



## INVL ASSET MANAGEMENT UAB

ANNUAL MANAGEMENT REPORT AND SEPARATE FINANCIAL STATEMENTS FOR 2024  
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING  
STANDARDS AS ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH  
THE INDEPENDENT AUDITOR'S REPORT

# Independent Auditor's Report

To the Shareholders of INVL Asset Management UAB

## Report on the Audit of the Separate Financial Statements

### ■ Opinion

We have audited the separate financial statements of INVL Asset Management UAB ("the Company"). The Company's separate financial statements comprise:

- the separate statement of financial position as at 31 December 2024,
- the separate statement of comprehensive income for the year then ended,
- the separate statement of changes in equity for the year then ended,
- the separate statement of cash flows for the year then ended, and
- the notes to the separate financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the non-consolidated financial position of the Company as at 31 December 2024, and of its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

### ■ Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ■ Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

## Revenue recognition

See Note 3.14 “Revenue recognition” and Note 4 “Revenue from contracts with customers”

The key audit matter	How the matter was addressed in our audit
<p>In 2024, the Company's revenue amounted to EUR 7,288 thousand (2023: EUR 13,639 thousand). Following the transfer of retail business operations and investment portfolio management activities in 2023, the Company generated revenue in 2024 solely from its core activity – managing funds and closed-end investment companies, including success fee. While in 2023, revenue was received from managing funds and closed-end investment companies, including success fee, as well as management of securities portfolios of private individuals and distribution of investment and pension funds.</p> <p>Success fee revenue is recognised at a point in time. Revenue from management of funds and closed-end investment companies is recognised over time as the services are being provided and the performance obligations satisfied.</p> <p>Management fees are calculated by applying the fee rates as set out in respective managed funds' and closed-end investment companies' rules to either the net assets value (NAV) of the managed fund and closed-end investment company, weighted average capitalisation or to the amount of the investors' commitment to invest into the fund and closed-end investment company. Success fees are generally calculated by applying the appropriate fee rate to the increase in the given fund's and closed-end investment company's unit value, as set out in the respective rules of the managed fund and closed-end investment company.</p> <p>Significant audit effort was required due to the magnitude of the main revenue amounts. Accordingly, we have determined this area as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>— We obtained an understanding of the Company's revenue recognition process, and tested the design and implementation of the selected key internal controls therein;</li> <li>— We critically assessed the Company's revenue recognition policy for compliance with relevant provisions of the financial reporting standards;</li> <li>— We assessed the accuracy of NAV used in management fees estimation by verifying the reasonableness of assets and liabilities that NAV is derived from;</li> <li>— We evaluated the existence and accuracy of the revenue recognised, as follows: <ul style="list-style-type: none"> <li>• we traced the fee rates used to those prescribed in the funds' and closed-end investment companies' rules, and independently estimated annual revenue from fund and closed-end investment company management by applying those fee rates to the net asset values of respective months, weighted average capitalisation of respective quarters or to the amounts of the investors' commitment to invest into the fund and closed-end investment company, as considered appropriate;</li> <li>• we traced the revenue amounts to the payments received from the funds and closed-end investment company;</li> </ul> </li> <li>— We examined whether the Company's revenue recognition-related disclosures appropriately include and describe the relevant quantitative and qualitative information required by the applicable financial reporting framework.</li> </ul>

## Valuation of unquoted investments carried at fair value

See Note 3.8 “Investments and other financial assets”, Note 11 “Financial assets at fair value through profit or loss”, Note 24 “Fair value of financial instruments”

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2024, the Company’s investment portfolio amounted to EUR 5,474 thousand (31 December 2023: EUR 9,787 thousand), of which EUR 3,108 thousand (31 December 2023: EUR 6,626 thousand) relate to investments in units of investment funds that are not quoted in an active market.</p> <p>The fair value of investment units of funds is equal to the net assets value (NAV) of a relevant fund. NAV calculation methodology, approved by the board of the Management Company, is established by laws applicable to a relevant fund and rules of the fund.</p> <p>The main element of NAV is represented by the fair value of the fund’s investments. The fair value is estimated by reference to the prices of financial instruments quoted in an active market or, where such prices from active markets are not available, determined based on valuation models, which often require unobservable inputs and significant management judgment.</p> <p>Due to the magnitude of related amounts and materiality of judgments to be made in respect of fair value of not quoted investments, we considered this area to be associated with a significant risk of a material misstatement and a key audit matter.</p>	<p>For not quoted investments our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>— evaluating the design and implementation of the selected key internal controls over determining the fair value of unquoted investments;</li> <li>— for unquoted investments in the funds where audit is not finalized, testing the relevance and reliability of key data and verifying reasonableness of assets and liabilities that NAV is derived from;</li> <li>— challenging the appropriateness of the valuation methods and models applied in measuring the fair value of the funds’ investments against relevant regulatory and financial reporting requirements;</li> <li>— for part of the funds independently obtaining a confirmation from the Fund’s custodian regarding value of NAV as at 31 December 2024;</li> <li>— evaluating the accuracy and completeness of the financial statement disclosures relating to the fair value determination of the investments against the relevant requirements of the financial reporting standards.</li> </ul>

