

The logo for INVL, consisting of the letters 'INVL' in a stylized, bold, white font on a dark blue background.

BALTIC FARMLAND

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INVL Baltic Farmland, AB

Consolidated Annual Management Report, Consolidated and Company's Financial Statements for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards as adopted by European Union



STATEMENT OF RESPONSIBLE PERSONS

28 February 2025

Following on Information Disclosure Rules of the Bank of Lithuania and the Law on Securities (article 12 15¹) of the Republic of Lithuania, management of INVL Baltic Farmland, AB hereby confirms that, to the best of our knowledge, the attached Consolidated and Company's Financial Statements for 2024 are prepared in accordance with applicable reporting standards, give true and fair view of the assets, liabilities, financial position and profit or loss, cash flows of INVL Baltic Farmland and Consolidated Group.

Presented Consolidated Annual Management Report for 2024 includes a fair review of the development and performance of the business and description of the position of the company and the consolidated group along with the main risks and contingencies faced thereby.

ENCLOSURE:

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

Director

Eglė Surplienė

Person authorised to conduct accounting

Raimondas Rajeckas

Translation note:

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

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DETAILS OF THE COMPANY

Board of Directors

Mr. Alvydas Banyš (chairman of the Board)
Ms. Indrė Mišeikytė
Mr. Tomas Bubinas

Management

Ms. Eglė Surplienė (director)

Address of registered office and company code

Gynėjų str. 14,
Vilnius,
Lithuania

Company code 303299781

Banks

Luminor Bank AS Lithuanian branch
AB Šiaulių Bankas

Auditor

BDO auditas ir apskaita, UAB
K. Baršausko str. 66,
Kaunas, Lithuania

The financial statements were approved and signed by the Management on 28 February 2025.

Ms. Eglė Surplienė
Director

Mr. Raimondas Rajeckas
Authorized person according to the
agreement to conduct accounting
Financial accounting service provider:
UAB INVL Farmland Management

Consolidated and Company's statements of comprehensive income

	Notes	Group		Company	
		2024	2023	2024	2023
Revenue	6	835	794	-	-
Interest income		-	-	229	193
Other income		8	5	-	-
Share of net profit of subsidiaries accounted for using the equity method	5	-	-	1,694	2,531
Net gain from fair value adjustments on investment property	11	1,980	2,664	-	-
Land plots administration fees	7	(267)	(172)	-	-
Legal, professional and securities administration fees	8	(125)	(124)	(53)	(51)
(Provision for) reversal of impairment of trade receivables	14	(10)	(16)	-	-
Direct property operating expenses		(35)	(35)	-	-
Employee benefits expense		(6)	(11)	(2)	(2)
Other expenses		(6)	(11)	(7)	(8)
Operating profit		2,374	3,094	1,861	2,663
Finance costs		-	-	-	-
Profit before income tax		2,374	3,094	1,861	2,663
Income tax expense	9	(538)	(451)	(25)	(20)
NET PROFIT FOR THE YEAR		1,836	2,643	1,836	2,643
Other comprehensive income for the year, net of tax		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,836	2,643	1,836	2,643
Attributable to:					
Equity holders of the parent		1,836	2,643	1,836	2,643
Basic and diluted earnings per share (in EUR)	10	0.57	0.82		

Consolidated and Company's statements of financial position

	Notes	Group		Company	
		As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
ASSETS					
Non-current assets					
Investment properties	11	22,736	20,756	-	-
Investments into subsidiaries accounted for using the equity method	5	-	-	17,340	15,661
Loans granted to subsidiaries at amortised cost	13	-	-	2,474	2,735
Total non-current assets		22,736	20,756	19,814	18,396
Current assets					
Trade and other receivables	14	120	131	15	12
Loans granted to subsidiaries at amortised cost (accrued interest)	13	-	-	6	4
Prepayments and deferred charges		3	1	3	1
Cash and cash equivalents	3.1	125	59	45	7
Total current assets		248	191	69	24
TOTAL ASSETS		22,984	20,947	19,883	18,420
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of the parent					
Share capital	15	955	955	955	955
Own shares	15	(203)	(203)	(203)	(203)
Share premium		1,387	1,387	1,387	1,387
Reserves	15	3,237	3,237	3,211	3,211
Retained earnings		14,367	12,918	14,393	12,944
Total equity		19,743	18,294	19,743	18,294
Liabilities					
Non-current liabilities					
Deferred income tax liability	9	2,904	2,425	-	-
Total non-current liabilities		2,904	2,425	-	-
Current liabilities					
Trade payables		157	77	1	1
Income tax payable		59	47	23	9
Other current liabilities		121	104	116	116
Total current liabilities		337	228	140	126
Total liabilities		3,241	2,653	140	126
TOTAL EQUITY AND LIABILITIES		22,984	20,947	19,883	18,420

Consolidated and Company's statements of changes in equity

Group	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve for purchase of own shares	Retained earnings	
Balance as at 31 December 2022		955	(203)	1,387	158	3,079	10,759	16,135
Net profit for the year		-	-	-	-	-	2,643	2,643
Total comprehensive income for the year		-	-	-	-	-	2,643	2,643
Dividends approved	16	-	-	-	-	-	(484)	(484)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(484)	(484)
Balance as at 31 December 2023		955	(203)	1,387	158	3,079	12,918	18,294
Net profit for the year		-	-	-	-	-	1,836	1,836
Total comprehensive income for the year		-	-	-	-	-	1,836	1,836
Dividends approved	16	-	-	-	-	-	(387)	(387)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(387)	(387)
Balance as at 31 December 2024		955	(203)	1,387	158	3,079	14,367	19,743

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

Company	Notes	Reserves						Total
		Share capital	Own shares	Share premium	Legal reserve	Reserve for purchase of own shares	Retained earnings	
Balance as at 31 December 2022		955	(203)	1,387	132	3,079	10,785	16,135
Net profit for the year		-	-	-	-	-	2,643	2,643
Total comprehensive income for the year		-	-	-	-	-	2,643	2,643
Dividends approved	16	-	-	-	-	-	(484)	(484)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(484)	(484)
Balance as at 31 December 2023		955	(203)	1,387	132	3,079	12,944	18,294
Net profit for the year		-	-	-	-	-	1,836	1,836
Total comprehensive income for the year		-	-	-	-	-	1,836	1,836
Dividends approved	16	-	-	-	-	-	(387)	(387)
Total transactions with owners of the Company, recognised directly in equity		-	-	-	-	-	(387)	(387)
Balance as at 31 December 2024		955	(203)	1,387	132	3,079	14,393	19,743

Consolidated and Company's statements of cash flows

	Notes	Group		Company	
		2024	2023	2024	2023
Cash flows from (to) operating activities					
Net profit for the year		1,836	2,643	1,836	2,643
Adjustments for non-cash items and non-operating activities:					
Net gains from fair value adjustments on investment property	11	(1,980)	(2,664)	-	-
Share of net profit of subsidiaries accounted for using the equity method	5	-	-	(1,694)	(2,531)
Interest income		-	-	(229)	(193)
Deferred taxes	9	479	400	-	-
Current income tax expenses	9	59	51	25	20
Allowances	14	10	16	-	-
Changes in working capital:					
Decrease (increase) in trade and other receivables		1	(21)	(3)	(11)
Decrease (increase) in other current assets		(2)	1	(2)	1
(Decrease) increase in trade payables		80	30	-	(3)
(Decrease) increase in other current liabilities		11	(6)	(8)	4
Cash flows from (to) operating activities					
		494	450	(75)	(70)
Income tax paid		(47)	(117)	(9)	(10)
Net cash flows from (to) operating activities					
		447	333	(84)	(80)
Cash flows from (to) investing activities					
Acquisition of investment properties		-	-	-	-
Proceeds from sale of investment properties	11	-	-	-	-
Increase of share capital of subsidiaries	5	-	-	-	-
Dividends received	5	-	-	15	-
Loans granted	13	-	-	(27)	(17)
Repayment of granted loans	13	-	-	352	394
Interest received	13	-	-	163	122
Net cash flows from (to) investing activities					
		-	-	503	499
Cash flows from (to) financing activities					
Cash flows related to Group owners					
Dividends paid to equity holders of the parent	16	(381)	(473)	(381)	(473)
Net cash flows from (to) financing activities					
		(381)	(473)	(381)	(473)
Net increase (decrease) in cash and cash equivalents					
		66	(140)	38	(54)
Cash and cash equivalents at the beginning of the period					
		59	199	7	61
Cash and cash equivalents at the end of the period					
		125	59	45	7

Notes to the financial statements

1 General information

AB INVL Baltic Farmland (hereinafter the Company) is a joint stock company registered in the Republic of Lithuania. It was established on 29 April 2014, following the split-off of 14.45% assets, equity and liabilities from AB Invalda INVL (company code 121304349). Entities, which business is investment into agricultural land and its rent, were transferred to the Company (hereinafter split-off).

The Group consists of the Company and its directly owned subsidiaries (hereinafter the Group, Note 5).

The address of the office is Gynėjų str. 14, Vilnius, Lithuania.

The Company manages shares of entities investing into agricultural land and provides finance. Now the Company has 100% shares in 18 companies owning approximately 3 thousand hectares of agricultural land in Lithuania (detailed list of subsidiaries is presented in Note 5), that is rented to farmers and agricultural companies. The Company focuses on growth of quality of owned land and environmental sustainability. The Group operates in one segment – agricultural land segment.

Investments into agricultural land are classified as long term and are recommended for investors who are satisfied with the return on rent and possible income from increase of agricultural land prices. Since prices of agricultural products are determined in the world markets, this investment allows participating in the world food supply chain.

As at 31 December 2024 and 2023 the shareholders of the Company were:

	2024		2023	
	Number of shares held	Percentage	Number of shares held	Percentage
UAB LJB Investments (controlling shareholder Mr. Alvydas Banys)	977,751	29.70	977,751	29.70
Mrs. Irena Ona Mišeikienė	931,831	28.31	931,831	28.31
UAB Lucrum Investicija (sole shareholder Mr. Darius Šulnis)	415,628	12.63	415,628	12.63
Mr. Alvydas Banys	252,875	7.68	252,875	7.68
Ms. Ilona Šulnienė	239,000	7.26	239,000	7.26
Ms. Greta Mišeikytė	65,758	2.00	65,758	2.00
Ms. Indrė Mišeikytė	64,450	1.96	64,450	1.96
The Company (own shares)	63,039	1.92	63,039	1.92
Other minor shareholders	281,217	8.54	281,217	8.54
Total	3,291,549	100.00	3,291,549	100.00

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

The Company's shares are traded on the Baltic Secondary List of NASDAQ Vilnius from 4 June 2014.

As at 31 December 2024 the number of employees of the Group and the Company was 2 and 1, respectively. As at 31 December 2023 the number of employees of the Group and the Company was 2 and 1, respectively.

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

2 Summary of material accounting policies

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

2.1. Basis of preparation

Statement of compliance

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

These financial statements have been prepared on a historical cost basis, except for investment properties that have been measured at fair value. The financial statements are presented in thousands of euro (EUR) and all values are rounded to the nearest thousand except when otherwise indicated.

Adoption of new and/or changed IFRSs and IFRIC interpretations

The Group and the Company have adopted the new and amended IFRS and IFRIC interpretations that are effective for annual periods beginning on or after 1 January 2024:

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

All other amendments adopted as of 1 January 2024 had no impact on the Group's and Company's financial statements for the year ended 31 December 2024.

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

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

Standards not yet adopted by the EU

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

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

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

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

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

2 Summary of material accounting policies (cont'd)

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.3. Functional and presentation currency

From 1 January 2015 the euro became local currency of the Republic of Lithuania. The financial statements are prepared in euro (EUR), which is local currency of the Republic of Lithuania, and presented in EUR thousand. Euro is the Company's and the Group's functional and presentation currency. The exchange rates in relation to other currencies are set daily by the European Central Bank and the Bank of Lithuania.

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

2.4. Investment properties

Land that is held for long-term rental yields and for capital appreciation is classified as investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income within "Net gains (losses) from fair value adjustments on investment property" in the year of retirement or disposal.

2.5. Investments into subsidiaries (the Company)

Investments in subsidiaries are accounted for using the equity method of accounting. Under the equity method, the investment in the subsidiary is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the subsidiary. The reporting dates of the subsidiary and the Company are identical and the subsidiary's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

2 Summary of material accounting policies (cont'd)

2.6. Financial assets and its impairment

As the business model for the Group's and the Company's financial assets are held to collect contractual cash flows and they are solely payments of principal and interest, the Group and the Company have only financial assets measured at amortised cost. They comprised trade and other receivables, loans granted, cash and cash equivalents.

The Group and the Company assess 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.

Cash and cash equivalents and loans granted are considered to be low credit risk at the reporting date (Stage 1) as 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. Therefore, the Group/the Company is not relevant a three-stage model for impairment for financial assets other than trade receivables. For Stage 1 financial assets 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

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

Financial assets are written off, in whole or in part, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor, unsuccessful enforcement through bailiffs.

For trade and other receivables, the Group 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:

- 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 360 days or individually identified as impaired.

The Group trade and other receivables mainly comprised receivables from farmers. The majority of farmers covered rental fee up to 1 April. Most remaining farmers pay rental fee in autumn after harvest. In November and December farmers pay variable part of rent, related to land tax. Mostly remaining trade receivables is covered within month after year-end or they are identified as individually impaired. Therefore, for Stage 2 trade receivables the ECL are calculated and recognised if would be determined material amount for potential impairment based on settlement of trade receivables after reporting date which are not individually impaired.

Impairment losses are presented as separate line item in the statement of comprehensive income.

2.7. Cash and cash equivalents

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

2 Summary of material accounting policies (cont'd)

2.8. Financial liabilities

The Group and 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.

2.9. Share capital

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

2.10. Leases

Group's company is the lessor in an operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the Group's company are classified as operating leases. Payments, including pre-payments, received under operating leases (net of any incentives granted to the lessee) are credited to the statement of comprehensive income on a straight-line basis over the period of the lease. The Group account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

See Note 2.11 for the recognition of lease income.

2.11. Revenue recognition

Revenue includes lease income, interest income and other income. Other income includes penalties from tenants for overdue payments.

Lease income

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The Group elected to recognise lease income for variable payment that depends on an index or a rate in the periods in which changes of index or rate occur. Variable lease payments that do not depend on an index or a rate are recognised as lease income in the periods in which the event or condition that triggers those payments occurs.

In the first quarter rental fee, except variable part related to land tax, is invoiced to the tenants. In the fourth quarter variable part of the rent related to land tax is invoiced to the tenants, when State tax authorities provide an estimate of the land tax and land tax expenses are recognised.

Interest income

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

2 Summary of material accounting policies (cont'd)

2.12. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Following the provisions of Law on Corporate Income Tax the sale of shares of subsidiaries to another entity or a natural person shall not be taxed where the entity transferring the shares held more than 10% of voting shares in that entity for an uninterrupted period of at least two years. If mentioned condition is met or is expected to be met by the management of the Company, no deferred tax liabilities or assets are recognised in respect of temporary differences associated with carrying amounts of these investments.

Tax losses can be carried forward indefinitely, unless the entity changes its activities. However, losses incurred as a result of the disposal of securities may be carried forward for five years. Previous year tax losses can only decrease the current year taxable profit by up to 70%.

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

2 Summary of material accounting policies (cont'd)

2.13. Significant accounting judgements and estimates

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

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

Judgements

In the process of applying the Group accounting policies, management has not made any judgements, which has most significant effect on the amounts recognised in these financial statements.

Estimates and assumptions

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

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

Fair value of investment properties in consolidated financial statements

Fair value of investment properties was based on the market approach by reference to sales in the market of comparable properties. Market approach refers to the prices of the analogous transactions in the market. These values are adjusted for differences in key attributes such as land size and productivity.

The fair value of the investment properties as at 31 December 2024 was EUR 22,736 thousand (as at 31 December 2023 – EUR 20,756 thousand) (described in more details in Note 11).

3 Financial risk management

3.1. Financial risk factors

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks and managed on an overall Group level by the Management Board. After signing land administration agreement most of operational and legal risks, as well as credit risk are managed by the third party UAB INVL Farmland Management. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks. To limit operational risk, annual documentation reviews are held. This helps to limit legal risks as well in case a dispute arises and all the documentation is in place and of appropriate quality and can be used to prove the rights. Legal risk is limited as well by the fact that counterparties do not grant guarantees on each other.

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

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

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, credit exposures to outstanding trade receivables and loans granted. The credit risk is managed by the third party UAB INVL Farmland Management according to the agreement (Note 7). The third party seeks to ensure that lease contracts are entered into only with lessees with an appropriate credit history.

The maximum exposure to credit risk, impairment of financial assets is disclosed in Notes 13 and 14. In Note 14 is also disclosed credit risk exposure of trade receivable. There are no transactions of the Group or the Company that occur outside Lithuania.

With respect to credit risk arising from cash and cash equivalents the Group's and the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

According to the European deposit insurance scheme, cash, cash equivalents and deposits of up to EUR 100 thousand of every legal entity in each bank are covered with insurance. All the Group's and the Company's balance of cash and cash equivalents are covered with the insurance. Therefore, all cash balances have a low credit risk at the reporting date and the impairment loss determined on 12-month expected credit losses is resulted in an immaterial amount.

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

	Group		Company	
	2024	2023	2024	2023
Moody's short-term ratings				
Prime-1	122	-	44	-
Prime-2	3	59	1	7
	<u>125</u>	<u>59</u>	<u>45</u>	<u>7</u>

3 Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

Market risk

Cash flow and fair value interest rate risk

The Group has no borrowings and loans granted. The Company has loans granted to its subsidiaries with fixed interest rates for one year. Therefore, the Group and the Company are not exposed to cash flow interest rate risk.

Foreign exchange risk

The Group and the Company holds assets and liabilities denominated only in the euro. Therefore, the Group and the Company are not exposed to foreign exchange risk.

Price risk

The Group is not exposed to price risk of financial instruments as it does not hold any equity securities or commodities. The Company is not exposed to price risk of financial instruments as it does not hold any equity securities (except subsidiaries accounting for using equity method of accounting) or commodities.

Liquidity risk

The Group's and the Company's policy is to maintain sufficient cash and cash equivalents. The liquidity risk of the Group and the Company is controlled on an overall Group level. The Group and the Company have not been facing any liquidity issues so far. The proceeds from rent and cash balances are sufficient to settle all liabilities. The Company receives repayment of granted loans and interest from subsidiaries to finance its activities.

The Group's liquidity ratio (total current assets / total current liabilities) as at 31 December 2024 was approximately 0.74 (0.84 as at 31 December 2023). The Company's liquidity ratio as at 31 December 2023 was approximately 0.49 (0.19 as at 31 December 2023).

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

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Trade payables	-	157	-	-	-	157
Other liabilities	89	28	-	-	-	117
Balance as at 31 December 2024	89	185	-	-	-	274
Trade payables	-	77	-	-	-	77
Other liabilities	83	18	-	-	-	101
Balance as at 31 December 2023	83	95	-	-	-	178

3 Financial risk management (cont'd)

3.1 Financial risk factors (cont'd)

Liquidity risk (cont'd)

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

	On demand	Less than 3 months	4 to 12 months	2 to 5 years	More than 5 years	Total
Trade payables	-	1	-	-	-	1
Other liabilities	89	23	-	-	-	112
Balance as at 31 December 2024	89	24	-	-	-	113
Trade payables	-	1	-	-	-	1
Other liabilities	83	30	-	-	-	113
Balance as at 31 December 2023	83	31	-	-	-	114

3.2. Capital management

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

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

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

The Company is obliged to keep its equity ratio at not less than 50 % of its share capital, as imposed by the Law on Companies of Republic of Lithuania. The Company and the subsidiaries complied with this requirement as at 31 December 2024 and 2023, except one dormant subsidiary as at 31 December 2024 and 2023. There are no plans yet to rectify the situation.

4 Fair value estimation

Assets carried at fair value

The fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's assets measured at fair value in the statement of financial position as at 31 December 2024.

	Level 1	Level 2	Level 3	Total balance
Assets of the Group				
Investment properties (Note 11)	-	22,736	-	22,736

The following table provides the fair value measurement hierarchy of the Group's assets measured at fair value in the statement of financial position as at 31 December 2023.

	Level 1	Level 2	Level 3	Total balance
Assets of the Group				
Investment properties (Note 11)	-	20,756	-	20,756

There were no transfers of assets between the levels of the fair value hierarchy during 2024 and 2023.

There were no liabilities measured at fair value in the Group's and the Company's statements of financial position.

Financial instruments that are not carried at fair value

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

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

The carrying amount of loans granted by the Company approximates their fair value because the interest rates are reviewed at the end of each financial year and adjusted in line with market rates changes. Their fair value is based on cash flows discounted using 7.5% and 9% interest rate as at 31 December 2024 and 2023, respectively. It is Level 3 fair value measurement.

