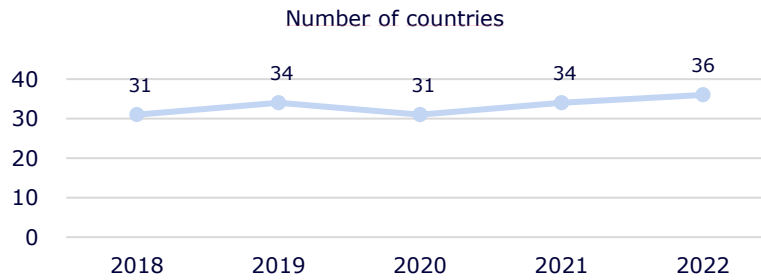


*- excluding revenue from the finance and aviation, aeronautics sectors.

Novian group revenue by country



Thous. Eur	2021	2022	Change
Lithuania	18,035 (70%)	25,121 (76%)	7,086
Other countries	7,791 (30%)	7,922 (24%)	131
Total	25,826	33,043	7,217



Key events

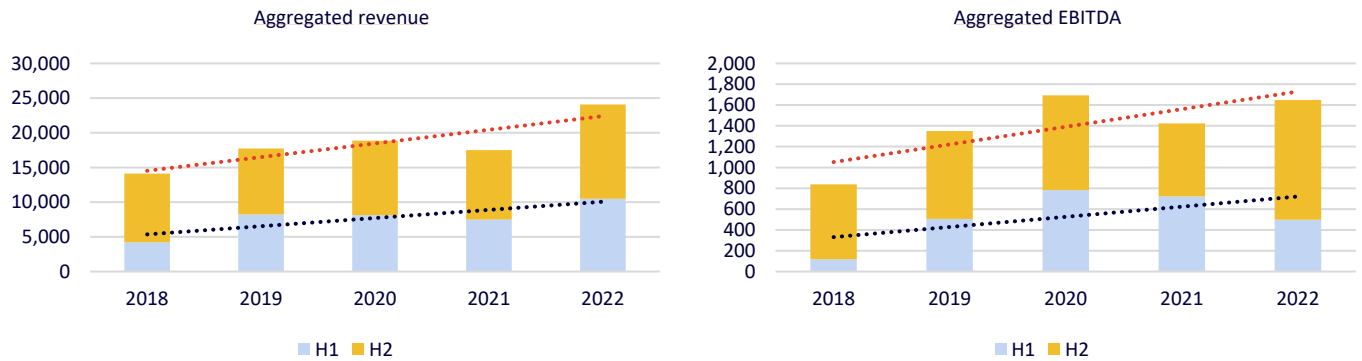
- The Novian group has made full settlement in the transaction to acquire the software services company Elsis PRO. It did so on 26 May 2022, as per the agreements on the purchase and sale of the shares of Elsis PRO. The final value of the deal, at EUR 1.865 million, was determined after the preparation of Elsis PRO’s audited financial statements for 2021.
- Effective 7 June, 2022 the Estonian IT company Andmevara Services OÜ has changed its name to Novian Eesti OÜ. The company continues to provide IT infrastructure and digitization services and also represents the group’s other IT services and solutions.
- In 2022 a modern Novian group digitization centre began operating in Estonia.
- The Novian group’s software services company Elsis PRO and technology company Novian Technologies joined the Artificial Intelligence Association of Lithuania. Elsis PRO became a member of the National Defence Industries Association.
- Novian.ee, a website presenting the Novian group’s services in the Estonian language, launched in June 2022.
- Novian.no, a website presenting the Novian group’s services in the Norwegian language, launched in October 2022.
- In February 2023, plans were announced for a merger of the software services company Elsis PRO into Novian Systems. On completion of the merger, Novian Systems would assume Elsis PRO’s obligations. The merger would create new potential in areas ranging from expertise in tax administration, municipal projects, and risk management, to solutions for the defence, aerospace, and aviation industries, intensifying innovation, including in artificial intelligence and big data technologies, and increasing value for clients.

Products and services of Novian group

Technologies (Novian Technologies (Lithuania), Novian Eesti OÜ (Estonia), Andmevara SRL (Moldova))

Solutions and services	Industries where active	Technologies and methodologies
<ul style="list-style-type: none"> • Critical IT infrastructure design, deployment and maintenance • Critical IT infrastructure maintenance managed services • Cloud computing strategy and transformation implementation • Data storage, recovery and archiving solutions • Modern digital workplace strategy creation and implementation • Supply-chain and infrastructure lifecycle management • Managed printing services • Digitization of document archives. 	<ul style="list-style-type: none"> • Finance and insurance; • Wholesale and retail trade; • Logistics and warehousing; • ITT; • Energy; • Manufacturing; • Public sector; • Scientific institutions. 	<ul style="list-style-type: none"> • Methodologies: CIMF v.3, Migritis, CopyPrint. • Intellectual property: Novian Eesti OÜ x-Scan document digitization software. • Technology partners: • Dell EMC, NVIDIA, Lenovo, IBM, Cisco, Zabbix, Prometheus, Oracle, Microsoft Azure, Google Cloud, Red Hat Openshift, Commvault, Veritas, Quantum, Mobile Iron, N-Able, Kyocera, Microsoft, Dynatrace. • Standards & Certifications: ISO 9001; ISO 14001; ISO 20000-1.

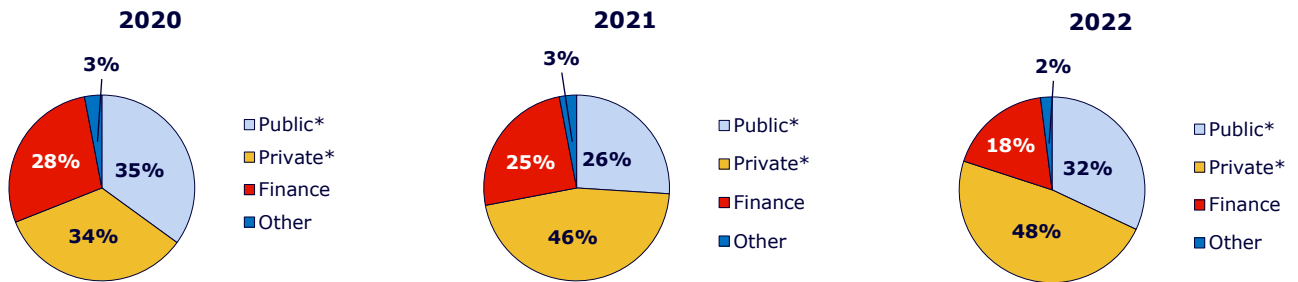
Revenue and EBITDA of Novian group technologies area, thous. EUR*



Thous. EUR	2018	2019	2020	2021	2022
Revenue	14,111	17,745	18,874	17,502	24,083
EBITDA*	839	1,351	1,693	1,424	1,649

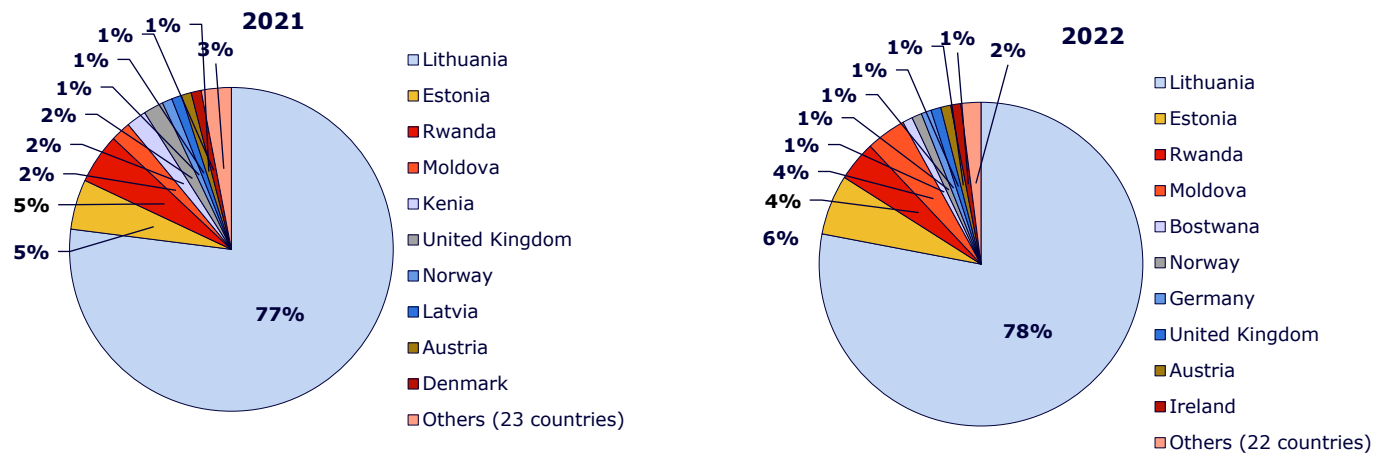
*From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2018 and 2019-2022 are not directly comparable.

Revenue by sector

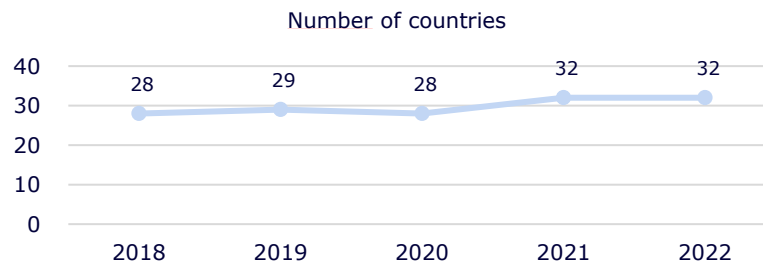


*- excluding revenue from the finance sector.

Revenue by country



Thous. Eur	2021	2022	Change
Lithuania	13,490 (77%)	18,876 (78%)	5,386
Other countries	4,012 (23%)	5,207 (22%)	1,195
Total	17,502	24,083	6,581



Key events

- Effective 7 June, 2022 the Estonian IT company Andmevara Services OÜ has changed its name to Novian Eesti OÜ. The company continues to provide IT infrastructure and digitization services and also represents the group's other IT services and solutions.
- The eighth "Technologies and Resilience" conference organized by Novian Technologies was held in June 2022. The main topic in 2022 was digital transformation and resilience. The event is organized once per year, it was intended for company executives, heads of IT and IT infrastructure professionals, developers, modern technology enthusiasts, and business process and finance managers.
- In 2022 a modern Novian group digitization centre began operating in Estonia. It provides a variety of technical solutions for document digitization, with five types of scanners that can scan any paper documents – from quick and easy A4-format documents to complex large old newspapers and maps. The centre offers convenient logistics and digitization processes and results that are professional and reliable.
- In the beginning of 2022, Novian Technologies became a Premier Business Partner of Red Hat, thus achieving the top level of partnership with the world's leading provider of enterprise open source solutions. Novian Technologies is actively developing this partnership with a Cloud Infrastructure specialization. The new partnership level ensures direct access to the manufacturer's resources and better purchasing terms.
- Novian Technologies and Novian Eesti secured a partnership with the global technology company Dynatrace in the third quarter of 2022. Dynatrace offers software technologies based on AI and automation and capabilities in infrastructure monitoring, digital experiences, business analytics and cloud automation. The partnership provides direct access to the manufacturer's resources and training as well as better purchasing terms.
- In October 2022, Novian Technologies participated in the Meteorological Technology World Expo in Paris. There, the company presented a high-performance computing (HPC) solution that allows meteorologists to model climate change more accurately and make more accurate weather forecasts.
- In March 2023, Novian Technologies together with software partner Zabbix organised the Zabbix Meeting Lithuania, an event to introduce the partner's solutions and services as well as Novian Technologies' services to the IT community (from managers to infrastructure specialists).

Key projects

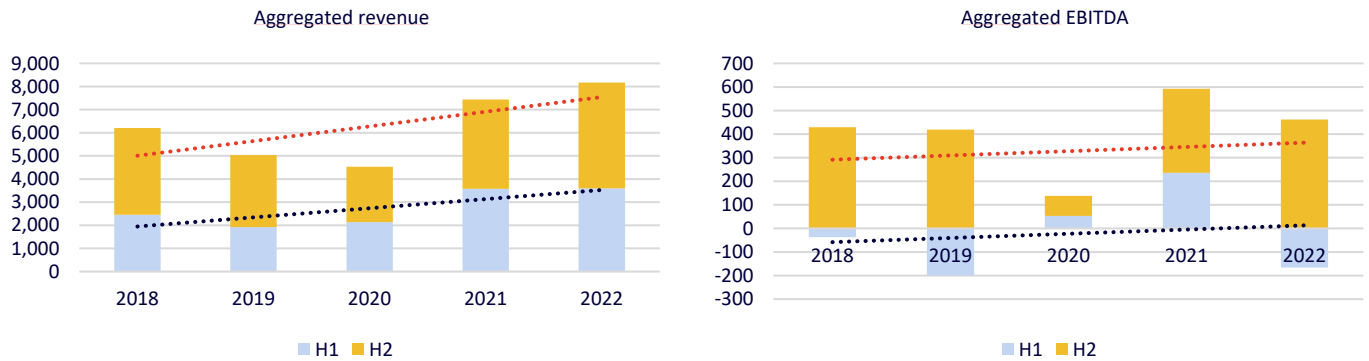
- **Development of a modern application platform for the Bank of Lithuania:** a modern platform was proposed and developed in the context of the client's strategy for efficiently upgrading its information systems. A microservices architecture was built on the basis of Red Hat OpenShift, handling its implementation and development. Together with the central bank's team, application operations (DevOps) were transformed to quickly and efficiently develop and start using systems in line with operational needs. The system contributes to the development of modern banking services. This is particularly relevant for Bank of Lithuania's provision of wholesale services to commercial banks and for the creation of resilient, rapidly developed and scalable solutions adapted to market needs.
- **Digitization of documents for the Estonian National Archive:** digitization of documents and creation of metadata. The project involved 4.2 million documents, including material from 14 different museums and archives all over Estonia. The project was carried out in the course of 2 years. The digitized documents are hosted on a public website. All interested parties can easily and quickly access the national archive's holdings.
- **Hyperconverged infrastructure solution for the Lithuanian state cloud:** an advanced infrastructure solution – a hyper-converged infrastructure (HCI) cluster – will be developed and deployed in the e-Government cloud managed by Lithuania's Information Society Development Committee. This will allow the customer-maintained service management platform to be easily expanded and efficiently managed and maintained, as the platform's technical components will be software-defined. The solution will help optimise investments and operational costs, and maintenance costs as well, as it will simplify the administration of the system and will not require different IT specialisations.
- **Upgrade of the Central Bank of Rwanda's data infrastructure:** a major upgrade of the IT infrastructure at the Central Bank of Rwanda will enable the bank to use its data warehouse capabilities effectively to analyse large volumes of information across multiple dimensions. The data centre perimeter, internal firewall and networking solution was upgraded and deployed, as was a two-factor authentication solution. The project will allow the bank to work faster and more efficiently with data and ensures the top-level security that a country's central bank needs.

- HPC solution for modelling climate change in 16 African countries (SADC):** deployment of high-performance computing (HPC) clusters in Botswana for forecasting climate change and weather was completed in the first half of 2023. The project also covered other countries of the Southern African Development Community (SADC), where data collection and early warning platforms were deployed. Precision management was required to address the technological issues and logistical challenges posed by the project’s broad geography and the legal and financial specifics of the various countries. The project will enable the Southern African countries that belong to the SADC to produce faster and more accurate weather forecasts and better prepare for the challenges of climate change.

Software services (Novian Systems and Elsis PRO (Lithuania), Andmevara AS (Estonia))

Solutions and services	Industries where active	Technologies and methodologies
<ul style="list-style-type: none"> Development and maintenance of information systems Information systems integration Business process digitalization Business analytics solutions Robotic process automation Critical resource management solutions Data distribution solutions (OMG Data Distribution Service) Risk management solutions Big data Consulting 	<ul style="list-style-type: none"> E-governance E-tax E-health Environmental protection Smart cities Defense Aviation and space Regulatory institutions Corporations Scientific institutions 	<p>Intellectual property:</p> <p><u>Novian Systems:</u></p> <ul style="list-style-type: none"> Masis municipal tax management Atris waste management <p><u>Elsis PRO:</u></p> <ul style="list-style-type: none"> PRO.Risks risk management SHIFT air traffic controller scheduling software Galaxy nano-satellite communication software (in development) <ul style="list-style-type: none"> Programming in Oracle /Java, C++, Angular, TypeScript and Microsoft.NET Low code solutions Process robotization Big data and performance analytics, artificial intelligence <p>Standards and Certifications:</p> <p><u>Novian Systems:</u> ISO 9001, ISO 27001, ISO 14001;</p> <p><u>Elsis PRO:</u> ISO 9001, ISO 27001, ISO 14001, ISO 20000-1.</p>

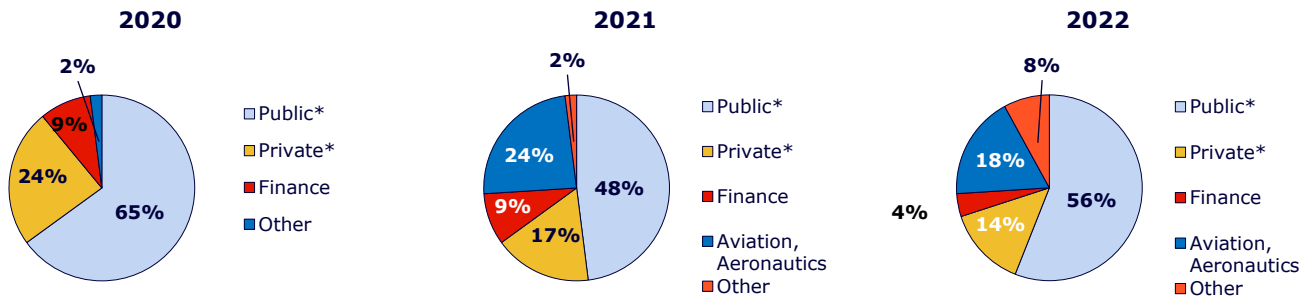
Revenue and EBITDA of Novian group software services companies, thous. EUR*



Thous. EUR	2018	2019	2020	2021	2022
Revenue	6,206	5,039	4,528	7,438	8,173
EBITDA*	392	219	138	592	296

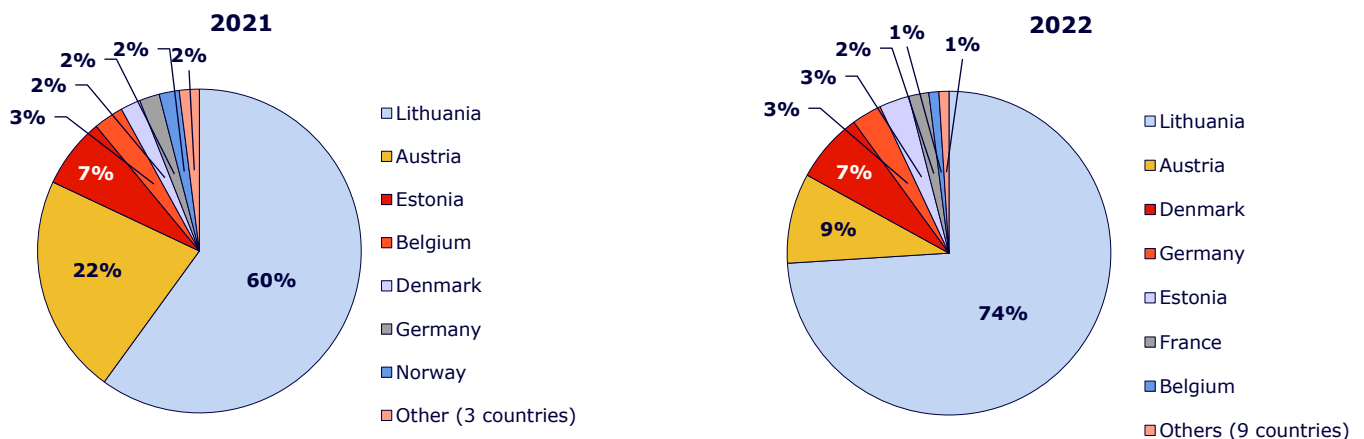
*From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2018 and 2019-2022 are not directly comparable. The results of 2021 include results of Elsis PRO UAB that was acquired in 2021 (revenue EUR 2,956 thousand and EBITDA EUR 382 thousand).

Revenue of Novian group software services area by sector

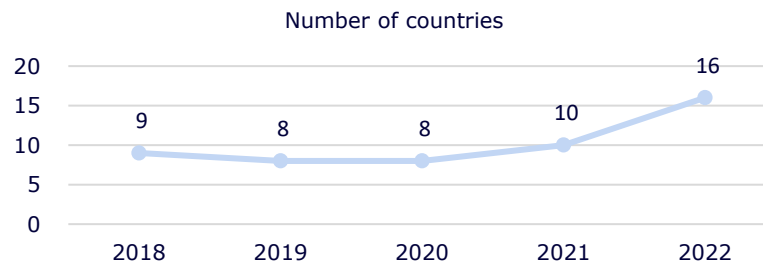


*- excluding revenue from the finance and aviation, aeronautics sectors.

Revenue of Novian group software services companies by country



Thous. Eur	2021	2022	Change
Lithuania	4,474 (60%)	6,075 (74%)	1,601
Other countries	2,964 (40%)	2,098 (26%)	(866)
Total	7,438	8,173	735



Key events

- In 2022 Novian Systems upgraded the Masis SMP municipal land-rent tax administration system in 41 Lithuanian municipalities served. It is made for handling the accounting for taxes (on land, property rental, etc.), fees and licences administered by a municipality, and for managing electronic services for individuals and businesses.
- In May 2022, Elsis PRO obtained ISO 20000-1 IT Service Management System certification and ISO 14001 Environmental Management System certification. In addition, its previously obtained ISO 9001 Quality Management System and ISO 27001 Information Security Management System certifications were renewed through 2025.
- In December 2022, Novian Systems hosted a seminar "Current News and Future Trends for MASIS" for administrators of the municipal tax program and the MASIS land-rent tax administration information system. During the event, key updates to the MASIS self-service portal and GDPR solutions were presented.
- In 2022, Elsis PRO developed tools for creating and automating software. Tools and frameworks for the automatic generation of software code were developed and put into practical use during the year. These productivity enhancers significantly speed up the development of software products, standardise results and ensure the quality of the results. In projects carried out in 2022, automated tools enabled the generation of almost 70% of the software code, and developers spent their time on integration, solving specific problems and optimization.
- Elsis PRO moved forward with innovations in 2022, continuing the previously initiated Galaxy and National Information Impact Identification and Analysis Ecosystem (NAAS) projects.
- In February 2023, plans were announced for a merger of the software services company Elsis PRO into Novian Systems. On completion of the merger, Novian Systems would assume Elsis PRO's obligations. The merger would create new potential in areas ranging from expertise in tax administration, municipal projects, and risk management, to solutions for the defence, aerospace, and aviation industries, intensifying innovation, including in artificial intelligence and big data technologies, and increasing value for clients.