## Accounting for bonuses

See Note 3.16 “Bonuses”, Note 5 “Employee benefits”, Note 16 “Reserves” and Note 22 “Provisions, off-balance sheet commitments and contingencies”

### The key audit matter

Employee bonus costs and share-based payment expenses in 2024 amounted to EUR 817 thousand (2023: EUR 2,003 thousand), the share-based payment reserve as at 31 December 2024 amounted to EUR 2,168 thousand (31 December 2023: EUR 1,766 thousand), the deferred not recognised part of bonuses as at 31 December 2024 amounted to EUR 39 thousand (31 December 2023: EUR 68 thousand).

In accordance with the Company’s remuneration policy, certain of its employees are entitled to bonuses, depending on their performance and the Company’s results. Bonus or its part can be paid/granted in cash or in the form of additional contributions to a private pension fund or as share options of the parent company. For employees responsible for making decisions related to assuming the risks, a bonus is allocated proportionally and paid/granted over the subsequent 3–5 years, provided that the employee remains in the Company.

The share-based payments costs are measured with reference to the grant-date fair values of the share options awarded. Significant judgment is required in estimating the fair values, using the Black-Scholes model, which requires determination of the key inputs to the model, such as the risk-free rate, volatility, dividend rate, as well as share price. The Management also applies significant judgment to determine the related grant date, vesting conditions and service period.

Due to the above factors as well as the magnitude of the amounts involved, we considered accounting for share-based payment arrangements to be associated with a significant risk of material misstatement. As such, it required our increased attention in the audit and determined by us to be a key audit matter.

### How the matter was addressed in our audit

Our audit procedures included, among others:

- We obtained an understanding of the of the employee remuneration process, and tested the design and implementation of the selected key controls therein;
- We inspected the key terms of the remuneration policy, other relevant internal policies, and share option plans, and critically assessed the Company’s accounting policy for share-based payment arrangements against the requirements of the relevant financial reporting standards;
- We assessed the appropriateness of the option pricing model used to determine the fair value of the options granted against the requirements of the financial reporting standards and accepted market practice;
- We traced the number of share options granted in 2024 to the minutes of Management Board’s meetings and agreements with employees;
- Considering the results of the above procedures, as well as corroborating inquiries of the Management Board, we challenged the key judgements and assumptions applied in accounting for the amount of bonuses and share-based payments, as follows:
  - grant date – by reference to agreements with employees;
  - employee service period – by reference to agreements with employees and remuneration policy;
- We challenged the key assumptions in the option pricing model, as follows:
  - risk-free rate – by reference to European Central Bank statistics on AAA-rated euro area central government bonds;
  - volatility – by reference to publicly available trading history on Invalda INVL AB shares;
  - stock price – by reference to publicly available trading history on Invalda INVL AB shares and share grant agreement.

— We assessed the adequacy of the Company's disclosures in the separate financial statements related to bonuses and share-based payments related against the requirements of the relevant financial reporting standards.

## ■ Other Information

The other information comprises the information included in the Company's management report, but does not include the separate financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's management report for the financial year for which the separate financial statements are prepared is consistent with the separate financial statements and whether management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of separate financial statements, in our opinion, in all material respects:

- The information given in the Company's management report for the financial year for which the separate financial statements are prepared is consistent with the separate financial statements; and
- The Company's management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

## ■ Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of the separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



## ■ Auditor's Responsibilities for the Audit of the Separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## ■ Report on Other Legal and Regulatory Requirements

Under decision of the general shareholders' meeting we were appointed on 28 June 2019 for the first time to audit the Company's separate financial statements. Our appointment to audit the Company's financial statements was renewed at the general shareholders' meeting in 2023, and the total uninterrupted period of appointment is 6 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report presented to the Company and its Audit Committee together with this independent auditor's report.