5 Subsidiaries

The Group had the following subsidiaries, owned directly by the Company, as at 31 December 2024 and 2023:

Name	Country of incorporation and place of business	Proportion of shares (voting rights) directly held by the Company (%)	Nature of business
UAB Avižėlė	Lithuania	100.00	Agricultural landowner and lessor
UAB Beržytė	Lithuania	100.00	Agricultural landowner and lessor
UAB Dirvolika	Lithuania	100.00	Agricultural landowner and lessor
UAB Duonis	Lithuania	100.00	Agricultural landowner and lessor
UAB Ekotra	Lithuania	100.00	Agricultural landowner and lessor
UAB Kvietukas	Lithuania	100.00	Agricultural landowner and lessor
UAB Laukaitis	Lithuania	100.00	Agricultural landowner and lessor
UAB Lauknešys	Lithuania	100.00	Agricultural landowner and lessor
UAB Linažiedė	Lithuania	100.00	Agricultural landowner and lessor
UAB Pušaitis	Lithuania	100.00	Agricultural landowner and lessor
UAB Puškaitis	Lithuania	100.00	Agricultural landowner and lessor
UAB Sėja	Lithuania	100.00	Agricultural landowner and lessor
UAB Vasarojus	Lithuania	100.00	Agricultural landowner and lessor
UAB Žalvė	Lithuania	100.00	Agricultural landowner and lessor
UAB Žemgalė	Lithuania	100.00	Agricultural landowner and lessor
UAB Žemynėlė	Lithuania	100.00	Agricultural landowner and lessor
UAB Žiemkentys	Lithuania	100.00	Agricultural landowner and lessor
UAB Cooperor	Lithuania	100.00	Dormant

All subsidiary undertakings are included in the consolidation.

The following table presents the movements of investments in subsidiaries of the Company:

	2024	2023
At 1 January	15,661	13,130
Share of net profit of subsidiaries	1,694	2,531
Dividends received	(15)	-
Increase of share capital	-	-
At 31 December	17,340	15,661

6 Segment information and operating lease commitments

Management of the Company has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. All financial information, including the measure of profit, total assets and total liabilities, is analysed as a single reporting segment - agricultural land segment, therefore is not further disclosed in these financial statements. The Company and its subsidiaries are domiciled in Lithuania. There are no transactions of the Group or the Company that occur outside Lithuania. Therefore, the management has neither analysed revenue, nor other financial indicators by geographical areas. All revenue of the Group is received from one type of service – rent of land. Therefore, the Group has not disclosed any breakdown of revenue by product and services type and by geographical areas.

In 2024 and in 2023 there is no single customer from which the Group has received more than 10% of its revenue.

Operating lease commitments – Group as a lessor

The Group has entered into leases of the Group's investment properties under operating lease agreements with rentals payable yearly in two parts. First part of rent is payable until 1 April according to the most Group's lease agreements. Second part of rent related to land tax is payable in November – December. Most of the agreements have remaining terms of between 1 and 5 years. The most Group's lease agreements have clause for indexation on consumer price index or unilaterally right to increase rent by notice. Approximately 6% of land plots is leased with clause of agreement that lessee could have to pay surcharge that depends on milling wheat futures price change. Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the land.

Cancellable lease agreements can be cancelled under the following terms:

- Tenants must notify the lessor 12 months in advance if they wish to cancel the rent agreement without any reason and have to pay annual rent fee for these 12 months.
- The lessor has the right to unilaterally change the rent price for the coming year and must notify the tenant about the change till 1 May of the current year. If tenants do not agree with the new rent price, they can terminate the agreement with notification of 3 months in advance.

In 2024 lease income was EUR 835 thousand (2023: EUR 794 thousand), of which EUR 33 thousand (2023: EUR 33 thousand) related to variable lease payments not dependent on an index or a rate.

6 Segment information and operating lease commitments (cont'd)

Future lease receivable under operating leases as at 31 December were as follows:

	<u>2024</u>	<u>2023</u>
Within one year		
- non-cancellable lease	852	779
- non-cancellable amount of cancellable lease	<u>1</u>	<u>4</u>
- <i>minimum lease payments total</i>	853	783
Between 1 and 2 years		
- non-cancellable lease	504	600
- <i>minimum lease payments total</i>	504	600
- cancellable amount of cancellable lease	<u>-</u>	<u>-</u>
	504	600
Between 2 and 3 years		
- non-cancellable lease	394	310
- <i>minimum lease payments total</i>	394	310
- cancellable amount of cancellable lease	<u>-</u>	<u>-</u>
	394	310
Between 3 and 4 years		
- non-cancellable lease	304	204
- <i>minimum lease payments total</i>	304	204
- cancellable amount of cancellable lease	<u>-</u>	<u>-</u>
	304	204
Between 4 and 5 years		
- non-cancellable lease	194	121
- <i>minimum lease payments total</i>	194	121
- cancellable amount of cancellable lease	<u>1</u>	<u>-</u>
	195	121
After five years		
- non-cancellable lease	18	81
- <i>minimum lease payments total</i>	18	81
- cancellable amount of cancellable lease	<u>3</u>	<u>3</u>
	21	84
Total	<u>2,271</u>	<u>2,102</u>
- non-cancellable lease	2,266	2,095
- non-cancellable of cancellable lease	<u>1</u>	<u>4</u>
- <i>minimum lease payments total</i>	2,267	2,099
- cancellable amount of cancellable lease	<u>4</u>	<u>3</u>

7 Agreement on the administration of land plots

The Group has signed land plot administration agreement with UAB INVL Farmland Management on 30 June 2015. UAB INVL Farmland Management, is a company owned by AB Invalda INVL. The agreement came into force on 1 July 2015. According to the agreement administration fees paid to UAB INVL Farmland Management will be 7% of annual rent revenues and 0.5% market capitalization of AB INVL Baltic Farmland. Success fee is also set, and it consists of 20% from the share of the return exceeding the pre-determined annual return of 5% plus inflation. If the carrying amount of past due trade receivables arising from the current year would exceed 5% of annual turnover (revenue plus VAT), the excess shall be fully compensated by UAB INVL Farmland Management. If the Group receive the compensated trade receivables, the compensation is returned to UAB INVL Farmland Management. The split of administration fees is presented in the table below:

	Group	
	2024	2023
Administration fees from rent revenues and market capitalisation	160	172
Compensation for past due trade receivables	-	-
Success fee	107	-
Total	267	172

8 Legal, professional and securities administration fees (including remuneration for statutory audit)

	Group		Company	
	2024	2023	2024	2023
Accounting services	(73)	(72)	(11)	(11)
The Group's and the Company's statutory audit fee	(21)	(21)	(21)	(21)
Securities administration fees	(21)	(19)	(21)	(19)
Valuation services	(8)	(8)	-	-
Legal fees	(2)	(4)	-	-
Total	(125)	(124)	(53)	(51)

From 2024 the Group's and the Company's statutory audit was performed by BDO auditas ir apskaita, UAB. BDO auditas ir apskaita, UAB did not provide any non-audit services (including other assurance services and tax advisory services).

9 Income tax

	Group		Company	
	2024	2023	2024	2023
Components of the income tax expenses				
Current year income tax	(59)	(51)	(25)	(20)
Deferred income tax expenses	(479)	(400)	-	-
Income tax expenses charged to profit or loss – total	<u>(538)</u>	<u>(451)</u>	<u>(25)</u>	<u>(20)</u>

There is no income tax expense (credit) recognised in other comprehensive income or directly in equity.

Deferred income tax asset and liability were estimated at 16% rate as at 31 December 2024 and 15% rate as at 31 December 2023.

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

	Balance as at 31 December 2023	Recognised in profit or loss during the year	Correction of tax losses within group	Balance as at 31 December 2024
Deferred tax asset				
Tax loss carry forward for indefinite period of time	2	-	-	2
Recognised deferred income tax asset	2	-	-	2
Asset netted with liability of the same legal entities	(2)	-	-	(2)
Deferred income tax asset, net	-	-	-	-
Deferred tax liability				
Investment properties	(2,427)	(479)	-	(2,906)
Deferred income tax liability	(2,427)	(479)	-	(2,906)
Liability netted with asset of the same legal entities	2	-	-	2
Deferred income tax liability, net	(2,425)	(479)	-	(2,904)
Deferred income tax, net	(2,425)	(479)	-	(2,904)

9 Income tax (cont'd)

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

	Balance as at 31 December 2022	Recognised in profit or loss during the year	Correction of transfer of tax losses within group	Balance as at 31 December 2023
Deferred tax asset				
Tax loss carry forward for indefinite period of time	4	-	(2)	2
Recognised deferred income tax asset	4	-	2	2
Asset netted with liability of the same legal entities	(4)	-	2	(2)
Deferred income tax asset, net	-	-	-	-
Deferred tax liability				
Investment properties	(2,027)	(400)	-	(2,427)
Deferred income tax liability	(2,027)	(400)	-	(2,427)
Liability netted with asset of the same legal entities	4	-	(2)	2
Deferred income tax liability, net	(2,023)	(400)	(2)	(2,425)
Deferred income tax, net	(2,023)	(400)	(2)	(2,425)

The Company has not any taxable temporary differences in 2024 and 2023 and has not recognised any deferred tax assets or liabilities.

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

	Group		Company	
	2024	2023	2024	2023
Profit before income tax	2,374	3,094	1,861	2,663
Tax calculated at the tax rate of 15 %	(356)	(464)	(279)	(399)
Tax effect of non-deductible expenses and non-taxable income	-	13	254	379
Change of tax rates from 2025	(182)	-	-	-
Income tax expenses recorded in the statement of comprehensive income	(538)	(451)	(25)	(20)

In 2024 and 2023 non-taxable income of the Company was share of net profit of subsidiaries accounted for using the equity method.

10 Earnings per share

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

The weighted average number of shares for 2024 and 2023 was 3,228 thousand.

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

	Group	
	2024	2023
Net profit (loss), attributable to the equity holders of the parent	1,836	2,643
Weighted average number of ordinary shares (thousand)	3,228	3,228
Basic earnings (deficit) per share (EUR)	<u>0.57</u>	<u>0.82</u>

For 2024 and 2023 diluted earnings per share of the Group and the Company are the same as basic earnings per share.

11 Investment properties

The movements of investment properties during 2024 and 2023 were:

	2024	2023
	Level 2	
Fair value hierarchy		
Balance as at 1 January	20,756	18,092
Gain from fair value adjustment	1,980	2,665
Loss from fair value adjustment	-	-
Demolition in 2023	-	(1)
Balance as at 31 December	22,736	20,756
Unrealised gains and losses for the period included within 'Net gains (losses) from fair value adjustments on investment property' in the statement of comprehensive income	1,980	2,665

Investment properties are stated at fair value and are valued by accredited valuer UAB korporacija Matininkai using sales comparison method. The valuations were performed in December 2024 and in December 2023.

The fair value represents the price that would be received selling an asset in an orderly transaction between market participants at the measurement date. An investment property's fair value was based on the market approach by reference to sales in the market of comparable properties. Market approach refers to the prices of the analogues transactions in the market. These values are adjusted for differences in key attributes such as land plot size and productivity. The most significant input into this valuation approach is price per hectare.

There were no changes to the valuation techniques during the period.

During 2023 and 2024 the Group has not sold any investment properties.

On 1 May 2014 changes to the Agricultural Land Acquisition temporary law entered into force, providing restrictions of the purchase of agricultural land (including restriction of purchase of shares in the legal entity owning agricultural land). These restrictions mean that the Group cannot purchase additional agricultural land and/or acquire shares in entities owning agricultural land. As a result of restrictions the land sale market in Lithuania became less liquid.

There were no other restrictions on the realisation of investment properties or the remittance of income and proceeds of disposals during 2024 and 2023. No contractual obligations to purchase investment properties existed at the end of the period.

12 Financial instruments by category

Group	Financial assets at amortised cost	
	2024	2023
Assets as per statement of financial position		
Trade and other receivables excluding tax prepayments	84	92
Cash and cash equivalents	125	59
Total	209	151

Company	Financial assets at amortised cost	
	2024	2023
Assets as per statement of financial position		
Loans granted to subsidiaries – non-current assets	2,474	2,735
Loans granted to subsidiaries – interest	6	4
Trade and other receivables excluding tax prepayments	15	12
Cash and cash equivalents	45	7
Total	2,540	2,758

Group	Financial liabilities at amortised cost	
	2024	2023
Liabilities as per statement of financial position		
Trade payables	157	77
Other current liabilities excluding taxes and employee benefits	117	101
Total	274	178

Company	Financial liabilities at amortised cost	
	2024	2023
Liabilities as per statement of financial position		
Trade payables	1	1
Other current liabilities excluding taxes and employee benefits	112	113
Total	113	114

13 Loans granted to subsidiaries at amortised cost

The Company's loans granted are described below:

	2024	2023
Loans granted to subsidiaries	2,480	2,739
Total loans granted	2,480	2,739

The movements of loans granted to subsidiaries during the year were:

Balance as at 31 December 2022	3,036
Loans granted during year	17
Loans repayment received	(394)
VAT receivable arising from interest on loans granted to subsidiaries converted to loans granted	9
Interest charged	193
Interest received	(122)
Balance as at 31 December 2023	2,739
Loans granted during year	27
Loans repayment received	(352)
VAT receivable arising from interest on loans granted to subsidiaries converted to loans granted	-
Interest charged	229
Interest received	(163)
Balance as at 31 December 2024	2,480

The contractual maturity of loans granted to subsidiaries is 31 December 2025 according to the agreements, but the Company classifies them as long term, because intends to prolong them on maturity date. Effective interest rate of loans is 7,5%. At each year end maturity of the loans granted is prolonged for one extra year and new market interest rate is determined.

While the loans granted to the subsidiaries are the main liabilities of the subsidiaries and the fair values of investment properties owned by the subsidiaries are approximately 3.3 – 45.9 times higher than the carrying amounts of the loans granted, they were considered as low credit risk financial assets at the reporting date (attributable to Stage 1 financial assets). This is because even if loans granted were covered in the case of forced sale of investment properties, the Company considers that the loss given default would amount to zero. As at 31 December 2024 and 2023, the Company's loans granted were neither overdue nor impaired and they had no history of counterparty defaults. The Company's policy is to grant loans only to the subsidiaries controlled by it. The maximum credit risk as at the financial reporting date is the carrying amount of each category of amounts receivable as indicated above. The Company does not hold any collateral, but investment properties owned by the subsidiaries are not pledged to any other party and in fact secure loans granted.

The carrying amount of loans granted by the Company approximates their fair value because the interest rates are reviewed at the end of each year and adjusted when market rates change. Their value is based on cash flows discounted using 7.5% and 9% interest rate as at 31 December 2024 and 2023, respectively. It is Level 3 fair value measurement.

14 Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
Trade receivables, net of write off	44	41	-	-
Accrued lease income, gross	69	72	-	-
Other receivables, gross	-	-	15	12
Taxes receivable, gross	36	39	-	-
Total trade and other receivable, gross	149	152	15	12
Less: provision for impairment of trade and other receivables	(29)	(21)	-	-
Trade and other receivable net of expected credit losses	120	131	15	12

The Company's other receivables comprise VAT receivable arising from interest on loans granted to subsidiaries (the Company has elected to calculate VAT from interest). The receivable was settled in January 2025 and 2024, respectively.

Write off still subject to enforcement activity was amounted to EUR 127 thousand as at 31 December 2024 and EUR 126 thousand as at 31 December 2023.

Changes in provision for impairment of trade and other receivables for the year 2024 and 2023 have been included within 'Provision for (reversal of) impairment of trade receivables' in the statement of comprehensive income.

The Group's trade and other receivables are non-interest bearing and are generally with a credit term of 30 days. First part of rent is payable until 1 April according to the most Group's lease agreements.

Movements in the accumulated impairment losses on credit impaired accounts receivable of the Group were as follows:

	Group Impairment losses
Balance as at 31 December 2022	2
Charge for the year	19
Enforcement activity ended	-
Recoveries of amounts previously impaired or written off	-
Reclassification to write-off	-
Balance as at 31 December 2023	21
Charge for the year	10
Enforcement activity ended	-
Recoveries of amounts previously impaired or written off	-
Reclassification to write-off	(2)
Balance as at 31 December 2024	29

During 2024 and 2023 the recoveries of written off were EUR 1 thousand and EUR 3 thousand, respectively.

14 Trade and other receivables (cont'd)

The credit risk exposure of trade receivables can be assessed on the ageing analysis disclosed below:

	Current	Less than 30 days	30–90 days	91–180 days	181 – 365 days	Credit impaired	Total
As at 31 December 2024							
Trade receivables net of write off	1	-	-	-	8	35	44
Accrued lease income	69	-	-	-	-	-	69
Other receivables	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(29)	(29)
Trade and other receivable net of expected credit losses	70	-	-	-	8	6	84
As at 31 December 2023							
Trade receivables net of write off	-	1	-	-	-	40	41
Accrued lease income	72	-	-	-	-	-	72
Other receivables, gross	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	(21)	(21)
Trade and other receivable net of expected credit losses	72	1	-	-	-	19	92

The ageing analysis of the credit impaired of trade receivables disclosed below:

	Current	Less than 30 days	30–90 days	91–180 days	181 – 365 days	More than 1 years	Total
Trade receivables net of write off as at 31 December 2024	-	-	-	-	-	35	35
Trade receivables net of write off as at 31 December 2023	-	2	-	-	35	3	40

15 Share capital, acquisition of own shares and reserves

The total authorised number of ordinary shares is 3,291,549 (as of 31 December 2023: 3,291,549 shares) with a par value of EUR 0.29 per share. All the shares of the Company were fully paid. The Company's share capital and equity was formed in accordance with the procedure set forth in the terms of split-off on 29 April 2014. The Company holds 63,039 own shares (1.92% of share capital).

There are not any changes in 2024 and 2023.

Legal reserve

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

Reserve for the acquisition of own shares

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

16 Dividends

A dividend in respect of the year ended 31 December 2023 of EUR 0.12 per share, amounting to a total dividend of EUR 387 thousand, was approved at the annual general meeting on 10 April 2024.

A dividend in respect of the year ended 31 December 2022 of EUR 0.15 per share, amounting to a total dividend of EUR 484 thousand, was approved at the annual general meeting on 29 March 2023.

Movement in dividends payable (presented within "Other current liabilities" in the statement of financial position) is presented in the table below:

	Group/Company	
	Dividends payable	
	2024	2023
As at 1 January	83	72
Dividends paid to equity holders of the parent	(381)	(473)
Approved dividends	387	484
As at 31 December	89	83

17 Related party transactions

The related parties of the Group were the shareholders of the Company, who have significance influence (Note 1), key management personnel, including companies under control or joint control of key management and shareholders having significant influence. According to IAS 24, AB Invalda INVL and the entities controlled by AB Invalda INVL are also considered to be related parties, because the shareholders of the Company, having significance influence, also have a joint control over AB Invalda INVL through shareholders' agreement.

The Group's transactions with related parties during 2024 and related balances as at 31 December 2024 were as follows:

2024	Sales to related	Purchases from	Receivables from	Payables to
Group	parties	related parties	related parties	related parties
AB Invalda INVL group (accounting services)	-	73	-	12
UAB INVL Farmland Management (administration fees)	-	267	-	150
AB Invalda INVL group (reimbursement of expenses for insurance)	-	4	-	-
	-	344	-	162

The Group's transactions with related parties during 2023 and related balances as at 31 December 2023 were as follows:

2023	Sales to related	Purchases from	Receivables from	Payables to
Group	parties	related parties	related parties	related parties
AB Invalda INVL group (accounting services)	-	72	-	5
UAB INVL Farmland Management (administration fees)	-	172	-	74
AB Invalda INVL group (reimbursement of expenses for insurance and webpage)	-	4	-	-
	-	248	-	79

17 Related party transactions (cont'd)

The Company's related parties are the subsidiaries (Note 5), shareholders, who have significance influence (Note 1), key management personnel and companies under control or joint control of key management and shareholders with significant influence. According to IAS 24, AB Invalda INVL and the entities controlled by AB Invalda INVL are also considered to be related parties, because the shareholders of the Company, having significance influence, also have a joint control over AB Invalda INVL through shareholders' agreement.

Transactions of the Company with subsidiaries in 2024 and 2023 and related balances as at 31 December 2024 and 2023 were as follows:

Company	2024		2023	
	Interest income from related parties	Receivables from related parties	Interest income from related parties	Receivables from related parties
Loans and borrowings	229	2,480	193	2,739
VAT receivable arising from interest	-	15	-	12
	<u>229</u>	<u>2,495</u>	<u>193</u>	<u>2,751</u>

The maturity of loans granted is till 31 December 2025, effective interest rate 7.5% (Note 13). As at 31 December 2023 the maturity of loans granted was till 31 December 2024, effective interest rate 9% (Note 13).

In 2024 the Company have purchased tax losses from subsidiaries for EUR 11 thousand (In 2023 - 2 thousand EUR). In 2024 the Company received EUR 15 thousand of dividends from subsidiary.

The Company's transactions with other related parties during 2024 and 2023 and related balances as at 31 December 2024 and 2023 were as follows:

Company	2024		2023	
	Purchases from related parties	Payables to related parties	Purchases from related parties	Payables to related parties
AB Invalda INVL group (accounting services)	11	6	11	5
AB Invalda INVL group (reimbursement of expenses for insurance and webpage)	4	-	4	-
	<u>15</u>	<u>6</u>	<u>15</u>	<u>5</u>

The management remuneration contains short-term employees' benefits. Key management of the Company and the Group includes Board members and the Director of the Company, respectively. In 2024 and 2023 the Group's key management compensation was EUR 2 thousand and EUR 2 thousand, respectively. In 2024 and 2023 the Company's key management compensation was EUR 2 thousand and EUR 2 thousand, respectively.