Key projects

- **Development of the Galaxy platform for data exchange in nanosatellite constellations:** Elsis PRO is developing data communication solutions to enable nanosatellites to efficiently and rapidly transmit data to the nearest ground station. The system that is in development will help find the optimal way to deliver data the fastest and to prioritise data. The system is being developed using Data Distribution Service (DDS) technology for decentralised solutions. The project is a continuation of the first phase of Galaxy, which the company completed in 2020. It is being carried out and funded under a programme of the European Space Agency. Once a prototype of the platform for managing exchanges of data between nanosatellites is created, decisions will be made on the system's further development and use on satellites.
- **Automated Domain Name Verification System for the Gaming Control Authority (LPT) under the Lithuanian Finance Ministry:** software was developed using Microsoft .NET technologies for the automated Domain Name Systems (DNS) verification. It checks whether websites on the LPT's list of remote gambling sites are blocked by an internet service provider. The solution makes it easier to trace and inspect illegal online gambling sites operating in Lithuania. Until now such checks were carried out manually. Automation has significantly reduced the time needed and improved the quality of this work.
- **Upgrade of the State Register of Sources of Ionizing Radiation and Occupational Exposure maintained by the Radiation Protection Centre of Lithuania:** the first phase of the project is underway. The aim of the project is to upgrade the individual dosimetry module to be able to record radiation doses received by first responders and accident clean-up workers. The desire is also to significantly improve the collection, processing, and administration of data on sources of ionizing radiation and data on personnel working with those sources, and to fully digitalize the related processes of the Radiation Protection Centre. Novian Systems is implementing modern data exchange, integration, administration and security solutions and tools, and is optimizing and modernizing the register. The upgrade will digitalize new Radiation Protection Centre processes, enhance previously digitalized ones, and ensure their continuity.
- **Development of the National Information Impact Identification and Analysis Ecosystem (NAAS):** Elsis PRO and partners are developing a prototype of the system. To ensure scalability and cost-effectiveness, the system is being developed on the Amazon Web Services (AWS) public cloud platform, built according to component and serverless architecture principles. The project was initiated by Lithuania's General Jonas Žemaitis Military Academy and Mykolas Romeris University and is coordinated by the Agency for Science, Innovation and Technology. It is being financed from the Operational Programme for EU Funds Investments for 2014-2020 and the European Regional Development Fund. The system will enable the analysis of data from social media and news portals, as well as the creation and enhancement of

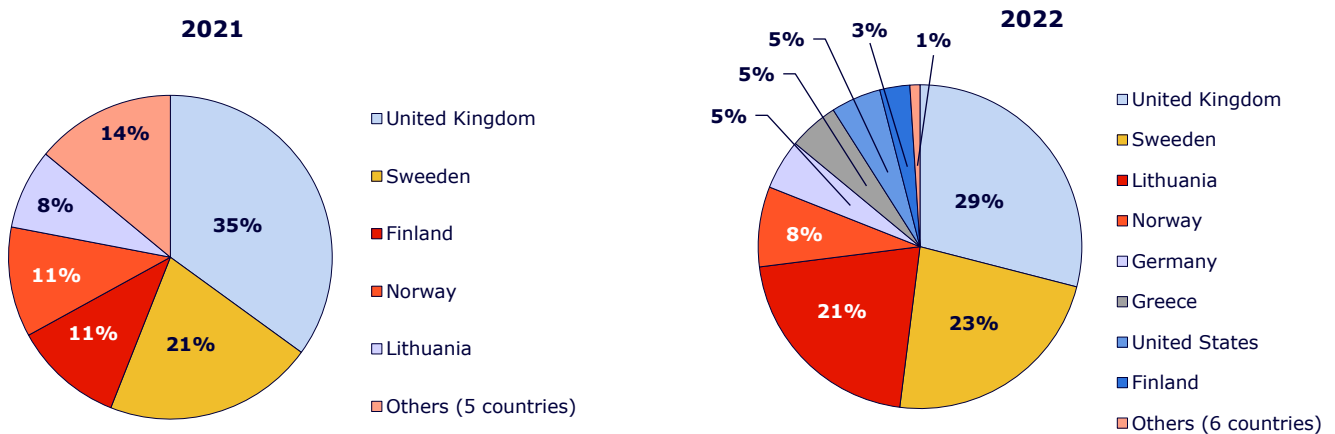
tools to ensure the security of the information space. The AI (machine learning) “teacher-student” model will help identify new information phenomena.

- **Upgrade of Lithuanian State Tax Inspectorate (VMI) information systems:** Novian Systems is modernizing these VMI systems: the Taxpayers Electronic Education, Consultation and Information Service System (ESKIS), the Personal Income Tax Information System (GYPAS), the ITIS_EU information system for exchange of VAT information between EU countries, and the Integrated Tax Information System (IMIS). The projects will enable improvement of the information systems used by the VMI in line with current needs in their regard.

Media monitoring and digitization area (Zissor, Norway)

Solutions and services	Industries where active	Technologies and methodologies
<ul style="list-style-type: none"> • Media (press, online, broadcast, social network) monitoring software; • Software to segment and digitizing the content of printed and / or scanned documents; • Converting media PDF files to XML for other communication channels 	<ul style="list-style-type: none"> • Providers of media monitoring services • Magazine and newspapers publishers • National archives and libraries. 	Zissor intellectual products: <ul style="list-style-type: none"> • Zissor Media Monitoring software • Zissor Archive Digitization software • Zissor PDF To Article Conversation software

Media and digitization revenue by country



Thous. Eur	2021	2022	Change
Lithuania	70 (8%)	167 (21%)	97
Other countries	816 (92%)	616 (79%)	(200)
Total	886	783	(103)

Key events

- Zissor has finished and in the beginning of 2023 has presented for the clients the major upgrades to the Zissor Media System, which include new features like “extraction” of text from PDFs and automatic categorisation of articles using artificial intelligence.
- Zissor’s archive digitization software has been enhanced with the ability to digitize books.

Key projects

- **Digitization of the Norwegian newspaper Hordaland Folkeblad:** the project included scanning and digitizing the newspaper's archive from 1873 to 2010, a total of 100,000 pages. The newspaper's PDF archive of 21,000 pages was also digitized, together with the segmentation of articles and extraction of meta-data. The digitized content is now available in electronic form for viewing and searching by subscribers and journalists.
- **Digitization of the Norwegian newspaper Lister:** the project involved digitizing the newspaper's archive from 1901 to 2014, a total of 208,000 pages. It included scanning, optical character recognition, article segmentation and meta-data extraction. The project was carried out by Zissor and Novian Eesti. The digital format will make it easier for subscribers and journalists to find and use information and ensure its long-term survival.

- **Digitization of a German newspaper:** Zissor is providing ongoing PDF-to-XML conversion services for Visiolink, a supplier of digital publication solutions. The PDF format is translated into articles and metadata. Through Zissor's services, XML files and illustrations are created that can be used as e-paper solutions. This makes it easier to deliver articles, especially for reading on tablets and mobile phones.
- **PDF-to-XML conversion of French magazines:** in collaboration with Forecomm, a provider of e-paper solutions, Zissor is providing ongoing services for the conversion of PDF pages into articles and metadata which can be used as e-paper. This makes the information easy to deliver on tablets and mobile phones.
- **PDF-to-XML conversion for Greenlandic publisher Sermitsiaq:** Zissor is providing the ongoing service of converting the PDF pages of 7 of Sermitsiaq's publications into articles and meta-data, enabling them to be used in e-paper format. This encourages provision of the information on tablets and mobile phones.

5.3. Cybersecurity

NRD Cyber Security is a cybersecurity consulting, security incident response and technology implementation company. Through its activities, the company aims to create a secure digital environment for countries, governments, businesses, and citizens and have conducted projects of various scale and scope around the world.

The organisation's specialists have accumulated extensive experience in incident investigation and management, law enforcement, analysis, auditing, and other fields, are active members of international cybersecurity organisations and contribute to the development of international best practices. NRD Cyber Security certifications: ISO/IEC 27001 and ISO 9001.

NRD Cyber Security also owns NRD Bangladesh, a regional sales, project management and maintenance company with projects in South Asia.

Focus areas of NRD Cyber Security

- Continue our mission - to help countries realise their visions of secure digitalisation and enable various organisations to manage cybersecurity threats.
- Continue international cooperation in creating cybersecurity methodologies, to cooperate closely with international organisations such as ITU, GFCE, World Bank and others, whose activities aim to strengthen the cyber resilience of countries and individuals.
- Expand the CyberSOC managed security service and strengthen the market position in Lithuania, actively sell and provide information security auditing and consulting services, increase the number of orders for the installation of cybersecurity technologies and raise internal capabilities and service quality.
- Create and modernise security operations teams (CSIRTs and SOCs) worldwide.
- Further develop and successfully commercialise own products Matrix and CyberSet.

NRD Cyber Security services and products

Services	Products
<ul style="list-style-type: none"> ▪ CyberSOC – managed security services ▪ Audits and assessments ▪ Technology solutions ▪ CISO advisory ▪ Training courses ▪ Security management framework development ▪ Cybersecurity capacity building ▪ CSIRT and SOC services 	<ul style="list-style-type: none"> ▪ Matrix threat monitoring platform ▪ CyberSet

More about products

Matrix – a centralised cybersecurity monitoring and threat hunting platform. The solution has been created by the NRD Cyber Security R&D team to enable coordinated threat monitoring. Its functionalities go beyond just visibility and offer capabilities to build and continuously refine rules for detecting threats and non-compliance. It is set-up in an organisation’s internal network and analyses traffic data just before it is sent across the internet. The platform is intended to be deployed in sectorial, national critical infrastructures, or organisations with complex infrastructures. It is set-up for central management, incident handling, and threat hunting.

CyberSet - services automation toolkit for CSIRTs or SOCs. It works as a set of technologies and operational procedures, which provides CSIRTs and SOCs with typical service delivery capabilities, such as security monitoring and incident management. The toolkit enables cybersecurity teams to gain service delivery capabilities much faster and in a more structured manner than by developing them organically.

NRD Cyber Security results of 2022

Key profit (loss) item, thous. EUR*

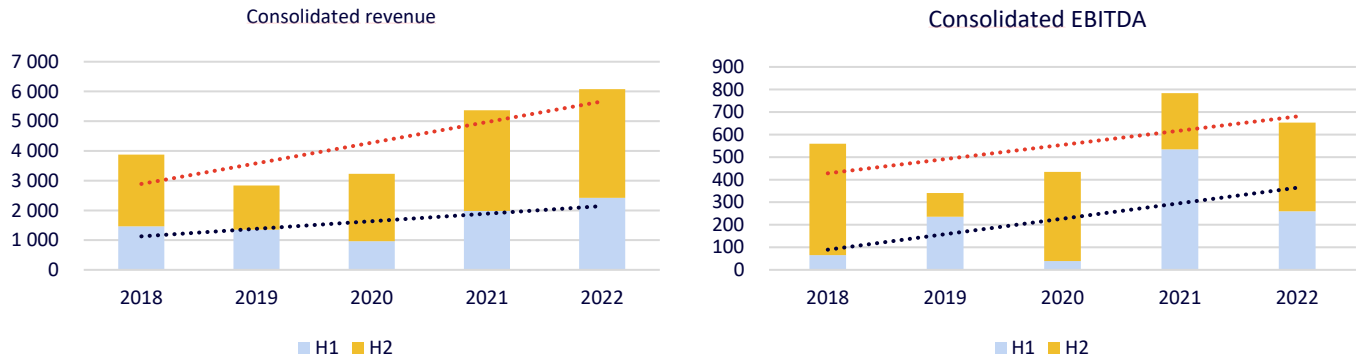
	2021	2022
Revenue	5,365	6,079
Gross profit	2,347	2,979
EBITDA	784	653
EBIT	615	564
Net profit (loss)	603	526

Key balance sheet items, thous. EUR*

	2021	2022
Tangible assets	124	401
Intangible assets	1	23
Other non-current assets	160	199
Current assets	2,966	3,226
of which cash	1,745	1,332
Total assets	3,251	3,849
Equity	1,480	1,509
Non-current liabilities	37	606
Of which financial debt	12	196
Current liabilities	1,734	1,734
of which financial debt	48	54
Total liabilities and equity*	3,251	3,849

* The unaudited consolidated results of the NRD Cyber Security group are presented. The results of NRD CS and NRD Bangladesh are included in the results of the NRD Cyber Security group. The audit of companies' standalone annual financial statements for 2022 are in progress. The result of 2021 is not consolidated as the control of the subsidiary company NRD Bangladesh has been acquired at the end of 2021. The balance sheet for the year 2021 is consolidated.

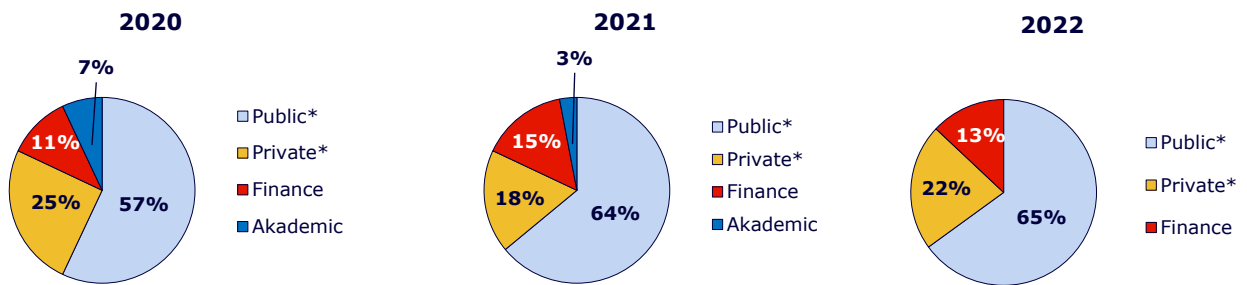
Revenue and EBITDA of NRD Cyber Security, thous. EUR



Thous. EUR	2018	2019	2020	2021	2022
Revenue	3,876	2,836	3,229	5,365	6,079
EBITDA*	559	341	434	784	653

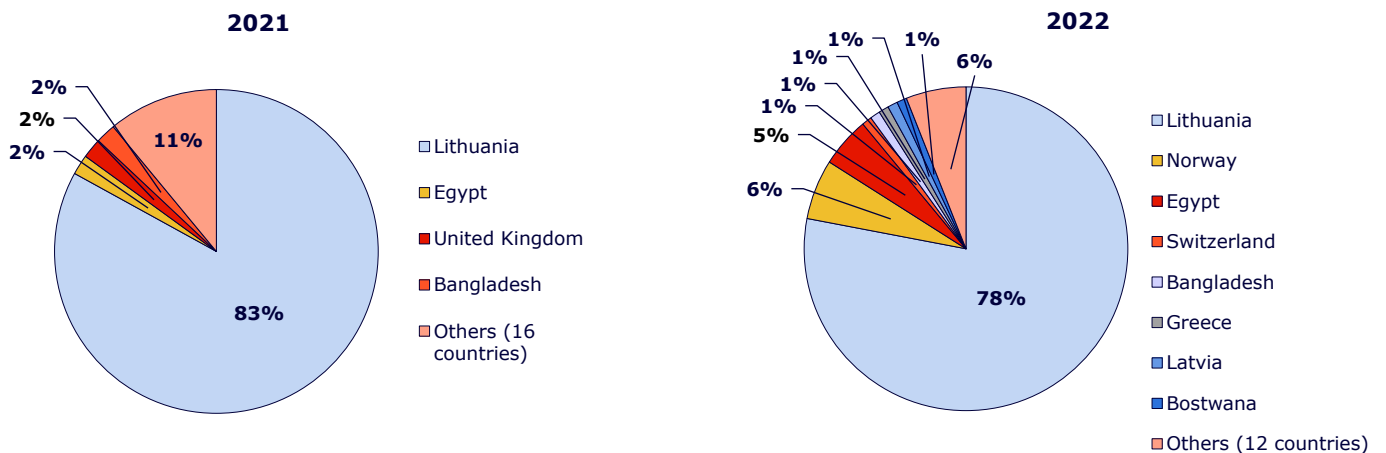
*From 2019 IFRS 16 was adopted, which affected the amount of EBITDA, therefore the EBITDA for the periods 2018 and 2019-2022 are not directly comparable.

NRD Cyber Security revenue by sector

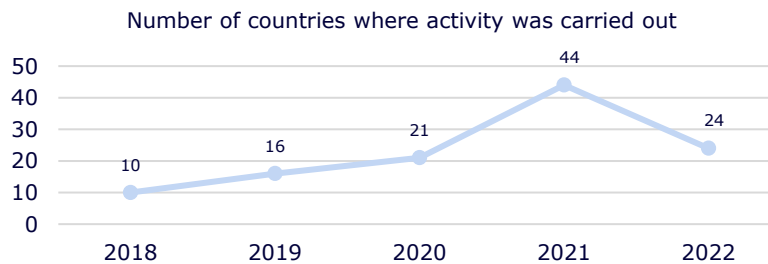


*- excluding revenue from the finance and academic sectors.

NRD Cyber Security revenue by country



Thous. Eur	2021	2022	Change
Lithuania	4,479 (83%)	4,749 (78%)	270
Other countries	886 (17%)	1,330 (22%)	444
Total	5,365	6,079	714



The projects completed in 2022 are presented below

- **Malawi:** As part of a contract with the International Telecommunication Union (ITU), NRD Cyber Security experts helped to establish a functioning national Malawi CERT. The project provided advice on defining the services to be provided by mwCERT, defining the processes, setting up a website, and establishing the technology and equipment for the digital testing laboratory and the procedures for their use. A conference was also organised with mwCERT service users and stakeholders to explain the importance and role of the established CERT, and a number of training sessions were organised to enable CERT staff to carry out their duties more effectively.
- **The Bahamas:** In 2022, another contract was signed with the ITU to establish a Bahamas National CIRT. As part of the first phase of the project, a CIRT design document was developed and approved in 2022, which will guide the implementation of technical solutions, the establishment of processes and procedures, and the development of the policies and procedures necessary for the provision of services. The project and the role of the national CIRT were presented through an active participation in the stakeholder conference.
- **Botswana:** As part of the project, NRD Cyber Security carried out a comprehensive security assessment and improvement of the security posture of the infrastructure and organisational measures of the Central Bank of Botswana. The assessment identified the security measures currently in place in line with the recommendations of ISO 27001 security standard, assessed the resilience of the infrastructure to hacking attempts based on the OWASP methodology, and identified the organisation's current cybersecurity-related risks. Follow-up actions included the development of a cybersecurity strategy and security policies, the development of security improvement plans, and the provision of training to the client's employees.
- **Egypt:** As part of the follow-up project and following the successful completion of the contractual obligations of the first phase in 2021, cooperation with the Central Bank of Egypt continued in 2022 with the conclusion of contracts for the roll-out of five own-brand Matrix licences in Egyptian local banks.
- **Republic of Serbia:** NRD Cyber Security provided expert support for the preparation of an assessment report on the state of cybersecurity management and the protection of the critical national infrastructure in the country.
- **Bosnia and Herzegovina:** NRD Cyber Security provided expert support for the preparation of an assessment report on the state of cybersecurity governance and the protection of the critical national infrastructure in the country.
- **Republic of Kosovo:** NRD Cyber Security experts provided consultancy services for the establishment of the Kosovo Energy Sector CERT under the Good Governance in Cybersecurity in the Western Balkans.
- **Republic of Rwanda:** A cybersecurity maturity assessment using the State Cybersecurity Maturity Assessment Model. As part of the project, the NRD Cyber Security Expert Group produced a report that assesses the maturity level of a country's cyber security capabilities, identifies potential risks as well as practical actions to increase the maturity of its cyber security capabilities, and identifies priorities for investment and future capacity building, taking into account the country's specific needs.
- **EU:** A Cybersecurity Crisis Maturity Assessment Model. In order to effectively prepare for and respond to major cyber incidents or crises, a maturity model has been developed to assess the level of maturity of the EU institutions, bodies, and agencies involved at operational level in the management of cyber crises across the EU. The main objective of this project was to develop a comprehensive maturity model, detailing maturity levels, milestones, minimum values, and assessment methods.
- NRD Cyber Security has strengthened its market leadership position by deploying CyberSOC – External Security Operations Centre services **in Lithuania** during 2022. Revenue from CyberSOC contracts in 2022 has grown by 71% to EUR 0.66 million, compared to EUR 0.39 million in the previous year 2021.

Events and visibility in public space

- To raise the profile of cybersecurity by creating engaging and interesting content, NRD Cyber Security continued its annual series of articles in "Business News" during 2022. Seven articles were published on topics of interest to the business community. Banner solutions were used at company events to reinforce the content produced and to raise awareness of NRD Cyber Security. The partnership with Verslo žinios provided the position of the main partner and the permanent integration of the logo in the Verslo žinios newsletter "Technology and Innovation".
- NRD Cyber Security's annual and semi-annual press releases were published in the business categories of the most visited Lithuanian news portals, reflecting detailed, financial reporting and supplementary information on the company's activities during the reporting year and half- yearly. NRD Cyber Security professionals actively shared their insights on various TV

programmes and have been interviewed on enhanced security and other related topics. They participated in various virtual and live conferences in foreign territories including Tanzania, Bangladesh, and Egypt.

- During 2022, NRD Cyber Security continued to organise annual events. In May, the 4th annual CyberSOC e-conference was held for IT managers and IT security managers of medium and large businesses operating in the Lithuanian market. The conference focused on Security Operations Centres (SOCs), their formation, tasks, technologies used and the latest trends.
- In 2022, the first NRD Cyber Security Conference was held for the African and Arab regions on collaborative cyber security and incident response. The concept of the conference is to share experiences, knowledge, success stories with organisations in the financial sector.
- NRD's team of Cyber Security experts and vendors attended the 34th Annual FIRST Conference in Dublin in 2022, the first in person conference since the pandemic: to share knowledge, make new connections, and renew existing ones.
- The company also had the opportunity to participate in a live event. The global digital security company, ESET held its annual conference, "ESET Security Day Lithuania". During the event, NRD Cyber Security presented its Security Operations Centre services at its stand, and the company's CyberSOC director gave a presentation on "How to measure your SOC".
- In the Autumn, the annual NRD Cyber Security conference, "Cyber Threats and Defence in Lithuania" was organised live, and attended by 198 existing and potential clients. The participants had the unique opportunity to get acquainted with the specifics of cybersecurity solutions through practical examples and to share the insights of NRD Cyber Security experts and the conference's guest speakers.

6. Assessment of Issuer's and managed companies' activity last year 2022

During the reporting year, INVL Technology managed to achieve the goals set for its operations: to earn a return for the benefit of shareholders from investments in portfolio companies and to increase the value of those companies. The results are reflected in the 61.50% increase in INVL Technology's equity per share from 14 July 2016, when the Company started operating as a closed-end investment company, through the end of 2022, taking into account repurchase of own shares. Equity per share increased from EUR 1.96 to EUR 3.17 per share, for a compound annual growth rate in the period of 7.7%.