We confirm that in light of our knowledge and belief, services provided to the Company are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In addition to services provided to the Company in the course of audit and disclosed in the separate financial statements, we have provided translation of the separate financial statements services to the Company.

On behalf of KPMG Baltics, UAB

Toma Jensen  
Partner pp  
Certified Auditor

Vilnius, the Republic of Lithuania  
31 March 2025

*The electronic auditor's signature applies only to the Independent Auditor's Report on pages 2 to 8 of this document.*



# ANNUAL MANAGEMENT REPORT OF INVL ASSET MANAGEMENT UAB FOR 2024

## Basic details about the Company

At the end of 2024, one of the leading asset management companies in Lithuania INVL Asset Management UAB ('the Company') managed alternative assets: private equity and other alternative investments. The Company provides services to private and institutional customers.

As at 31 December 2024, the total assets managed by the Company (including the assets managed on the basis of obligations to invest) amounted to EUR 810.6 million. As of 1 January 2024, management of customer investment portfolios was transferred to INVL Financial Advisors UAB, which is a part of Invalda INVL group, and the alternative asset class grew by nearly 20% in 2024.

Type of assets managed	Assets managed at 31 December 2024	Assets managed at 31 December 2023
Portfolios	-	214,807,812
Alternative assets*	810,638,244	646,390,230
Assets managed by Mundus, the subsidiary asset management company**	-	30,783,294
<b>Total:</b>	<b>810,638,244</b>	<b>891,981,336</b>

\* The portion of assets under management attributable to the closed-end investment company is calculated based on share capitalisation, while the total assets under management as at 31 December 2024 and 31 December 2023 comprise the net asset value of the managed funds plus uncalled capital commitments from investors.

\*\* In December 2024, the subsidiary Mundus was merged into the Company.

In prior-year reports, the Company disclosed alternative assets under management using a different methodology, under which the portion attributable to the closed-end investment company was calculated based on share capitalisation, and total assets under management were determined based on the amounts used to calculate the management fee. According to this methodology, the Company's alternative assets under management amounted to EUR 515 million as at year-end 2024, compared to EUR 480 million at year-end 2023.

The Company has not carried out any share buybacks.

As at 31 December 2024, the Company managed 3 closed-end investment companies, 5 closed-end investment funds intended for informed investors, 2 closed-end umbrella investment funds intended for informed investors, one of them consists of 7 and 1 subfunds and 1 closed-end investment fund intended for professional investors. 2 open-ended investment funds intended for informed investors. The Company also managed investment portfolio of the fund established in Luxembourg the INVL Alternative Assets Umbrella Fund as well as the INVL Sustainable Timberland and Farmland Fund II which is a subfund of SCSp SICAV-RAIF.

<b>Registered office address:</b>	Gynėjų St. 14, Vilnius. The Company has no branches or representative offices.
<b>Shareholder:</b>	The sole shareholder – Invalda INVL AB (company code – 121304349, registered office address – Gynėjų St. 14, Vilnius).
<b>Shares:</b>	As at 31 December 2024, the Company's share capital amounted to EUR 5,452,000. It is divided into 18,800,000 ordinary registered shares, each with a nominal value of EUR 0.29.
<b>General Manager of the Company:</b>	As at 31 December 2024, the position of the Company's General Manager was held by Paulius Žurauskas (until 6 January 2025). From 7 January 2025, Audrius Matikiūnas is serving as the Company's Acting General Manager.
<b>Board of the Company:</b>	As at 31 December 2024, the Board consisted of three members. The Members of the Board: Darius Šulnis – Chairman of the Board; Asta Jovaišienė – Member of the Board; Vytautas Plunksnis – Member of the Board.

## Major events in 2024

- On 16 January 2024, INVL Sustainable Timberland and Farmland Fund II announced that it completed the acquisition of almost 1,400 hectares of forest land in Romania.
- On 18 January 2024, it was announced that INVL Asset Management established a new fund of funds intended for informed investors INVL Partner Global Real Estate Fund I which will invest in real estate funds of Brookfield Asset Management.
- On 9 February 2024, INVL Baltic Sea Growth Fund announced that it has completed the acquisition of Galinta Group.
- On 5 March 2024, INVL Partner Global Real Estate Fund I announced about raising USD 9.13 million from investors.
- On 18 March 2024, INVL Technology, a company that invests in IT businesses, has chosen the investment advisor Corum Group International to sell its companies.