There were no loans granted to key management personnel during the reporting period or outstanding at the end of the reporting period.

In 2024 to the Board members, which are shareholders of the Company, were paid EUR 32 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 117 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 102 thousand of dividends, net of tax.

In 2023 to the Board members, which are shareholders of the Company, were paid EUR 40 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 147 thousand of dividends, net of tax. To the natural persons related to the Board members the Company paid EUR 127 thousand of dividends, net of tax.

The logo for INVL, consisting of the letters 'INVL' in a bold, white, sans-serif font, enclosed within a white square border.

BALTIC FARMLAND

An aerial photograph of a large agricultural field, showing rows of crops stretching across the landscape. The field is divided into numerous small, rectangular plots, and the crops appear to be in various stages of growth. The overall color palette is dominated by earthy browns and tans, suggesting a dry or late-harvest season. The perspective is from a high angle, looking down at the field, which creates a strong sense of depth and scale.

INVL Baltic Farmland, AB

CONSOLIDATED ANNUAL MANAGEMENT REPORT OF 2024

APPROVED BY THE BOARD OF INV L BALTIC FARMLAND, AB ON 28 FEBRUARY 2025

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I. GENERAL INFORMATION

1. Legal basis for preparation of the Annual Consolidated Management Report and content of information

The annual consolidated management report of the public joint-stock company INVL Baltic Farmland (hereinafter may be referred as the Company or INVL Baltic Farmland, AB) has been prepared by the Company in accordance with the Law on Securities of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, the Rules on the Disclosure of Information and the Guidelines on the Disclosure of Information approved by the Board of the Bank of Lithuania. The content of the consolidated annual management report is disclosed according to Law on Corporate and Corporate Group Reporting of the Republic of Lithuania.

The Company informs that the information about the Company presented in this annual consolidated management report is divided into five (V) sections. These sections disclose information on Company's securities, the Management of the Company, the Company's and the Group's activities and other information, that the Company considers as important to disclose. The Company notes that the information presented in the consolidated annual management report is relevant for understanding the Company's performance, condition and impact of operations.

2. Reporting period for which the management report is prepared

The management report covers the financial period of INVL Baltic Farmland, AB starting from 1 January 2024 and ending on 31 December 2024. The management report also discloses information from the end of the reporting period to the release of the report.

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

3.1. Information about the issuer

Name of the Issuer	The public joint-stock company INVL Baltic Farmland
Code	303299781
Registered address	Gynėjų str. 14, 01110, Vilnius, Lithuania
Telephone	+370 5 279 0601
E-mail	farmland@invalidainvl.com
Website	www.invlbalticfarmland.lt
LEI code	5299000AUE9M1W13ZQ36
Legal form	public joint-stock company
Date and place of registration	29 April 2014. Register of Legal Entities
Register in which data about the Company are accumulated and stored	Register of Legal Entities

3.2. Information on Company's goals, philosophy and strategy

The main goal of INVL Baltic Farmland – to invest into agricultural land in Lithuania and, after renting it to farmers and agricultural companies, to ensure that income from rent will exceed inflation and make a profit from agricultural land price growth. Since prices of agricultural products are determined in the world markets, this investment allow to participate in the world food supply chain.

The public joint-stock company INVL Baltic Farmland was established on 29 April 2014 on the basis of a part of assets split-off from one of the leading asset management groups in the Baltic region Invalda INVL. INVL Baltic Farmland manages shares of 18 companies investing into agricultural land that are owning about 3 thousand hectares of agricultural land in Lithuania. 99% of cultivated land is rented to farmers and agricultural companies.

Shares of INVL Baltic Farmland are listed on Nasdaq Vilnius stock exchange since 4 June 2014.

The administration of the INVL Baltic Farmland group owned land, according to the basic property administration agreement signed on 30 June 2015, is transmitted to the owned company INVL Farmland Management. On 28 December 2020, the Basic Property Administration Agreement's Amendment No. 20150630/01 was concluded, based on which the term of the Basic Property Administration Agreement was extended until 31 December 2025. Management fees paid for INVL Farmland Management are 7 percent of annual rental income of the companies - land owners as well as 0.5 percent of INVL Baltic Farmland market capitalization. Moreover, there is a success fee which becomes valid only when consolidated equity of companies - land owners annual growth is higher than 5 percent plus inflation. Success fee is 20 percent of the consolidated equity in excess of the above-mentioned benchmark (*High-Water Mark* principle is applicable).

As the Company has signed the property administration agreement it employs a minimum number of people.

It is prohibited for one person to have more than 500 hectares of land in Lithuania since 2014. That's why INVL Baltic Farmland development is limited and the generated funds are directed to the payment of dividends to shareholders.

Investments into agricultural land are classified as long term and are recommended for investors who are satisfied with the return on rent and possible income from increase of agricultural land prices.

3.3. Information about the Issuer's group of companies

INVL Baltic Farmland has 100% in 18 companies owning about 3 thousand hectares of agricultural land in the most fertile regions of Lithuania. Companies - land owners and joint-stock company INVL Baltic Farmland on 30 June 2015 have signed a basic property administration agreement with INVL Farmland Management, whose shareholder is Invalda INVL – one of the leading asset management groups in the Baltic region, which administrates agricultural land owned by the companies to ensure steady growth of income for the shareholders and the value of the land. On 21 October 2020, the General Meeting of Shareholders of the Company approved the extension of the agreement with UAB INVL Farmland Management and its arrangement in a recast version. The agreement was extended until 31 December 2025.

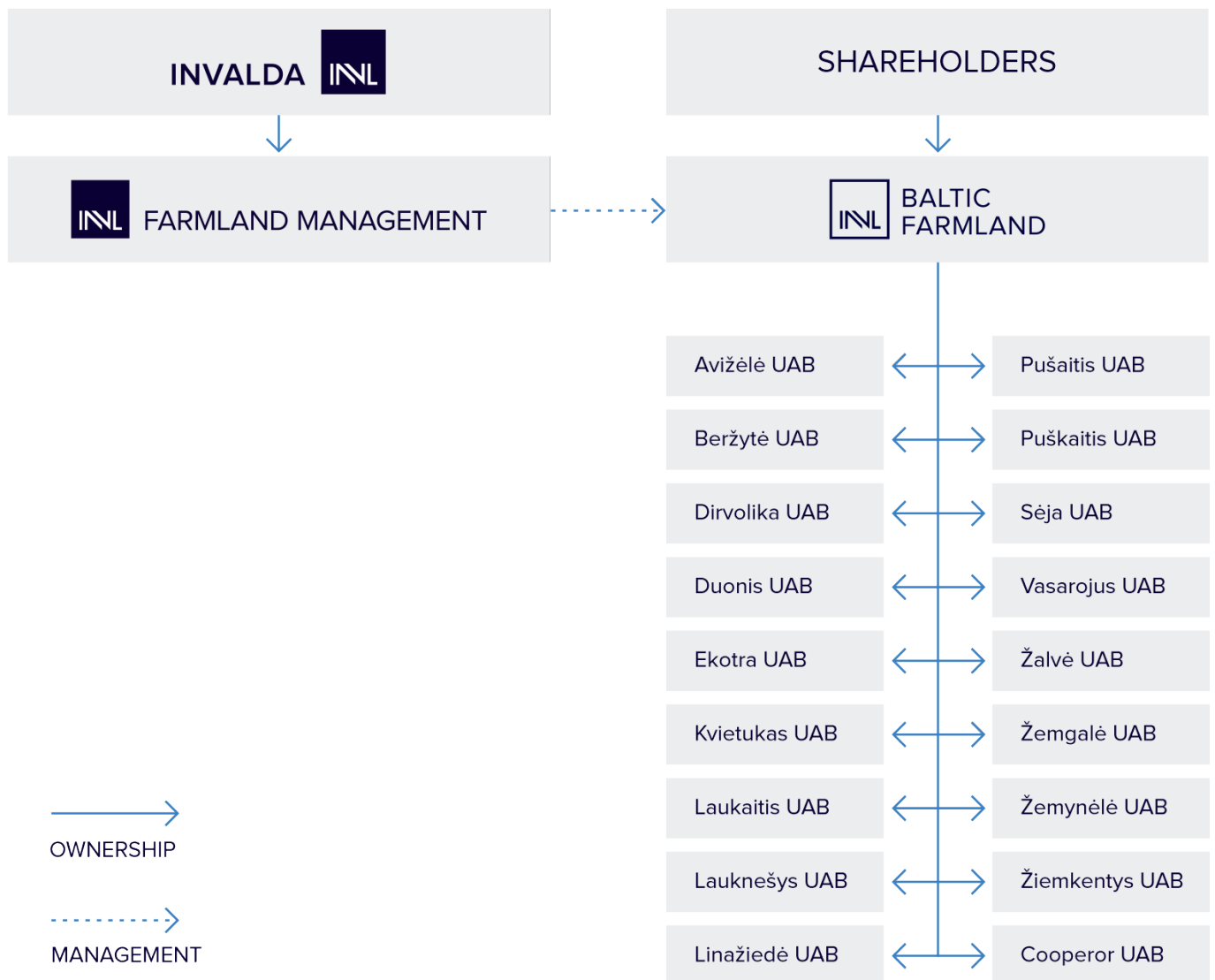


Fig. 3.3.1. Group structure of INVL Baltic Farmland, AB as of 31 December 2024

INVL Baltic Farmland's landholdings

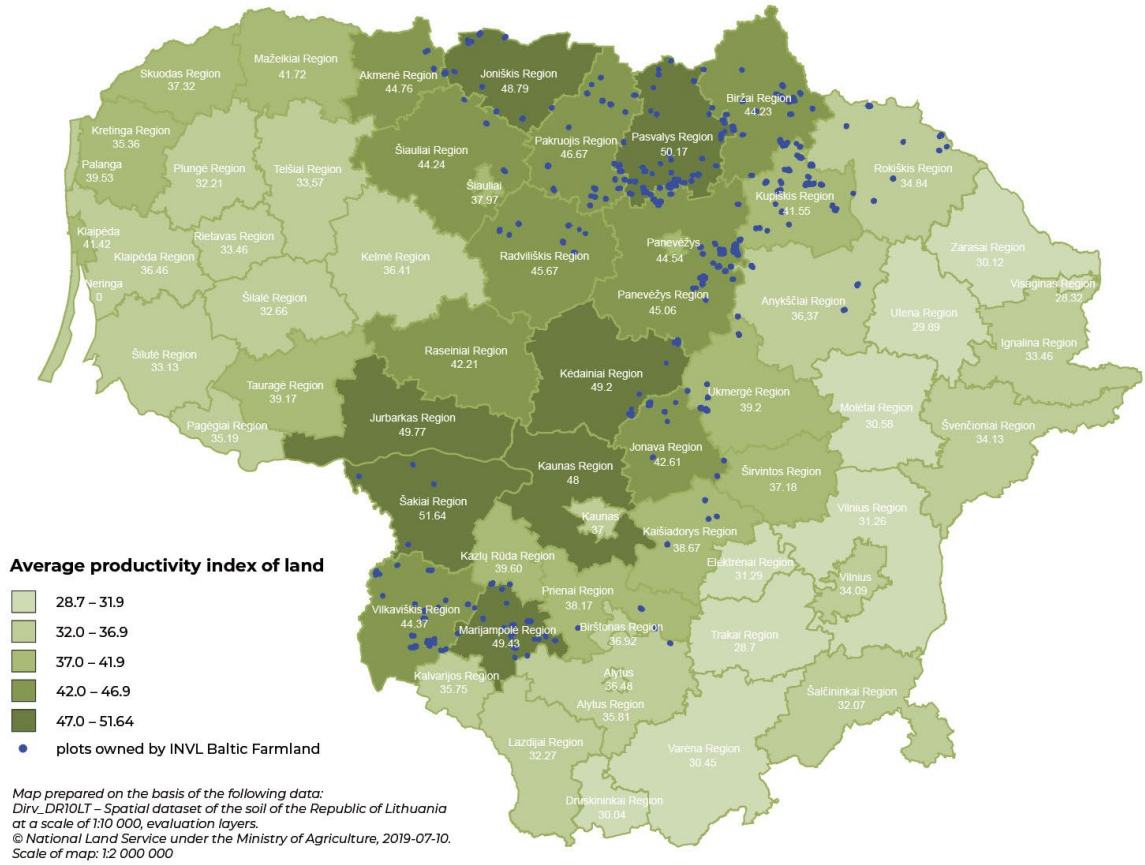


Fig. 3.3.2. Agricultural land portfolio and agricultural land fertilisation of INVL Baltic Farmland, AB
Plots belonging to the Company are in the most fertile areas of Lithuania. They are highlighted in blue.

Table 3.3.3. Information about companies of INVL Baltic Farmland group

Company name	District of company's activities	Owned land plot, hectares	Cultivated cropland area, hectares
Avizele, UAB	Rokiskis dist., Anyksciai dist.	113.82	107.51
Berzyte, UAB	Birzai dist.	150.49	145.99
Dirvolika, UAB	Akmene dist., Joniskis dist., Siauliai dist.	199.44	192.03
Duonis, UAB	Jonava dist., Kedainiai dist., Ukmerge dist.	181.98	174.34
Ekotra, UAB	Vilkaviskis dist.	238.81	228.02
Kvietukas, UAB	Pakruojis dist., Pasvalys dist.	118.01	112.69
Laukaitis, UAB	Pakruojis dist., Pasvalys dist., Siauliai dist.	204.10	193.44
Lauknesys, UAB	Birzai dist., Pasvalys dist.	109.94	107.83
Linaziede, UAB	Alytus dist., Jonava dist., Kaisiadorys dist., Prienai dist.	85.13	80.75
Pusaitis, UAB	Radviliskis dist.	82.44	81.10
Puskaitis, UAB	Marijampole dist., Prienai dist., Vilkaviskis dist.	193.46	188.14
Seja, UAB	Kedainiai dist.	82.53	79.75
Vasarojus, UAB	Anyksciai dist., Panevezys dist., Ukmerge dist.	375.73	364.85
Zalve, UAB	Kupiskis dist.	216.88	201.73
Zemgale, UAB	Birzai dist., Kupiskis dist., Panevezys dist.	241.76	232.00
Zemynele, UAB	Sakiai dist., Vilkaviskis dist.	72.57	70.81
Ziemkentys, UAB	Panevezys dist., Pasvalys dist.	414.14	401.62
		3,081.23	2,962.60

4. Agreements with intermediaries on public trading in securities

INVL Baltic Farmland, AB has signed the agreements with these intermediaries:

- Šiaulių bankas, AB (Tilžės str. 149, Šiauliai, Lithuania, tel. +370 41 595 607) – the agreement on investment services, the agreement on management of securities accounting and agreement on dividend distribution.

5. Information on Issuer's branches and representative offices

INVL Baltic Farmland, AB has no branches or representative offices.

II. INFORMATION ABOUT SECURITIES

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

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

Actual wording of the Articles of Association of the Company is dated as of 18 April 2023. The Company's Articles of Association is published on the Company's web page (Company's web site section „Investor Relations“ → „Articles of Association“. The link: <https://invlbalticfarmland.com/en/investor-relations/legal-documents/>).

7. Structure of the authorized capital

Table 7.1. Structure of INVL Baltic Farmland, AB authorised capital as of 31 December 2024.

Type of shares	Number of shares and total voting rights granted by the issued shares, units	Number of votes for the quorum of the General Shareholders Meeting, units*	Nominal value, EUR	Total nominal Value and authorised capital, EUR	Portion of the authorised capital,
Ordinary registered shares	3,291,549	3,228,510	0.29	954,549.21	100

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

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

7.1. Information about the issuer's treasury shares

The General Shareholders Meeting of the Company that was held on 28 October 2015 approved resolution to purchase its own shares. The period during which the Company could acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 4.00, minimum one share acquisition price – EUR 2.87. During this period the Company initiated acquisition of own shares 1 time. On 21 June, the Company announced about acquisition of 1.92 percent of own shares. 63,039 units of shares were offered. The settlement for the acquired shares happened on 22 June 2016.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2017 made decision to purchase its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 4.50, minimum one share acquisition price – EUR 3.16. Company has not initiated acquisition of own shares in 2017.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 10 April 2018 approved resolution to purchase its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company has not initiated acquisition of own shares in 2018.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 22 March 2019 made decision to purchase its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company has not initiated acquisition of own shares in 2019.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 23 March 2020 made decision to purchase its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company has not initiated acquisition of own shares in 2020.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 9 April 2021 made decision to purchase its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company has not initiated acquisition of own shares in 2021.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 27 April 2022 made a decision to establish the procedure of the acquisition of its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company has not initiated acquisition of own shares in 2022.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 29 March 2023 made a decision to establish the procedure of the acquisition of its own shares. The period during which the Company may acquire its own shares - 18 months from

the day of this resolution. The maximum one share acquisition price – EUR 5.00, minimum one share acquisition price – EUR 3.00. Company has not initiated acquisition of own shares in 2023.

The General Shareholders Meeting of INVL Baltic Farmland, AB that was held on 10 April 2024 made a decision to establish the procedure of the acquisition of its own shares. The period during which the Company may acquire its own shares - 18 months from the day of this resolution. The maximum one share acquisition price – EUR 5.50, minimum one share acquisition price – EUR 3.50. Company has not initiated acquisition of own shares in 2024.

At the end of the reporting period the amount of Company's acquired own shares stayed the same and amounted to 63,039 (units) of the nominal value of EUR 0.29 each or 1.92 percent of the Company's Authorised capital. Subsidiaries of INVL Baltic Farmland have not implemented acquisition of shares in INVL Baltic Farmland directly or indirectly under the order of subsidiary by persons acting by their name.

8. 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

Table 8.1. Main characteristics of INVL Baltic Farmland, AB shares admitted to trading:

Type of shares	Ordinary registered shares
ISIN code	LT0000128753
LEI code	5299000AUE9M1W13ZQ36
Name	INL1L
Exchange	Nasdaq Vilnius
List	Baltic Secondary list
Authorised capital (EUR)	954,549.21
Nominal value of 1 share (EUR)	0.29
Shares issued, units	3,291,549
Total voting rights granted by the issued shares, units	3,291,549
Number of votes for the quorum of the General Shareholders Meeting, units*	3,228,510
Date of the beginning of listing	4 June 2014

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

Company uses no services of liquidity providers.

Table 8.2. Trading in the Company's shares 2020 – 2024 (quarterly) on NASDAQ Vilnius:

Reporting period	Price, EUR			Turnover, EUR			Last trading date	Total turnover	
	high	low	last	high	low	last		quantity	EUR
2020 1st Q	4.18	3.5	4.00	6,883.64	33.84	0	31.03.2020	8,571	33,405.22
2020 2nd Q	5.00	3.74	4.44	6,046.44	4.02	0	30.06.2020	3,101	14,141.06
2020 3rd Q	5.20	4.20	5.00	2,530.8	4.78	0	30.09.2020	3,029	14,555.94
2020 4th Q	5.10	4.40	5.05	3,536.3	4.82	5.05	30.12.2020	3,444	16,871.20
2021 1st Q	6.50	4.90	5.70	3,721.75	5.20	365.60	31.03.2021	4,846	26,706.11
2021 2nd Q	8.70	5.70	8.65	4,336.70	6.40	3,410.80	30.06.2021	5,650	38,375.60
2021 3rd Q	9.00	6.30	6.30	24,823	8.20	329.70	30.09.2021	9,892	78,273.90
2021 4th Q	7.95	6.90	7.70	5,188.45	7.05	1,084.40	30.12.2021	3,624	26,434.15
2022 1st Q	7.90	5.50	6.80	7,607.95	7.20	49.45	31.03.2022	8,704	59,930.80

2022 2nd Q	8.40	6.80	8.20	24,672.25	7.20	336.15	30.06.2022	10,816	84,414.00
2022 3rd Q	8.40	6.85	7.20	7,944.20	7.20	0	30.09.2022	2,910	22,515.50
2022 4th Q	8.35	6.55	8.10	4,596.90	7.15	0	30.12.2022	2,564	19,295.45
2023 1st Q	8.20	7.05	7.55	3,215.30	8.00	0	31.03.2023	2,199	17,045.10
2023 2nd Q	7.70	6.05	7.00	2,681.15	7.40	161.70	30.06.2023	1,760	12,613.70
2023 3rd Q	7.95	6.80	7.45	3,843.55	7.60	126.65	29.09.2023	1,698	12,729.95
2023 4th Q	7.60	6.15	7.20	5,621.95	7.20	117.15	29.12.2023	2,239	16,016.80
2024 1st Q	7.25	6.15	6.40	2,322.85	6.80	83.20	28.03.2024	2,490	16,900.05
2024 2nd Q	6.75	5.80	6.40	10,393.70	6.30	0	28.06.2024	5,114	32,194.35
2024 3rd Q	6.65	6.05	6.35	4,085.20	6.15	6.35	30.09.2024	3,598	22,547.85
2024 4th Q	7.10	6.01	6.30	7,553.15	6.15	304.65	30.12.2024	8,197	51,497.25

Table 8.3. Trading in INVL Baltic Farmland, AB shares 2020 - 2024:

	2020	2021	2022	2023	2024
Share price, EUR					
- open	3.480	5.000	7.700	8.100	7.200
- high	5.200	9.000	8.400	8.200	7.250
- low	3.500	4.900	5.500	6.050	5.800
- medium	4.352	7.071	7.448	7.397	6.348
- last	5.050	7.700	8.100	7.200	6.300
Turnover, units	18,145	24,012	24,994	7,896	19,399
Turnover, EUR	78,973.42	169,789.76	186,155.75	58,405.55	123,139.5
Traded volume, units	471	861	746	470	680

Table 8.4. Capitalisation*, 2020-2024.