INVL Technology's equity increased by 5.93% in 2022 and reached EUR 38.27 million at the end of the year. Equity per share at the end of 2022 was EUR 3.17 and increased by 5.93% during the year.

In 2022, INVL Technology did not operate in Russia or Belarus. There are no current plans to develop activities in those countries in 2022.

III. Information about securities

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

The Articles of Association of INVL Technology may be amended by resolution of the General Shareholders' Meeting, passed by more than 3/4 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania). During the reporting period, the Articles of Association have not been amended.

After the reporting period, on 6 February 2022 General Meeting of Shareholders has approved a new version of Articles of Association of the Company, which was amended in accordance with the new version of the Republic of Lithuania Law on Companies which 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. The Company's collegial body with supervisory function – the Supervisory Board – has been eliminated. It was envisaged that the Management Company may form an Advisory Committee of the Company.

The version of Articles of Association dated 20 February 2023 is currently in force. The Articles of Association is available on the Company's website (Section in the website For investors → Legal documents → Articles of Association. Link: <https://invltechnology.lt/lit/en/for-investors/articles-of-association>)

8. Structure of the authorized capital

Structure INVL Technology authorized capital as of 31 December 2022

Type of shares	Number of shares, units	Total voting rights granted by the issued shares, units	Nominal value, EUR	Total nominal	Nominal value, EUR
Ordinary registered shares	12,175,321	12,068,522	0.29	3,530,843.09	100

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

Information about the Issuer's treasury shares

According to the data of 31 December 2022, INVL Technology has acquired 106,799 unit of own shares. INVL Technology's subsidiaries directly or on their through persons, but acting on their behalf, have not acquired any shares in of INVL Technology.

Redemption of shares: In 2022 the Company has not carried out the procedure of buying out its own shares.

Purchase of shares

On 29 April 2021 the General Meeting of Shareholders of the Company has decided to approve the purchase of own shares, which is valid for 18 months from the date of adoption of this decision. The maximum purchase price of one share is the last published net asset value per share of INVL Technology, the minimum price of one share is EUR 0.29.

On 29 April 2022 the General Meeting of Shareholders of the Company has decided to approve the purchase of own shares, which is valid for 18 months from the date of adoption of this decision. The maximum purchase price of one share is the last published net asset value per share of INVL Technology, the minimum price of one share is EUR 0.29.

The Company did not initiate acquisition of own shares in 2022.

9. Trading in Issuer's securities as well as securities, which are deemed to be a significant financial investment to the Issuer on a regulated market

Main characteristics of INVL Technology shares admitted to trading

INC1L
Nasdaq Baltic Listed

Number of shares issued, units	12,175,321
Number of Shares with voting rights	12,068,522
Nominal value of one share, EUR	0.29
Total nominal value, EUR	3,530,843.09
ISIN code	LT0000128860
LEI code	5299006UHD9X339RUR46
Name	INC1L
Exchange	AB Nasdaq Vilnius, XLIT
List	Baltic Secondary list
Listing date	4 June 2014

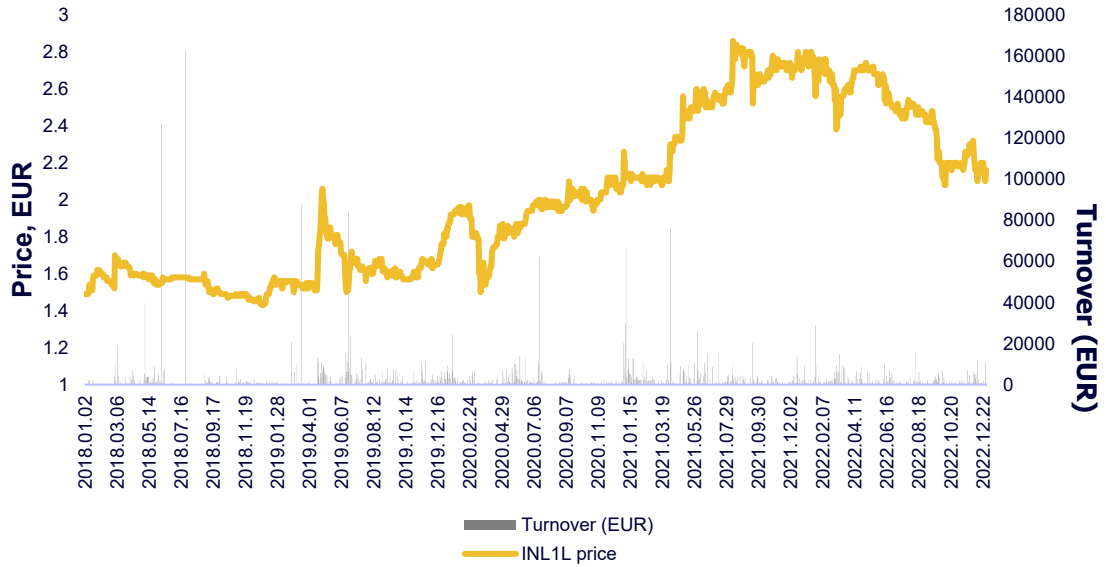
Trading in the company's shares 2018 - 2022 (quarterly) on Nasdaq Vilnius

Reporting period	Price, EUR			Turnover, EUR			Last trading date	Total turnover	
	high	low	last	high	low	last		quantity	EUR
2018 1st Q	1.70	1.50	1.63	19,055.69	4.53	3,921.78	29.03.2018	36,421	59,541.58
2018 2nd Q	1.63	1.54	1.58	126,989.95	83.20	-	29.06.2018	171,788	269,475.50
2018 3rd Q	1.60	1.49	1.50	162,935.92	15.80	4,351.16	28.09.2018	126,104	198,185.29
2018 4th Q	1.50	1.43	1.44	8,000.52	90.28	118.08	28.12.2018	32,913	48,731.90
2019 1st Q	1.58	1.44	1.55	87,562.86	92.72	1,523.18	29.03.2019	95,698	146,843.81
2019 2nd Q	2.10	1.50	1.72	84,289.91	70.97	4,629.6	28.06.2019	169,929	281,909.20
2019 3rd Q	1.78	1.56	1.61	12,810.30	44.01	805	30.09.2019	87,180	142,034.35
2019 4th Q	1.80	1.57	1.76	11,613.08	1.68	777.92	30.12.2019	65,578	108,613.52
2020 1st Q	1.99	1.50	1.58	24,384.58	23.50	2,267.30	31.03.2020	74,584	139,382.05
2020 2nd Q	1.95	1.60	1.94	13,953.64	1.94	999.10	30.06.2020	83,743	153,914.18
2020 3rd Q	2.10	1.94	2.04	62,244	2.02	-	30.09.2020	73,659	147,174.92
2020 4th Q	2.14	1.79	2.08	2,233.80	2.02	-	30.12.2020	13,753	28,043.81
2021 1st Q	2.28	2.06	2.10	66,758.38	4.20	86.10	31.03.2021	137,750	294,144.84
2021 2nd Q	2.74	2.10	2.52	76,256.18	2.56	252	30.06.2021	105,506	255,230.02
2021 3rd Q	2.90	2.48	2.66	20,407.92	5.16	52.80	30.09.2021	51,749	136,701.50
2021 4th Q	2.80	2.60	2.74	13,600	8.22	8,912.98	30.12.2021	34,878	94,850.42
2022 1st Q	2.80	2.30	2.58	28,639.5	10.24	10.32	31.03.2022	66,975	171,863
2022 2nd Q	2.74	2.46	2.50	10,279.86	8.04	2,352.5	06.30.2022	44,222	116,265.78
2022 3rd Q	2.54	2.20	2.20	16,075.06	2.52	121	30.09.2022	37,747	90,968.76
2022 4th Q	2.32	2.08	2.16	11,947.74	2.26	10.8	30.12.2022	46,818	101,648.32

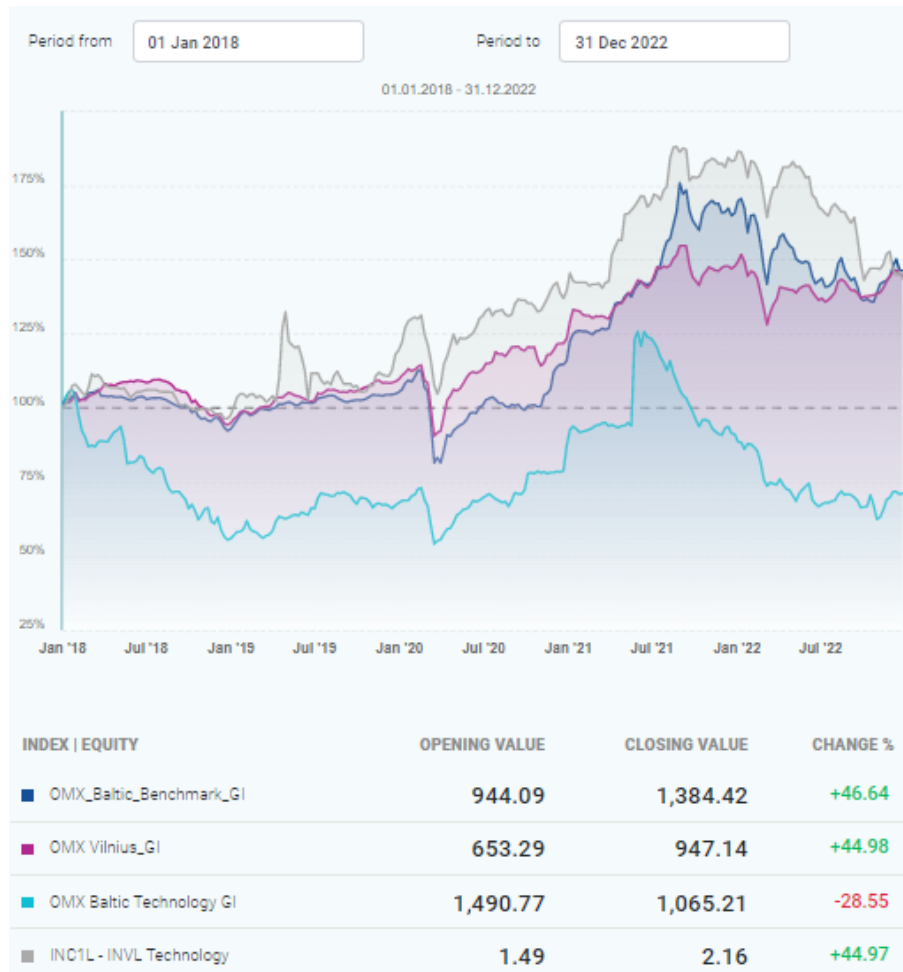
Trading in shares 2018-2022

Share price, EUR	2018	2019	2020	2021	2022
Open	1.49	1.44	1.76	2.12	2.76
High	1.70	2.10	2.14	2.90	2.80
Low	1.43	1.44	1.50	2.06	2.08
Medium	1.55	1.64	1.92	2.37	2.46
Last	1.44	1.76	2.08	2.74	2.16
Turnover, shares	367,226	418,385	245,739	329,883	195,762
Turnover, EUR	575,934	679,400.88	468,514.96	780,926.78	480,745.86
Total number of trades	336	605	891	1,576	1,270

Change of turnover and share price of INVL Technology



Change of share price of INVL Technology and indexes



Capitalization, 2018-2022

Last trading date	Number of shares	Last price, EUR	Capitalisation, EUR
29.03.2018	12,175,321	1.63	19,845,773
29.06.2018	12,175,321	1.58	19,237,007
28.09.2018	12,175,321	1.50	27,211,842
28.12.2018	12,175,321	1.44	17,532,462
29.03.2019	12,175,321	1.55	18,871,748
28.06.2019	12,175,321	1.72	20,941,552
30.09.2019	12,175,321	1.61	19,602,267
30.12.2019	12,175,321	1.76	21,428,565
31.03.2020	12,175,321	1.58	19,237,007
30.06.2020	12,175,321	1.94	23,620,123
25.09.2020	12,175,321	2.04	24,837,655
29.12.2020	12,175,321	2.08	25,324,668
31.03.2021	12,175,321	2.10	25,568,174
30.06.2021	12,175,321	2.52	30,681,808
30.09.2021	12,175,321	2.66	32,386,353
31.12.2021	12,175,321	2.74	33,360,379
31.03.2022	12,175,321	2.58	31,412,238
30.06.2022	12,175,321	2.50	30,438,303
30.09.2022	12,175,321	2.20	26,785,706
31.12.2022	12,175,321	2.16	26,298,693

10. Dividends

The General Shareholders' Meeting decides upon dividend payment and sets the amount of dividends. The company pays out the dividends within 1 month after the day of adoption of the resolution on profit distribution.

Persons have the right to receive dividends if they were shareholders of the Company at the end of the tenth business day after the day of the General Shareholders' Meeting which issued the resolution to pay dividends.

According to the Law on Personal Income Tax and the Law on Corporate Income Tax, a 15 % tax applies for dividends as of 2014. The Company is responsible for calculating, withholding and transfer paying (to the State) the applicable taxes.

The company did not allocate dividends during the reporting period. It should be noted that during the period of the Company's operation, the Company's General Meeting of Shareholders did not take a decision on the payment of dividends, and therefore no dividends were paid to the shareholders.

Indicators related to the shares*

	2020	2021	2022
Book value per share, EUR**	2.77	2.99	3.17
Price to book value (P/Bv)	0.75	0.92	0.68

*For the convenience of investors, the Company publishes definitions and formulas for the alternative performance measures (APMs) it uses on its website as well as in Appendix 4 of this Annual Report. See the website section "For Investors" → "Financial information and reports" → "Formulas of performance indicators", which can be reached via this link <https://www.invltechnology.it/lit/en/for-investors/reports/formulas-of-performance-indicators>.

**The nominal value per share is – EUR 0.29

11. Shareholders

11.1. Information about shareholders of the Company

Shareholders who held title to more than 5% of INVL Technology’s authorized capital and/or votes as of 31 December 2022

Name of the shareholder or company	Number of shares held by the right of ownership	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by right of ownership, %	Indirectly held votes, %	Total, %
LJB investments, UAB, Code 300822575, A. Juozapavičiaus Str. 9A, Vilnius	2,424,152	19.91	19.91	-	19.91
INVL Life, UADB Code 305859887 Gynėjų Str. 14, Vilnius	1,873,678	15.39	15.39	-	15.39
Invalda INVL, AB, Code 121304349, Gynėjų Str. 14, Vilnius	-	-	-	17.22 ¹	17.22
Irena Ona Mišeikienė	1,466,421	12.04	12.04	-	12.04
Lietuvos draudimas, AB, Code 110051834, J. Basanavičiaus Str. 12, Vilnius	909,090	7.47	7.47	-	7.47
Kazimieras Tonkūnas	675,452	5.55	5.55	1.52 ²	7.07
Alvydas Banys	618,745	5.08	5.08	19.91 ³	24.99

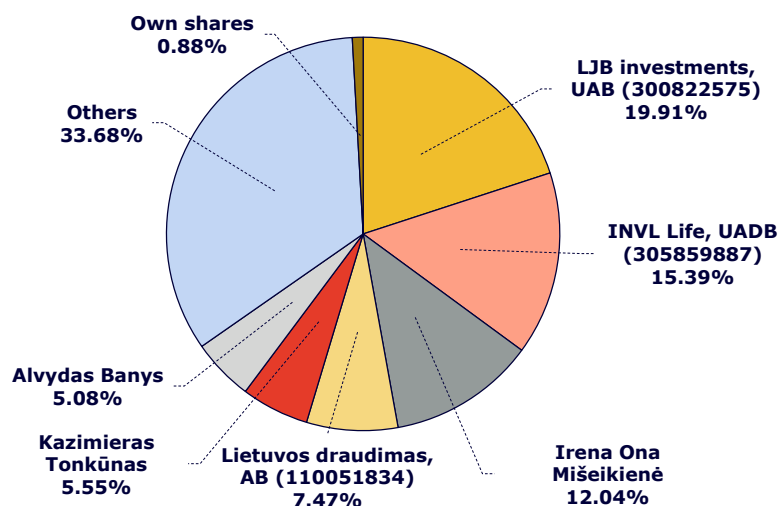
¹ It is considered that Invalda INVL has the votes of the controlled companies INVL Asset Management UAB and INVL Life UADB.

² It is considered that Kazimieras Tonkunas has the votes of his spouse.

³ It is considered that Alvydas Banys has votes of LJB Investments, UAB a company controlled by him.

At 31 December 2022, a total of 3,689 shareholders owned shares of INVL Technology (versus 3,621 at 31 December 2021). There are no shareholders entitled to special rights of control.

Votes as of 31 December 2022



Distribution of securities by investors' groups as of 31 December 2022

Investors	Shareholders		Share of votes given by the owned shares (percentage)
	Number of shareholders	Number of shares	
Private persons	3,653	5,626,837	46.62
Legal persons (excepting Company)	35	6,441,685	53.38
Own shares	1	106,799	-

Distribution of securities by investors' groups as of 31 December 2022

Regions	Shareholders		Share of votes given by the owned shares (percentage)
	Number of shareholders	Number of shares	
Lithuania	3,543	11,833,469	98.05
Other EU members	112	115,758	0.96
Non- EU countries	33	119,295	0.99
Own shares	1	106,799	-
Total	3,689	12,175,321	

11.2. Rights and obligations carried by the shares

11.2.1. Rights of the shareholders

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

- to receive a part of the Company's profit (dividend);
- to receive the company's funds when the authorized capital of the company is reduced with a view to paying out the company's funds to the shareholders;
- to receive a part of assets of the company in liquidation;
- to receive shares without payment if the authorized capital is increased out of the Company funds, except in cases provided by the laws of the Republic of Lithuania;
- 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;
- 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;
- other property rights provided by laws;
- to attend the General Shareholders' Meetings;
- to submit to the Company in advance the questions connected with the issues on the agenda of the General Meeting of Shareholders;
- to vote at the General Shareholders' Meetings according to voting rights carried by their shares;
- to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
- 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;
- 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;
- other non-property rights established by laws and the Company's Articles of Association.

11.2.2. 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.

The person who acquired all shares or part of shares in the company from the Company's sole shareholder must notify the company of the acquisition or transfer of shares within 5 days from the conclusion of the transaction. The notice shall indicate the number of acquired or transferred shares, including share number per class, when the different share class is acquired, the nominal share price and the particulars of the person who acquired or transferred the shares (the natural person's full name, personal number, personal code and address; the name, legal form it has taken, registration number, address of the registered office of the legal person.). A document confirming the acquisition of the shares or an acquisition extract must be added to the notice. If an acquisition extract 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.

IV. Issuer’s management bodies

12. Structure, authorities, the procedure for appointment and replacement

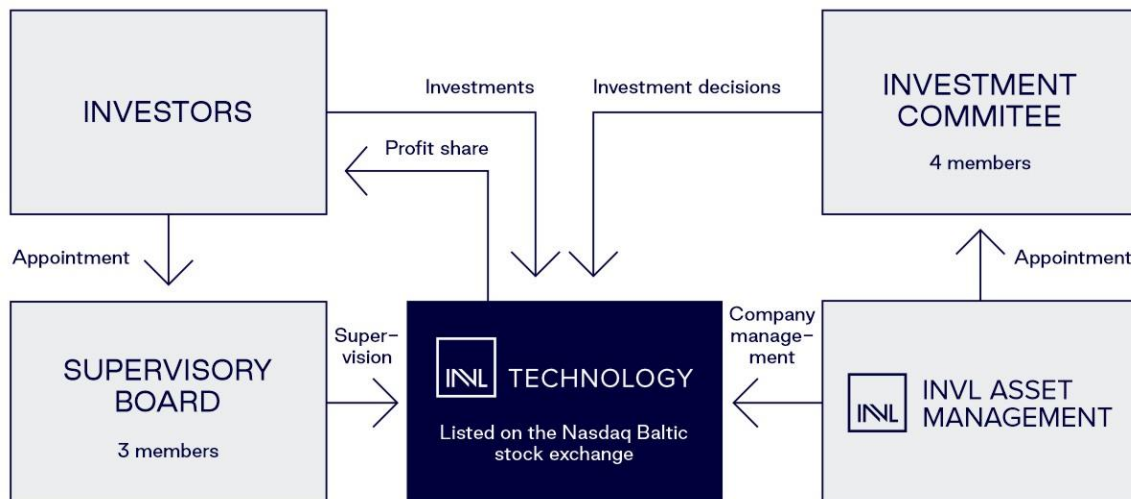
In its activities the Company follows the Law on Companies, the Law on Securities, the Law relating to collective investment undertakings, Articles of Association of the Company and other legal acts of the Republic of Lithuania.

The management of INVL Technology was assumed by the management company INVL Asset Management on 14 July 2016, when the Bank of Lithuania issued approval for the closed-ended type investment company (CEF) activities and the rights and duties of the Board and the head of the Company transferred to the Management Company.

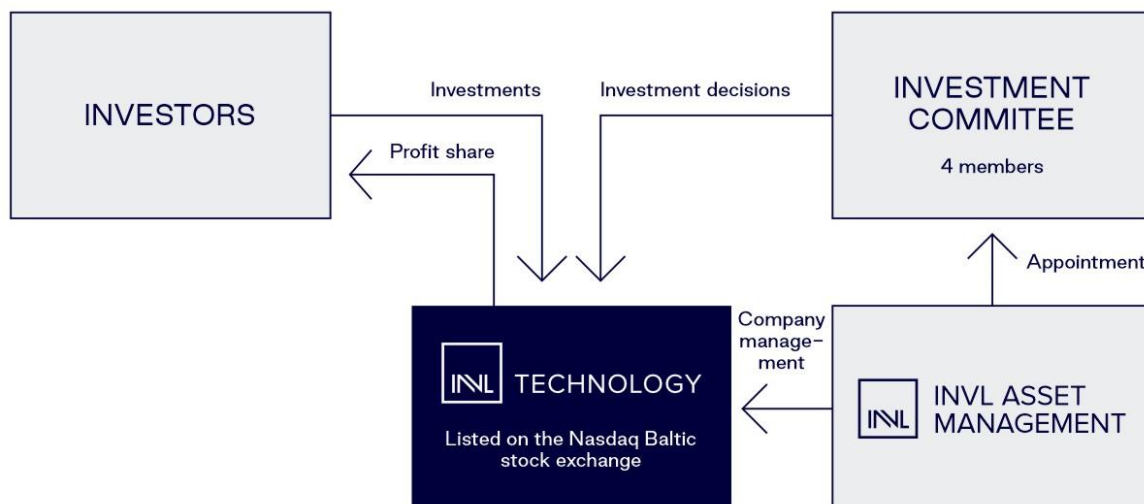
Investment Committee was established for operational efficiency and investment control by the decision of the Board of the Management Company INVL Asset Management. Investment Committee is the collegial investment and management decision-making body responsible for adopting decisions on the management of the Company’s assets and for the representation and protection of the Company’s interests. In 2021 a Supervisory Board was formed. By the decision of the General Meeting of Shareholders which was held on 6 February 2023 a Supervisory Board as collegial management body was eliminated.