Last trading date	Number of shares granted with voting rights, units	Last price, EUR	Capitalisation, EUR
31.03.2020	3,228,510	4.00	12,914,040
30.06.2020	3,228,510	4.44	14,334,584.4
30.09.2020	3,228,510	5.00	16,142,550
30.12.2020	3,228,510	5.05	16,303,975.5
31.03.2021	3,228,510	5.70	18,402,507
30.06.2021	3,228,510	8.65	27,926,611.5
30.09.2021	3,228,510	6.30	20,339,613
30.12.2021	3,228,510	7.70	24,859,527
31.03.2022	3,228,510	6.80	21,953,868
30.06.2022	3,228,510	8.20	26,473,782
30.09.2022	3,228,510	7.20	23,245,272
30.12.2022	3,228,510	8.10	26,150,931

31.03.2023	3,228,510	7.55	24,375,250.5
30.06.2023	3,228,510	7.00	22,599,570
29.09.2023	3,228,510	7.45	24,052,399.5
29.12.2023	3,228,510	7.20	23,245,272
28.03.2024	3,228,510	6.40	20,662,464
28.06.2024	3,228,510	6.40	20,662,464
30.09.2024	3,228,510	6.35	20,501,038.5
30.12.2024	3,228,510	6.30	20,339,613

*The Company publishes Alternative performance measures (AVR), that are in use of the Company, provides indicators definitions and calculation formulas. All the information is disclosed in Appendix 4 to this Consolidated Annual management report and in Company's web site section „Investor Relations“ → „Reports“ → „Indicator formulas“. The link: <https://invlbalticfarmland.com/en/investor-relations/financial-information-and-reports/>



Fig. 8.1. INVL Baltic Farmland, AB change of share price and indexes¹ (resource: Nasdaq Baltic, Baltic market indexes)

¹ The OMX Baltic Benchmark index (OMXBB – PI, GI, CAP) tracks the largest and most traded shares from all the industry sectors represented on the Nasdaq Baltic Market. The OMX Baltic Real Estate GI index is available at the Baltic level. Based on the FTSE Group's Industry Classification Benchmark (ICB), each shows the trend in a specific industry and enables the comparison of companies in that industry. Indexes for each ICB industry and supersector are calculated in euros for the stocks on the Main and Secondary lists of the Nasdaq Baltic exchanges is based on the Industry Classification Benchmark (ICB) developed by FTSE Group (FTSE).

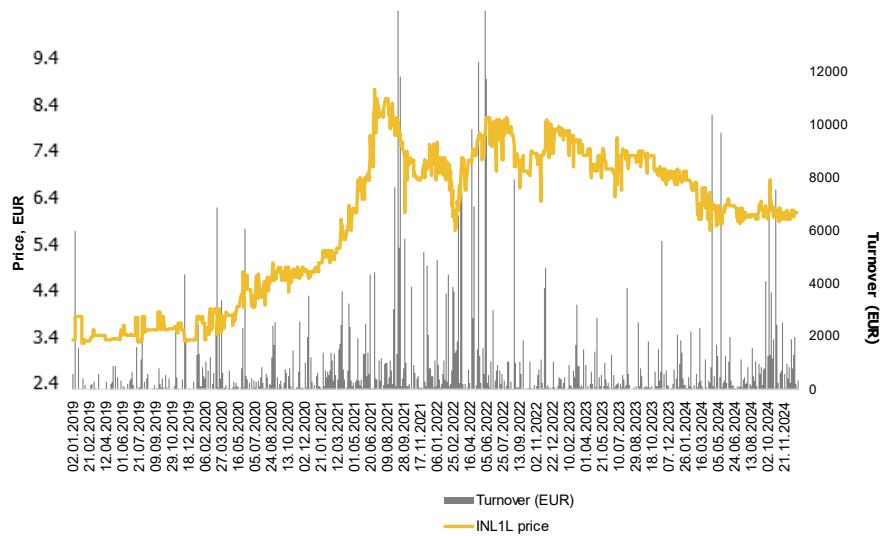


Fig. 8.2. Change of share price of INVL Baltic Farmland, AB

9. Dividends

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

The General Shareholders Meeting of the Company held on 10 April 2018 approved the new wording of the Dividend Payment Policy. According to the Policy, it is decided to allocate EUR 0.10 dividend per share (exceptions, which state decrease / increase of the allocated dividend is disclosed in the Company's dividend payment policy).

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

According to the Law on Personal Income Tax, 15 % tax is applied to the dividends since 2014, and according to the Law on Corporate Income Tax 16 % tax is applied to the dividends since 2025. The Company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes².

The General Shareholders Meeting of INVL Baltic Farmland, AB held on 10 April 2024, decided to allocate EUR 0.12 dividend per share.

Dividends were allocated to the shareholders, who at the end of the tenth business day following the day of the General Shareholders Meeting that adopted a decision on dividend payment, i.e., on 24 April 2024 were shareholders of INVL Baltic Farmland, AB.

On 9 May 2024, the Company announced that will start to allocate dividends from 10 May 2024. Dividends were allocated to those shareholders of the Company, who has provided existing bank accounts.

Information relevant to the dividends paid by the Company, as well as matter of dividend payments and valid Dividend payment policy is published on Company’s web page.

Table 9.1. Indexes related with shares.

Company’s*	2020	2021	2022	2023	2024
Net Asset Value per share, EUR	4.34	4.63	5.0	5.67	6.12
Price to book value (P/Bv)	1.16	1.66	1.62	1.27	1.03
Dividend yield	2.0	1.9	3.0	2.1	1.9
Dividends/ Net profit	0.36	0.34	0.39	0.18	0.21

² This information should not be treated as tax consultation.

* The Company publishes Alternative performance measures (AVR), that are in use of the Company, provides indicators definitions and calculation formulas. All the information is disclosed in Appendix 4 to this Consolidated Annual management report and in Company's web site section „Investor Relations“ → „Reports“ → „Indicator formulas“. The link: <https://invlbalticfarmland.com/en/investor-relations/financial-information-and-reports/>

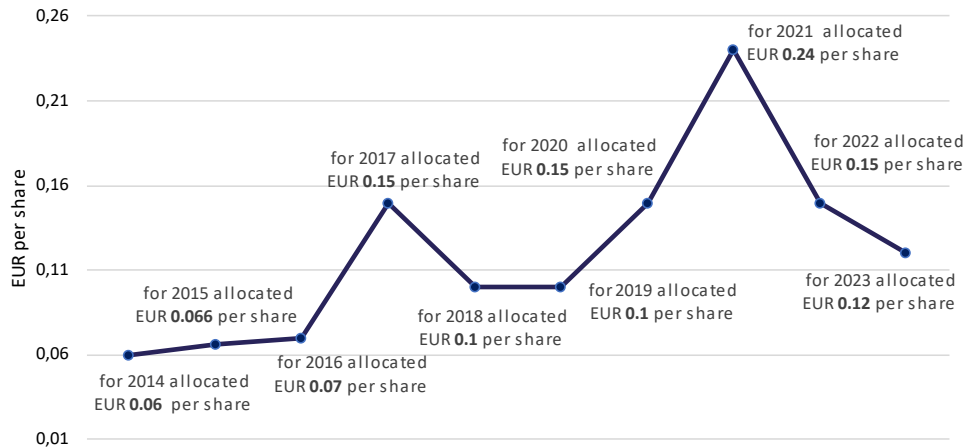


Fig. 9.1. Dividends allocation per share

10. Shareholders

10.1. Information about Company's shareholders

The total number of shareholders in INVL Baltic Farmland was 3,388 on 31 December 2024. There are no shareholders entitled to special rights of control.

Table 10.1.1. Shareholders who held title to more than 5% of INVL Baltic Farmland, AB authorised capital, votes as of 31 December 2024. The votes authorised capital held of the management of the Company (manager, members of the Board) is also be disclosed.

Name of the shareholder or Company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of votes given by the shares held by the right of ownership, %	Indirectly held voting rights, %
LJB Investments, UAB code 300822575, Juozapavičiaus str. 9A, Vilnius	977,751	29.70	29.70	0
Irena Ona Mišeikienė	931,831	28.31	28.31	0
Lucrum Investicija, UAB code 300806471, Gynėjų str. 14, Vilnius	415,628	12.63	12.63	0
Alvydas Banys	252,875	7.68	7.68	29.70 ³
Ilona Šulnienė	239,000	7.26	7.26	0
Indrė Mišeikytė	64,450	1.96	1.96	0
Darius Šulnis	0	0	0	12.63 ⁴
Eglė Surplienė	0	0	0	0

³ According to Paragraph 1 of Article 16 of the Law on Securities of the Republic of Lithuania, Alvydas Banys is deemed to hold the voting rights of LJB Investments, a company controlled by him.

⁴ According to Paragraph 1 of Article 16 of the Law on Securities of the Republic of Lithuania, Darius Šulnis is deemed to hold the voting rights of Lucrum investicija, a company controlled by him.

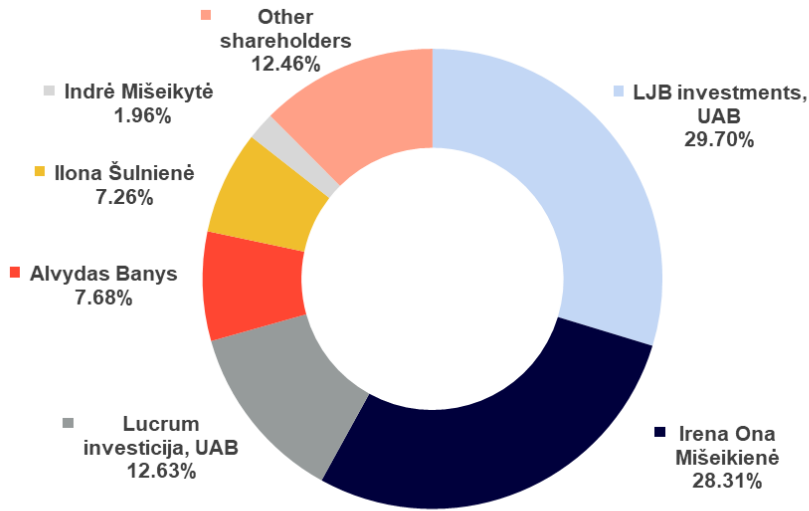
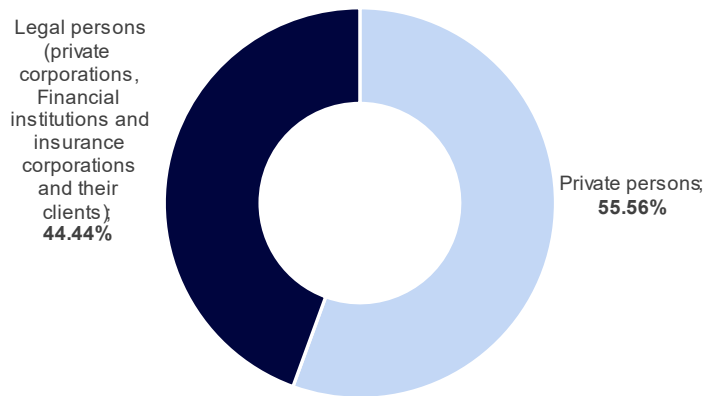


Fig. 10.1.1. Votes as of 31 December 2024

Table 10.1.2. Distribution of securities by investors' groups as of 31 December 2024

Investors	Shareholders		Share of votes given by the owned shares	
	Amount	Part, %	Amount	Part, %
Private persons	3,363	99.26	1,828,864	55.56
Legal persons (private corporations, Financial institutions and insurance corporations and their clients)	25	0.74	1,462,685	44.44
Total	3,388		3,291,549	



10.1.2. Fig. Distribution of securities by investors' groups and share of votes given by the owned shares as of 31 December 2024

Table 10.1.3. Distribution of securities by investors' groups as of 31 December 2024

Regions	Shareholders		Share of votes given by the owned shares	
	Amount	Part, %	Amount	Part, %
Lithuania	3,219	95.01	3,207,395	97.44
Other EU members	135	3.99	14,635	0.45
Non- EU countries	34	1	69,519	2.11
Total	3,388		3,291,549	

10.2. Rights and obligations carried by the shares

10.2.1. Rights of the shareholders

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

- 1) to receive a part of the Company's profit (dividend);
- 2) to receive the Company's funds when the authorised capital of the Company is reduced with a view to paying out the Company's funds to the shareholders;
- 3) to receive a part of assets of the Company in liquidation;
- 4) to receive shares without payment if the authorised capital is increased out of the Company funds, except in cases provided by the laws of the Republic of Lithuania;
- 5) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Shareholders' Meeting in the manner prescribed in the legal acts decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
- 6) to lend to the Company in the manner prescribed by law; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from negotiating a higher interest rate;
- 7) other property rights provided by laws;
- 8) to attend the General Shareholders' Meetings;
- 9) to submit to the Company in advance the questions connected with the issues on the agenda of the General Meeting of Shareholders;
- 10) to vote at the General Shareholders' Meetings according to voting rights carried by their shares;
- 11) to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
- 12) to appeal to the court for reparation of damage resulting from nonfeasance or malfeasance by the Company's manager and the Board members of their obligations prescribed by the Law on Companies of Republic of Lithuania and other laws of the Republic of Lithuania and the Company's Articles of Association as well as in other cases laid down by laws;
- 13) to receive information on Company as specified in the Law on Companies of Financial Instruments Markets in the Republic of Lithuania;
- 14) other non-property rights established by laws and the Company's Articles of Association.

10.2.2. 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.

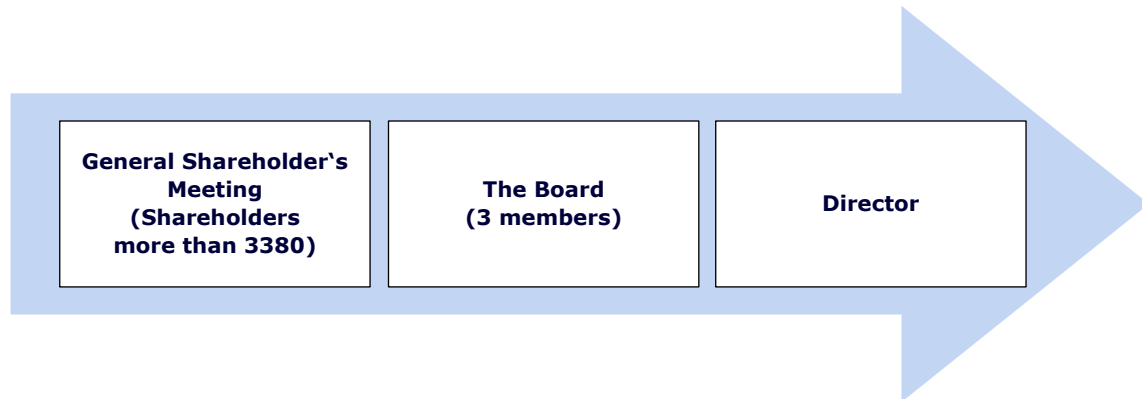
Contracts between the Company and holder of all its shares shall be executed in a simple written form unless the Civil Code prescribes the mandatory notarised form.

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.

III. ISSUER'S MANAGING BODIES

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



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

11.1. General Shareholders' Meeting

11.1.1. Powers of the General Shareholders' Meeting

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

The General Shareholders' Meeting may take decisions and shall be held valid if attended by the shareholders who hold the shares carrying not less than ½ of all votes. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the General Shareholders' Meeting. If a quorum is not present, the General Shareholders' Meeting shall be considered invalid and a repeat General Shareholders' Meeting must be convened, which shall be authorised to take decisions only on the issues on the agenda of the General Shareholders' Meeting that has not been held and to which the quorum requirement shall not apply.

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

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

- amend the Articles of Association of the Company, unless otherwise provided for by the Law on Companies of the Republic of Lithuania;
- change the premises of the Company;
- elect members of the Board;
- dismiss the Board or its members;
- elect and dismiss the firm of auditors, set the conditions for auditor remuneration;
- to elect and dismiss an audit firm or an independent sustainability reporting service provider to provide sustainability reporting services where the Law on Corporate and Corporate Group Reporting of the Republic of Lithuania requires the management report of the company to include information on sustainability issues;
- take a decision on the remuneration policy approval;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- take a decision regarding conversion of shares of one class into shares of another class, approve share conversion procedure;
- take a decision to change the number of shares of the same class issued by the Company and the nominal value per share without changing the authorized capital;
- approve the annual financial statements report;
- take a decision on profit/loss appropriation;
- take a decision on the formation, use, reduction and liquidation of reserves;
- approve the financial statements for the purpose of deciding on the allocation of dividends for a period shorter than a financial year;

- to decide on the allocation of dividends for a period shorter than a financial year;
- take a decision on the issue of convertible debentures;
- take a decision on withdrawal for all the shareholders the pre-emption right to acquire the Company's shares or convertible debentures of the specific issue;
- take a decision to increase the authorised capital;
- take a decision to reduce the authorised capital, except the cases provided for by the Law on Companies of the Republic of Lithuania;
- take a decision for the Company to purchase its own shares;
- take a decision on the approval of the Rules for the Offering of Shares to Employees and / or Members of the Bodies (hereinafter referred to as the Share Allocation Rules);
- take a decision on the reorganisation or split-off of the Company and approve the terms of reorganisation or split-off, except the cases provided for by the Law on Companies of the Republic of Lithuania;
- take a decision on transformation of the Company;
- to take decisions on the restructuring of the Company in the cases established by the Law on Insolvency of Legal Persons of the Republic of Lithuania;
- take a decision to liquidate the Company, cancel the liquidation of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania;
- elect and dismiss the liquidator of the Company, except the cases provided by the Law on Companies of the Republic of Lithuania;
- to decide on the audit of the Company's annual financial statements in cases other than those specified in the Law of the Republic of Lithuania on Audit of Financial Statements and Other Assurance Services or provided for in the Articles of Association of the Company.

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

11.1.2. Convocation of the General Shareholders' Meeting of INVL Baltic Farmland, AB

The documents related to the agenda, draft resolutions on every item of agenda, documents what have to be submitted to the General Shareholders Meeting and other information related to realization of shareholders rights are published on the Company's website www.invlbalticfarmland.com section *For investors*, also available in the office of INVL Baltic Farmland (Gyneju str. 14, Vilnius) during working hours. Phone for information +370 5 279 0601.

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, then 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 farmland@invaldainvl.com. 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 farmland@invaldainvl.com) or in writing during the General Shareholders Meeting (this right is granted to shareholders who hold shares carrying at least 1/20 of all the votes);
- 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 farmland@invaldainvl.com. 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 authorized 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 legalised 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 notarisation of such authorization is required. The power of attorney issued through electronic communication means must be confirmed by the shareholder with a safe electronic signature developed by safe signature equipment and approved by a qualified certificate effective in the Republic of Lithuania. The shareholder shall inform the Company on the power of attorney issued through the means of electronic communication by e-mail farmland@invaldainvl.com 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.invlbalticrealestate.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 Baltic Farmland, 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 2 (two) General Shareholders Meeting of INVL Baltic Farmland, AB during the 2024.

On 10 April 2024 the Company announced resolutions of the General Shareholders Meeting: during the meeting the Shareholders of the Company were presented with the consolidated annual report of the Company, independent auditor's report on the financial statements and annual report, as well as Audit Committee activity report and, approved the consolidated and Companies financial statements for 2023, decided on profit distribution (allocating EUR 0.12 dividend per share), assented to the remuneration report of the Company, as a part of the consolidated annual report of the Company for the year 2023. The shareholders also made decisions regarding the determination of the remuneration of the Audit Committee members of the Company as well as regarding the establishment of the procedure of the acquisition of own shares of the Company.

On 21 October 2021 the Company announced resolutions of the General Extraordinary Shareholders Meeting: during the meeting the Shareholders of the Company decided to appoint BDO Auditas ir Apskaita, UAB, as the Company's audit firm for the audit of the Company's annual financial statements for the years 2024, 2025, and 2026, and for the assessment of the Company's management reports. The remuneration for the audit company, not exceeding 68,000 euros (excluding VAT), was established while reserving the right for the Company's Management Board to increase the remuneration by no more than 25 percent of the total approved amount if the scope of the audit work changes significantly.

11.2. The Board

The Company has a collegial management body - the Board. The Supervisory Board is not formed in the Company.