Investment Committee consists of 4 members: Kazimieras Tonkūnas (Chairman of the IC), Vida Tonkūnė, Vytautas Plunksnis and Nerijus Drobavičius. They are appointed and can be removed by resolution of the board of the Management Company. Functions, rights and duties of the Investment Committee are detailed in the rules of the investment committee for the closed-ended investment company INVL Technology.

Structure of the management of the Company 31 December 2022



Structure of the management of the Company from 6 February 2023



12.1. General Shareholders' Meeting

12.1.1. Powers of the general shareholders' Meeting

Persons who were shareholders of the Company at the close of the accounting day of the General Shareholders Meeting or at a repeat General Shareholders 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 authorize 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 meeting of Shareholders can take decisions and shall be deemed quorate irrespective of the number of votes carried by Shares held by the Shareholders present thereat. An Annual General Shareholders' Meeting must be held every year at least within 4 months from the close of the financial year. All decisions of the general meeting of Shareholders of the Company shall be taken by a 3/4 majority of votes carried by

Shares of the Shareholders present in the meeting, except for the decisions indicated below, which shall be taken by a 2/3 majority of votes carried by Shares of the Shareholders present in the meeting, i.e. decisions:

- to elect and remove a certified auditor or audit firm and establish terms of payment for audit services;
- to approve sets of annual and interim financial statements;
- on extension of the Term of Activities of the Company and making related amendments to the Articles of Association.

The below-indicated decisions of the general meeting of Shareholders of the Company can be taken only after taking into account the recommendations given by the Management Company and with regard to consequences of a relevant decision indicated by the Management Company, i.e. decisions regarding:

- amending the Articles of Association of the Company;
- distribution of the profit (loss) of the Company;
- formation, use, reduction and cancellation of reserves;
- increase or reduction of the authorized capital;
- approval of Transactions Having a Material Effect on the Company in accordance with the procedure established in the Company's policy for transactions with associated parties;
- reorganization, spin-off or transformation of the Company
- merger of the Company with other collective investment undertakings;
- approval of the agreement with the Depository, appointment of the person authorized to sign the approved agreement with the Depository on behalf of the Company, change of the Depository;
- liquidation of the Company or extension of the Term of Activities of the Company;
- restructuring of the Company.

The Management Company must present its recommendations on draft decisions on issues indicated in Articles of Association hereof together with the announced draft decisions proposed by the Management Company. In case draft decisions are proposed not by the Management Company but by Shareholders, the Management Company must, no later than within 5 (five) Business Days after presentation of such a draft decision to the Company, prepare a relevant recommendation and announce it in the manner in which draft decisions are announced. In any case recommendations of the Management Company regarding all draft decisions on relevant issues of the agenda must be announced no later than 3 (three) Business Days until the date of the general meeting of Shareholders.

In case the general meeting of Shareholders takes a decision not following the recommendations given by the Management Company, the Management Company shall not be responsible if such decisions violate requirements for management of the Company or there are other negative consequences.

12.1.2. Convocation of the general shareholders' Meeting of INVL Technology

The right to initiate convocation of the meeting is vested in the Management Company and Shareholders, owning at least 1/10 of all the votes in the General Shareholder Meeting.

The convocation of a General Shareholders' Meeting is organized by the Management Company.

The shareholders are entitled:

- to propose to supplement the agenda of the General Shareholders Meeting submitting draft resolution on every additional item of agenda or, than 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 on business hours or by sending proposal to the Company by email info@invltechnology.lt. The agenda is supplemented if the proposal is received no later than 14 days before the General Shareholders Meeting. In case the agenda of the Meeting is supplemented, the Company will report on it no later than 10 days before the Meeting in the same way as on convening of the Meeting;

- 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 on business hours or by sending proposal to the Company by email info@invltechnology.lt) 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);
- 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 on business hours or by sending proposal to the Company by email info@invltechnology.lt. All answers related to the agenda of the General Shareholders Meeting to questions submitted to the Company by the shareholders in advance, are submitted in the General Shareholders Meeting or simultaneously to all shareholders of the Company prior to the General Shareholders Meeting. 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.

The shareholder participating at the Meeting and having the right to vote, must submit the documents confirming personal identity. A person who is not a shareholder shall, in addition to this document, submit a document confirming the right to vote at the Meeting. The requirement to provide the documents confirming personal identity does not apply when voting in writing by filling in a general ballot paper.

Each shareholder may authorize either a natural or a legal person to participate and to vote on the shareholder's behalf at the Meeting. An authorised person has the same rights as his represented shareholder at the Meeting unless the authorized person's rights are limited by the power of attorney or by the law. The authorized persons must have the document 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 Meeting. The Company does not establish special form of the power of attorney. A power of attorney issued by a natural person must be certified by a notary. A power of attorney issued in a foreign state must be translated into Lithuanian and legalized in the manner established by law. The persons with whom shareholders concluded the agreements on the disposal of voting right, also have the right to attend and vote at the Meeting.

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 Meeting. No notarization 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 email info@invltechnology.lt not later than on the last business day before the Meeting. The power of attorney and notification must be issued in writing and could be sent to the Company by electronic communication means if the transmitted information is secured and the shareholder's identity can be identified. By submitting the notification to the Company, the shareholder shall include the internet address from which it would be possible to download software to verify an electronic signature of the shareholder free of charge.

Shareholder or its representative may vote in writing by filling general voting bulletin. The form of general voting bulletin is presented at the Company's webpage www.invltechnology.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 an 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. Ballots will be considered as valid if they are properly filled-in and received by the Company prior the Meeting. For the convenience of the shareholders of INVL Technology the company provides notifications about convocation of General Shareholders Meeting, draft resolutions as well as general voting bulletins and resolutions adopted in the Meetings on the company's website section For Investors (Shareholders' Meetings).

There were 1 (one) General Shareholders Meetings of INVL Technology, UTIB during 2022 and 1 (one) after the end of reporting period:

- 29 April 2022 The resolutions of the General Shareholders Meeting of INVL Technology were published. The shareholders of the Company were introduced with the annual report for 2021 and an independent auditor's report on the financial statements and annual report of the Company, with of Company's investment committee's recommendation on the draft of the profit (loss) distribution (including the formation of the reserve) and draft of the remuneration policy. The shareholders were also introduced to Company's Supervisory Board's feedback and suggestions on the stand-alone financial statements for 2021 of the Company, draft of the profit (loss) distribution, Company's annual report for 2021, draft of the remuneration policy, also regarding the activity of the Board of the Management Company and Company's investment committee, presentation of the information on Company's strategy implementation. The shareholders approved the remuneration report, as a part of the annual report of the Company for the year 2021, the stand-alone financial statements for 2021 of the Company and decided on profit distribution of the Company. The shareholders were introduced to the Company's Management company's statement on the share purchase price, determine the rules of purchasing of own shares of the Company, decided not to approve the adjustment of the terms of payment for audit services. Also, during the meeting, the shareholders were introduced to the Report of the Audit Committee of the Company and approved the terms of share options.
- 6 February 2023 The resolutions of the General Shareholders Meeting of INVL Technology have been published. The shareholders of the Company were introduced with the recommendation of the Company's Management company on the amendment of the terms of the share option, the approval of the terms of the share option, the new wording of the Articles of Association and the provisions of depository services. The shareholders have approved the amendment of the terms of the share option, and new

terms of the share option. Also the shareholders have decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and to approve a new version of the Articles of Association to replace the full text of the Articles of Association (without additionally approving the amendments to the individual sections of the Articles of Association), as well as to repeal the Supervisory board remuneration policy. Shareholders also approved the conclusion of a contract with the PricewaterhouseCoopers for the audit of the Company's annual financial statements for 2023. This Shareholders Meeting also revoked the resolutions of Company's Shareholders Meeting of 29 April 21 by which it was decided: (a) to change the Company's provider of depository services from AB SEB Bankas (company registration number 112021238) to AB Šiaulių Bankas (company registration number 112025254); (b) to terminate (or otherwise end) the Company's depository services agreement with AB SEB Bankas (company registration number 112021238); (c) to enter into a new depository services agreement between the Company and AB Šiaulių Bankas (company registration number 112025254). The Shareholders have decided that the Depository Services Agreement No. 2016-05 (with all amendments and additions) between the Company and AB SEB Bankas (company registration number 112021238) remains in effect.

12.2. The Management Company, Investment Committee and Supervisory board

No management bodies shall be formed in the Company.

The management of the Company has been transferred to the Management Company, therefore, following the Law of the Republic of Lithuania on Collective Investment Undertakings, and the rights and duties of the Board and the head of the Company, as set in the Law of the Republic of Lithuania on Companies, have been transferred to the Management Company.

The Management Company is responsible for convocation and organisation of the General Shareholders Meeting of the Company, giving notices about publically not disclosed information under the procedure set by legal acts, organisation of activities of the Company, proper management of information about activities of the Company and performance of other functions assigned to the Management Company.

The Management Company shall have the right:

- to perform all actions of management bodies of the Company and other actions assigned to the competence of the Management Company according to effective legal acts and/or these Articles of Association;
- to get the Management Fee and the Success Fee, as they are defined in the Articles of Association;
- to conduct and perform transactions in connection with management of the assets of the Company at the expense and in the interests of the Company;
- to make deductions from assets of the Company provided for in these Articles of Association;
- subject to approval of the general meeting of shareholders, to instruct a company, having the right to provide relevant services, to perform some of its management functions;
- other rights established in these Articles of Association and legal acts of the Republic of Lithuania.

The Management Company must:

- act in a fair, correct and professional manner on the terms best for the Company and its Shareholders and in their interests and ensure integrity of the market;
- act carefully, professionally and prudently;
- have and use means and procedures necessary for its activities;
- have reliable administration and accounting procedures, electronic data processing control and security measures and a proper mechanism of internal control, including the rules on personal transactions in financial instruments conducted by employees of the Management Company and transactions in financial instruments conducted at the expense of the Management Company;
- ensure that documents of and information about taken investment decisions, conducted transactions would be kept for at least 10 years after the date of taking an investment decision, conduction of a transaction or performance of an operation, unless legal acts set a longer term of keeping documents;
- have such an organizational structure that would help to avoid conflicts of interest. When it is impossible to avoid conflicts of interest, the Management Company must ensure that Shareholders are treated fairly;
- ensure that persons taking decisions on management of the Company would have qualification and experience established by the Supervisory Authority, be of sufficiently good repute;
- ensure that assets of the Company would be invested according to the investment strategy set in these Articles of Association and requirements set in legal acts of the Republic of Lithuania;
- prepare the prospectus, the document of main information for investors, annual and semi-annual reports under the procedure set by legal acts;
- perform other duties set in these Articles of Association and legal acts of the Republic of Lithuania.

The Company's management agreement with the Management Company must be approved by the general meeting of shareholders. The Management Company can be replaced by a reasoned decision of the general meeting of shareholders of the Company. The Management Company can be replaced by a decision of the general meeting of shareholders in cases when:

- the Management Company is liquidated;
- the Management Company undergoes restructuring;
- bankruptcy proceedings are initiated against the Management Company;
- the Supervisory Authority takes a decision to restrict or cancel the rights provided for in the license of the Management Company related to management of investment companies;

- the Management Company commits a material breach of the respective management agreement, these Articles of Association or legal acts.
- In other circumstances in compliance with applicable legislation.

The Management Company shall be replaced after receipt of a prior permission of the Supervisory Authority.

The management company, ensuring the management of INVL Technology, has CEO, board and the Investment Committee formed by its decision. The Investment Committee of the Management company is the collegial investment and management decision-making body responsible for adopting decisions regarding the management of the Managed company's assets and representing and protecting the Managed Company's interests. The procedure of formation, responsibilities, functions of the Investment Committee, decision-making procedure and other procedures of the Investment Committee is set in the Regulations of the Investment Committee.

At the end of the reporting period there were 4 members of the Investment Committee: Kazimieras Tonkūnas (Chairman), Vytautas Plunksnis, Nerijus Drobavičius, Vida Tonkūnė. During the reporting period 31 meetings of the Investment Committee were held.

From 28 May 2021, the Company had a collegial supervisory body – the Supervisory Board. The Supervisory Board is the collegial body supervising the Company's activities. The members of the Supervisory Board shall be elected by the General Meeting of Shareholders for a term of 4 years. The Supervisory Board shall elect the Chairperson of the Supervisory Board from among its members. The competence of the Supervisory Board is determined by laws. The responsibilities, functions, decision making practices, and procedures of the Supervisory Board shall be laid down in the Rules of Procedure adopted by the Supervisory Board.

The Supervisory Board operating during the reporting period consisted of 3 members – Gintaras Rutkauskas (The Chairman), Audrius Matikiūnas and Indrė Mišėkytė. 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, at the Extraordinary general meeting of shareholders held on 6 February 2023 shareholders have decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and to approve a new version of the Articles of Association replacing the full text of the Articles of Association (without additionally approving the amendments to the individual sections of the Articles of Association).

During the reporting period 1 meeting of the Supervisory Board of the Company was held.

13. Information about members of the Board of the Management Company, general manager, members of the Investment Committee and member of the Supervisory Board of the Company

The management of INVL Technology was assumed by the management company INVL Asset Management on 14 July 2016, when the Bank of Lithuania issued approval for the closed-ended type investment company (CEF) activities and the rights and duties of the Board and the head of the Company transferred to the Management Company. The Company has a collegial supervisory body – the Supervisory Board that was eliminated by the decision of the Extraordinary general meeting held on 6 February 2023. The Company's management bodies are not formed.

The General Manager of the Management company is Laura Križinauskienė.

Darius Šulnis (the chairman), Nerijus Drobavičius and Vytautas Plunksnis are members of the Board of the Management company. On 16th January 2023 the Board of Management Company was re-elected for the new 4 years of office. The composition of the Board remained unchanged: Darius Šulnis (the Chairman), Nerijus Drobavičius and Vytautas Plunksnis. During the reporting period the Board of the Management company remained unchanged.

There are 4 members in the Investment Committee: Kazimieras Tonkūnas (Chairman), Vytautas Plunksnis, Nerijus Drobavičius, Vida Tonkūnė.

There are 3 (three) members in the Supervisory Board of the Company: Gintaras Rutkauskas (Chairman), Audrius Matikiūnas and Indrė Mišeikytė.



Darius Šulnis

Chairman of the Board of the Management company
Main workplace – Invalda INVL, AB
(code 121304349, Gynėjų str. 14, Vilnius) - prezident

The term of office	2023 – 2027 m.
Educational background and qualifications	Duke University (USA). Business Administration. Global Executive MBA. Vilnius University. Faculty of Economics. Master in Accounting and Audit. Financial broker's license (general) No. A109.
Work experience	2015 – October 2017 General manager of INVL Asset Management UAB 2006 – 2011 Invalda AB – president 2011 – 2013 Invalda, AB – advisor Since May 2013 Invalda INVL AB – president 2002 – 2006 Invalda Real Estate, UAB (current name Inreal Valdymas) – director 1994 – 2002 FBC Finasta, AB – director
Owned number of shares in INVL Technology	-
Participation in other companies	<ul style="list-style-type: none"> Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – President Šiaulių bankas, AB (code 112025254, Tilžės Str. 149, Šiauliai) – Member of the Supervisory Board Litagra, UAB (code 304564478, Savanorių ave. 173, Vilnius) – Member of the Board INVL Asset Management, UAB (code 126263073, Gynėjų St. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member FERN Group, UAB (code 306110392, Granito Str. 3-101, Vilnius) – Member of the Supervisory Board



Nerijus Drobavičius

Member of the Board, Member of the Investment Committee
 Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) – Private Equity Partner

The term of office	2023 – 2027 m.
Educational background and qualifications	In 1998 graduated Vytautas Magnus University and gained his Bachelor's degree in Business management. Graduated Vytautas Magnus University in 2000 and gained his Master's degree in banking and finance.
Work experience	<p>Since 2014 works at Invalda INVL AB group</p> <p>Since 2015 till August 2018 Head of Finance unit of INVL Asset Management UAB.</p> <p>From August 2018 – Private Equity Partner of INVL Asset Management UAB</p> <p>2012 – 2014 Independent financial expert</p> <p>2007 – 2011 CFO in Sanitas Group</p> <p>2001 – 2007 Sampo Bank. Head of Accounting and Reporting unit, later – CFO of the bank</p>
Owned number of shares in INVL Technology	4,472
Participation in other companies	<ul style="list-style-type: none"> • BSGF Sanus, UAB (code 304924481, Gynėjų St. 14, Vilnius) – Director • InMedica, UAB (codas 300011170, L. Asanavičiūtės St. 20-201, Vilnius) – Chairman of the Board • INVL Asset Management, UAB (code 126263073, Gynėjų St. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member • MBL A/S (CVR-no 12825242) – Member of the Board • MBL Poland Sp. z.o.o. (ul. Sulejowskiej 45d, 97-300 Piotrków Trybunalski, Polska, KRS 0000065219) – Member of the Supervisory Board • Reneso, UAB (code 302941941, Gynėjų Str. 14, Vilnius) – Director • Sugrasta, UAB (code 305287386, Pranapolio Str. 11, Vilnius) – Director • Salt Invest, UAB (code 306193648, Gynėjų Str. 14, Vilnius) – Director • Salt Holding, UAB (code 306193153, Gynėjų Str. 14, Vilnius) – Director • "Eglės" sanatorija, UAB (code 152038626, Eglės Str. 1, Druskininkai) – Chairman of the Board • Namita, UAB (code 301026531, Dvaro Str. 123A, Šiauliai) – Member of the Board



Vytautas Plunksnis

Member of the Board, Member of the Investment Committee
 Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų Str. 14, Vilnius) – Head of Private Equity

The term of office 2023 – 2027 m.

Educational background and qualifications Graduated the studies in economics at Kaunas University of Technology in 2001, gained Bachelor's degree in Management. Financial broker's licence (General) No. G091.

Work experience Since 2016 - INVL Asset Management, UAB, Head of Private Equity Funds
 2009 – 2015 Fund Manager at Invalda INVL, AB
 2006 – 2009 Finasta Asset Management, UAB – analyst, fund manager, strategic analyst
 2004 ELTA redactor (business news)
 2002 – 2004 Baltic News Service business journalist

Owned number of shares in INVL Technology 5,259

Participation in other companies

- INVL Asset Management, UAB (code 126263073, Gynėjų Str. 14, Vilnius) managed fund INVL Baltic Sea Growth Fund – Investment Committee Member
- Eco Baltia AS (code 40003309841, Maskavas Str. 240-3, Rīga, Latvia) – Chairman of the Supervisory Board
- Eco Baltia vide, SIA (code 40003309841, Ropažu nov., Stopiņu pag., Rumbula, Getliņu iela 5) – Member of the Supervisory Board
- Ecoservice, UAB (code 123044722, Dunojaus Str. 29, Vilnius) – Chairman of the Board
- B2Y, SIA (code 40103243404, Maskavas Str. 322A, Rīga, Latvia) – Chairman of the Board
- Norway Registers Development AS (code NO 985 221 405 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board
- NRD Systems, UAB (code 111647812, Gynėjų str. 14, Vilnius) – Member of the Board
- NRD CS, UAB (code 303115085, Gynėjų str. 14, Vilnius) – Member of the Board
- Novian Systems, UAB (code 125774645, Gynėjų str. 14, Vilnius) – Chairman of the Board
- NRD Companies AS (code NO 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Member of the Board
- BC Moldova-Agroindbank SA (MAIB) (code 1002600003778, Constantin Tănase Str. 9/1, Chisinau, Moldova) – Chairman of the Supervisory Board
- Investuotoju Asociacija (code 302351517, Konstitucijos ave. 23, Vilnius) – Chairman of the Board



Laura Križinauskienė

General manager of the Management company
Main workplace – INVL Asset Management UAB (code 126263073, Gynėjų Str. 14, Vilnius) – General manager

Educational background and qualifications

Vilnius Gediminas Technical University, Master's degree in Management and Business Administration

Work experience

2016-2017 Danske Bank A/S Lithuanian branch – Operational manager, Head of Global Function
2012-2016 Baltpool UAB – general manager, member of the Board
2010-2012 Finasta bank AB – Director of the Capital market department
2005-2012 held various positions in Finasta FMI AB, Finasta bank AB, Finasta investicijų valdymas (currently INVL Asset Management)

Owned number of shares in INVL Technology

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Participation in other companies

- FMI INVL Financial Advisors UAB (code 304049332, Gynėjų St. 14, Vilnius) – Member of the Board
- IPAS INVL Asset Management (code 40003605043, Elizabetes Str. 10B-1, Riga, Latvia) – Member of the Supervisory Board
- AS INVL atklātājs pensiju fonds (code 40003377918, Elizabetes Str. 10B-1, Riga, Latvia) – Member of the Supervisory Board



Kazimieras Tonkūnas

Chairman of the Investment Committee
Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų Str. 14, Vilnius) – INVL Technology Managing Partner

Educational background and qualifications

Vilnius University, master's degree in economics and mathematics with a specialization in systemic economic analysis.

Owned number of shares in INVL Technology	675,452
Participation in other companies	<ul style="list-style-type: none"> • Norway Registers Development AS (code NO 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) – Chairman of the Board • NRD CS UAB (code 303115085, Gynėjų St. 14, Vilnius) – Chairman of the Board • NRD Companies AS UAB (code NO 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – Chairman of the Board • Zissor AS (code 986845550; Bragernes Torg 6, 3017 Drammen, Norway) – Supervisory board member • Elsis PRO, UAB (code 300064148, Baltupio St. 14, Vilnius) – Chairman of the Board • Novian Technologies, UAB (code 301318539, Gynėjų St. 14, Vilnius) – Chairman of the Board



Vida Tonkūnė

Member of the Investment Committee
 Main workplace – INVL Asset Management, UAB (code 126263073, Gynėjų Str. 14, Vilnius) – INVL Technology Partner

Educational background and qualifications	Kaunas University of Technology, bachelor's degree in business administration (1998). Baltic Management Institute (BMI), International Executive Master of Business Administration (MBA) (2019).
Owned number of shares in INVL Technology	185,429
Participation in other companies	<ul style="list-style-type: none"> • Norway Registers Development AS (code NO 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) – member of the Board • NRD Systems, UAB (code 111647812, Gynėjų St. 14., Vilnius) – member of the Board • Etronika, UAB (code 125224135; Gynėjų St. 14, Vilnius)- Chairman of the Board • Novian Systems, UAB (Gynėjų St. 14, Vilnius 125774645) – Member of the Board • NRD Companies AS, UAB (code NO 921 985 290 MVA, Lokketangen 20 B, 1337 Sandvika, Norway) – member of the Board • NRD CS, UAB (code 303115085 Gynėjų St. 14, Vilnius) – Member of the Board



Gintaras Rutkauskas
Member of the Supervisory Board

The term of office From 2021 until 6 February 2023

Educational background and qualifications 2005 Baltic Management Institute (BMI), International Executive Master of Business Administration (MBA)
2001 m. Financial broker's licence Nr. S031 (consultant)
1988 – 1993 m. Kaunas University of Technology, Radio Electronics Engineer

Work experience More than 20 years of experience in managing various types of financial investments. During the career, was working for international and Lithuanian financial institutions representing their interests in the Baltic, Eastern European, and Middle Eastern markets:
Since 2005 Lietuvos Draudimas's Investment Director
2001 – 2005 Head of Financial Instruments Sales Department Nordea bank
1998 – 2001 m. Treasury Manager at Societe Generale bank, Vilnius



Audrius Matikiūnas
Member of the Supervisory Board

The term of office From 2021 until 6 February 2023

Educational background and qualifications 2010 Mykolas Romeris university, Master of Laws
2008 Mykolas Romeris university, Bachelor of Laws

Work experience	<p>Since 2022 INVL Asset Management – Head of Legal of the Group Since 2022 INVL Asset Management, UAB – Products Manager Since 2022 INVL Life, UADB – Products Manager Since 2022 INVL Asset Management, UAB – Chairman of the Investment Committee 2021 – 2022 Alternative Investment Selection Team Leader at INVL Asset Management, UAB Since 2018 member of the Board at investment manager Mundus, UAB 2016 – 2022 Head of Legal and Product Management team in Private Equity unit at INVL Asset Management, UAB 2012 – 2016 compliance officer at SEB bankas, AB 2010 – 2012 lawyer bankas Finasta, AB 2007 – 2010 lawyer at SEB bankas, AB</p>
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Indrė Mišeikytė

Member of the Supervisory Board

The term of office	From 2021 until 6 February 2023
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Educational background and qualifications	Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture
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Work experience	<p>Since 2018 INVL Baltic Farmland, AB - Member of the Board Since 2012 Invalda INVL, AB – Member of the Board 2013 – 2019 Invalda Privatus Kapitalas, AB – Advisor 2002 Inreal Valdymas, UAB – Architect 2000 – 2002 Gildeta, UAB – Architect</p>
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14. Information about the Audit Committee of the company

The Audit Committee consists of 2 (two) independent members. The members of the Audit Committee are elected by the decision of the General Shareholders’ Meeting. The members of the Audit Committee are proposed by the Management company and the shareholders of the company. The Audit Committee is elected for a four-year term of office.

The main functions of the Audit Committee are the following:

- provide recommendations to the Management company with selection, appointment, reappointment and removal of an external audit company of the Company as well as the terms and conditions of engagement with the audit company.
- monitor the process of external audit of the Company.
- 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 Management company directly related to the management of the Company. Once a year review the need of the dedicated internal audit function for the Company within the Management company.
- monitor if the Management company gives due consideration to the recommendations or comments provided by the audit company regarding management of the Company.

The Audit Committee reports its activities to the Company's ordinary General Shareholders Meeting by submitting a written report on Audit Committee activities during the last financial year.

Any member of the Audit Committee should have the right to resign upon submitting 14 (fourteen) days written notice to the Management company. When the Management company receives the notice of resignation of a member of the Audit Committee

and considers all circumstances related to the resignation, it may decide - either to convene an Extraordinary General Shareholders Meeting to elect new member of the Audit Committee, or to postpone the question on the election of the new member of the Audit Committee till the next General Shareholders Meeting of the Company. The new member is elected till the end of term of office of the operating Audit Committee.

14.1. Procedure of work of the Audit Committee

The Audit Committee informs about its activities to the Company's ordinary General Shareholders Meeting by submitting a written report.

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, with 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 formed as a written protocol, if the taken decisions are 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 Management 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 head of the Management company, member(s) of the Board, the chief financier, employees responsible for finance, accounting and treasury issues of the managed Company as well as external auditors of the Company to its meetings.

Members of the Audit Committee may receive remuneration for their work in the committee. The remuneration for the Audit Committee members is approved by the General Shareholders Meeting fixing the maximum hourly rate.

14.2. Structure of the Audit Committee

During the General Shareholders Meeting of the Company held on 29 April 2021 Dangutė Pranckėnienė, partner and auditor of Moore Stephens Vilnius, UAB and Tomas Bubinas, director of Biotechpharma, UAB were elected for the Audit Committee of the Company for the 4 (four) years of office term. Both members of the Audit Committee are independent, having submitted a notice certifying their independence.



Tomas Bubinas

Independent member of the Audit

The term of office	2021 – 2025 m.
Educational background and qualifications	2004 - 2005 Baltic Management Institute (BMI), Executive MBA 1997 - 2000 Association of Chartered Certified Accountants. ACCA. Fellow Member 1997 Lithuanian Sworn Registered Auditor 1988 - 1993 Vilnius University, Msc. in Economics
Work experience	Since 2013 Chief Operating Officer at Biotechpharma UAB 2010 - 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA) 2004 - 2010 CFO for Baltic countries, Teva Pharmaceuticals 2001 - 2004 m. CFO, Sicor Biotech 1999 - 2001 Senior Manager, PricewaterhouseCoopers 1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand.

Owned number of shares in INVL Technology	-
	<p>Danguatė Pranckėnienė</p> <p>Independent member of the Audit</p>
The term of office	2021 – 2025 m.
Educational background and qualifications	<p>1995 - 1996 Vilnius Gediminas Technical University, Master of Business Administration. 1976 - 1981 Vilnius University, Master of Economics. The International Coach Union (ICU), professional coucher name, license No. E-51. Lithuanian Ministry of Finance, the auditor's name, license No. 000345</p>
Work experience	<p>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</p>
Owned number of shares in INVL Technology	-

15. Information on the Issuer’s payable management fee, the amount calculated by the Issuer, other assets transferred and guarantees granted to the Company’s bodies and company providing accounting services

Since 14 July 2016 the management of INVL Technology was assumed by INVL Asset Management. The management fee will be payable to the management company. The management fee during investment period for a full quarter was 0.625 percent while after its end it shall be 0.5 percent of the weighted average capitalization of the Company. In addition, a Success fee may be paid to the management company in accordance with the Articles of Association. During the reporting period EUR 590 thous. management fee was calculated for the management company. During the reporting period a Success fee has not been paid.

The members of the Board of the Management Company and the members of the Investment Committee do not receive remuneration for these duties. They are paid the salary according to the employment contract with the Management Company. According to Article 23 (3) of the Law on Financial Statements of Enterprises of the Republic of Lithuania, the Company must publish the Remuneration Report from the year 2021. As the Company does not have any employees, in the appendix no. 5 the Company discloses the remuneration of the General Manager of the Management Company, members of Board of the Management Company and members of the UTIB Investment Committee appointed by the Management Company (hereinafter - the Management). 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 (for more details see Appendix 5 to the Annual Report).

According to the decision of the General Meeting of the Shareholders of the Company held on 29 April 2021 it was set the hourly remuneration of the elected independent member of the Supervisory Board at EUR 145 per hour. The other Members of the Supervisory Board do not receive remuneration for these duties.

During the reporting period Company's management bodies did not receive dividends or bonuses from the company. There were no assets transferred, no guarantees granted, no bonuses have been paid and no special payouts made by the Company to company's management. No special benefits were also provided to the management bodies of the Company.

In 2022, the company paid no remuneration to the Management Company for accounting services, these services are included in the management fee.

During the year 2022, the total remuneration for the members of the Audit Committee of the Company amounted to EUR 1,102.

V. Other information

16. References to and additional explanations of the data presented in the annual financial statements

All data is presented in the explanatory notes of the company's financial statements for 2022.

17. Membership in associations

INVL Asset Management UAB, the management company of INVL Technology, is a part of Invalda INVL, one of the leading asset management groups in the Baltics.

Invalda INVL together with INVL Asset Management in Lithuania and Latvia is a European private equity and venture capital sector companies and investors organization uniting Invest Europe full member.

Invalda INVL is a part of Lithuanian Private Equity and Venture Capital Association, which brings together private equity and venture capital market participants in Lithuania. Also in the end of 2017 Invalda INVL joined the Lithuanian Investors' Association.

Invalda INVL, together with INVL Asset Management in Lithuania and Latvia, joined the United Nations supported Principles for Responsible (PRI) Investment. PRI aims to assess the impact of investments on environmental, social and management factors. It is considered that a cost-effective, sustainable global financial system is essential for long-term value creation.

18. Agreements with intermediaries on public trading in securities

INVL Technology has the agreement with Šiaulių bankas AB (Seimyniskiu str. 1, Vilnius, Lithuania, tel. +370 5 203 2233) – on management of securities accounting and the agreement on dividends payment.

The company has the agreement with SEB Bank (Gedimino av. 12, Vilnius, Lithuania, tel. +370 5 268 2800) regarding depository services. This agreement came into force 14 July 2016.

19. Information on Issuer's branches and representative offices

INVL Technology has no branches or representative offices.

20. Information about agreements of the Company and its managing bodies, members of the formed committees, 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 (official offering) of the Company.

There are no agreements of the Members of the Supervisory Board, the Company and the Members of the Board, Members of the Investment Committee 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.

21. Description of principle advantages, risks and uncertainties

The document provides information on risk factors related to INVL Technology activities and securities.

Information provided in this document shall not be considered complete and covering all the aspects of the risk factors associated with the activity and securities of INVL Technology.

General risk factors in the business field where the Company and its portfolio companies operate

Risk related to the change of the legal status of the Company

On obtaining the License issued by the Bank of Lithuania on 14 July 2016, the Company's operations became subject not only to the Law on Companies, the Law on Securities and other related legal acts as it was prior to obtaining the License, but also to the Law on Collective Investment Undertakings and other related legal acts, which establish certain specific obligations for protection of the interest of the Company's shareholders and certain operating restrictions, e.g. the Company is may invest the funds it manages in keeping with the requirements of the Company's investment strategy and certain limitations in applicable laws are applied to the Company with regard to its investments, their diversification, management thereof, etc. Furthermore, the Company's operating expenses might increase due to requirements that it periodically asset the value of assets, safeguard its assets at a Depository and so on. It should also be noted that investments in the shares of the Company (with the License) involve higher-than-average long-term risk. The Company cannot guarantee that shareholders will recover money that is invested. Note also that redemption of the Company's shares is restricted, i.e., shareholders cannot demand that the Company or the Management Company redeem their shares. But shareholders are able to sell the shares of the Company on the secondary market.

Risk of changes in the market of technologies

The business of information technologies and the market related to information technologies change particularly quickly. Therefore, there is a risk that due to unforeseen changes in the market the value of investments of the Company or the investment return from investment objects of the Company can decrease, the development of companies acquired by the Company will take longer and/or will cost more than planned, therefore, the Company's investments will not be profitable and/or their value will decrease. When managing this risk, the Management Company will pay sufficient attention to the monitoring of global trends and the formation of adequate personnel policy by ensuring that the Company's investments would change subject to technology change.

Risk of inflation and deflation

There is a risk that in case of inflation the value of a Share will grow slower than the inflation, which would result in the return lower than inflation. In such a case, the real return earned by persons who sold the Shares of the Company in the market from increase in the value of the Shares can be smaller than expected. In case of deflation, there would be a risk that the value of the Company's investments will decrease by reason of the drop of the general price level. Managing this risk, it will be sought to ensure the efficient activities and communication of the Company, thus increasing the attractiveness of its Shares to a wider circle of investors.

Risk factors characteristic of Company and its portfolio companies**General risk**

The value of investments into the Company can fluctuate significantly in the short term, depending on the situation in the market. Investments into the Company should be made for a long term in order that the shareholder could avoid the risk of short-term price fluctuations. Redemption of the Shares of the Company is limited, i.e. a shareholder cannot demand that the Company or the Management Company, which took over its management, would redeem the Shares. But a shareholder of the Company has a possibility to sell Shares of the Company in the secondary market. The inherent risk reflects the nature of investment into low-liquidity financial instruments; therefore, there are no effective tools for the management of such risk applicable by the Management Company.

Risk of transactions with related parties

There are quite a few transactions with related parties among the Company and its Portfolio companies. Following applicable taxation legislation, transactions with related parties must be conducted at arm's length (i.e. independent and on an equal footing). In spite of the fact that the Management uses all efforts in order to ensure the conformity with the above-mentioned standard, a theoretical taxation risk remains here, i.e. the risk that applicable taxes will be calculated according to prices applicable at arm's length in case it was determined that certain transactions were conducted disregarding this principle, also the risk that relevant fines and default interest will be imposed. To manage this risk, the Management Company will seek to follow the most recent practice in the application of the tax legal acts reasonably articulated by the tax administrator; however, it cannot be considered that this risk has been eliminated.

Success of former, current and future investment projects

The Company carried out investment projects of large scope in the past and can carry them out in the future. Though the Management Company and its employees, as well as the employees of companies managed by the Company (directly or indirectly), when forecasting investments, rely on all the information and analytical resources they have, there is no guarantee that all the information, which was relied on when planning investments, was full and correct. Besides, there is no guarantee that investment plans and investments will earn the expected or planned return or that the investment will not cost more than planned. If the investment projects which are being carried out or planned investment projects turn out to be worse than expected, if the return on these projects is less than planned or if their price turns out to be more than planned, this can have a significant adverse effect on the Company's activities, its financial situation and performance. Also, there is no guarantee that the current investment projects related to increase of the Portfolio companies' capacities, introduction of new products and/or technologies will meet the needs of the Portfolio companies' customers.

Issuer's business can be adversely affected by loss of major customers

Though the Company is not dependent on any one major customer or their group, still loss of one or several of them and inability to substitute other similar customers for the lost ones can have an adverse effect on the Issuer's controlled Portfolio Companies' business, financial situation or performance.

Interest rate risk

There is a risk that in case of fast recovery of the global economy or increase in inflation, central banks will increase interest rates and it will be more expensive to service loans in connection with the Company's investments, therefore, the value of the Company's investments can decrease. To manage this risk, the Management Company will seek to consider potential unfavourable scenarios of economic development when concluding the transactions of financing the Company's activities.

Currency risk

The Operational Companies enter into a large portion of non-EUR denominated agreements in foreign markets, whereas some of their performance costs are incurred in EUR, therefore a drop in the rate of respective currencies can have a negative effect on profitability of the managed companies. A large part of computers and other equipment is purchased from foreign manufactures where payments are also made in non-EUR currencies. Besides, having in mind that the Operational Companies operates in many states, there is a risk that the attractiveness or profitability of the Company's investments will decrease also due to fluctuations in rates of other currencies. The Management Company will manage this risk by seeking that before the conclusion of non-EUR denominated transactions, the exchange rates of the respective currencies against the Euro would be examined and they would be constantly monitored.

Credit risk

There is a risk that buyers of products and services of companies (directly or indirectly) owned by the Company will fail to fulfil their obligations in time – this would have a negative effect on the profit of the Company and/or companies (directly or indirectly) managed by it. In case of late performance of a large part of obligations, the ordinary business of the Company and/or companies (directly or indirectly) owned by it may be disrupted, it may be necessary to search for additional sources of financing, which may be not always available. The Company also incurs the risk of keeping funds in bank accounts or investing into short-term financial instruments. The Management Company will seek to ensure that the Company takes reasonable and economically justifiable measures when evaluating the counterparties in transactions and their ability to properly perform the assumed obligations.

Risk of liquidity of investments

There is a risk that investments into Operational Companies will be relatively illiquid and finding buyers for such companies can take some time. Furthermore, financing conditions can become worse due to deteriorating economic condition of the world, a region or a country, where the Operational Company is acting. Therefore, sale of the Company's investments can take longer than planned or their return may be less than planned. When investing into Operational Companies, securities issued by which (shares, bonds and other financial instruments) are not admitted to trading on regulated markets, there is a probability of facing a situation when sale of securities, due to absence of demand or other conditions in the market, can take longer than planned or not be as profitable as planned or may even cause losses. Managing this risk, the Management Company will take measures so that the Company has sufficient information about the market situation and adopt decisions on the sale of the Company's investments based on such information.

Liquidity risk

There is a risk that due to deteriorating economic condition of the world, a region or a country it will become difficult/expensive for the Company (managed by the Management Company) to obtain new loans for acquisition of investment objects or to refinance old loans, therefore the value of the Company's investments can decrease. In order to reduce this risk, the Management Company will seek to maintain a sufficient level of liquidity in the Company or will seek to organize timely financing from financial institutions or other parties. Acquiring Shares of the Company, the shareholders assume the risk of securities liquidity – in case of a drop in demand for Shares or delisting them from the stock exchange, investors would find it difficult to sell them. In case of deterioration of the Company's financial situation, the demand for Shares of the Company, as well as their price may decrease.

Risk of investments by Portfolio companies

Operational Companies can control/acquire companies in countries other than those indicated in Article 18 of the Articles of Association and that shall not be considered as performance of the Company's activities beyond the limits of the countries indicated in Article 18 of the Articles of Association. However, there is a risk that companies acquired/controlled by Operational Companies will be relatively illiquid and finding buyers for such companies can take some time.

Furthermore, financing conditions can become worse due to deteriorating economic condition of the world, a region or a country. Therefore, there is a probability of facing a situation when, due to activities of companies managed by an Operational Company or sale of companies managed by an Operational Company, the Operational Company will suffer losses, which will be reflected in the Net Asset Value of the Company.

The Portfolio Companies are party to public sector contracts, which may be affected by political and administrative decisions, and the success and profitability of such contracts may be influenced by political considerations

Public sector customers account for a significant portion of revenues of the Portfolio Companies. The extent and profitability of public sector business of the Portfolio Companies may be influenced by political considerations. It may also be affected by political and administrative decisions concerning levels of public spending. In certain cases, due to applicable regulations, such as European Union tender rules, certain terms of public sector contracts, such as pricing terms, contract period, use of business partners and ability to transfer receivables under contract, provide the Portfolio Companies with less flexibility than comparable private sector contracts do. Moreover, decisions to decrease public spending may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on business, results of operations, financial condition and prospects of the Portfolio Companies.

Contracts in the public sector are also subject to review and monitoring by authorities to ensure compliance with applicable laws and regulations, including those prohibiting anti-competitive practices. The Management believes that it complies with these laws and regulations. However, regulatory authorities may nevertheless deem a Portfolio Company to be in violation of such laws or regulations, and the relevant Portfolio Company could be subject to fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event would have a material adverse impact on the business, results of operations, financial condition, prospects and reputation of the Portfolio Company or some of them.

The Company could be subject to information technology theft or misuse, which could result in third party claims and harm its business, reputation, results and financial condition

The Company could face attempts by other persons to gain unauthorised access to the Company's information technology systems, which could threaten the security of the Company's information and stability of its systems. These attempts could arise from industrial or other espionage or actions by hackers that may harm the Company or its customers. The Company may be not successful in detecting and preventing such theft and attacks. Theft, unauthorised access and use of trade secrets or other confidential business information as a result of such an incident could disrupt the Company's business and adversely affect its reputation and competitive position, which could materially adversely affect the Company's business, results of operation or financial condition.

Risk of insolvency of Portfolio companies

Operational Companies, in performance of their activities, can face insolvency problems (go bankrupt, undergo restructuring, etc.). Accordingly, such situations can have a negative effect on the price of the Shares or result in insolvency of the Company itself. The Management Company will seek to take measures in order to ensure that insolvency is localised and would not cause a negative impact on the activities of the companies controlled by the Company.

Risk of insolvency of the Company

In case of realisation of one or several of the risks, which would have a negative effect on the value and/or liquidity of Operational Companies, this can result in the Company's solvency problems, when the Company will be incapable of fulfilling its obligations. In such a case, shareholders of the Company can lose all their funds invested into the Company. The Management Company will

provide the Shareholders with all information specified by law which would enable the Shareholders to take respective decisions regarding the possession or sale of Shares, having regard to the Company's financial situation.

Risk factors related to the Company's shares (investments thereto)

Past performance risk

The past performance of the Company and its investments is not a reliable indication of the future performance of the investments held by the Company.

No guarantee of return

The shareholders and investors of the Company should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

Market risk

Acquisition of Shares of the Company entails the risk to incur losses due to unfavourable changes in the Share price in the market. A drop in the price of the Shares can be caused by negative changes in the value of assets and profitability of the Company, general share market trends in the region and in the world. Trade in Shares of the Company can depend on comments of financial brokers and analysts and announced independent analyses about the Company and its activities. If the analysts give an adverse opinion about prospects of the Shares of the Company, this can also have a negative effect on the price of Shares in the market. In assessing shares, non-professional investors are advised to address intermediaries of public trading or other specialists in this field for help.

Turmoil in emerging markets could cause the value of the Shares to suffer

Financial or other turmoil in emerging markets has in the recent past adversely affected market prices in the world's securities markets for companies operating in the affected developing economies. There can be no assurance that renewed volatility stemming from future financial turmoil, or other factors, such as political unrests that may arise in other emerging markets or otherwise, will not adversely affect the value of the Shares even if the Lithuanian economy remains relatively stable.

The market value of Shares may be adversely affected by future sales or issues of substantial amounts of Shares

All the Shares of the Company may be provided for sale without any restrictions (except for certain limited restrictions) and there can be no assurance as to whether or not they will be sold on the market. The Company cannot predict what affect such future sales or offerings of Shares, if any, may have on the market price of the Shares. However, such transactions may have a material adverse effect, even if temporary, on the market price of the Shares. Therefore, there can be no assurance that the market price of the Shares will not decrease due to subsequent sales of the Shares held by the existing shareholders of the Company or a new Share issue by the Company.

The marketability of the Shares may decline and the market price of the Shares may fluctuate disproportionately in response to adverse developments that are unrelated to the Company's operating performance

The Company cannot assure that the marketability of the Shares will improve or remain consistent. Shares listed on regulated markets, such as Nasdaq, have from time to time experienced, and may experience in the future, significant price fluctuations in response to developments that are unrelated to the operating performance of particular companies. The market price of the Shares may fluctuate widely, depending on many factors beyond the Company's control. These factors include, amongst other things, actual or anticipated variations in operating results and earnings by the Company and the Portfolio Companies and/or their competitors, changes in financial estimates by securities analysts, market conditions in the industry and in general the status of the securities market, governmental legislation and regulations, as well as general economic and general market conditions, such as recession. These and other factors may cause the market price and demand for the Shares to fluctuate substantially and any such development, if adverse, may have an adverse effect on the market price of the Shares which may decline disproportionately to the operating performance of the Company and/or the Portfolio Companies. The market price of the Shares is also subject to fluctuations in response to further issuance of Shares by the Company, sales of Shares by the Company's existing shareholders, the liquidity of trading in the Shares and capital reduction or purchases of Shares by the Company as well as investor perception.

Dividend payment risk

There is a risk that the Company will not pay dividend. A decision on payment of dividend will depend on profitability of activities, cash flows, investments plans and the general financial situation and other circumstances. Managing this risk, the Management Company will seek to inform the shareholders, within the terms established by law, about the Company's financial results so that the shareholders could plan their cash flows accordingly.