11.2.1. Powers of the Board

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

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

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

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

closely cooperates with the manager of the Company. The procedure of work of the Board shall be laid down in the rules of procedure of the Board.

The Board shall consider and approve:

- management report of the Company;
- the management structure of the Company and the positions of the employees;
- the positions to which employees are recruited through competition;
- regulations of branches and representative offices of the Company;
- description of the procedure for participation and voting in the Annual General Shareholders' Meeting by electronic means.

The Board shall elect and dismiss from office the manager of the Company, fix his salary and set other terms of the employment contract, approve his job description, provide incentives for and impose penalties against him. The Board of a public company whose shares are admitted to trading on a regulated market shall determine the remuneration of the manager of the company in accordance with the remuneration policy, as stated on the Law on Companies of the Republic of Lithuania.

The Board shall determine which information shall be considered to be the Company's commercial secret and confidential information. Any information which must be publicly available under the laws may not be considered to be the commercial secret and confidential information.

The Board shall take the following decisions:

- for the Company to become an incorporator or a member of other legal entities;
- to open branches and representative offices of the Company;
- to invest, dispose of or lease the fixed assets which book value exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction);
- to pledge or mortgage the fixed assets which book value exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions);
- to offer surety or guarantee for the discharge of obligations of third parties for the amount which exceeds 1/20 of the authorised capital of the Company;
- to acquire the fixed assets for the price which exceeds 1/20 of the authorised capital of the Company;
- other decisions assigned to the scope of powers of the Board by the Law on Companies of the Republic of Lithuania, Articles of Association or the decisions of the General Shareholders' Meeting.

The Board shall analyse and evaluate the information submitted by the manager of the Company on:

- 1) the organisation of the activities of the Company;
- 2) the financial status of the Company;
- 3) the results of business activities, income and expenditure estimates, the stocktaking data and other accounting data of changes in the assets.

The Board shall analyse and assess a set of Company's and consolidated annual financial statements and draft of profit/loss appropriation and together with suggestions and proposals shall submit them to the General Shareholders' Meeting together with the annual management report of the Company. The Board shall analyse and evaluate the draft rules for granting shares as well as the draft remuneration policy of the companies whose shares are admitted to trading on a regulated market and submit them to the General Shareholders Meeting together with proposals related to the rules and policy.

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

The Board also performs all of the following supervisory functions:

- takes decisions on transactions with related parties, as stipulated in Article 37(2) of the Law on Companies of the Republic of Lithuania;
- approves the description of the evaluation procedure and conditions of transactions with related parties that are concluded under normal market conditions in the course of normal economic activity, as established in part 11 of Article 37(2) of the Law on Companies of the Republic of Lithuania;
- supervises the activities of the Company's manager, submits feedback and suggestions regarding the activities of the Company's manager to the General meeting of shareholders;
- considers whether the head of the Company is suitable for the position, if the Company operates at a loss;
- submits proposals to the head of the Company to revoke his decisions that contradict laws and other legal acts, the Company's articles of association, the decisions of the General meeting of shareholders or the Board;
- solves other supervisory issues of the activities of the Company and the Company's manager, which are assigned to the competence of the Board by the decisions of the General meeting of shareholders.

The General Shareholders Meeting also delegates to the Board, on the basis of the resolution of the General Shareholders Meeting and the Law on Companies of the Republic of Lithuania to decide on purchase and sale of own shares, to organise purchase and selling procedure of own shares, and to determine order and timing for purchase and sale of own shares as well as the amount of shares and shares' price, and to complete all other actions related with purchase and sale procedure of own shares.

11.2.2. Procedure of work of the Board

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

The Board evaluates its performance once a year. This valuation includes an assessment of the Board's structure, work organization and ability to function as a group. No evaluation of the independence of the Board members has been carried out.

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

Any Member of the Board of the Company within 5 (five) days must inform the Manager or the Chairman of the Company on any subsequent changes in provided information that have been submitted for shareholders prior to the election of the Member of the Board. Changes in provided information are disclosed in the Company's annual management report.

Each Member of the Board actively participates in the Meetings of Board and devotes sufficient time and attention to perform his duties as the Member of the Board. 7 Meetings of the Board of the Company have been held in 2024.

The Board of INVL Baltic Farmland, AB has been elected for the four-year term of office during the General Shareholders Meeting held on 27 April 2022. Mr. Banys was elected as the Chairman of the Board, Ms. Mišeikytė was elected as the Member of the Board and Mr. Bubinas was elected as independent Member of the Board.

Members of the Board attended all the Meetings of the Board personally in 2024.

11.3. The Director

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

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

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

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

The Director shall be responsible for:

- the organisation of activities and the implementation of objects of the Company;
- preparation of the draft of the information on remuneration and draft remuneration policy, disclosure of the remuneration policy and the information on remuneration publicly on the website of a Company;
- the preparation of the annual financial statements and the annual management report of the Company as well as the submission of the annual financial statements or the audited annual financial statements, if the audit of the company's annual financial statements is mandatory under the legal acts, for approval by the General Meeting of Shareholders;
- preparation of the draft description of the procedure for participation and voting in the Annual General Shareholders' Meeting by electronic means;
- preparation of a draft description of the assessment procedure and conditions for transactions with related parties that are concluded under regular market conditions in the course of regular economic activity;
- preparation of a draft decision on dividend allocation for a period shorter than a financial year, preparation of the interim financial statements;
- drafting of the Share Allocation Rules;
- the conclusion of the contract with the firm of auditors and the conclusion of a contract with an audit firm as an independent sustainability assurance service provider when the management report is required to include sustainability information in accordance with the Law on Corporate and Corporate Group Reporting;
- the submission of information and documents to the General Shareholders Meeting and to the Board in cases stated in the Law on Companies or at their request;

- the submission of documents and particulars of the Company to the administrator of the Register of Legal Persons;
- the submission of the documents of the Company to the Bank of Lithuania and the Central Securities Depository of Lithuania;
- the publication of information referred to in the Law on Companies of the Republic of Lithuania in the source indicated in the Statutes;
- notification to shareholders and the Board of the Company about key events relevant to the Company's operations;
- the submission of information to shareholders;
- the fulfilment of other duties laid down in this Law and other laws and legal acts as well as in the Statutes and the staff regulations of the manager of the Company.

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

12. Information about members of the Board, Company providing accounting services

The Board of INVL Baltic Farmland, AB has been elected for the four-year term of office during the General Shareholders Meeting held on 27 April 2022. Mr. Banys was elected as the Chairman of the Board, Ms. Mišeikytė was elected as the Member of the Board and Mr. Bubinas was elected as independent Member of the Board. From 30 June 2015 Eglė Surplienė holds position as a director of the Company.



Alvydas Banys - Chairman of the Board
Main workplace – LJB Investments, UAB (code 300822575, A. Juozapavičiaus g. 9A, Vilnius) – Director

The term of office	Since 2022 until 2026
Educational background and qualifications	Vilnius Gediminas Technical University. Faculty of Civil Engineering. Master in Engineering and Economics. Junior Scientific co-worker. Economic's Institute of Lithuania's Science Academy.
Work experience	Since 2022 May - INVL Asset Management, UAB – Senior Advisor July 2013 – April 2022 Invalda INVL, AB – Advisor Since 2007 LJB Investments, UAB – Director Since 2007 LJB Property, UAB – Director 1996 – 2006 Invalda, AB – Vice President 1996 – 2007 Nenuorama, UAB – President
Owned amount of shares in INVL Baltic Farmland	Personally: 252,875 units of shares, 7.68 % of authorised capital, 7.68 % of votes. Together with controlled company LJB Investments: 1,230,626 units of shares, 37.38 % of authorized capital, 37.38 % of votes.
Participation in other companies	Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Chairman of the Board Litagra, UAB (code 304564478, Savanorių pr. 173, Vilnius) – Member of the Board INVL Asset Management, UAB (code 126263073, Gynėjų str. 14, Vilnius) managed funds INVL Baltic Sea Growth Fund and INVL Private Equity Fund II – Member of the Investment Committee



Indrė Mišeikytė - Member of the Board
Main workplace – Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Advisor, Member of the Board

The term of office	Since 2022 until 2026
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Educational background and qualifications

Vilnius Gedimino Technical University. Faculty of Architecture. Master in Architecture

Work experience

Since May 2012 Invalda INVL, AB – Advisor
2013 - 2019 Invalda Privatus Kapitalas, AB – Advisor
2002 - 2019 Inreal Valdymas, UAB – Architect
2000 - 2002 Gildeta, UAB – Architect

Owned amount of shares in INVL Baltic Farmland

Personally: 64,450 units of shares, 1.96 % of authorised capital and votes

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board



Tomas Bubinas - Independent Member of the Board
Main workplace – individual consulting activities

The term of office

Since 2022 until 2026

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

2013 – 2022 Chief Operating Officer at Biotechpharma, UAB
2010 – 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA)
2004 – 2010 CFO for Baltic countries, Teva Pharmaceuticals
2001 – 2004 CFO, Sicom Biotech
1999 – 2001 Senior Manager, PricewaterhouseCoopers
1994 – 1999 Senior Auditor, Manager, Coopers & Lybrand

Owned amount of shares in INVL Baltic Farmland

Personally: 0 units of shares, 0.00 % of authorised capital and votes.

Participation in other companies

Invalda INVL, AB (code 121304349, Gynėjų str. 14, Vilnius) – Member of the Board



Eglė Surplienė – Director
Main workplace - Gerovės valdymas, UAB FPI (code 302445450, Jogailos str. 3-103, Vilnius) – Director

Educational background and qualifications

Vilnius University, Faculty of Economic Cybernetics and Finance, Economic Cybernetics studies, Economics – mathematics diploma (equivalent of Master's degree)
2009 – Award in Financial Planning (CII program and exam) certificate.
2005 – OMX Vilnius dealer certificate
1996 – General financial broker license

Work experience

October 2009 - present – Wealth manager, director, UAB FPI Geroves Valdymas
 March 2009 - present – Director, UAB DIM investment
 September 2014 - June 2016 – Director, UAB Margio investicija
 August 2006 - October 2009 – Wealth manager, VIP Clients manager, AB FBC Finasta, AB bank Finasta
 June 2005 - July 2006 – Project manager, UAB Zabolis ir partneriai
 June 1999 - June 2005 – Member, Deputy Director of the Commission, Securities Commission of Lithuania
 June 1995 - June 1999 – Head of Issuer Division, UAB FMI Vilfima
 June 1993 - June 1995 - Member of Market Regulation Division, Securities Commission of Lithuania

Owned amount of shares in INVL Baltic Farmland, AB

Personally: 0 units of shares, 0.00 % of authorised capital and votes.

Participation in other companies

Atelier Investment Management, UAB (code 303335430, Jogailos str. 3-103, Vilnius) – Chairman of the Board
 Gerovės valdymas, UAB FPI (code 302445450, Jogailos str. 3-103, Vilnius) – Director
 Gerovės partneriai, KŪB (code 304746185, Jogailos str. 3-103, Vilnius) – Full member
 DIM investment, UAB (code 301145749, Pasakų str. 5, Vilnius) – Director

INVL Farmland Management, UAB provides accounting services and preparation of the documents related with bookkeeping for INVL Baltic Farmland, AB according to an agreement signed on 29 November 2024 No. 20241129/01.

13. Information about the Audit Committee of the Company

The Audit Committee consists of 2 independent members. The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Committee are the following:

- provide recommendations for the general meeting of shareholders of the Company with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- to provide opinion regarding the transactions with Company related party, according to the clause 37(2), parts 1 and 5 of the Law on Companies, provide evaluation regarding transactions, indicated in clause 37 (2), parts 11 and 12 of the Law on Companies;
- monitor the process of external audit;
- to review and monitor the independence of auditors and auditors companies seeking to avoid conflict of interests;
- to monitor the financial reporting process of the Company and submit recommendations on ensuring the liability of it;
- monitor the efficiency of Company's internal control and risk management systems as well as internal audit, without prejudice to the independence of the internal audit;
- monitor if the Company's board and/or managers properly response to the audit firm's recommendations and comments.

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

13.1. Procedure of work of the Audit Committee

The Audit Committee should inform about its activities the General Meeting of Shareholders of the Company providing 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, 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). The meetings of the Audit Committee should not be recorded, and the taken decisions should be signed by both Members of the committee. When both Audit Committee Members vote in writing, the decision should be written down and signed by the Chairman of the Audit committee. The decision should be written down and signed within 7 (seven) days from the day of the meeting of the Audit Committee.

The Audit Committee should have the right to invite the Manager of the Company, Member(s) of the Board, the chief financier, and employees responsible for finance, accounting and treasury issues as well as external auditors to its meetings. Members of the

Audit Committee may receive remuneration for their work in the committee at the maximum hourly rate approved by the General Shareholders' Meeting.

The Company's Audit Committee is guided by the Regulations of the Audit Committee (hereinafter referred to as the Regulations) approved by the General Shareholders Meeting of the Company held on 29 March 2023. The Regulations are published on the Company's website in the section *For investors*.

13.2. Members of the Audit Committee

During the General Shareholders Meeting of INVL Baltic Farmland held on 9 April 2021, the decision to elect Dangutė Pranckėnienė, partner and auditor of Moore Stephens Vilnius, UAB and Tomas Bubinas for the Audit Committee for the 4 (four) years of office term has been adopted. Both members of the Audit Committee are independent, having submitted a notice certifying their independence. During the reporting period the composition of the Audit Committee remain unchanged.



Tomas Bubinas – Independent Member of the Audit Committee

The term of office Since 2021 till 2025

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
 2013 - 2022 Chief Operating Officer at Biotechpharma, UAB
 2010 - 2012 Senior Director, Operations. TEVA Biopharmaceuticals (USA)
 2004 - 2010 CFO for Baltic countries, Teva Pharmaceuticals
 2001 - 2004 CFO, Sicom Biotech
 1999 - 2001 Senior Manager, PricewaterhouseCoopers
 1994 - 1999 Senior Auditor, Manager, Coopers & Lybrand.

Owned amount of shares in INVL Baltic Farmland

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Dangutė Pranckėnienė – Independent Member of the Audit Committee

The term of office Since 2021 till 2025

Educational background and qualifications
 1995 - 1996 Vilnius Gediminas Technical University, Master of Business Administration.
 1976 - 1981 Vilnius University, Master of Economics.
 The International Coach Union (ICU), professional coach name, license No. E-51.
 Lithuanian Ministry of Finance, the auditor's name, license No. 000345.

Work experience
 Since 1997 the Partner at Moore Mackonis, UAB (previous name Moore Stephens Vilnius and Verslo auditas)
 1996 - 1997 Audit Manager, Deloitte & Touche
 1995 - 1996 Lecturer, Vilnius Gediminas Technical University
 1982 - 1983 Lecturer, Vilnius University

Owned amount of shares in INVL Baltic Farmland

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

CEO of the Company is entitled only to a fixed salary. The Company does not have a policy concerning payment of a variable part of remuneration to the management.

During the year 2024 to the Board members, which are shareholders of the Company, were paid EUR 32 thousand of dividends, net of tax. To the entities, which are controlled by the Board members, were paid EUR 117 thousand of dividends, net of tax. Natural persons, who are related to the Board members of the Company, were paid EUR 102 thousand of dividends, net of tax. There were no assets transferred, no guarantees granted, no bonuses paid and no special pay-outs made by the Company to its managers. The Members of the Board were not granted with bonuses by other companies of INVL Baltic Farmland, AB group. An independent member of the board was paid 200 EUR.

INVL Baltic Farmland, AB Group and the Company for the company providing accounting services respectively paid EUR 73 thousand and EUR 11 thousand during the reporting period (in 2023 – respectively EUR 72 thousand and EUR 11 thousand; in 2022 - respectively EUR 75 thousand and EUR 13 thousand; in 2021 - respectively EUR 34 thousand and EUR 5 thousand; in 2020 – respectively EUR 15 thousand and EUR 3 thousand).

According to Article 25 of the Law on Corporate and Corporate Group Reporting of the Republic of Lithuania, the Company must publish the Remuneration Report from the year 2020. The Company’s Remuneration Report is provided in the Appendix 5 of the Annual Management Report.

Table 14.1. Information about calculated remuneration for the CEO of the issuer for 2022 - 2024 (EUR)

	2022	2023	2024
For members of administration (the CEO)	2,044	1,988	2,052

IV. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY

15. Overview of the Issuer and its group activity

15.1. Business environment

According to the data made available by the State Data Agency, the average annual inflation rate in December 2024, calculated on the basis of the Harmonised Index of Consumer Prices (HICP), was 0.9% (average annual inflation in December 2023 was 8.7%). Annual inflation was mainly driven by increases in the prices of catering services provided by restaurants, cafés, and similar establishments; thermal energy; pharmaceuticals; holiday trips; tobacco products; milk, cheese, and eggs; maintenance and repair of personal vehicles; public catering services; other financial, medical, and dental services (not elsewhere classified); and decreases in the prices of electricity, gas, solid fuels, vegetables, clothing, fuels, and oil. The average annual inflation rate in December 2024, calculated on the basis of the consumer price index (CPI), was 0.7% (the corresponding average annual inflation rate in 2023 was 9.1%).

In 2024, the gross domestic product (GDP) of Lithuania grew by 2.4%, according to Lietuvos bankas forecast. In the first quarter of 2024, after removing the seasonal and working day effects, GDP changed positively by 0.8% compared to the previous quarter. In terms of GDP in the production approach, in the first quarter of 2024, the largest positive impact on the change in GDP was the performance of manufacturing and wholesale and retail trade; transport and storage enterprises. In the second quarter of the year, real GDP was 0.7% higher than in the first quarter, after adjusting for seasonal and working day effects. This was mainly due to the performance of construction and industrial enterprises, as measured by the production method. Real GDP changed positively by 1.2% in the third quarter of 2024 compared to the second quarter of 2024, after removing the seasonal and working-day effects. In terms of the production approach, in the third quarter of 2024, the largest positive impact on the change in GDP was the performance of wholesale and retail trade and industrial enterprises.

According to Lietuvos bankas, in 2024, the global economy showed signs of recovery, but its development remained uneven. With prices falling and real incomes gradually recovering, the service sector has strengthened in many regions of the world. It benefited not only from the good situation of the labour markets in various countries, which contributed to a fairly significant increase in wages, but also from the continuing increase in demand for services that were limited during the pandemic. In the euro area and some other regions, the expansion of the services sector accounts for the bulk of overall economic growth. The start of a decline in corporate inventories and the strengthening purchasing power of the population have also boosted the recovery of the manufacturing sector in some regions of the world, but euro area industry is still contracting. In the euro area group of countries, industrial production has been declining since the beginning of 2023 and is currently only at the level observed in 2019. Purchasing managers' surveys suggest that the situation in the manufacturing sector in many regions of the world will be challenging in the near future due to the increase in various international trade restrictions and the ongoing high geopolitical uncertainty. In both the euro area and other regions, manufacturing is not expected to expand in the short term. This affects international world trade and economies that are more oriented towards foreign demand, such as Lithuania. Lithuania's import forecasts from its trading partners have been downgraded in recent quarters, although imports from euro area countries, which stagnated in 2024, are expected to start rising in 2025, while imports from other countries are projected to continue to rise gradually. The European Commission's Autumn Forecast 2024 projects euro area GDP to be 0.9% higher in 2024 than that in 2023, with economic activity accelerating by 1.5% in 2025. The conditions for such growth are supported by a slight increase in demand in the European Union's domestic market, although uncertainty is also growing.

According to Lietuvos bankas, economic activity has also strengthened in Lithuania. The services sector is the main contributor to overall economic growth. For a short time now, information and communication activities have been much bigger than the economy as a whole. Having attracted increasing numbers of workers in the previous few years, this activity accounted for about a quarter of total economic growth in the first half of 2024. In the same period, value added in ICT activities was almost ten times higher than a year earlier. Other contributors to overall economic development are also quite important – professional, scientific, administrative, and service activities, which are becoming increasingly important in economic development. Domestic trade is expanding as real household incomes rise markedly. Private consumption in 2024 was much higher than a year earlier. However, all private consumption is affected not only by higher wages and other incomes, but also by population growth. Real private consumption per capita still has not returned to the historical peak observed in early 2022, before the period of higher inflation. Although manufacturing, which had contracted significantly in 2023, was less active in 2024 compared to many other sectors, it still contributed to economic growth. In 2024, stocks of manufactured output have been declining, while orders for industrial production have been increasing. In all major manufacturing industries, the situation has improved, or at least remained broadly stable, compared to the situation in 2023. The situation on the Lithuanian labour market remains good; however, there have been some unfavourable developments, including an overall decline in the number of employed people recorded for several months. This is mainly due to economic activity in transport. Excluding the latter, hiring remained roughly the same as it was in 2023. It is also worth noting that the unemployment rate, which began rising in 2022, continued to increase in 2024, having risen by almost 2 percentage points over the two years. Unemployment has increased across various social groups, including women and men, urban and rural populations, and different age groups. As the number of unemployed rises, the duration of unemployment increases. In 2022, the largest share of the unemployed were short-term unemployed for up to 2 months, and in 2024, the unemployed are short-term unemployed for between 3 and 11 months. With higher unemployment, continued positive net international migration and a less-than-steady recovery in various sectors of the economy, the shortage of workers is acute and wage pressures is easing. Remuneration growth slowed for the second consecutive year, especially in the private sector. Wage growth is also being held back by the still-unrecovered labour productivity. The latter has not risen for the third consecutive year and is well behind the growth

trajectory observed until 2019. Such productivity developments are apparently contributed by the sluggish development of the exporting sector, the continued higher prices of raw materials than a few years ago, and the desire to retain existing employees in the hope that demand (especially in foreign markets) will strengthen over time.