Liquidity of the Issuer's shares is not guaranteed

It may be possible that in case an investor wants to urgently sell the Issuer's securities (especially a large number of them), demand for them on the exchange will not be sufficient. Therefore, sale of shares can take some more time or the investor may be forced to sell shares at a lower price. Analogous consequences could appear after the exclusion of the Company's Shares from the Secondary List of Nasdaq. Besides, in case of deterioration of the Company's financial situation, demand for the Shares of the Company and, at the same time, their price may decrease.

Risk of conflicts of interest

There is a risk that there will be situations when interests of the Management Company (or persons related to it) and the Company or shareholders will differ or interests of individual shareholders will differ, i.e. there will be a conflict of interest. When it is impossible to avoid a conflict of interest, the Management Company must ensure that shareholders are treated fairly. Employees of the

Management Company and other persons related to the Management Company and persons, directly or indirectly related to the Management Company by relationship of control, must immediately, as soon as they become aware of such information, notify the Investment Committee about a potential or existing conflict of interest. The Investment Committee, approving of investment decisions, shall take into account the information presented to it about potential or existing conflicts of interest. The Investment Committee shall immediately inform the head and the Board of the Management Company about conflicts of interest it is aware of.

Following legal acts regulating organization of activities of collective investment undertakings, the Management Company has implemented appropriate measures for avoiding conflicts of interest, which enable to perform the activities of managing the risk of conflicts of interest and managing conflicts of interest independently, in order to avoid/reduce the risk of conflicts of interest or properly manage a conflict of interest when it occurs.

Risk related to forward looking statements (statements in the future tense)

The Prospectus includes some forward looking statements, are based on estimate, opinion, expectations and forecasts regarding future events and financial trends that will possibly have an effect on the activities of the Company. Forward looking statements include information about possible or presumable results of the Company's activities, investment strategy, contractual relationships, borrowing plans, investment conditions, effect of future regulation and other information. The Company cannot assure that the forward looking statements will reflect future events and circumstances fully and correctly. The Company, the Management Company and their employees do not undertake to adjust or modify the forward looking statements, except to the extent required by laws and the Articles of Association.

Risk of valuation of the Company's assets

The assets of the Company will be evaluated according to the main rules set in the Articles of Association, incorporated by reference to this Prospectus and the accounting policy of the Management Company. Valuation of individual assets held by the Company shall be performed by a property appraiser, however, such valuation of assets shall be only determining the value of the assets, which does not automatically mean the exact sale price of an investment held by the Company, which depends on many circumstances, for example, economic and other conditions, which cannot be controlled. Thus, the sale price of investments held by the Company can be higher or lower than the value of assets determined by a property appraiser. To manage this risk, only the property appraisers who can ensure the high quality of services will be selected.

Competition risk

The Company, investing into Operational Companies, competes with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the Company would conduct transactions at less favourable conditions than it would be possible in other cases. When managing this risk, the Management Company will seek to use the maximally broad network of business contacts in order to conduct transactions the knowledge of which is not sufficiently wide to create significant competition.

Risk related to the duty to redeem shares of the Company

The applicable legal acts provide for the duty of the Company in certain circumstances to redeem its shares from the shareholders who demanded such redemption. Accordingly, if the Company becomes subject to the duty to offer to the shareholders redemption of its own shares and if such a redemption is requested by the shareholders holding a significant number of shares, the Company may be forced to sell its investments urgently, which can significantly reduce the return earned by the Company from the sale of investments. The respective measures are provided for the management of this risk in the Articles of Association.

Risk of suspension of the redemption of shares and full or partial non-redemption of shares

The Management Company, having regard to the activities of the Company and the circumstances established in the legislation under which the redemption of Shares may be suspended, can at any time adopt a decision to suspend the redemption of Shares. The Management Company may not take the decision to suspend the redemption of Shares and Shares will not be redeemed from the Shareholders (the redemption of Shares will be cancelled), before the disappearance of the reasons which determined the decision to suspend the redemption of Shares. All or part of the Shares can be not redeemed from the Shareholders if the Company encounters the lack of liquidity, or the Company becomes insolvent (the Company is not protected against bankruptcy and its insolvency process can be initiated in the cases established in the legal acts). When managing this risk, the Management Company will comply with the obligations provided for in the applicable legislation and related to the management of the Company's assets and it will seek to ensure that, if there are any preconditions for the circumstances specified above that are known to the Management Company, actions would be taken to protect the interests of the Shareholders and/or the Company's creditors; however, this is not and may not be deemed as the obligation of the Management Company to ensure the proper performance of the Company's liabilities.

Legal and taxation risk factors

Risk of changes in laws and regulations

There is a risk that upon changes in legal acts of the Republic of Lithuania or the states where assets of the Company are invested or where Operational Companies, into which the Company invests, operate, such changes in legal acts can have a negative effect on the protection of the Company's investments, the activities, profitability and value of the Operational Companies or such changes in legal acts can have a negative effect on rights and interests of the Company otherwise. Managing this risk, it will be sought to have in place an effective regulation monitoring system and participate in associated business structures which can have a lawful impact on legislative processes that are significant to the Company.

Risk related to possible liability of the Company

There is a risk that the activities of the Company and the general performance results of the Company can be negatively affected by demands and claims regarding non-disclosed or non-identified obligations and/or violations in connection with investments

acquired by the Company, which may result in the Company's liability for such obligations and/or violations and for this reason the value of the Company's investments and, at the same time, the price of the Shares can significantly decrease. It should be also noted that, the Company after the reorganization – the merger of Former parent company with the Company (previous name – BAIP grupe AB), which continues its activities after the reorganization, took over all the assets, equity and liabilities of the Former parent company. For any and all the obligations of the Former parent company after the reorganization, the Company took responsibility.

Tax risk

Lithuanian tax legislation which was enacted or substantively enacted at the end of the reporting period may be subject to varying interpretations. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be successfully challenged by relevant authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Management is not aware of any circumstances that could lead to significant tax charges and penalties in the future that have not been provided for or disclosed in these financial statements. Uncertain tax positions of the Company and of the Portfolio Companies are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognized based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. There is also a risk that upon changes in economic conditions, political situation in the country or due to any other reasons, new taxes on shareholders of the Company, the Company or the Operational Companies will appear or the rates of current taxes will increase, therefore the price, liquidity and/or attractiveness of the Shares or the value of investments of the Company may decrease. Managing this risk, the Management Company will seek to organise the Company's activities by ensuring the optimal tax regime applicable to it.

Other risks

Risk of breach of diversification requirements

There is a risk that more than 30% of the Net Asset Value of the Company will be invested in transferable securities or Money Market Instruments of one start-up company and/or transferable securities or Money Market Instruments issued by an existing company, and such non-compliance with diversification requirements will last for more than 4 years from the date of the permission of the Supervisory Authority to approve the Company's incorporation documents and select the Depositary. The management of this risk shall be aimed at increasing the value of other Operating Companies in the Company's portfolio in order to meet the requirements for investment diversification.

The global credit crisis may have an impact on higher borrowing costs and the availability of borrowed capital

The availability of borrowed capital may be limited in Europe as a result of the ongoing recession and financial difficulties, leading to an increase in borrowing costs. The difficult economic situation in Greece, Spain, Cyprus and other EU Member States can negatively affect the financial situation of banks operating in Europe. In addition, the risk of lower consumer confidence can have a negative impact on financial markets and economic conditions in the European Union and globally, which could have significant negative consequences on the Group's activities in a variety of ways: (i) it may be difficult or impossible to raise capital to cover further acquisitions of the Group and existing debts and liabilities; (ii) the risk of the Group's difficult financial situation may increase as a result of the current economic situation.

Investments into the shares are related to higher-than-average long-term risk. The Company cannot guarantee that the shareholders will recover the invested funds.

Sustainability risks factors and their impacts

Sustainability risk

Sustainability risk means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The materialisation of this risk could have a negative impact on the value of the Company's net assets and the assets of the Company's Shareholders. In order to mitigate this risk, the Management Company also assesses the sustainability factors and associated sustainability risks relevant to the specific investment being analysed and applies its Policy on Responsible Investment and Integration of Sustainability Risks.

Waste risk

There is a risk that Operating Companies will not properly manage computer waste or other electronic waste. This waste contains hazardous metals that, if not handled properly, can pose a risk to the environment and health. In order to avoid this risk, the Company will encourage the Operating Companies to recycle computer waste and other electronic waste (if possible).

Geopolitical risk

There is a risk that the Company operations may be affected by geopolitical changes (e.g., state conflicts, internal conflicts of neighbouring countries, uprisings or wars), and as a result the value of the Company's investments may decrease or the Company's investments may not be realised at the desired time. The routine monitoring of the geopolitical situation by the Management Company should contribute to the management of this risk.

Management and human resources risk

The success of the Company's investment will largely depend on the decisions made by the managers of the companies controlled (directly or indirectly) by the Company, as well as the decisions made by the people responsible for the management of the Company, and the experience and abilities of the said people. There is no guarantee that the same persons will manage the

companies controlled (directly or indirectly) by the Company, as well as the Management Company for the entire term of the Company' activities. The Management Company will seek to implement a promotion policy that ensures that key personnel motivation to participate in the Company's and its investment activities until the end of the term of the Company's activities.

Risk of corruption

The company will invest in countries where the level of corruption is significantly higher than in Lithuania or other European Union countries. There is a risk that due to corruption, the Company's investments may be impaired. The potential impact of the risk, the probability of its occurrence and, accordingly, the risk to the Company's operations is medium.

22. The main indicators about internal control and risk management systems related to the preparation of financial statements

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

The Management company of INVL Technology is responsible for the supervision and final review of the financial statements. Management company constantly reviews International Financial Reporting Standards (IFRS) in order to implement in time IFRS changes, analyses Company's significant deals, ensures collecting information from the group's companies and timely and fair preparation of this information for the financial statements, periodically informs the Board of the Management company about the preparation process of financial statements.

23. Description of principal investments made during the reporting period

The Novian software and IT infrastructure services group has made full settlement in the transaction to acquire the software services company Elsis PRO. It did so on 26 May this year, as per the agreements on the purchase and sale of the shares of Elsis PRO. During the reporting period, the new investments have not been made.

The company is interested in specialized information technology companies operating in the fields of artificial intelligence, analytics and others. INVL Technology will seek to make new investments through companies it already manages.

24. 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 effect, unless, the nature of the arrangements and their disclosure would cause serious harm to the issuer

There are no 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.

25. Information about any control systems in the employee share plan that are not exercised directly by employees

The Company has no employees, therefore, the application of the matter is not relevant.

26. Information on the related parties' transaction

Information on the related parties' transactions is disclosed in an annual financial statements' 15 note of explanatory notes for the year of 2022.

In addition, information regarding Transactions with Related Parties, according to the Law on Companies article 37 (2) , is published on the Company's web site - "For Investors" → "Legal documents". The link to the Company's web site: <https://invltechnology.lt/lit/en/for-investors/reports/related-parties-transactions>.

At the time the report was published, the Company provides information about Company's Transactions with Related Parties in the Annex 3 part 5 of the annual report.

According to Article 10(3) of the Law on Companies, the provisions of Article 37 shall not apply to transactions concluded with a subsidiary company in which the joint stock company is the owner of all the shares, or where the aggregate amount of such transactions in a financial year does not exceed 1/10th of the value of the assets of the latest balance sheet of the joint stock company admitted to trading on a regulated market. Accordingly, the following are transactions entered into with companies in which the Company does not own 100% of the shares.

Related party*	Balance of loans granted 01-01-2022, EUR	Loans granted during 2022, EUR	Repaid loans during 2022, EUR	Interest calculated during 2022, EUR	Balance of loans granted 31-12-2022, EUR
NRD Systems UAB (code 111647812, Gynėju s14., Vilnius)	-	400,000	200,000	10,732	200,000

*The relation between the Company and the Related party is described in Part 5 of Annex 3 of the Annual Report.

27. 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 the managing bodies of the Management company, members of the Investment Committee, members of the Supervisory Board controlling shareholders' or other related parties' obligations to the issuer and their private interests.

28. Company's non-financial results. Information related to social responsibility, environment, including climate action, employees, anti-corruption, and anti-bribery issues, including bribery of foreign officials when concluding international business transactions

28.1. Responsible business actions in the Company

The management of the Company is transferred to the asset management company INVL Asset Management, which applies the Policy of Equal Opportunities in its activities. The Policy specifies that the Company organizes its activities in a way that employees, despite of their duties and the need to upgrade their qualifications, are secure about equal working conditions, opportunities to develop competence, etc. Equally, the same benefits are granted regardless of the gender, race, nationality, language, origin, social status, beliefs or convictions, age, sexual orientation, disability, ethnicity, religion, marital status, intention of having children's or membership of the political party or association.

INVL Asset Management has joined the UN-supported Principles for Responsible Investment (PRI) in the middle of 2017.

The PRI, founded in 2006, is a global network of over 1700 investors, 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. Six specific responsible investment Principles are outlined by the PRI. They provide a menu of possible actions for incorporating ESG issues into investment practice – from investment analysis and decision-making to their incorporation into ownership policies and practices. Additionally, signatories to the Principles are encouraged to promote the Principles' acceptance in the investment industry and to work together for their effective implementation.

28.2. Employees

At the end of 2022, as well as in 2021 INVL Technology did not have any employees because of the changes of the legal status of the Company. The management and all the functions earlier performed by the Company's employees were transferred to the Management Company.

28.3. Environmental protection and actions regarding climate change

INVL Technology's portfolio companies contribute to the environmental protection by implementing climate monitoring and weather forecasting solutions in certain countries. During the reporting period, the managed companies did not implement significant projects focused on the environment. The Company is not committed to achieving climate change goals, but assesses and, if necessary, takes appropriate actions to manage risks related to climate issues. The Company is improving its processes and regularly reviews opportunities to address and meet specific climate change targets.

28.4. Information about activities of the Company in the field of research and development

INVL Technology did not deliver major research and expansion projects in 2022.

28.5. The effect of Russia's war against Ukraine and the imposed sanctions on the Issuer

The invasion of Russia and the imposed sanctions do not have a direct or indirect impact on Issuer's strategic directions, goals, financial results and financial condition. After the Russian invasion, the Issuer's Business Continuity Plan was revised and updated, which sets out specific measures to be taken in the event of information system failure.

28.6. Fight against corruption and bribery

To reduce the risk of external and internal bribery, the Company applies internal procedures that ensure the transparency of operations by preventing the possibility of involvement in criminal offences. The Company expects appropriate behaviour from its employees and partners, however it cannot assess the diversity of all possible situations.

The management of the company is transferred to the Management Company. In its activities, the latter has approved the Code of Ethics, which establishes the general standards of ethical of the Management Company, which the employees of the Management Company must comply with in their activities. This is a set of business conduct guidelines intended to develop employees' moral competence, help them understand the organisation's values, rationally organise their activities, create positive working relationships, make the right and best decisions based on the principles of business ethics (including intolerable actions related to bribery of foreign officials (and not only) when concluding international business transactions and other actions related to bribery).

28.7. Additional non-financial information, the disclosure of sustainability-related information

As the management of the Company has been transferred to the Management Company, the number of employees of which does not exceed 500 (the number of employees of the Management Company as of 31 December 2022 was 111), and the Company itself has no employees, the Company is not subject to the requirements for the preparation of a non-financial statement.

According to Regulation (EU) 2019/2088 of the European Parliament and Council on sustainability-related disclosures in the financial services sector ("SFDR") and Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment ("Taxonomy"), the financial product must provide information in the periodic report on how and to what extent the environmental and social features are ensured (Article 8 according to the SFDR) or information on the environmental objectives to which it contributes and a description on investments in sustainable economic activity (Article 9 according to the SFDR).

The Issuer does not promote environmental and/or social characteristics, nor it has sustainable investment as its objective and discloses information under Article 6 of SFDR. The investments underlying the Issuer do not consider the European Union criteria for environmentally sustainable economic activities.

When making investment decisions, the Company currently does not consider the principal adverse impacts of investment decisions on sustainability factors, as defined in SFDR. In the Company's assessment, the possibilities of information collection are limited.

According to the SFDR, information related to the integration of sustainability requirements in the Company's investment decisions and identification of risks related to sustainability is disclosed in the Prospectus (prepared in accordance with the provisions of the Law on Collective Investment Undertakings of the Republic of Lithuania) of the Company.

29. Data on the publicly disclosed information

The information publicly disclosed of INVL Technology during 2022 is presented on the company's website www.invltechnology.lt. Also company publishes all publicly available information on the Nasdaq Vilnius website.

Summary of publicly disclosed information of 2022 is given below

Date of disclosure	Brief description of disclosed information
06.01.2022	Information about shares issued by INVL Technology and votes granted
14.01.2022	Notification on transactions in the Issuer's securities
14.01.2022	Notification about disposal of votes (only directly owned votes) and acquisition of votes
04.03.2022	Information about shares issued by INVL Technology and votes granted
06.04.2022	Announcement of the net asset value of INVL Technology as of 31 December 2021
06.04.2022	Audited results of INVL Technology for 2021
07.04.2022	Convocation of the General Ordinary Shareholders Meeting of INVL Technology and draft resolutions on agenda issue
13.04.2022	Regarding the supplement of the agenda and proposed draft resolutions of the Ordinary General Meeting of Shareholders of INVL Technology
21.04.2022	News from INVL Technology managed companies: NRD Cyber Security revenue grew 66% in 2021
29.04.2022	The resolutions of the Ordinary General Shareholders Meeting of INVL Technology
29.04.2022	Audited annual information of INVL Technology for 2021
29.04.2022	Announcement of net asset value of INVL Technology on 31 March 2022
29.04.2022	INVL Technology Interim information for 3 months of 2022
02.05.2022	Information about shares issued by INVL Technology and votes granted
03.05.2022	News from INVL Technology managed companies: NRD Companies Overcomes A Challenging Year 2021 And Maintains Its Leadership Position In The Registries Market
06.05.2022	Enlight Research analysis on financial results of INVL Technology for the 4th quarter of 2021: cybersecurity going strong
19.05.2022	Novian enlarged its technological and business area expertise and operating geography

26.05.2022	News from INVL Technology managed companies: Novian has made full settlement for Elsis PRO acquisition
08.06.2022	News from INVL Technology managed companies: "Andmevara Services" becomes "Novian Eesti" with a focus on integrated IT services and digitization
29.06.2022	Information about shares issued by INVL Technology and votes granted
26.08.2022	INVL Technology results for 6 months of 2022
26.08.2022	Announcement of the net asset value of INVL Technology as of 30 June 2022
26.08.2022	Presentation of INVL Technology
31.08.2022	NRD Cyber Security revenue increased by 22% in the first half of 2022
31.08.2022	Information about shares issued by INVL Technology and votes granted
12.09.2022	Novian's revenue grew 25.5% to EUR 14.5 million
15.09.2022	In the first half of 2022, NRD Companies continues to lead multi-level digital transformation projects around the world
29.09.2022	Information about shares issued by INVL Technology and votes granted
31.10.2022	Announcement of the net asset value of INVL Technology as of 30 September 2022
31.10.2022	INVL Technology results for 9 months of 2022
27.12.2022	INVL Technology investor's calendar for 2023
27.12.2022	Regarding the approval of INVL Technology prospectus

Summary of the notifications on transactions in INVL Technology shares concluded by managers of the Company during 2022

Date	Person	Number of securities	Security price (EUR)*	Total Value of transaction (EUR)	Form of transaction	Type of transaction	Place of transaction	Form of settlement
12.01.2022	Invalda INVL, AB	1,873,678	2.78	5,208,824.84	Acquisition	Share-sale purchase	XOFF	Money

Explanations:

AUTO – automated trade concluded on a regulated market.

XOFF – trade concluded outside the regulated market.

30. Information about the audit company

The company does not have approved audit company selection criteria. On October 2020, the Extraordinary General Meeting of Shareholders elected PricewaterhouseCoopers to audit the annual financial statements for the period 2020-2022. At the same meeting, the shareholders set a fee of EUR 9,400 for the audit of the set of annual financial statements (value added tax is calculated and paid additionally in accordance with the procedure established by legal acts). The amount of remuneration for audit services will be recalculated (increased) every year according to the average annual inflation of April month of the current year published by the Department of Statistics under the Government of the Republic of Lithuania, calculated according to the harmonized index of consumer prices (HICP). The Management Company of the Company reserves the right to increase the remuneration of the audit company by no more than 20 percent annually from the remuneration paid to the audit firm in the previous year in accordance with the terms of the audit services agreement.

The Extraordinary General Shareholders' Meeting of the Company, held on 6 February 2023, has decided to conclude an agreement with UAB PricewaterhouseCoopers to carry out of the audit of the annual financial statements of the INVL Technology for 2023 year and establish the payment in the amount of EUR 11,500 per year plus indexation (price increase) based on the average annual inflation published by the Department of Statistics under the Government of the Republic of Lithuania in April of 2023, calculated based on the harmonized index of consumer prices (HICP) (VAT will be calculated and paid additionally in accordance with the order established in legal acts). The Board of the Management Company of INVL Technology reserves the right to increase the remuneration of the audit company by no more than 25 percent of the total remuneration approved by this decision if the scope of audit work changes significantly.

In 2022 the accrued cost of audit services was EUR 14,399 after inflation indexation (including VAT, as the Company is not a subject to VAT and does not have right to a deduction).

Audit company	PricewaterhouseCoopers, UAB
Address of the registered office	J. Jasinskio St. 16B, LT-03163, Vilnius
Code	111473315
Telephone	(8 5) 239 2300
E-mail	vilnius@lt.pwc.com
Website	www.pwc.com/lt

No internal audit is performed in the Company.