The Lietuvos bankas's Lithuania's Economic Development and Outlook forecasts that economic growth will gradually strengthen. The international economic environment is expected to be more supportive of economic development than in 2024. Imports from trading partners are expected to rise more than in recent times, boosting demand for Lithuanian exports. Growth is projected to be boosted by domestic demand. With incomes rising above consumption expenditure for some time now, there is considerable scope for households to accelerate consumption growth, even in the face of somewhat slower projected income growth. A recovery in investment should also contribute to a more significant increase in economic activity. Increasing flows of European Union assistance funds, the waning effects of previously tight monetary policy and strengthening domestic and external demand are projected to have an upward effect on investment. They are also likely to benefit from the increase in corporate profits over the past few years. Following an increase in 2024, real GDP is projected to grow by 3.1% in 2025. In the following years, the pace of economic expansion will remain similar, but will still be lower than the growth rates that prevailed in the previous decade, before the shocks of the past few years. Growth will be constrained by limited scope for even more efficient use of labour resources, poor demographics, and fewer new markets for trading partners than in the previous decade. The European Commission projects that Lithuania's real GDP will grow by 3% in 2025 and 2026. This trend is driven by rising private consumption, accelerating exports of services and renewed investment expansion. Inflation is expected to reach 1.7% in 2025, driven by rising services inflation. Lietuvos bankas forecasts that headline inflation will be boosted by a gradually improving international economic environment, rising prices of some energy commodities (e.g., gas), and rising indirect taxes. Rising labour costs will be the main contributor to overall price increases. Their impact will be particularly pronounced in the evolution of the most labour-sensitive prices – services prices. They are rising faster than before the shocks of the last few years. Annual average headline inflation is projected at 2.3% in 2025.

According to the Chamber of Agriculture, almost €4 billion of EU support is foreseen for Lithuania's agriculture and rural development for the period 2023–2027, and around €276.5 million will come from the national budget. €3.02 billion of EU funds and around €2.8 million of national funding are planned for direct support, eco-schemes for the climate, environment, and animal welfare, and sectoral programmes. €977.5 million of EU funding and €273.7 million of national funding are earmarked for investment, cooperation, environmental, climate, and other rural development measures. The average annual amount of direct payments increased by around 28% compared to the previous financial period. According to the Ministry of Agriculture, as of 2023, a 100% cap on base payments will be applied to amounts above €100 thousand, with the possibility to withhold salaries and related taxes.

According to preliminary estimates by the State Data Agency, the index of gross agricultural production for the fourth quarter of 2024 decreased by 2.4% compared to the fourth quarter of 2023, with total agricultural production in the fourth quarter of 2024 amounting to 417.1 million euros at current prices. Farm-gate prices in December 2024 increased by 10.1% compared to the same period in 2023. Purchase prices for crop products increased by 2.3%, while those for livestock and livestock products rose by 17.7%. According to preliminary data from the European Union's statistical office, oilseed rape yields are expected to increase by 17.3% in 2024, (both in terms of area and yield), barley yields increased by 29.9% (with an increase in both area and yield), while wheat yields fell by 5% as a result of the decrease in area.

Looking at longer-term trends, the situation in the agricultural sector continues to improve, and operational efficiency in the country is rising. Grain crop yields have nearly doubled over the past 10 years. There has been a significant increase in the sector's added value. This is driven by investments in agricultural machinery, farm consolidation, deepening and applying knowledge, and new technologies aimed at modernising agriculture. Over the past decade, substantial European Union structural fund support has been allocated to agriculture and rural development. The increase in support typically leads to higher land prices and rising land rental costs.

Recent years have seen significant influence on the growth of agricultural land prices due to increasing market participants' incomes and their activity in more expensive areas with developed communications, road, and service infrastructure. The value of agricultural land is also determined by adequate profitability of agricultural activities, supported by EU agricultural subsidies, and the consolidation of farms, where farms acquiring or leasing additional agricultural land can achieve economies of scale. The supply of agricultural land in Lithuania is quite active, but the reserve of attractive farming plots is dwindling. Large-scale farmers are expanding their holdings by purchasing smaller plots, but fewer are offered each year. More fertile plots are sold very quickly.

Restrictions on the acquisition of agricultural land in Lithuania and the continually rising cost of purchasing agricultural land increase the demand for and prices of land rentals. Young and large-scale farmers and agricultural companies are actively seeking land rentals, as leasing agricultural land increases the likelihood of purchasing it if the owners wish to sell their land.

In May 2014, amendments to the temporary law on the acquisition of agricultural land came into force, which prevented related persons from acquiring more than 500 hectares of land from the state or other individuals. On 1 January 2018, a new version of the Law on the Acquisition of Agricultural Land came into effect. Under the version of the law in force until 2018, only individuals with professional skills and competence – i.e., those meeting the qualification requirements set by the law – could acquire agricultural land. The new version of the law, effective from 1 January 2018, removed these qualification requirements. The Law on the Acquisition of Agricultural Land has adjusted the list of persons with a priority right to acquire private agricultural land. The wording of the law ensures the right to acquire land to persons who are engaged in agricultural activities. The new wording of the law prohibits the owner of a land plot from imposing a condition on the sale of the land plot, which stipulates that the person with the right of first refusal may only exercise the right of first refusal in the event of acquiring the land plot together with the other land plots being sold. This provision does not apply when the plots being sold are adjacent to each other. The version of the Law on the Acquisition of Agricultural Land that came into effect on 1 January 2018, stipulates that land purchase and sale transactions can only be conducted through bank transfers. The new version of the law also stipulates that related persons who own more agricultural land in Lithuania than specified by the law (300 hectares, or 500 hectares in certain cases) may enter into agricultural land transfer transactions among themselves, provided that the total area of agricultural land acquired by the related persons does

not increase as a consequence of the conclusion of the transactions, and that the area of land owned by each of the persons concerned does not become larger than 500 hectares.

The Company INVL Baltic Farmland, AB owns 100% of the shares in 18 private joint-stock companies, which collectively hold approximately 3,000 hectares of agricultural land in Lithuania.

Since 30 June 2015, when a basic administration agreement was signed with INVL Farmland Management, a company managed by one of the largest asset management groups in the Baltic States, Invalda INVL the management of the land plots has been transferred to this company. On 28 December 2020, an amendment to the Basic Property Administration Agreement No. 20150630/01 was signed, extending the term of the administration agreement until 31 December 2025.

The existing restrictions on land acquisition mean that INVL Baltic Farmland, AB group companies can no longer directly invest in agricultural land in Lithuania, nor can they take control of companies holding agricultural land.

INVL Baltic Farmland is seeking to earn in the long run from the increase in land rent and from the growth of the value of land. According to the data of the property valuation conducted in Q4 2024, the value of the land plots has increased in the course of the year by 9.5% and reached EUR 22.736 million. One hectare is valued on average at EUR 7.38 thousand (divided by the total amount).

The following graph shows the difference of prices of agricultural land in Lithuania by region:

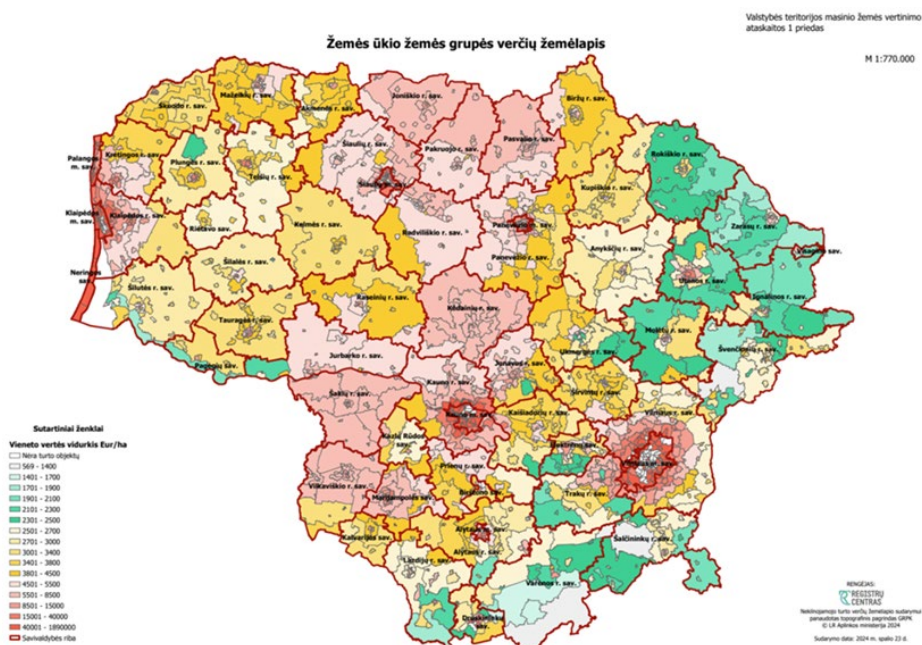


Fig. 15.1.1. Map on values of land qualified as agricultural land in Lithuania.

Source: the Centre of Registers (data as of 23 October 2024)

https://www.registrucentras.lt/bylos/dokumentai/ntr/masvert/zem_zu202410.pdf

Group key figures

	31 December 2022	31 December 2023	31 December 2024
Controlled cultivated cropland area, ha	2,963	2,963	2,963
Book value of land*, EUR thousand	18,092	20,756	22,736
Average rental income per hectare, EUR (not included the variable part of the rent, equal to the land lease payment payable to the state)	239	256	272

Consolidated equity, EUR thousand	16,135	18,294	19,743
Book value of one share, EUR	5.0	5.67	6.12

*Investment properties are stated at fair value and are valued by accredited valuer UAB korporacija Matininkai using sales comparison method. The valuation was performed in December 2022, 2023 and 2024.

The balance sheet and profit (loss) summary reports

Balance sheet, thousand EUR	Group			Company		
	31.12.2022	31.12.2023	31.12.2024	31.12.2022	31.12.2023	31.12.2024
Investment property	18,092	20,756	22,736	-	-	-
Investments into subsidiaries	-	-	-	13,130	15,661	17,340
Loans granted	-	-	-	3,036	2,739	2,480
Trade receivables	126	131	120	10	12	15
Cash	199	59	125	61	7	45
Other assets	2	1	3	2	1	3
Deferred income tax liabilities	2,023	2,425	2,904	-	-	-
Other liabilities	261	228	337	104	126	140
Consolidated equity	16,135	18,294	19,743	16,135	18,294	19,743
Profit (loss)	01.01.2022 – 31.12.2022	01.01.2023 – 31.12.2023	01.01.2024 – 31.12.2024	01.01.2022 – 31.12.2022	01.01.2023 – 31.12.2023	01.01.2024 – 31.12.2024
Revenue	722	794	835	-	-	-
Revaluation of investment property	1,922	2,664	1,980	-	-	-
Income before tax	2,310	3,094	2,374	1,980	2,663	1,861
Net profit	1,968	2,643	1,836	1,968	2,643	1,836

Indexes

	2022	2023	2024
Return on Equity (ROE), %	12.67	15.35	9.65
Return on Assets (ROA), %	11.13	13.43	8.36
Liquidity ratio	1.25	0.84	0.74
Operating profit margin (pretax profit margin), %	319.94	389.67	284.31
Operating profit excluding revaluation of investment property margin, %	53.74	54.16	47.19
Earnings per share (EPS), EUR	0.61	0.82	0.57
Price earnings ratio (P/E)	13.28	8.78	11.05
Net profit margin (%)	272.58	332.87	219.88
EBITDA margin (%)	53.74	54.16	47.19

* The Company publishes Alternative performance measures (AVR), that are in use of the Company, provides indicators definitions and calculation formulas. All the information is disclosed in Appendix 4 to this Consolidated Annual management report and in Company's web site section „For Investors“ → „Reports“ → „Indicator formulas“. The link: <https://invlbalticfarmland.com/en/investor-relations/financial-information-and-reports/>

15.2. Significant Issuer's and its group events during the reporting period, affect on the financial statement

Financial results and information related to the dividends

- On 29 February 2024, the Company announced an audited group result of 2023. The audited consolidated net profit of INVL Baltic Farmland, AB Group and the Company amounted to EUR 2,643 thousand, the revenue amounted to EUR 794 thousand.
- On 19 March 2024, INVL Baltic Farmland informed that it is planning during 2024 to receive EUR 835 thousand of revenue and earn a consolidated net profit of EUR 420 thousand.
- On 9 May 2024, INVL Baltic Farmland to implement resolutions of the General Shareholders Meeting regarding allocation of Company's profit, announced the procedure for the pay-out of dividends for 2023. On 10 April 2024, the General Shareholders Meeting of INVL Baltic Farmland, AB decided to allocate EUR 0.12 dividend per share. Dividends were paid to the shareholders who on 24 April 2024 were shareholders of INVL Baltic Farmland, AB. The Company informed that the dividends had been allocated from 10 May 2024.
- On 9 May 2024, the Company announced financial results for 3 months of 2024 - the unaudited consolidated net profit of the AB INVL Baltic Farmland group was EUR 113 thousand and the revenue amounted to EUR 200 thousand.
- On 30 July 2024, the Company announced unaudited consolidated financial results of the INVL Baltic Farmland group: unaudited consolidated net profit amounted to EUR 226 thousand for 6 months of 2024 and the revenue was EUR 402 thousand. The Company published half year results for the 6 months of 2024, financial statements, factsheet and management statement.
- On 12 November 2024, INVL Baltic Farmland announced unaudited results for 9 months of 2024: unaudited consolidated net profit of the AB INVL Baltic Farmland group was EUR 344 thousand and the revenue was EUR 605 thousand.

General Shareholders Meeting

- On 19 March 2024 INVL Baltic Farmland announced about convocation of the General Shareholders Meeting and published the draft resolutions of the General Shareholders Meeting. On 10 April 2024 the Company announced resolutions of the General Shareholders Meeting: during the meeting the Shareholders of the Company were presented with the consolidated annual report of the Company, independent auditor's report on the financial statements and annual report, as well as Audit Committee activity report and, approved the consolidated and Companies financial statements for 2023, decided on profit distribution (allocating EUR 0.12 dividend per share). The shareholders also made decisions regarding the assent to the remuneration report of the Company, as a part of the consolidated annual report of the Company for the year 2023, regarding the determination of the remuneration of the Audit Committee members of the Company as well as the establishment of the procedure of the acquisition of own shares of the Company.
- On 27 September 2024 INVL Baltic Farmland announced about convocation of the General Extraordinary Shareholders Meeting and published the draft resolutions of the General Extraordinary Shareholders Meeting. On 21 October 2024 the Company announced resolutions of the General Extraordinary Shareholders Meeting: during the meeting the Shareholders decided to appoint BDO Auditas ir Apskaita, UAB, as the Company's audit firm for the audit of the Company's annual financial statements for the years 2024, 2025, and 2026, and for the assessment of the Company's management reports. The remuneration for the audit company, not exceeding 68,000 euros (excluding VAT), was established while reserving the right for the Company's Management Board to increase the remuneration by no more than 25 percent of the total approved amount if the scope of the audit work changes significantly.

Management of the Company

- On 23 December 2024 INVL Baltic Farmland published investor's calendar for 2025: 28 February – audited financial reports and annual management report; 20 May – factsheet for 3 months of 2025; 14 August – semi-annual management report of 2025; 18 November – factsheet for 9 months of 2025.

Significant changes in the information disclosed in the consolidated annual management report and significant events of the group

- The companies during the reporting period rented agricultural land for farmers and agricultural companies and performed usual.

15.3. Employees

There is only one employee (director) at INVL Baltic Farmland, AB. INVL Farmland Management, UAB provides accounting services for the Company. Employment agreements are concluded following requirements of the Labour Code of the Republic of Lithuania. Employees are employed and laid off following requirements of the Labour Code. There are no special employees' rights and duties described in the employment agreements.

There were 2 employees working at INVL Baltic Farmland and INVL Baltic Farmland subsidiary companies on 31 December 2024 (31 December 2023 – 2; 31 December 2022 – 2; 31 December 2021 – 2; 31 December 2020 – 2).

15.4. Environmental Protection and actions on climate change

Due to the nature of the Company's activities (acquisition and leasing of agricultural land to farmers and agricultural companies), its management structure, and the small number of employees within the Company itself, the Company does not have a formal environmental policy or set formal climate change mitigation targets. In this context, it does not collect or disclose environmental indicators, except for the productivity score of arable land, and has not conducted a formal materiality analysis of non-financial information. However, the Company focuses primarily on improving the quality of its land holdings and maintaining ecological

sustainability by preserving the fertility of leased land in cooperation with its tenants, as the value of the Company's assets depends on soil productivity levels. When entering into land lease agreements, the Company expects tenants to comply with legal requirements and obliges them to cultivate the land properly and in a timely manner, prevent land abandonment, and carry out annual agricultural activities. Environmentally harmful actions that could degrade soil conditions and fertility are strictly prohibited on the leased land. The Company continuously assesses the impact of tenants' activities on the value of its assets, including environmental aspects, and takes appropriate measures, if necessary, to manage any related risks.

15.5. Fight against corruption and bribery

To reduce the risk of external and internal bribery, the Company implements internal procedures aimed at increasing operational transparency and preventing opportunities for involvement in illegal activities. The Company expects appropriate conduct from its employees and partners but cannot foresee all possible situations. Since the Company operates solely within the territory of the Republic of Lithuania, it does not engage in relationships with foreign officials; therefore, the risk of bribery involving foreign officials is not relevant.

15.6. Key Intangible Resources

One of the key intangible resources of the Company is its listing on the Nasdaq Vilnius Secondary List, which enhances the Company's transparency, credibility, and accessibility to investors. The listing provides an opportunity to attract capital more efficiently, increases the Company's liquidity, strengthens its market position, and helps improve its reputation. Another key intangible resource of the Company's company group is long-term lease agreements, which ensure stable and predictable income and contribute to business continuity and strategic growth. These intangible resources play a crucial role in creating the Company's value by strengthening its financial stability, long-term growth, and competitiveness in the market.

16. A description of the principal advantages, uncertainties encountered, risks and uncertainties

16.1. Advantages of investments

Agricultural land in Lithuania is undervalued

Agricultural land prices in Lithuania are among the lowest in the European Union, and much lower than in neighbouring Poland. This is caused by increased land fragmentation and other reasons.

Land allows saving core capital and has a low risk

After recent market turmoil, investors are paying more and more attention on capital preservation. Investment in agricultural land is backed by assets which has only a small possibility of devaluation. Historical data shows that land, in the long term, is characterized by strong core capital preservation features. Unlike investments in exhaustible metals, oil and gas resources, a well-managed agricultural land is a completely renewable resource, which remains productive forever.

Land is a good protection against inflation

Agricultural land, as an asset class, has a positive correlation with inflation. Historically, agricultural land values rose faster than inflation, therefore agricultural land is an effective insurance against inflation and a capital preservation tool. It may be attractive to investors, who are worried about governments' inflationary policies.

Land generates stable income

Unlike other popular insurance against inflation measures, such as precious metals, land provides a regular income to the investor, which, in the low interest environment, is often higher than the deposit or bond interest. Although land investment does not bring the highest income in the real estate sector, not depreciating assets with strong price growth potential and close to 100 % occupation (unlike commercial real estate, high-quality agricultural land demand is always high, regardless of the economic environment) generate the income.

Investment in land is characterized by lower income volatility

By placing agricultural land in a diversified portfolio, investors can reduce the risk of income shortage at a time when other assets generate little or no income. While the long-term rise in agricultural commodity prices positively affect the value of land, short-term fluctuations in the price of production are assumed by the farmer rather than the landowner.

Historically, land had higher yield

In developed countries agricultural land had higher profits than other asset classes, including equities, bonds and commercial real estate, despite the lower risk (measured as the standard deviation of the annual return).

Land is an attractive diversification tool

Agricultural land yield has a low or even negative correlation with traditional asset classes like stocks and bonds, and a small positive correlation with residential and commercial real estate. These features make farmland an attractive diversification tool that can reduce the impact of general market fluctuations on diversified portfolio.

Agricultural land advantages compared with other real estate investments

Investment in agricultural land is classified as a real estate but has unique features. This allowed agricultural land to protect itself from extreme falls in the value of assets, which were experienced by residential and commercial property during the crisis.

16.2. Risk factors

Information, provided in this section, should not be considered complete and covering all aspects of the risk factors associated with the activity and securities of the public joint-stock company INVL Baltic Farmland.

Risk factors, associated with activities of INVL Baltic Farmland

Restriction of the purchase of agricultural land

The public joint-stock company INVL Baltic Farmland invests in agricultural land in Lithuania through its owned private companies. On 1 January 2014 changes to the Agricultural Land Acquisition temporary law (No. IX-1314) entered into force, providing restrictions of the purchase of agricultural land (including restriction of purchase of shares in the legal entity owning agricultural land). This law was changed from 1 January 2018 by Agricultural Land Acquisition law (No. XIII-801). These restrictions mean that the public joint-stock company INVL Baltic Farmland and its owned private companies will not be able to purchase agricultural land in Lithuania additionally and/or acquire shares in companies owning agricultural land.

Prohibition stated in the law can reduce the amount of buyers of agricultural land, owned by subsidiaries of the public joint-stock company INVL Baltic Farmland, and thus the liquidity and price of the asset.

The total investment risk

The value of the investment in agricultural land can vary in the short term, depending on the harvest, prices of agricultural products, local demand and supply fluctuations, competition between farmers and financial situation. Investment in agricultural land should be carried out in the medium and long term, so that investor can avoid the short-term price fluctuations. Investing in real estate is connected with the long-term risks. After failure of investments or under other ill-affected circumstances (having been unable to pay for the creditors) the bankruptcy proceedings may be initiated.

Agricultural production and other commodity price volatility risk

Agricultural products and other commodities prices are historically characterized by very large fluctuations, on which, in many cases, depends the price of agricultural land. The main factor affecting profitability of agricultural business is the price of the crop (wheat, canola, etc.), but fuel, labour, fertilizers' and other commodity prices also affect the cost of agricultural activity, therefore their increase lowers profit margins and reduces the ability to pay higher prices for agricultural land leases. If high fuel, fertilizer and labour costs coincide with the fall of agricultural output prices, farmers and investors in the agricultural sector may suffer a loss.

Common agricultural risk

The public joint-stock company INVL Baltic Farmland will seek to lease its owned agricultural land to farmers and agricultural companies for the highest price possible. Factors that could adversely affect the agricultural sector may be weather conditions (floods, droughts, heavy rains, hail, frost, weeds, pests, diseases, fire, climate change related worsening conditions and others). Any of these factors, together or separately, could have a negative impact on farmers' incomes and farmland values. Part of the risks, not all, can be insured, but the insurance costs reduce agricultural profitability, thus not all Lithuanian farmers do it.

Reliance on the European Union and national subsidies

Lithuanian and the European Union farmers' activities and profits are highly dependent on the European Union's Common Agricultural Policy (CAP) - EU and national subsidies for agricultural activities. Recent changes to the CAP are valid for the period 2021-2027.

Elimination of direct payments could have a negative impact on agricultural land rents and values.

Land illiquidity risk

Investments in agricultural land under certain market conditions are relatively illiquid, thus finding buyers for these lands can take time. Investors may consider the investment in agricultural land only if they do not have needs for the sudden liquidity.

Risk of legislative and regulatory changes

Lithuanian law, the European Union directives and other legislative changes may affect the income of farmers and agricultural land rents. For example, changes affecting agricultural products price controls, export restrictions, customs entry or withdrawal, more stringent environmental restrictions could adversely affect the profitability of agriculture.

Tax increase risk

Tax laws change may lead to a greater taxation of the public joint-stock company INVL Baltic Farmland and its group companies, which in turn may reduce the profits and assets of the Company.

Inflation and deflation risk

It is likely that during its operational period the public joint-stock company INVL Baltic Farmland will face both inflation and deflation risks as investments in agricultural land are long term. If the profit from the agriculture land rent will be less than the inflation rate,

it will result in loss of purchasing power. It is estimated that investment in agricultural land profitability is highly correlated with inflation.

Credit risk

The public joint-stock company INVL Baltic Farmland will seek to lease agricultural land plots in the highest price possible to farmers in Lithuania and agricultural companies. There is a risk that tenants of the land will not fulfil their obligations - it would adversely affect the profit of the public joint-stock company INVL Baltic Farmland. Large parts of liabilities not fulfilled in time may cause disturbances in activities of the public joint-stock company INVL Baltic Farmland, there might be a need to seek additional sources of financing, which may not always be available.

The public joint-stock company INVL Baltic Farmland also bears the risk of holding funds in bank accounts or investing in short-term financial instruments.

Liquidity risk

The public joint-stock company INVL Baltic Farmland may be faced with a situation where it will not be able to settle with suppliers and other creditors in time. The Company will seek to maintain adequate liquidity levels or secure funding in order to reduce this risk.

Interest rate risk

Interest rate risk mainly includes loans with a variable interest rate. The public joint-stock company INVL Baltic Farmland plans to use very small amount of debt. Rising interest rates worldwide may adversely affect the values of property - agricultural land.

Large shareholders risk

Three shareholders of the public joint-stock company INVL Baltic Farmland together with related parties hold more than 60 percent of shares and their voting will influence the election of the Members of the Boards of Company, essential decisions regarding management of the public joint-stock company INVL Baltic Farmland, operations and financial position. There is no guarantee that the decisions made by the major shareholders' will always coincide with the opinion and interest of the minority shareholders. Large shareholders have the right to block the proposed solutions of other shareholders.

Market-related risks

Market risk

Shareholders of the public joint-stock company INVL Baltic Farmland bear the risk of incurring losses due to adverse changes in the market price of the shares. The stock price drop may be caused by negative changes in assets value and profitability of the Company, general stock market trends in the region and the world. Trading of shares of the public joint-stock company INVL Baltic Farmland may depend on comments of the brokers and analysts and published independent analyzes of the Company and its activities. The unfavourable analysts' outlook of the shares of the public joint-stock company INVL Baltic Farmland may adversely affect the market price of the shares. Non-professional investors assessing the shares are advised to seek the assistance of intermediaries of public trading or other experts in this field.

Liquidity risk

If demand for shares decreases or they are deleted from the stock exchange, investors will face the problem of realization of shares. If the financial situation of the public joint-stock company's INVL Baltic Farmland deteriorates, the demand for Company's shares may drop, which will lead to fall in share price.

Dividend payment risk

Dividend payment to the shareholders of the public joint-stock company INVL Baltic Farmland is not guaranteed and will depend on the profitability, investment plans and the overall financial situation of the Company.

Tax and legal risk

Changes in the equity-related legislation or state tax policy can change shares attractiveness of the public joint-stock company INVL Baltic Farmland. This may reduce the liquidity of the shares of the Company and/or price.

Inflation risk

When inflation increases, the risk, that the stock price change may not offset the current rate of inflation, appears. In this case, the real returns from capital gain on market shares for traders may be less than expected.

16.3. The main indications about internal control and risk management systems related to the preparation of consolidated financial statements

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

The Company is responsible for the supervision and final review of the consolidated financial statements. To order to manage these functions properly, the Company is using an external provider of relevant services (INVL Farmland Management). The Company, together with the accounting service provider constantly reviews International Financial Reporting Standards (IFRS) in order to implement in time IFRS changes, analyses Company's and group's significant deals, ensures collecting information from the group's

companies and timely and fair preparation of this information for the financial statements, periodically informs the Board of the Company about the preparation process of financial statements.

Accounting of all the Company Group's entities is provided by the same external accounting service provider (INVL Farmland Management) by using the unified accounting system, the standard chart of accounts and by applying unified accounting principles. Standardized data collection files prepared by Excel program are used for preparation of consolidated numbers. It also facilitates the automatic reconciliation and elimination of balances and transactions between subsidiaries in the preparation of consolidated accounts. Internal control of the financial numbers of the Group's entities and of the Group financial statements is provided by CFO of external accounting service provider.

17. Significant investments made during the reporting period

During the reporting period INVL Baltic Farmland, AB has not made any acquisitions.

18. 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

In 2024 there were 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.

19. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in Notes 17 of consolidated financial statements for the year ended 31 December 2024.

20. 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 Company, controlling shareholders' or other related parties' obligations to the issuer and their private interests.

21. Significant events since the end of the financial year

There were no events since the end of the financial year.

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

22.1. Evaluation of implementation of goals for 2024

The initial forecast of INVL Baltic Farmland for year 2024 was income of EUR 835 thousand and net profit of EUR 420 thousand.

INVL Baltic Farmland had revenue of EUR 835 thousand in 2024 and earned unaudited net profit of EUR 1,836 thousand for the year. Profit was forecasted under the assumption that the value of agricultural land holdings in the balance sheet would not change and the change in the value of trade receivables by the buyers was not assessed, but a valuation conducted by the company Matininkai showed that land holding value had increased by 9.5% to EUR 22.736 million compared to previous year, or EUR 7.38 thousand per hectare. In 2024 the Group also incurred an unbudgeted expense of EUR 107 thousand for the property administration fee (its success fee component). The increase in the corporate income tax rate (from 15% to 16%) in Lithuania from 2025 resulted in a decrease in net profit of EUR 182 thousand after recalculation of the deferred income tax liability according to the new rate, which was also not foreseen. Excluding these non-estimated factors and the related income tax expense, INVL Baltic Farmland's profit would be EUR 436 thousand. Therefore, after assessing the favourable market trends that allowed to increase the value of assets, it can be stated that INVL Baltic Farmland has accomplished and exceeded the calculated profit forecasts for 2024.

22.2. Activity plans and forecasts

At the time of issuing this report, the forecasts of 2025 year have not been approved. Upon approval, the Company will inform about the activity plans and forecasts in a separate notice.

V. OTHER INFORMATION

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

All data is presented in consolidated and Company's financial statements explanatory notes of 2024.

24. Information on financial risk management objectives used for hedging measures which hedge accounting and of price risk, credit risk, liquidity risk and cash flow risk where the company group uses financial instruments and is an important evaluation of the property, own capital, liabilities, revenue and expenses

The information is disclosed in Note 3 to the consolidated and the Company's 2024 financial statements.

25. Information about activities of the Issuer and companies comprising the issuer's group in the field of research and development

INVL Baltic Farmland, AB did not deliver major researches and expansion projects in 2024.

26. 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 Company and the Members of the Board, or director 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.

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

The Issuer does not apply control systems to share-based payment schemes to its employees.

28. Information on audit company

The Company has not approved criteria for selection of the audit company.

Audit services on annual financial statements of the Company for the financial year of 2024 was provided by the audit company BDO auditas ir apskaita, UAB. In the General Extraordinary Shareholders' Meeting of the Company held on 21 October 2024 it was decided to conclude an agreement with BDO auditas ir apskaita, UAB to carry out the audit of the annual financial statements of the INVL Baltic Farmland, AB.

In 2024 the accrued cost of audit services is disclosed in point 8 of the explanatory notes to the consolidated annual financial statements for the year 2024.

Audit company	BDO auditas ir apskaita, UAB
Address of the registered office	K. Baršausko g. 66, LT-51436
Enterprise code	135273426
Telephone	+370 37 320390
E-mail	info@bdo.lt
Website	www.bdo.lt

No internal audit is performed in the Company.

29. Data on the publicly disclosed information

The information publicly disclosed of INVL Baltic Farmland, AB during 2024 is presented on the Company's website (Company's web site section „Investor Relations“ → „Regulated information“).
The link: <https://invlbalticfarmland.com/en/news/>.

Table 29.1. Summary of publicly disclosed information

Date of disclosure	Brief description of disclosed information
29.02.2024	Audited results of INVL Baltic Farmland group of 2023
19.03.2024	INVL Baltic Farmland announces operating forecasts and planned dividends
19.03.2024	Regarding proposal of the Board of INVL Baltic Farmland to allocate dividends for the year 2023
19.03.2024	Convocation of the General Ordinary Shareholders Meeting of INVL Baltic Farmland and draft resolutions on agenda issue
19.03.2024	INVL Baltic Farmland plans to earn EUR 420 thousand net profit in 2024
10.04.2024	INVL Baltic Farmland will pay dividends to shareholders
10.04.2024	Regarding approval of dividend allocation of INVL Baltic Farmland for the year 2023
10.04.2024	Resolutions of the General Shareholders Meeting of INVL Baltic Farmland
09.05.2024	Procedure for the payout of dividends for the year 2023
09.05.2024	AB INVL Baltic Farmland AB INVL Baltic Farmland unaudited Interim information for 3 months of 2024
30.07.2024	Unaudited results of INVL Baltic Farmland for 6 months of 2024
27.09.2024	Convocation of the General Extraordinary Shareholders Meeting of INVL Baltic Farmland and draft resolutions on agenda issue
21.10.2024	Resolutions of the General Extraordinary Shareholders' Meeting of INVL Baltic Farmland
12.11.2024	AB INVL Baltic Farmland unaudited Interim information for 9 months of 2024
23.12.2024	INVL Baltic Farmland investor's calendar for 2025

Director

Eglé Surpliené

APPENDIX 1. INFORMATION ABOUT GROUP COMPANIES, THEIR CONTACT DETAILS

Company	Registration information	Type of activity	Contact details
Ekotra, UAB	Code 303112623 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Puskaitis, UAB	Code 303112769 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Zemynele, UAB	Code 303112559 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Kvietukas, UAB	Code 303112678 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Lauknesys, UAB	Code 303112655 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Vasarojus, UAB	Code 303004626 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Laukaitis, UAB	Code 303112694 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Ziemkentys, UAB	Code 303112648 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Zemgale, UAB	Code 303112744 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Avizele, UAB	Code 303113077 Registration address Gyneju str. 14, Vilnius; Legal form – private limited liability company Registration date 01.08.2013	Investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Berzyte, UAB	Code 303112915 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Duonis, UAB	Code 303112790 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Pusaitis, UAB	Code 3031131032 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com

Zalve, UAB	Code 303113045 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Seja, UAB	Code 303113013 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Dirvolika, UAB	Code 303112954 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Linaziede, UAB	Code 303112922 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 01.08.2013	investments into agricultural land. Rent of the agricultural land.	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com
Cooperor, UAB	Code 303252162 Registration address Gyneju str. 14, Vilnius Legal form – private limited liability company Registration date 27.02.2014	Carries no activity	Telephone +370 5 279 0601 E-mail farmland@invaldainvl.com

APPENDIX 2. CORPORATE GOVERNANCE CODE

INVL Baltic Farmland, AB (hereinafter - "**the Company**"), acting in compliance with Article 12 (3) of the Law on Securities of the Republic of Lithuania and paragraph 25.4 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form is provided.

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

1. Summary of the Corporate Governance Report:

Short history:

The public joint-stock company INVL Baltic Farmland was established on 29 April 2014 on the basis of a part of assets split-off from one of the leading asset management groups in the Baltic region Invalda INVL. INVL Baltic Farmland manages shares of 18 companies investing into agricultural land that are owning about 3 thousand hectares of agricultural land in Lithuania. 99% of land is rented to farmers and agricultural companies.

Shares of INVL Baltic Farmland are listed on Nasdaq Vilnius stock exchange since 4 June 2014.

About Company's activities:

The administration of the INVL Baltic Farmland group owned land, according to the basic property administration agreement signed on 30 June 2015, is transmitted to the owned company INVL Farmland Management (for further information please see paragraph 3.3. "Information about the Issuer's group of companies" of this annual consolidated report). On 28 December 2020 the Basic Property Administration Agreement's Amendment No. 20150630/01 was concluded, based on which the term of the Basic Property Administration Agreement was extended until 31 December 2025.

As the Company has signed the property administration agreement it employs a minimum number of people. As of 31 December 2024 the Company and group had 2 employees, while INVL Farmland Management provides accounting services and preparation of the documents related with bookkeeping for INVL Baltic Farmland, AB.

About operating environment:

It is prohibited for one person to have more than 500 hectares of land in Lithuania since 2014. That's why INVL Baltic Farmland development is limited and the generated funds are directed to the payment of dividends to shareholders.

Corporate governance structure:

- The Company's managing bodies consists of the Board, elected for the 4 years term of office, and the manager, elected by the Board (for further information please about the Issuer's governing bodies and the composition of the committees in Chapter III "Issuer's bodies" of this consolidated annual management report). The Board's and the manager's activities are concentrated on the fulfilment of the Company's strategic objectives taking count of the shareholders' equity value increase.
- The Supervisory Board is not formed. Nevertheless, the Board and the Director acts in close cooperation seeking to obtain the maximum benefit for the Company and its shareholders. The Board periodically reviews and assesses Company's activity results.
- The Company's Board performs supervisory functions, as described in section 11.2.1. of this annual management report.
- The Chairman of the Board is not and has not been the manager of the Company. His current or past office constitutes has no obstacles to conduct independent and impartial supervision.
- Members of the Board are elected by the General Shareholders' Meeting. They are independent and in their actions seek the benefit to the Company and its shareholders. The Board of the Company conducts an annual self-assessment of its activities.
- An independent member of the Board T. Bubinas was elected by the decision of the General Shareholders' Meeting, held on 27 April, 2022.
- The Company has an Audit Committee consisting of 2 independent members. Due to simplicity of the Company's management structure and small number of employees, it is not expedient to form the Nomination and Remuneration committees.

Accountability to the Company's shareholders:

- The Company discloses and updates all information required for evaluation by the governing bodies of the Company: Information about the manager, composition of the Board, managers and Board members' education, work experience and participation in other companies is disclosed in Company's periodical reports and website.
- The Company discloses information via Nasdaq news distribution service so that the public in Lithuania and other EU countries should have equal access to the information. The information is disclosed in Lithuanian and English. The Company publishes its information prior to or after the trade sessions on the Nasdaq Vilnius. The Company does not disclose information that may have an effect on the price of shares in the commentaries, interview or other ways as long as such information is publicly announced via Nasdaq news distribution service.
- Shareholders of the Company have equal opportunities to get familiarized and participate in adopting decisions important to the Company. The procedures of convening and conducting of the General Shareholders' Meeting comply with the provisions of legal

acts and provide the shareholders with equal opportunities to participate in the meetings get familiarized with the draft resolutions and materials necessary for adopting the decision in advance, also give questions to the Board members.

2. Structured table for disclosure:

Principles/ Recommendations	Yes/No/ Not Applicable	Commentary
<p>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.</p>		
<p>1.1. All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.</p>	<p>YES</p>	<p>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.</p>
<p>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.</p>	<p>YES</p>	<p>Shares constituting the authorized capital of the Company grant equal rights to all shareholders of the Company.</p>
<p>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.</p>	<p>YES</p>	<p>The Company informs about the rights granted by the newly issued shares.</p>
<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>YES</p>	<p>All shareholders of the Company have equal opportunities to get acquainted and participate in making decisions that are important for the Company. The approval of the General Meeting of Shareholders is obtained in the cases specified in Section V of the Law on Companies falling within the competence of the General Meeting of Shareholders.</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</p>	<p>YES</p>	<p>The Company must provide shareholders with the opportunity to participate in the general meeting of shareholders and vote by electronic means of communication, as well as</p>

information must be ensured and it must be possible to identify the participating and voting person.

submit voting instructions when demanded by shareholders whose shares represent no less than 1/10 of all votes.

1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.

YES

According to the Board's rules of procedure, at least 10 days before the General Shareholders' Meeting, where it is planned to elect Board members (member), the information about the candidates to the Board will be fully disclosed to the shareholders with the indication of the candidates' names, surnames, their membership in supervisory and management bodies of other companies, shareholding of other companies exceeding 1/20, and all other circumstances that can affect the independence of the candidate as well as the data on their education, qualifications, professional experience, other important information.

1.10. Members of the company's collegial management body, heads of the administration⁵ 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

The Board members inform the Chairman of the Board in case of the changes of the data. The information of these changes shall be disclosed to the shareholders in the Company's periodical reports.

Principle 2: Supervisory board

2.1. Functions and liability of the supervisory board

The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.

The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.

2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.

2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.

2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.

2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent⁶ 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.

NOT APPLICABLE

Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. It performs all essential management and supervisory functions, ensures accountability and control of the Director of the Company.

2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.

2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.

2.2. Formation of the supervisory board

The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.

2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.

NOT APPLICABLE

Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. It performs all essential management and supervisory

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

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

2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.

functions, ensures accountability and control of the Director of the Company.

2.2.3. Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.

2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.

2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.

2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.

2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.

Principle 3: Management Board

3.1. Functions and liability of the management board

The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.

3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.

NO

The Company does not prepare or approve separate strategies of the Company. The Company's objectives are disclosed in the Company's annual management reports, notices on material events, which are published on the Company's website, in Nasdaq Vilnius regulated notice distribution system, in the Central Regulated Information Database.

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.

YES

The Board's functions are discussed in the Consolidated Annual Management Report 11.2. section.

3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a

YES

The Management Board ensures that the Company complies with

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.

laws and internal policies of the Company and, it also ensures the accountability of the management in accordance with the established internal measures of governance and control.

3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance⁷ on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.

YES

The Management Board ensures compliance with applicable laws, regulations, and standards.

3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.

YES

When appointing the manager of the Company, the management board takes into account the candidate's qualifications, experience, and competence.

3.2. Formation of the management board

3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.

YES

The Company follows the recommendations of this paragraph. The members of the management board have the necessary variety of knowledge, opinions, and experience to perform their tasks properly.

3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.

YES

The curriculum vitae of the candidates to become members of the management board and information on the candidates' participation in the activities of other companies is submitted at the shareholder meeting together with draft resolutions without violating the requirements of the legal acts regulating the handling of personal data.