INVL Technology
Managing partner

Kazimieras Tonkūnas

APPENDIX 1. INFORMATION ABOUT INVL TECHNOLOGY PORTFOLIO COMPANIES, THEIR CONTACT DETAILS

Company	Registration information	Type of activity	Contact details
Norway Registers Development AS	Code: NO-985 221 405 MVA Address: Løkketangen 20 B, 1337 Sandvika, Norway Legal form: private limited liability company Registered: 23-12-2002	Legal, consultancy and project management knowledge center	Phone + 370 696 57105 E-mail info@nrd.no Website www.nrdcompanies.com
Norway Registers Development AS Lithuanian branch	Code: 304897486 Address: Gynėjų Str. 14, Vilnius, 01109 Legal form: private limited liability company Registered: 22-08-2018	Legal, consultancy and project management knowledge center	Phone + 370 696 57105 E-mail info@nrd.no Website www.nrdcompanies.com
NRD Companies AS	Code: NO-921 985 290 Address: Løkketangen 20 B, 1337 Sandvika, Norway Legal form: private limited liability company Registered: 18-01-2019	Management of financial asset	Phone +370 696 57105 E-mail info@nrd.no Website www.nrdcompanies.com
NRD Systems UAB	Code: 111647812 Address: Gynėjų Str. 14, Vilnius 01109 Legal form: private limited liability company Registered: 15-10-1998	Information system design and maintenance	Phone +370 696 57105 E-mail info@nrd.no Website www.nrdcompanies.com
ETRONIKA UAB	Code: 125224135 Address: Gynėjų Str. 14, Vilnius Legal form: private limited liability company Registered: 30-03-2000	Development and implementation of e-banking, smart retail, mobile applications for finances, e-commerce and e-government	Phone +370 696 57105 E-mail info@nrd.no Website www.nrdcompanies.com
Norway Registers Development East Africa Ltd.	Code: 88597 Address: 3rd floor, Elite tower, Azikiwe Street/Jamhuri street, Dar es Salaam, Tanzania Legal form: private limited liability company Registered: 13-01-2012	The company has been suspended in March 2020	
Infobank Uganda Ltd.	Code: 193144 Registered: 03-12-2014	A specialized company providing reliable information on business entities in Uganda. Currently does not perform any activities	
Norway Registers Development Rwanda Ltd.	Code: 10537819 Address: 5th floor, Centenary House, Plot No: 1381, KN 4 Ave, Kiyovu Cell, Nyarugenge District, Kigali, Rwanda Legal form: private limited liability company Registered: 22-02-2016	Regional sales, project leadership, project support and maintenance company for group projects in Rwanda, Burundi and Democratic Republic of the Congo.	Phone +250 782 102 990 E-mail info@nrd.no Website www.nrd.no
NRD Bangladesh Ltd.	Code: C-135712/2017 Address: Eastern Commercial Complex, Room No.1/11, (1st	A sales, project execution and warranty service company contributing to NRD CS	Phone+88 017 131 22331 E-mail: bkb@nrd.no

	floor), 73, Kakrail, Dhaka, Bangladesh Legal form: private limited liability company Registered: 02-02-2017	operations in the South Asia region.	www.nrdcs.com
Andmevara AS	Code: 10264823 Address: Pärnu mnt 186, 11314 Talinn, Estonia Legal form: private limited liability company Registered: 19-09-1997	Development of information systems	Phone +372 6715 188 E-mail mail@andmevara.ee
Novian Eesti OÜ	Code: 14552803 Address: Pärnu mnt 186, 11314 Talinn, Estonia Legal form: private limited liability company Registered: 27-08-2018	IT infrastructure maintenance, digitization and hosting services	Phone +372 671 5188 E-mail info@novian.ee www.novian.ee
Andmevara SRL	Code: 1013600014121 Address: Şciusev A. 89, sec. Buiucani, Chisinau, Moldova Legal form: private limited liability company Registered: 17-04-2013	IT infrastructure maintenance, digitization and hosting services	Phone +370 612 51 955 E-mail a.smirnovas@novian.lt
Zissor AS	Code: 986 845 550 Address: Bragernes Torg 6, 3017 Drammen, Norway Legal form: private limited liability company Registered: 04-05-2004	Media monitoring and digitization services	Tel. +47 228 38 500 E-mail post@zissor.com www.zissor.com
Novian UAB	Code: 121998756 Address: Gynėjų Str. 14, Vilnius Legal form: private limited liability company Registered: 25-06-1993	Investment into information technology companies.	Phone +370 5 2190 000 Website www.novian.io
Novian Technologies UAB	Code: 301318539 Address: Gynėjų Str. 14, Vilnius Legal form: private limited liability company Registered: 03-12-2007	Design, maintenance and development of critical IT infrastructure; design, implementation and maintenance of high-performance computing clusters; managed critical IT infrastructure services; digital transformation strategy consulting. Data center architecture and redesign, operations start-up, training and maintenance	Phone +370 5 2190 000 E-mail info.technologies@novian.lt Website www.novian.io
Novian Systems UAB	Code: 125774645 Address: Gynėjų Str. 14, Vilnius Legal form: private limited liability company Registered: 15-10-2001	Development of information systems, projects using artificial intelligence, big data, process robotization solutions. National scale projects, projects for municipalities, business analytics and process automation solutions.	Tel. +370 5 2734 181 E-mail info.systems@novian.lt Website www.novian.io

NRD CS UAB	Code: 303115085 Adress: Gynėjų Str. 14, Vilnius Legal form: private limited liability company Registered: 06-08-2013	Internal CIRT establishment, technologies. Digital forensics laboratories, related consultations. Security Operations Center (SOC)	Phone +370 5 219 1919 E-mail info@nrdfs.lt Website www.nrdcs.lt
FINtime UAB	Code: 304192355 Adress: Gynėjų Str. 14, Vilnius Legal form: private limited liability company Registered: 29-02-2016	Financial and accounting services	Phone +370 694 95141
Elsis PRO UAB	Code: 300064148; Address: Baltupio Str. 14, Vilnius; Legal form: private limited liability company Registered: 29-10-2004	Development of information systems and software for the energy, aviation, space, public administration and defence sectors.	Phone +370 37 474011 E-mail: pro.elsispro@novian.lt Website www.elsispro.com

APPENDIX 2. CORPORATE GOVERNANCE REPORTING FORM

The closed-ended type investment company INVL Technology (hereinafter referred to as the “Company”), acting in compliance with Article 22 (3) of the Law of the Republic of Lithuania on Securities and paragraph 24.5 of the Listing Rules of AB Nasdaq Vilnius AB, 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 any cases of non-compliance with this Code or some of its provisions or recommendations of the Code, 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 also provided, as indicated in the form.

1. Summary of the Corporate Governance Report

The management of INVL Technology was transferred to the management company INVL Asset Management on 14 July 2016 after the Central Bank of the Republic of Lithuania granted special closed-ended type private equity investment company INVL Technology a license of closed-ended type investment company license. The Company has no employees. The CEO of the Management Company’s CEO and the, the Board and the Investment Committee members are acting to ensure the management of INVL Technology.

The Management Company is responsible for convocation convoking and organizing the general meeting of Shareholders of the Company, giving notices about publicly not disclosed information under the procedure set established by law, organizing the activities of the Company, properly managing information about the activities of the Company, and performing other functions assigned to the it.

The rights and duties of the Board and the head of the Company are transferred to the Management Company, therefore, when reading this Corporate Governance Code, and in particular Principles 3 and 4, the CEO of the Management Company, the Board and the members of the Investment Committee should be treated regarded as the Board of the company.

2. Structured table for disclosure

Principals / recommendations	Yes/No/Not applicable	Comment
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.		
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 with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	Yes	The Company discloses all regulated information (including notices on convening shareholders’ meetings) through the news distribution platform of AB Nasdaq Vilnius. This ensures that this information is available to the widest possible audience in the Republic of Lithuania and other EU countries. Information is provided simultaneously in both Lithuanian and English. The Company publishes information before or after the trading session of Nasdaq Vilnius AB. The Company timely updates the information on its website and complies with the requirements of Part 5 of the Information Disclosure Guidelines “On the Publication of Regulated and Other Information on the Issuer’s Website” approved by the decision of the Supervisory Authority of the Bank of Lithuania. 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	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 rights of the shareholders are described in the Articles of Association of the Company, which are publicly announced on the Company’s website and in the section “Rights and obligations granted by the Shares” of the Company’s annual report.

<p>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.</p>	<p>No</p>	<p>Due to the nature of the Company's activities, the Management Company is responsible for making the Company's investment decisions (decisions regarding the acquisition and sale of the Company's assets).</p>
<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 are informed about convening of the General Meetings of Shareholders in accordance with the requirements of legislation and the Company's articles of association – adhering to the notification deadlines and methods and means of announcement. The opportunity to participate in the Meeting is supplemented by the option of voting by ballot or authorizing another person to represent the shareholder. The General Meeting of Shareholders is always held at the Company's headquarters. In the notice of the General Meeting of Shareholders being convened, the Company does not restrict the right of shareholders to submit new draft decisions either before or during the meeting, and this is clearly stated in the notice of the General Meeting of Shareholders being convened in both 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, draft resolutions of the meeting are public and simultaneously published in Lithuanian and English through the Nasdaq Vilnius regulated notice distribution system and additionally published on the Company's website in the Regulated Information sections. and Shareholders' Meetings.</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>Shareholders of the Company may exercise their right to vote in the General Meeting in person or through a representative upon issuance of proper proxy or having concluded an agreement on the transfer of their voting rights in the manner compliant with the legal regulations, also the shareholder may vote by completing the General Voting Ballot in the manner provided by the Law on Companies.</p>
<p>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.</p>	<p>Yes</p>	<p>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.</p>
<p>1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being</p>	<p>Yes</p>	<p>If these issues are on the agenda of the general meeting of shareholders, all required information</p>

convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are on the agenda of the general meeting of shareholders, all required information on the proposed collegial body, audit company are specified in the draft decisions of the general meeting of shareholders. 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

on the proposed collegial body, audit company are specified in the draft decisions of the General Meeting of Shareholders.

1.10. Members of the company's collegial management body, heads of the administration 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 of new members is included into the agenda of the general meeting of shareholders.

Yes

Representatives of the Company's Management Company always attend the Company's General Meetings of shareholders, i.e. a member of the Board or a member of the Investment Committee or a representative responsible for the Company's financial statements.

Principle 2: Supervisory board

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.

Yes/Not applicable

The Supervisory Board operating during the reporting period acts in good faith for the benefit of the Company and its shareholders.

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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.

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.

Yes/Not applicable

the Supervisory Board operating during the reporting period treats all shareholders fairly and impartially.

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

		<p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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.</p>	<p>Yes/Not applicable</p>	<p>The Supervisory Board, operating during the reporting period, was independent in passing decisions.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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. Independent7 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.</p>	<p>Yes/Not applicable</p>	<p>The Supervisory Board members, operating during the reporting period, were impartial in passing decisions and clearly voice their will regarding the decisions passed.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>

<p>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 longterm interests of the company and its shareholders, which may give rise to reputational, legal or other risks.</p>	<p>Not applicable</p>	<p>The Company is a non-taxable entity</p>
<p>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, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.</p>	<p>Yes/Not applicable</p>	<p>The supervisory board, operating during the reporting period, was provided with all necessary information.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>

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.

<p>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.</p>	<p>Yes/Not applicable</p>	<p>The members of the supervisory board elected by the general meeting of shareholders of the Company ensure the diversity of qualifications, professional experience and competences, and the supervisory board consists of members with appropriate implementation of gender equality.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual reelection for a new term in office in order to ensure necessary development of professional experience.</p>	<p>Yes/Not applicable</p>	<p>According to the Articles of Association of the Company, the supervisory board is elected by the general meeting of shareholders for a period of 4</p>

		<p>years, i.e., the maximum period permitted by the legislation of the Republic of Lithuania.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company’s collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company’s Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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.</p>	<p>Yes/Not applicable</p>	<p>Chair of the supervisory board is a person whose current or past positions constitute no obstacles to carry out impartial activities.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company’s collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company’s Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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.</p>	<p>Yes/Not applicable</p>	<p>Each member devotes sufficient time and attention to perform their duties as a member of the supervisory board and their other professional obligations do not interfere with the proper performance of the duties of a member of the supervisory board.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the</p>

		<p>Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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.</p>	<p>Yes/Not applicable</p>	<p>The Company submitted to the shareholders received proposals concerning the candidates for the members of the supervisory board with additional references to their independence.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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</p>	<p>Yes/Not applicable</p>	<p>According to the decision of the General Meeting of the Shareholders of the Company hold on 29 April 2021 it was set the hourly remuneration of the elected independent member of the Supervisory Board at EUR 145 per hour. The other Members of the Supervisory Board do not receive remuneration for these duties.</p> <p>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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.</p>
<p>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</p>	<p>Yes/Not applicable</p>	<p>The supervisory board conducted an evaluation of its activities once a year. The evaluation of the performance of the Supervisory Board was carried out by the members of the Supervisory Board filling in the self-evaluation form of the</p>

supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.

Supervisory Board's performance approved by the Supervisory Board.

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, on 6 of February 2023 the General Meeting of Shareholders has decided to eliminate the Company's collegial body with a supervisory function – the Supervisory Board, and to envisage in the Company's Articles of Association that the Management Company may form an Advisory Committee of the Company, and has approved a new version of the Articles of Association.

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.

Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. The company has a supervisory board.

The Company's investment strategy is provided for in the Company's Articles of Association. The Management Company of the Company is responsible for the implementation of the investment strategy.

Not applicable

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 inter alia 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.

Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period the Company had a Supervisory Board.

The Management Company of the Company is responsible for convocation and organisation of the General Meeting of Shareholders, giving notices about publicly not disclosed information under the procedure set by legal acts, organisation of activities of the Company, proper management of information about activities of the Company and performance of other functions assigned to the Management Company. There is a Supervisory Board formed in the Company.

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.

Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. The Company has a Supervisory Board. The compliance with the laws

		<p>and the provisions of the Company's internal policies is ensured by the Management Company and its employees. Supervised by the Supervisory Board.</p>
<p>3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance¹ on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.</p>		<p>Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period, the Company had a Supervisory Board.</p> <p>The Management Company of the Company has approved the Code of Ethics, which establishes the ethical standards relevant to the activities of the Company.</p>
<p>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.</p>	<p>Not applicable</p>	<p>Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period the company had a Supervisory Board.</p> <p>The managers and investment decision-makers of the Management Company must be of sufficiently good repute and have sufficient work experience to ensure sound and transparent management. The candidatures of all managers and investment decision-makers of the Company's Management Company have been approved by the Bank of Lithuania.</p>

3.2. Formation of the Board

<p>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.</p>		<p>Due to the specifics of the Company's activities, the General Shareholders Meeting of the Company does not elect the members of the Board of the Management Company. The managers and investment decisionmakers of a Management Company must be of sufficiently good repute and have sufficient work experience to ensure sound and transparent management. The candidatures of all managers and investment decision-makers of the Company's Management Company should be approved by the Bank of Lithuania.</p>
<p>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</p>		<p>Due to the specifics of the Company's activities, the General Shareholders Meeting of the Company does not elect the members of the Board of the Management Company. Information about the education, qualification, professional experience and participation in the management of other companies of the managers of the Management Company and members of the Investment Committee of the Company is presented in the annual report of the Company.</p>

¹ Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: <https://www.oecd.org/daf/anti-bribery/44884389.pdf>

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.

Not applicable

3.2.3. All new members of the management board should be familiarized with their duties and the structure and operations of the company.

Due to the nature of the Company's activities, collegial body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company.

All member of the Board of the Management Company are familiarized with their duties, the structure of the Management Company and the Company and the Company and operations 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.

Due to the nature of the Company's activities, collegial body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company.

The member of the Board of the Company's Management Company are elected for a 4-year term, whit the possibility of being individually re-elected for a new term.

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 measures it has taken to ensure the impartiality of supervision.

Due to the specifics of the Company's activities, the General Shareholders Meeting of the Company does not elect the members of the Board of the Management Company, whose elect the Chairman of the Board of the Management Company.

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.

Due to the specifics of the Company's activities, attendance of the Management Company's Board meetings is not recorded in the Annual report of the Company. The Company discloses information on the number of the Company's Investment Committee 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 independent¹⁰, 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.

Due to Company's management specifics, independency criteria is not applicable to the managers of the Management Company.

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.

The management fee, payable to the Management Company is disclosed in the Annual Report of the Company, according to the valid management agreement between the Company and the Management Company.

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.

The managers of the Management Company and appointed members of the Investment Committee receive remuneration according to the employment contract signed between them and the Management Company.

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.

The duty of the Company's Management Company to act honestly, fairly and professionally on the best terms and conditions for the Company and its shareholders and to ensure market integrity is enshrined in the Company's Articles of Association.

Due to Company's management specifics, the managers of the Management Company do not carry out assessment of its activities.

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

Due to the nature of the Company's activities, collegial bodies are not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period the Company had a Supervisory Board. The Board of the Management Company and Investment Committee closely cooperated with the members of the Supervisory Board of the Company operating during the reporting period. The Supervisory Board was eliminated on 6 February 2023 by the decision of the General Meeting of 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 / No

Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period the company had a Supervisory Board. Meetings of the Management Company's Board and the Company's Supervisory Board are held at such intervals as to ensure uninterrupted resolution of essential issues of the Company's management and supervision. The Supervisory Board was eliminated on 6 February 2023 by the decision of the General Meeting of Shareholders.

<p>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.</p>	<p>Yes / No</p>	<p>Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period, the company had a Supervisory Board.</p> <p>The Board of the Management Company and the Supervisory Board of the Company are notified of the meeting being convened and all materials relevant to the issues on the agenda of the meeting are submitted to them.</p>
<p>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.</p>	<p>Yes / No</p>	<p>Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period, the company had a supervisory board. When the Board of the Management Company and the Supervisory Board of the Company have to speak on the same issue, their meetings are coordinated.</p>

Principle 5: Nomination, remuneration and audit committees

5.1. Purpose and formation of committees

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. 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.

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 committees².

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

Due to the Company's management type and an absence of employees, the Nomination and Remuneration Committees are not formed. Audit Committee members are elected by the General Shareholders Meeting.

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.

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

² Teisės aktai gali numatyti pareigą sudaryti atitinkamą komitetą. Pavyzdžiui, Lietuvos Respublikos finansinių ataskaitų audito įstatymas nustato, kad viešojo intereso įmonės (įskaitant, bet neapsiribojant, akcinėse bendrovėse, kurių vertybiniais popieriais prekiaujama Lietuvos Respublikos ir (arba) bet kurios kitos valstybės narės reguliuojamoje rinkoje), privalo sudaryti audito komitetą (teisės aktai numato išimčių, kada audito komiteto funkcijas gali atlikti priežiūros funkcijas atliekantis kolegialus organas).

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.

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 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.

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.

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.

Not applicable
 Due to the Company’s management type and an absence of employees, the Nomination Committee is not formed.

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.

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 the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so;
 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;
 3) review, on a regular basis, the remuneration policy and its implementation.

Not applicable

Due to the Company's management type, the Remuneration Committee is not formed.

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

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 Management Company of the Company ensures that: 1) the members of the Audit committee are properly introduced to the activities of the Company, are provided with complete information relating to the Company's specific accounting, financial and other operational features; 2) the Audit committee is informed of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. The Audit committee is furnished with complete information on particulars of accounting, financial and other operations of the Company; 3) The Audit committee is informed of the work program of internal and external auditors, and should receive internal and external audit report. 4) etc.

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 Audit committee has the right to invite to its meetings the manager and members (member) of the Board of the Management Company, the chief financier, employees responsible for finance, accounting and treasury issues, external auditors and other persons, whose presence is admitted necessary considering questions scheduled for the Audit committee meeting.

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.

Yes

The Management Company of the Company ensures that the audit committee is informed of the work program of internal and external auditors, and should receive internal and external audit report.

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

No

Due to the Company's management type and considering that the Company has no employees, the Audit Committee of the Company does not examine if the Company complies the functions stated in 5.4.5.

and independent investigation of such issues and appropriate follow-up actions.

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.

Yes / No

In accordance with the provisions of the Audit Committee, the Audit Committee submits its activity reports to the Annual General Meeting of Shareholders.

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 / No

Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period, the company had a Supervisory Board. The Management Company must have such an organizational structure that would help to avoid conflicts of interest. When it is impossible to avoid conflicts of interest, the Management Company must ensure that Shareholders are treated fairly.

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 Company is subject to the remuneration policy of the Management Company, which is approved by the Board of the Management Company. The Company's Supervisory Board, operating during the reporting period, had a separate remuneration policy, which is approved by the Company's General Meeting of Shareholders. Remuneration policies are reviewed in accordance with legal requirements.

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 Management Company's remuneration policy covers all forms of remuneration that may be paid, i. ie: fixed part of remuneration, variable part of remuneration (allocated based on the Company's and / or employee's performance). The Company may pay pension contributions to the third pillar pension funds for the benefit of employees, as well as non-monetary benefits may be provided to the Company's employees.

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 / No

The Company is subject to the remuneration policy of the Management Company, which is approved by the Board of the Management Company. The Company's Supervisory Board, operating during the reporting period, had a separate remuneration policy, which is approved by the Company's General Meeting of Shareholders. The remuneration of the members of the Supervisory Board does not depend on the performance of the company.

<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 is subject to the remuneration policy of the Management Company, which is approved by the Board of the Management Company. The Company's Supervisory Board, operating during the reporting period, had a separate remuneration policy, which is approved by the Company's General Meeting of Shareholders. According to the policies, the Company does not have the policy of 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>Yes / No</p>	<p>The Company is subject to the remuneration policy of the Management Company, which is approved by the Board of the Management Company. The Company's Supervisory Board, operating during the reporting period, had a separate remuneration policy, which is approved by the Company's General Meeting of Shareholders. According to the remuneration policy of the Management Company, which applies for the Company as well, the part of the variable remuneration assigned to the employee of the Management Company (in whole or in part) may be allocated as the option of Invalida INVL AB at his choice. Their payment on a pro rata basis is realized through the attribution of shares (i.e. the granting or acquisition of the right to acquire the respective amounts of shares at different terms), in accordance with the procedure and conditions established in the option agreements.</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 Company publishes a remuneration report on its 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 remuneration in shares or share options should be approved by the general meeting of shareholders.</p>	<p>Yes/No</p>	<p>The Company is subject to the remuneration policy of the Management Company, which is approved by the Board of the Management Company. The Company's Supervisory Board, operating during the reporting period, had a separate remuneration policy, This policy and its amendments are approved by the Company's General Meeting of Shareholders.</p>

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.

<p>8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.</p>	<p>Yes</p>	<p>The Company respects the rights of stakeholders and their legitimate interests.</p>
<p>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</p>	<p>Yes/No</p>	<p>The Company has no employees. The Company provides opportunities for the Company's investors (shareholders) to participate in the management of the Company in accordance with</p>

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.

the procedure established by the Company's Articles of Association and legal acts.

8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.

Yes

The Company's investors (shareholders) are provided with information that is required to be provided by applicable legislation and other information relevant to the Shareholders at the discretion of the Management Company.

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 information referred to below in this recommendation is disclosed in notifications of material events published through the Nasdaq Vilnius Information Disclosure System, the Company's website, and the Company's annual and interim information documents, to the extent required by legislation and the International Financial Reporting Standards applicable in the European Union. The information is also disclosed in presentations to investors of the Company.

9.1.1. operating and financial results of the company;

Yes

Company publishes interim and annual reports

9.1.2. objectives and non-financial information of the company;

Yes

Company publishes interim and annual reports

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

Published 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/No

Due to the nature of the Company's activities, collegial management body is not formed in the Company. Its management is transferred to the Management Company, which performs the functions of the Board and the Chief Executive Officer of the Company. During the reporting period, the company had a supervisory board. The Company's website provides information on the members of the Board of the Company's Management Company, the General Director, Company's investment committee members and the Supervisory Board members operating during the reporting period.

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/No

The management of the Company is transferred to the Management Company, which carries the functions of the Board and the Manager of the Company. The Company's website provides information on the members of the Company's Investment Committee.