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

YES

After the election, all members of the management board shall be familiarized with their rights and obligations under the legal acts of the Republic of Lithuania and the Articles of Association of the Company. Members of the management board are regularly informed at the Board meetings and individually, as required or per own request of the members, about the Company's activities and its changes, material changes in the legal acts regulating the Company's activities, and other circumstances affecting the Company's activities.

3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.

YES

According to the Articles of Association of the Company, the members of the management board are elected for a term of four years, without limiting the number of their terms. The Articles of Association of the

⁷ Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: <https://www.oecd.org/daf/anti-bribery/44884389.pdf>

		Company provide for the possibility of re-election of the entire management board or its individual member
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.	YES	The Chair of the Management Board is a person who has never been the manager of the Company. The Chair of the Company's Management Board is not an employee of the Company and is a Company's shareholder. It is the Company's belief that these facts are sufficient to state that the Chair of the Management Board is capable of acting impartially and taking decisions which represent and protect the rights of shareholders.
3.2.6. Each member the management board should give sufficient time and attention to perform the duties of a member of the Board. If a member of the management Board participated in less than half of the board meetings during the financial year of the Company, the Company's Supervisory Board should be informed if the Supervisory Board is not formed in the Company - the General Shareholder Meeting.	YES	In 2024, the Management Board members attended the Management Board meetings (a quorum was present during all meetings), with each member devoting sufficient time to perform the duties of the Management Board member.
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent ⁸ , it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	YES	By the decision of the General meeting of the shareholders, held on 27 April 2022, Tomas Bubinas started to serve as an independent member of the Management Board. The fact that he is an independent member is indicated in the Company's interim and annual management reports.
3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	YES	No remuneration is paid to the members of the Board, except the independent member of the Management Board Tomas Bubinas, whose remuneration is approved by the decision of the General meeting of the shareholders, held on 27 April 2022. As some of the members of the Board are also shareholders of the Company, more detailed information on dividends paid to the members of the Board as well as other amounts of cash and guarantees provided is disclosed in paragraph 14 of the Annual Management Report.
3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	YES	According to the information available to the Company, the members of the Management Board act in good faith with respect to the Company, following the interests of the Company and not their own or those of third parties, adhering to the principles of honesty, reasonableness, confidentiality, and responsibility,

⁸ For the purposes of this Code, the criteria of independence of the members of the board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

		trying to remain independent during the decision-making.
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	YES	The Board once a year conducts self-assessment of its activities.
<p>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.</p>		
4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	YES/NO	The Supervisory Board is not formed. Nevertheless, the Board and the Director acts in close cooperation seeking to obtain the maximum benefit for the Company and its shareholders. The Board periodically reviews and assesses Company's activity results.
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	The Board meetings are held at least once per quarter.
4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	YES	The Board members are informed in advance about the meeting. Along with the notice of the meeting, all materials relevant to the issues on the agenda of the meeting are provided to the Board members.
4.4. In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	NO	The Company may not implement this recommendation since only the Board is formed.

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 committees⁹.

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.

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 committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.

YES/NO

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

5.1.5. 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

⁹ The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

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 simplicity of the Company's management structure and small number of employees, it is not expedient to form the Nomination and Remuneration committees.

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 simplicity of the Company's management structure and small number of employees, it is not expedient to form the Nomination and Remuneration committees.

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 members of the Audit Committee shall be provided with all the detailed information necessary for the performance of its functions.

5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.

YES

After the members of the Audit Committee decide who must attend the meeting of the Committee, these persons shall be invited, ensuring that the members of the managerial

		bodies would not be present at the same 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.	NOT APPLICABLE / YES	Due to the size of the Company, the Company does not have an internal audit function. The audit committee is informed about the work program of the external auditors and their independence, as well as relations with the Company and its group.
5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	NOT APPLICABLE	Due to the size of the Company, the audit committee does not examine paragraph 5.4.5.
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	The activity report is submitted once a year, together with the annual ordinary shareholders meeting.
<p>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.</p>		
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	Management board members avoid situations where their personal interests may be in conflict with the Company’s interests.
<p>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.</p>		
7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company’s long-term strategy.	YES	The remuneration policy is published on the Company’s website.
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/NO	The Manager of the Company receives only a fixed-rate remuneration.
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company’s performance.	YES	The members of the Board of the Company may be paid up with annual bonuses, which shall be granted by the decision of the General Meeting of Shareholders of the Company in accordance with the procedure established by legal acts and appointment thereof shall be disclosed in the consolidated annual management report of the Company. Tomas Bubinas is an independent member of the Management Board and his fixed amount of

		remuneration is approved by the decision of the General meeting of the shareholders, held on 27 April 2022.
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.	NOT APPLICABLE	The Company's Remuneration Policy does not determine severance pay policy. The company follows the requirements of the relevant legal acts regarding severance pay.
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.	NOT APPLICABLE	The Company has no system of employee incentivisation or remuneration with Company shares.
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.	YES	The remuneration policy is published on the Company's website.
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.	YES	The Company's remuneration policy and its amendments are approved by the Company's General Meeting of Shareholders.
Principle 8: Role of stakeholders in corporate governance		
The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.		
8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	The Company respects the rights of stakeholders and their legitimate interests.
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	YES	All stakeholders are provided with the possibility to participate in corporate governance in the manner prescribed by law.
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	The stakeholders involved in the corporate governance process shall be granted access to the necessary information, without prejudice to the interests of the Company and other related parties.
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

9.1.1. operating and financial results of the company;

YES

Company publishes interim and annual management reports.

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

YES

Company publishes interim and annual management 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

Information is provided on the Company's website and in its interim and annual management reports.

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;

NO

The Company does not provide information related to this item.

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 management 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.);

YES

Information is provided in interim and annual management reports.

9.1.9. structure and strategy of corporate governance;

YES

The information is provided Company's website and in interim and annual management reports.

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.

NOT APPLICABLE

Due to the size of the Company, minimum information related to the environment, employees, research and development is published.

9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.

YES

The Company prepares a consolidated management 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

The Company discloses in its consolidated annual management report information on the total amount of annual remuneration and other income paid to the Company's key management and members of the managerial bodies, as well as education, qualifications and participation in

		the activities and capital of other companies.
<p>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.</p>	<p>YES</p>	<p>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.</p>
<p>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.</p>		
<p>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.</p>	<p>YES</p>	<p>The Company is audited by an independent audit company BDO auditas ir apskaita, UAB.</p>
<p>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.</p>	<p>YES</p>	<p>The management board of the Company submits the candidacy of the audit company to the meeting of shareholders. The Audit company shall be approved by the general meeting of shareholders of the Company.</p>
<p>10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.</p>	<p>YES</p>	<p>In 2024 the audit firm did not provided non audit services.</p>

APPENDIX 3. INFORMATION ABOUT COMPANY'S MANAGEMENT

(Prepared in accordance with the Law on Corporate and Corporate Group Reporting of the Republic of Lithuania (XIV-2811) in force from 01 December 2024)

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 consolidated management report of 2024. The Company publishes its annual management reports in the website of the Company (Company's web site section „Investor Relations“ → „Reports“. The link: <https://invlbalticfarmland.com/en/investor-relations/financial-information-and-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 2 table sections "Yes/No/Irrelevant" and "Commentary" of Appendix 2 of the consolidated management report of 2024 "Corporate Governance Code". The Company will provide an explanation in the "Commentary" section in all cases 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 16.2. of the consolidated management report of 2024.

4. Information regarding significant directly or indirectly managed holdings

The Company provides information regarding the significant directly or indirectly managed holdings in Clause 10.1. of the consolidated management report of 2024.

5. Information regarding Company's 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 37² part 10, clause 3 of the Law on Companies, the provisions of Article 37² are not applicable to the transactions concluded with a subsidiary company, if the owner of all shares is this joint-stock company. Since all transactions with related parties in the Company are loans with subsidiaries and insignificant transactions for the purchase of accounting services, the Company did not have any transactions to which the provisions of paragraph 37² apply and the details of such transactions are not disclosed.

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 Board members of the Company act in accordance with the Law on Companies of the Republic of Lithuania, Articles of Association of the Company, Rules of Procedure of the Board, as well as other applicable legislation. The Board members of the Company always act for the benefit of the Company and its shareholders.

The procedure for changing the Articles of Association of INVL Baltic Farmland is no different from stated in the Law on Companies of the Republic of Lithuania.

9. Information regarding the powers of the board members

The Board members of the Company act in accordance with the Law on Companies of the Republic of Lithuania, Articles of Association of the Company, Rules of Procedure of the Board, as well as other applicable legislation, and have no special powers. The Board members of the Company always act for the benefit of the Company and its shareholders. The powers of the board members are disclosed in Clause 11.2.1. of the consolidated management report of 2024

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 11.1. of the consolidated annual management report of 2024.

11. Information regarding the composition of the management, supervisory bodies, and the committees thereof, as well as the fields of activity of the aforesaid bodies and the manager of the Company

The Company provides information on the Board members of the Company, the director, Audit Committee Members of the Company in Clauses 11.2, 11.3., 12 and 13 of the consolidated annual management report of 2024, defining the boundaries of the management's activities, also mentions other important information related to the positions held.

12. Information on all agreements between shareholders (their terms and conditions)

The Company's shareholders do not have mutual agreements.

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

In accordance 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 provides 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“ → „Reports“ → „Indicator formulas“). The link: <https://invlbalticfarmland.com/en/investor-relations/financial-information-and-reports/>

- **Dividend yield** – the set value of dividends paid per share for the last financial year divided by the price per share at the end of a financial period.

$$\text{Dividend yield} = \frac{\text{The set value of dividends paid per share for the last financial year}}{\text{The price per share at the end of a financial period}}$$

This is a particularly an important valuation measure for investors seeking regular income. The higher the yield, the higher the payout for the shareholder compared to the price of the share.

- **Book value per share** – the Group's equity divided by the number of shares, excluding the Group's own shares, at the end of a financial period.

$$\text{Book value per share} = \frac{\text{The Group's equity}}{\text{The number of shares, excluding the Group's own shares, at the end of a financial period}}$$

The book value per common share indicates the euro value remaining for common shareholders after all assets are liquidated and all debtors are paid.

- **Price to Book ratio** – the ratio of the share price at the end of a financial period to the book value per share.

$$\text{Price to Book ratio} = \frac{\text{The share price at the end of a financial period}}{\text{The book value per share}}$$

Price-to-book ratio compares a firm's market to book value by dividing price per share by book value per share. This shows how the valuation is covered by equity.

- **Dividends/Net profit** – Ratio between the dividends allocated at the ongoing year for the year before and ongoing year net profit of the Company.

$$\text{Dividends/Net profit} = \frac{\text{Ratio between the dividends allocated at the ongoing year for the year before}}{\text{Ongoing year net profit of the Company}}$$

The dividend payout ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income of the Company. It is the percentage of earnings paid to shareholders in dividends.

- **Return on Equity (ROE)** – the ratio of net income to average equity for a financial period, measured in percentage terms.

$$\text{Return on Equity (ROE) (measured in percentage terms)} = \frac{\text{Net income}}{\text{Average equity for a financial period}}$$

Return on equity excludes debt in the denominator and compares net profit for the period with total average shareholders' equity. It measures the rate of return on shareholders' investment and is, therefore, useful in comparing the profitability of the Group with its competitors.

- **Average equity** is an arithmetical average of the beginning equity and ending equity for the financial period.

$$\text{Average equity} = (\text{The beginning equity for the financial period} + \text{The ending equity for the financial period}) / 2$$

- **Return on Assets (ROA)** – the ratio of net income to average total assets for a financial period, measured in percentage terms.

$$\text{Return on Assets (ROA) (measured in percentage terms)} = \frac{\text{Net income}}{\text{Average total assets for a financial period}}$$

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives a manager, investor, or analyst an idea as to how efficient a company's management is at using its assets to generate earnings.

- **Average total assets** is an arithmetical average of the beginning total assets and ending total assets for the financial period.

$$\text{Average total assets} = (\text{The beginning total assets for the financial period} + \text{The ending total assets for the financial period}) / 2$$

- **Liquidity ratio** – the ratio of current assets to current liabilities.

$$\text{Liquidity ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Liquidity ratio is a financial metric used to determine a debtor's ability to pay off current debt obligations without raising external capital.

- **Operating profit margin** – the ratio of operating profit to sales, measured in percentage terms.

$$\text{Operating profit margin (measured in percentage terms)} = \frac{\text{Operating profit}}{\text{Sales}}$$

Operating margin measures how much profit a company makes on a euro of sales, after paying for variable costs of production such as wages and raw materials, but before paying interest or tax. It is calculated by dividing a company's operating profit by its net sales.

- **Pretax profit margin** – the ratio of pretax profit to sales, measured in percentage terms.

$$\text{Pretax profit margin (measured in percentage terms)} = \frac{\text{Pretax profit}}{\text{Sales}}$$

The pretax profit margin is the ratio of a company's pre-tax earnings to its total sales. The higher the pretax profit margin, the more profitable the company.

- **Operating profit excluding revaluation of investment property margin** – the ratio of operating profit excluding net gain from fair value adjustments on investment property to sales, measured in percentage terms.

$$\text{Operating profit excluding revaluation of investment property margin (measured in percentage terms)} = (\text{Operating profit} - \text{The net gain from fair value adjustments on investment property}) / \text{Sales}$$

Operating profit excluding revaluation of investment property margin measures how much profit a company makes on a euro of sales, after paying for variable costs of production such as wages and raw materials, but before paying interest or tax and excluding effects of investment property revaluation. It is calculated by dividing a company's operating profit by its net sales.

- **Price earnings ratio (P/E)** – the share price at the end of a financial period divided by earnings per share (EPS).

$$\text{Price earnings ratio (P/E)} = \frac{\text{The share price at the end of a financial period}}{\text{Earnings per share (EPS)}}$$

To determine the P/E value, one simply must divide the current stock price by the earnings per share (EPS). It is used to compare a company against its own historical record or to compare aggregate markets against one another or over time.

- **Net profitability** – net profit divided by sales, expressed in percentage terms.

$$\text{Net profitability (expressed in percentage terms)} = \frac{\text{Net profit}}{\text{Sales}}$$

The net profitability is equal to how much net income or profit is generated as a percentage of revenue. It illustrates how much of each euro in revenue collected by a company translates into profit.

- **EBITDA (earnings before interest tax depreciation and amortization) profitability** – operating profit excluding net profit from a revaluation of investment assets with depreciation and amortization added back divided by sales, expressed in percentage terms.

$$\text{EBITDA (earnings before interest tax depreciation and amortization) profitability (expressed in percentage terms)} = \frac{(\text{Operating profit} - \text{Net profit from a revaluation of investment assets} + \text{Depreciation and amortization})}{\text{Sales}}$$

Earnings before interest tax depreciation and amortization as a percentage of revenue. EBITDA margin can provide an investor, business owner or financial professional with a clear view of a company's operating profitability and cash flow.

- **Capitalization** – the market value of a company's equity.

$$\text{Capitalization (EUR)} = (\text{Amount of shares (units)} - \text{Amount of Company's owned shares (units)}) * \text{Share Price (EUR)}$$

Capitalization defines the market value of a company which depends on the price and volume of the company's stock at a given time. Capitalization shows the net worth of a company at a given time by market participants.

APPENDIX 5. INFORMATION ABOUT REMUNERATION

The Remuneration Report 2024 (hereinafter referred to as the **Report**) of the public limited liability company INVL Baltic Farmland (hereinafter referred to as the **Company** or **AB INVL Baltic Farmland**) was prepared in compliance with the provisions of the Remuneration Policy approved by the decision of the Company's General Meeting of Shareholders dated 29 March 2023.

The Remuneration Policy of the Company is applicable to the Managers of the Company (the Chief Executive Officer and the members of the Board of the Company).

Brief overview of the Company's activities in 2024

AB INVL Baltic Farmland holds the shares of the private limited liability companies that invest in agricultural land. AB INVL Baltic Farmland holds a 100 % stake in 18 private limited liability companies which own approximately 3,000 ha of agricultural land in Lithuania. More than 99 % of the land holdings is leased to farmers and agricultural businesses.

On 30 June 2015, the companies, the land owners, and AB INVL Baltic Farmland signed a property administration agreement with INVL Farmland Management which administers the land plots owned by the companies in order to ensure the growth of income for the shareholders and to raise the value of the land holdings. On 28 December 2020, an amendment to the agreement was signed and the validity period of the property administration agreement was extended until 31 December 2025.

In 2024, AB INVL Baltic Farmland received income totalling EUR 835 thousand, whereas its audited net profit amounted to EUR 1,836 thousand (in 2023, the consolidated net profit of the Company amounted to EUR 2,643 thousand and the Group's income totalled EUR 794 thousand). In the long-term, the Company seeks to earn a profit from the growth in land lease revenue and an increase in the land value. Based on the data of the property valuation carried out in the last quarter of 2024, the value of the land plots grew by 9.5 % during the year, up to EUR 22.736 million. The average value per hectare is EUR 7.38 thousand.

Corporate governance

AB INVL Baltic Farmland has a single-person management body – the Chief Executive Officer (Director) of the Company and a collegial management body – the Board. No Supervisory Council is formed at the Company.

Report on the remuneration of the Chief Executive Officer of the Company in 2024

The Chief Executive Officer (CEO) of the Company was paid a fixed monthly salary of EUR 170.15 under the employment contract. The norm of working time is 1 hour per day. The salary of the CEO of the Company was determined by the decision of the Board of 1 July 2015 and it has not been changed.

Accordingly, in 2024, the CEO of the Company was paid a fixed salary of EUR 2,052. The fixed salary of the CEO of the Company accounted for 100 per cent of the remuneration since the appointment in 2015.

No other agreements on additional pension or retirement conditions were concluded with the CEO of the Company, the termination terms of the employment contract were not amended, and the payments related to the termination of the employment contract do not differ from those established in the applicable legislation.

No postponement of the remuneration was applied to the CEO of the Company, and the possibility of recovering the variable portion of the remuneration was not exercised.

The CEO of the Company did not obtain any indirect benefit from the Company, and no stock options were granted by the Company to the CEO.

The CEO of the Company did not receive remuneration from any company in which the Company holds more than 50 % of the shares.

In 2024, the salary to the CEO of the Company was paid without any derogation from the approved Remuneration Policy.

Report on the remuneration of the members of the Company's Board in 2024

The members of the Board of the Company may receive the shares of profit allocated by the decision of the General Meeting of Shareholders under the procedure established by the law and the allocation of which is disclosed in the consolidated annual management report of the Company.

Upon the allocation of the Company's profit for 2023 by the decision of the General Meeting of Shareholders dated 10 April 2024, no shares of profit were allocated to the members of the Company's Board. Some of the members of the Company's Board or the companies controlled by them are the shareholders of the Company and together with other shareholders they receive dividends either directly or through the controlled companies.

In the Management Board there is one independent member T. Bubinas, who receives fixed salary for the work in the board, the amount of which is approved by the decision of the General meeting of the shareholders, held on 27 April 2022. An agreement of the independent member of the Management Board is concluded with T. Bubinas. He was paid EUR 200 in 2024.

The members of the Company's Board did not obtain any indirect benefit from the Company and they were not granted any stock options by the Company.

The members of the Company's Board did not receive any remuneration from any company in which the Company holds more than 50 % of its shares.

During 2024 there were no deviations from the Company's Remuneration policy. The remuneration was paid to an independent member of the Management Board, which was determined by the decision no. 7 of the General meeting of shareholders, dated April 27 2022. No benefits (remuneration) were paid to other members of the Company's Board in 2024.

Information on the remuneration paid in 2020-2024, the operating results of the Company and their changes

During the period from 1 January 2020 until 31 December 2024, there were no other employees in the Company, except for the Chief Executive Officer of the Company and since 2022 the independent member of the Management Board, who were paid a fixed salary; therefore, the Company is unable to provide information on the average salary of its employees or its changes. The table below contains the remuneration of the Company's management bodies and the Company's annual operating results and their changes over the last five years:

	2020	2021	2022	2023	2024
Amount of CEO remuneration*, EUR	2,044	2,044	2,044	1,988	2,052
Change in CEO remuneration, %	0.05	0.00	0.00	-2.7	3.2
Annual bonuses to members of the board	-	-	-	-	-
Amount of independent member of the Management Board remuneration, EUR	-	-	400	200	200
Net profit of the Company, thousand. EUR	895	1,411	1,968	2,643	1,836
Change in the Company's net profit, %	-21.2	57.7	39.5	34.3	-30.5

Other important information

The Chief Executive Officer of the Company is paid a stable monthly salary. The Company has no approved policy under which the variable portion of the remuneration would be paid to its managers.

The Remuneration Policy of the Company does not provide for any severance pay policy. The Company complies with the respective requirements of the applicable legislation related to severance pay.

The Company has no system establishing employee incentives or remuneration with the Company's shares.

By implementing the Remuneration Policy in 2024, the Company sought to achieve the following objectives:

- i. To ensure a competitive salary of the managers corresponding with the Company's financial results;
- ii. To increase the Company's transparency and the accountability of its managers and to provide conditions for its shareholders, potential investors and stakeholders to have a detailed and reliable view of the remuneration assigned to each manager;
- iii. To avoid conflicts of interest and to ensure the proper implementation of the principles laid down in the Remuneration Policy.