9.1.6. potential key risk factors, the company's risk management and supervision policy

Yes

The Company publishes on its website the general risk factors of the business area in which the

		Group operates; group-specific risk factors; risk factors related to the Company's shares.
9.1.7. the company's transactions with related parties	Yes	Information is provided in interim and annual reports.
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.)	No	Due to the Company's management type - transfer of the Company's management to the Management Company - the Company itself does not have any employees.
9.1.9. structure and strategy of corporate governance	Yes	The Company's strategy is provided for in the Company's Articles of Association, which are published on the Company's website.
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	The company is not required to prepare and publish a non-financial statement.
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	No	The Company does not prepare a consolidated report and 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 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.	Yes	Information about the education, qualification, professional experience and participation in the management of other companies of the managers of the Management Company, members of the Investment Committee and the Supervisory Board of the Company is presented in the annual report of the Company. The Company also publishes a remuneration report.
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 UAB PricewaterhouseCoopers.
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/No	In 2020, the Management Company of the Company proposed to the General Meeting of the Shareholders the audit firm, which will audit annual financial statements of the Company for 2020, 2021, and 2022 years, as the Supervisory Board of the Company was formed only in 2021.
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	Yes	The Company undertakes to disclose if the audit company would have received payment from the Company for non-audit services provided.

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.

APPENDIX 3. COMPANY'S MANAGEMENT REPORT

(Prepared in accordance with the Law of the Republic of Lithuania on Financial Reporting by Undertakings (IX-575) in force from 1 January 2022)

1. Reference to the applicable corporate governance code and the place of its publication, and (or) reference to the 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 report of 2022. The Company publishes its annual reports in the website of the Company (Company's web site section "For Investor" → "Financial information and reports". The link <https://www.invltechnology.lt/lit/en/for-investors/reports>).

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 report of 2022 "Corporate Governance Code". The Company will provide an explanation in the "Commentary" section if it does not (of partially) follow the recommendations.

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 Clause 18 of financial report of 2022.

4. Information regarding significant directly or indirectly managed holdings

The Company provides information regarding the significant directly or indirectly managed holdings in Note 4 of the financial statement of 2022.

5. Information relating to transactions with related parties, according to the Law on Companies article 37² (by specifying the counterparty (legal form, name, code, register of the legal entity in which the person is stored, premises (address); name, surname, address of the natural person and the value of the transaction)

According to Article 10, part 3 of the Law on Companies, the provisions of Article 37 are not applicable to the transactions concluded with a subsidiary company, if the owner of all shares is this joint-stock company. In addition, the provisions of Article 37 is not applicable when the transaction or the total amount of such transactions per financial year do not exceed 1/10 of a joint stock company whose shares are allowed to be traded on the regulated market, the value of the assets specified in the latest balance sheet. Considering the above, transactions with subsidiary companies are presented when the joint-stock company is not the owner of all shares or the value of the transactions exceeds 1/10 of the Company's assets.

Information regarding Transactions with Related Parties, according to the Law on Companies article 37², is published on the Company's website – „For Investors” → „Legal documents”, link to the website <https://www.invltechnology.lt/lit/lt/investuotojams/ataskaitos/susijusiu-saliu-sandoriai>.

At the time the report was published, the Company provides information about Company's Transactions with Related Parties published on the Company's Website

Related party*	Balance of loans granted 01-01-2022, EUR	Loans granted during 2022, EUR	Repaid loans during 2022, EUR	Interest calculated during 2022, EUR	Balance of loans granted 31-12-2022, EUR
NRD Systems UAB (code 111647812, Gynėjų Str. 14., Vilnius)	-	400,000	200,000	10,732	200,000

6. Information regarding the shareholders who have special rights of control and the description of such rights

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 management of the Company is transferred to the management company UAB INVL Asset Management which exercises the functions of the head and the board of the Company. The Rules of Procedure of the Board are applicable to the Board members of

the Management company. The provisions governing the appointment and dismissal of Board members are not provided for by the aforementioned Rules, except for the possible resignation and procedures related thereof. A person who seeks to become the Board member of the Management company shall obtain a prior permit from the Supervision Service of the Bank of Lithuania (hereinafter – the Bank of Lithuania) to occupy a corresponding post. Moreover, such person shall fill in the Form of the Questionnaire of the Manager approved by the Bank of Lithuania and comply with the indicated requirements.

According to the Articles of Association of the Company, the Articles of Association of INVL Technology may be amended by the decision of the General Shareholders' Meeting, passed by more than 3/4 of votes (except in cases stated in the Law on Companies of the Republic of Lithuania and in cases stated in Company's Articles of Association).

9. Information regarding the powers of the board members

The management of the Company is transferred to the Management company UAB INVL Asset Management which exercises the functions of the head and the board of the Company. The Board members of the Management company act in accordance with the Law on Companies of the Republic of Lithuania, Articles of Association of the Management company, Rules of Procedure of the Board, as well as other applicable legislation, and have no special powers. The Board members of the Management company always act for the benefit of the Company and its shareholders.

10. Information regarding the competence of the general meeting of shareholders, 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 meeting of shareholders, the rights of shareholders, and implementation thereof, as well as the procedure for convening the meetings of shareholders, in Clause 12.1. of the Annual Report of 2022.

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 management of the Company is transferred to the Management company UAB INVL Asset Management which exercises the functions of the Head and the Board of the company. The Company provides information regarding the board members of the Management company, General Manager of the Management company, and the members of the Investment Committee of the Company in Clause 13 of the annual report of 2022.

The board members of the management company, General Manager of the management company, and the members of the Investment Committee of the company, members of the Supervisory Board, operating during the reporting period act in accordance with the Rules of Procedure of the Board, Provisions of the General Manager, and Provisions of the Investment Committee, Rules of Procedure of the Supervisory Board. In addition to this, the board members of the Management company, General Manager of the Management company, and the members of the Investment Committee and members of the Supervisory Boards always act for the benefit of the Company and its shareholders.

12. Description of diversity policy applicable in appointing the manager of the company, management, and supervisory bodies, related to the aspects such as age, gender, education, professional experience; objectives of such policy, methods of implementation thereof, and results of the reference period. If the diversity policy is not applied, the reasons thereof shall be indicated

This requirement is not applicable to the Company in accordance with Part 2 of Article 23(1) of the Law on Enterprise Accountability of the Republic of Lithuania. However, it should be noted, that the management of the Company is transferred to the asset management company INVL Asset Management, which applies the Policy of Equal Opportunities in its activities. The Policy specifies that the Company organizes its activities in a way that employees, despite of their duties and the need to upgrade their qualifications, are secure about equal working conditions, opportunities to develop competence, etc. Equally, the same benefits are granted regardless of the gender, race, nationality, language, origin, social status, beliefs or convictions, age, sexual orientation, disability, ethnicity, religion, marital status, intention of having children's or membership of the political party or association.

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INVL Asset Management has joined the UN-supported Principles for Responsible Investment (PRI) in the middle of 2017. The PRI, founded in 2006, is a global network of over 1700 investors, 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. Six specific responsible investment Principles are outlined by the PRI. They provide a menu of possible actions for incorporating ESG issues into investment practice – from investment analysis and decision-making to their incorporation into ownership policies and practices. Additionally, signatories to the Principles are encouraged to promote the Principles' acceptance in the investment industry and to work together for their effective implementation.

13. Information about all agreements between the shareholders (their essence, conditions).

The Company's shareholders do not have mutual agreements.

APPENDIX 4. COMPANY’S OPERATING AND FINANCIAL INDICATOR FORMULAS AND DEFINITIONS

In according with the guidelines on Alternative Performance Indicators which were published by the European Securities and Markets Authority in 2015 and came into force on 3 July 2016, the Company provide definitions and formulas (below) of the company’s operating and financial indicators. The Company’s performance and financial indicators are used to evaluate the Company’s financial position or status. For these indicators, the Company’s investor can obtain additional information to help understand the Company’s financial position and strategy. All the information stated in Appendix 4 is provided on the website of the Company (Company’s web site section “For Investors” → “Financial information and reports” → “Formulas of performance indicators”). The link: <https://invltechnology.it/lit/en/for-investors/reports/formulas-of-performance-indicators>).

Book value per share

The book value per share shows the share of the owner’s equity in the company’s balance sheet per share. It is calculated by dividing the total book value of the company (i.e. its equity, excluding the value of the preferred shares) by the number of ordinary shares. The total book value of the company is equal to the company’s assets minus its liabilities.

$$\text{Assets} - \text{Liabilities}$$

$$\text{Book value per share} = \frac{\text{Assets} - \text{Liabilities}}{\text{Issued shares at the end of the reporting period}}$$

$$\text{Issued shares at the end of the reporting period}$$

Hypothetically, this indicator can be interpreted as the amount that can be recovered by the shareholder if the company suddenly ceases activities. Usually the price of a share is higher than the book value. This is because buying a share the company’s future cash flows are purchased rather than just past and present performance.

Total Net Asset Value

Net Asset Value (NAV) is the difference between the value of the assets owned by the investment company and the long-term and short-term liabilities of the investment company. The Net Asset Value (or Equity) is calculated by subtracting the liabilities (including management fee liabilities and success fee liabilities) from the assets. The Company’s NAV may be equal to the Company’s Equity.

$$\text{NAV} = \text{Assets} - \text{Liabilities}$$

Return on Equity (ROE)

Return on equity is an indicator for measuring how a company earns profits compared to its equity (book value). Thus, this indicator shows how effectively the equity of the company (money and assets invested by the owners of the company) is used.

$$\text{ROE} = \frac{\text{Net profit}}{\text{Equity}}$$

The higher the return on equity is, the more effective the company is, the more profit it earns for its shareholders. However, the size of the ROE is highly dependent on the company’s capital structure and the owner’s equity of the company. If a company is profitable, by increasing the debts of the company and thus reducing ownership, it can “rise” return on equity. Looking as purely asymmetric, the fewer shareholders’ equity, the higher the ROE rate. For this reason, the ROE indicator should be considered in conjunction with the ROA.

Earnings per share (EPS)

Earnings per share (EPS) is an indicator attributed to a set of investment (value) indicators. This indicator shows the share of the company’s profits per ordinary share. When evaluating the indicator, the rule is the higher its value is the better. It should be noted, however, that in different sectors of activity, the EPS indicators may vary considerably.

$$\text{EPS} = \frac{\text{Net profit}}{\text{Number of shares}}$$

Debt ratio

The debt ratio is calculated by comparing the company's debts (liabilities) with the assets of the company, so we can also call this indicator a structural indicator that compares the amounts on different sides of the balance sheet. The debt ratio reflects what part of the company's assets are acquired for borrowed funds. It is important for creditors because it shows how much their funds are protected. The higher the index, the lower the security level. All debts of the company are divided by the total assets of the company, thus obtaining the value, the value of which says the debt of the assets of the company at the euro. Thus, the proportion between debts and assets is revealed.

$$\text{Debt ratio} = \frac{\text{Debts}}{\text{Assets}}$$

Change in fair value

Fair value change - an indicator that shows the change in the fair value of an asset in absolute or percentage terms over the period.

The ratio of liquid assets to total assets

Liquid assets to total assets ratio - an indicator that shows the proportion of the company's assets in cash and cash equivalents and assets that can be sold quickly and without significant costs at market price.

The ratio of investment to one operating company to net asset value

Investing in the operating company and the ratio of net assets is an indicator of the proportion (percentage) of the net asset company invested in one company.

APPENDIX 5. REMUNERATION REPORT

Brief overview of the Company's activities in 2022

INVL Technology, a company that invests in IT businesses, had equity of EUR 38.27 million at the end of 2022, which is 5.9 more than a year earlier. Equity per share at the end of 2022 was EUR 3.1711 and, taking the buy-back of own shares into account, increased 5.93% in the year.

The company had a net profit last year of EUR 2.1 million, a decrease of 19% compared to 2021. According to the unaudited figures, the aggregated revenues of the company's business holdings increased 24.7% in 2022 to EUR 50.2 million.

The fall in the value of technology companies worldwide and increased cost of capital in 2022 also had a negative impact on INVL Technology's asset holdings.

During 2022, accounting for the effect of dividends that were paid, the value of the cyber-security company NRD Cyber Security grew 16% to EUR 9.9 million, the value of NRD Companies, which works in in business climate improvement and e-governance, increased 11% to EUR 7.3 million, and the value of the Novian group of IT service businesses decreased 9% to EUR 17.6 million.

On the other hand, the outlook for the businesses owned is positive. With increased sales of products and services in international markets, we believe their revenues will continue to grow faster than labour costs.

Management of the company

The management of INVL Technology is delegated to INVL Asset Management UAB (the Management Company), which also performs the functions of the Board and the managers of INVL Technology. In that light, and given that in accordance with Article 37³ of the Law on Companies of the Republic of Lithuania INVL Technology must approve a remuneration policy (hereinafter – the Policy), it has been established that the Company is subject to the Policy of the Management Company, the provisions of which are adapted to best show the transparency of the remuneration of the persons deemed to be managers of INVL Technology and the accountability of the management, and to enable shareholders, potential investors and stakeholders to get a comprehensive and reliable picture of the wages paid to each manager of INVL Technology. During the reporting period from 12 May 2021, the Company also had a collegial supervisory body – the Supervisory Board, that was eliminated on 6 February 2023 by the decision of the General Meeting of Shareholders. For the purposes of this report, the managers of INVL Technology are deemed to be the general manager of the Management Company, the members of the Board of the Management Company and the members of the Closed-Ended Type Investment Company Investment Committee appointed by the Management Company (hereinafter – the Management) as well as the members of the Supervisory Board.

Official monthly wage The base remuneration of Management includes a monthly salary, employee fees and additional benefits granted irrespective of work results and paid to all employees who meet the relevant criteria established under the procedure in force at the Management Company (e.g. pension contributions to voluntary pension funds). In addition to a monthly salary or other form of remuneration received in a different form, a supplementary component may be paid – variable compensation which depends on the fulfilment of the Company's annual business plan and/or budget and of the Management's specific plans and tasks. The monthly salary is set in such a way as to ensure proper proportions between it and the bonus components. The monthly salary accounts for a relatively large part of the total remuneration paid to enable the conduct of a flexible incentives policy.

Independent member of the Supervisory Board under the decision of General Meeting of Shareholders that was held in April 29 of 2021, receives an hourly remuneration of EUR 145 (excluding taxes) for its activities in the Supervisory Board of the Company. Other members of the Supervisory Board do not receive remuneration for their current duties.

Bonuses and the procedure for payment thereof

Bonuses, including any deferred components, may be granted and/or paid to the Management only when the Company's financial situation is sustainable, taking the Company's operating results into account, and only if the results of the Management's annual individual performance review are positive. In assessing the individual performance of the Management, non-financial criteria are also considered, such as adherence to internal rules and procedures, communication with clients and investors, compliance with rules, enhancement of professional qualifications, etc. If the financial results of the Company in a given year are negative or the Company has failed to meet the established business objectives, the Company has the right to decide not to pay a bonus or components of it, or to reduce the previously determined amount of a bonus or the payment amounts previously earned, defining in advance the period for such non-payment or reduction, which may not be shorter than 1 year. No such adjustment or deferral was made during the reporting period. Note that the Board of the Management Company has the right to demand that the Management refund all or part of a bonus paid to it if it subsequently becomes clear that the bonus was paid due to Management having acted in bad faith or errors in the accounts.

Bonuses are paid to Management in keeping with the following terms:

- 60% of the amount of a bonus is paid in a lump sum according to the procedure and timing established by decision of the Board of the Management Company;
- the rest of the bonus (i.e., the remaining 40%) is paid to the employee on a pro rata basis over three years, i.e. the deferred portion of the bonus is distributed proportionally over the entire deferral period, starting no earlier than 1 year after the end of the employee's performance assessment and disbursing the pro rata portion of the bonus on a yearly basis. In special cases, the competent body of the Management Company has the right to set a longer deferral period (usually no longer than 5 years) taking into consideration the business cycle of the Management Company's operations and/or of a relevant collective investment undertaking or pension fund as well as other criteria provided for in the law.

As a rule, bonuses are paid in cash. The Management Company, in accordance with the principle of proportionality, does not require the mandatory payment of a certain part of a bonus in financial instruments. However, if the Management Company offers such a possibility, the Management itself may choose to replace a bonus with other incentives – the granting of financial instruments or their equivalent (stock options, contributions to a private pension fund).

After the termination of employment relations, regardless of the grounds for their termination, the deferred part of a bonus will no longer be paid.

The variable remuneration component for 2022 will be allocated in 2023, after the approval of the financial statements for 2022.

In allocating this part of remuneration, consideration will be given, inter alia, to the fact that during the reporting period INVL Technology strengthened the structure of its three groups of companies, with a focus on increasing the value of the companies by expanding their sales geography and new technologies, as well as by developing new services and products, especially in the field of cyber security.

Remuneration of the general manager and Board members of the Management Company is calculated based on the proportion of the Management Company's management income (including management and performance fee revenues) received from the Company relative to the total income of the Management Company. The remuneration of the members of the Investment Committee of the Company is calculated in accordance with the proportion of their time actually allocated to the Company's management. The tables below present the remuneration amounts allocated and paid to Management for 2020, 2021 and 2022.

Breakdown of wages allocated and paid during 2022

Name, Surname, Position, ID code	1. Regular remuneration, Thous. EUR			2. Variable remuneration, thous. EUR		3. Onetime payments, in EUR 000s	4. Contribu- tions 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*				
Laura Križinauskienė, General manager of the Company ID code – sensitive data	6.87	-	-	1.43	-	-	1.94	10.24	13.97
Darius Šulnis, Chairman of the Board of the Management company ID Code – sensitive data	2.02	-	-	-	-	-	-	2.02	-
Nerijus Drobavičius, member of the Board of the Management company, ID code – sensitive data	4.12	-	-	2.93	-	-	0.01	7.06	41.54
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee, ID Code – sensitive data	3.16	-	-	0.24	-	-	0.62	4.02	6.05
Kazimieras Tonkūnas, Chairman of the Investment Committee, ID code – sensitive data	216.83	-	-	15.46	-	-	19.42	251.71	6.14
Vida Tonkūnė, Member of the Investment Committee, ID code – sensitive data	24.44	-	-	-	-	-	0.49	24.93	-
Audrius Matikiūnas, Member of the Supervisory Board, A. k. neskelbiamas	-	-	-	-	-	-	-	-	-
Indrė Mišeikytė, Member of the Supervisory Board, A. k. neskelbiamas	-	-	-	-	-	-	-	-	-
Gintaras Rutkauskas, Chairman of the Supervisory Board, A. k. neskelbiamas	-	-	-	-	-	-	-	-	-

*The variable remuneration component for 2022 will be allocated in 2023, after approval of financial statements for 2022.

Breakdown of wages allocated and paid during 2021

Name, Surname, Position, ID code	1. Regular remuneration, Thous. EUR			2. Variable remuneration, thous. EUR		3. Onetime payments, in EUR 000s	4. Contribu- tions to pension funds, in EUR 000s	5. Total remunerati- on, in EUR 000s	6. Portion of variable remuner- ation in %*
	Official annual remuneration	Other payouts	Reward in kind	Annual bonuses*	Multiannual results bonuses*				
Laura Križinauskienė, General manager of the Company ID code – sensitive date	4.66	-	-	2.74	-	-	1.31	8.71	31.46
Darius Šulnis, Chairman of the Board of the Management company ID Code – sensitive data	1.83	-	-	-	-	-	-	1.83	-
Nerijus Drobavičius, member of the Board of the Management company, ID code – sensitive date	3.73	-	-	2.86	-	-	0.01	6.6	43.33
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee, ID Code – sensitive date	2.86	-	-	0.64	-	-	0.56	4.06	15.76
Kazimieras Tonkūnas, Chairman of the Investment Committee, ID code – sensitive data	188.13	-	-	-	-	-	19.42	207.55	-
Vida Tonkūnė, Member of the Investment Committee, ID code – sensitive data	24.70	-	-	-	-	-	0.5	25.2	-
Audrius Matikiūnas, Member of the Supervisory Board, ID code – sensitive date									
Indrė Mišeikytė, Member of the Supervisory Board, ID code – sensitive date									
Gintaras Rutkauskas, Chairman of the Supervisory Board, ID code – sensitive date									

Breakdown of wages allocated and paid during 2020

Name, Surname, Position, ID code	1. Regular remuneration, Thous. EUR			2. Variable remuneration, thous. EUR		3. Onetime 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*				
Laura Križinauskienė, General manager of the Company ID code – sensitive date	5.17	-	-	1.30	-	-	1.28	7.75	16.80
Darius Šulnis, Chairman of the Board of the Management company ID Code – sensitive data	2.71	-	-	-	-	-	-	2.71	-
Nerijus Drobavičius, member of the Board of the Management company, ID code – sensitive date	3.72	-	-	-	-	-	0.01	3.73	-
Vytautas Plunksnis, Member of the Board of the Management Company and Investment Committee, ID Code – sensitive date	3.69	-	-	-	-	-	0.55	4.24	-
Kazimieras Tonkūnas, Chairman of the Investment Committee, ID code – sensitive data	188.13	-	-	-	-	-	17.09	205.43	-
Vida Tonkūnė, Member of the Investment Committee, ID code – sensitive data	24.44	-	-	-	-	-	0.39	24.83	-

As a rule, bonuses are paid in cash. The Management Company, in accordance with the principle of proportionality, does not require mandatory payment of a certain part of a bonus in financial instruments. The managers of the Company have not been granted shares of the Company, nor have any Company stock option agreements been signed with them. Under the Policy of the Management Company, which is in force at the Company, all or part of variable remuneration to an employee of the Management Company, at the employee's choice may be allocated in the form of options of Invalda INVLA AB. Their pro rata payment is realized through the assignment of shares (i.e., the grant or obtaining of the right to acquire the relevant quantities of shares on 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.

Remuneration of Investment Committee	2018 (thous. EUR)	2019 (thous. EUR)	2020 (thous. EUR)	2021 (thous. EUR)	2022 (thous. EUR)
Kazimieras Tonkūnas, Chairman of the Investment Committee	142.03	206.28	205.43	207.55	251.71
Vida Tonkūnė, Member of the Investment Committee	17.8	24.78	24.83	25.20	24.93
Vytautas Plunksnis, Member of the Investment Committee	5.05	3.72	4.24	4.06	4.02
Nerijus Drobavičius, Member of the Investment Committee	3.97	3.32	3.73	6.60	7.06

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

Results of the Company	2018 (thous. EUR)	2019 (thous. EUR)	2020 (thous. EUR)	2021 (thous. EUR)	2022 (thous. EUR)
Net profit per share*	0.35	0.08	0.39	0.22	0.18
Net profit	4,213	933	4,767	2,621	2,115
Assets	28,150	29,080	35,404	38,651	38,447

*Recalculated with the par value per share at EUR 0.29.

The Company's Remuneration Report, together with the Policy, is publicly available on INVL Technology website at www.invltechnology.lt.