- On 20 March 2024, it was announced that Eco Baltia managed by INVL Baltic Sea Growth Fund plans to acquire Eko Osta, Latvia's collection and recycling company for environmentally harmful and hazardous waste.
- On 5 April 2024, INVL Partner Global Infrastructure Fund I announced offering of fund units to investors.
- On 8 April 2024, INVL Technology announced its 2023 operating results and the convening of a General Shareholders' Meeting on 30 April, where shareholders will also approve the procedure for acquiring own shares.
- On 8 April 2024, INVL Baltic Real Estate announced the convening of a General Shareholders' Meeting on 30 April, where shareholders will also vote on the payment of dividends and the acquisition of own shares.
- On 9 April 2024, it was announced that Citadele Bank had granted a loan of EUR 4.9 million to INVL Sustainable Timberland and Farmland Fund II.
- On 10 April 2024, it was announced that SEB Bank would provide a EUR 12.7 million loan to INVL Sustainable Timberland and Farmland Fund II for sustainable forestry investments.
- On 10 April 2024, it was announced that a new private equity fund, INVL Private Equity Fund II, had been established and aims to raise at least EUR 250 million from investors.
- On 22 April 2024, it was announced that the sub-fund INVL Sustainable Timberland and Farmland Fund II – Capital Fund aims to raise additional funds from investors.
- On 24 April 2024, it was announced that the company Enlight Research had prepared an analysis of INVL Technology's 2023 financial results.
- On 29 April 2024, INVL Asset Management announced that the Head of the INVL Family Office, Asta Jovaišienė, had been appointed to the Company's Board.
- On 30 April 2024, INVL Baltic Real Estate announced that the General Shareholders' Meeting of the Company had resolved to pay shareholders a dividend of EUR 0.09 per share for the year 2023.
- On 30 April 2024, it was announced that the shareholders of INVL Technology had approved the procedure for the acquisition of own shares.
- On 30 April 2024, INVL Technology published its results for the first quarter of 2024.
- On 30 April 2024, it was announced that INVL Technology would acquire a portion of its own shares.
- On 30 April 2024, INVL Baltic Real Estate announced its results for the first quarter of 2024, reporting a net profit of EUR 0.22 million for the quarter.
- On 9 May 2024, INVL Baltic Farmland announced a net profit of EUR 113 thousand for the first quarter.
- On 15 May 2024, INVL Asset Management announced the establishment of a new fund, INVL Private Equity Capital Fund II.
- On 20 May 2024, INVL Technology announced that it had acquired a portion of its own shares.
- On 4 June 2024, INVL Partner Global Real Estate Fund I announced about raising USD 3 million from investors.
- On 5 June 2024, INVL Partner Global Real Estate Fund I announced that it was seeking to raise additional funds from investors.
- On 31 July 2024, it was announced that INVL Sustainable Timberland and Farmland Fund II – Capital Fund had raised an additional EUR 1.275 million.
- On 5 August 2024, it was announced that the EBRD, together with Eiffel Investment Group, would provide EUR 24.4 million in financing for the construction of solar power plants by INVL Renewable Energy Fund I in Romania.
- On 7 August 2024, INVL Baltic Sea Growth Fund announced that the veterinary network MiniVet, managed by the fund, had acquired two additional clinics.
- On 20 August 2024, it was announced that INVL Baltic Real Estate had earned a net profit of EUR 0.82 million in the first half of the year.
- On 27 August 2024, INVL Baltic Real Estate announced that the terms of the reorganisation for the merger with Pramogų Bankas had been prepared.
- On 27 August 2024, it was announced that INVL Technology had earned a net profit of EUR 0.62 million in the first half of the year.
- On 29 August 2024, it was announced that FERN Group, managed by INVL Baltic Sea Growth Fund, had launched a public offering of bonds with a total nominal value of EUR 8 million.
- On 4 September 2024, INVL Asset Management announced the establishment of a new fund, INVL Partner Power Opportunities Fund.
- On 12 September 2024, it was announced that FERN Group, managed by INVL Baltic Sea Growth Fund, had completed the public offering of bonds with a total nominal value of EUR 8 million.
- On 18 September 2024, INVL Asset Management announced the establishment of a new closed-end fund for informed investors, INVL BSGF Co-Invest Fund II.
- On 19 September 2024, a report was published stating that Enlight Research was outlining possible sale scenarios for INVL Technology.
- On 27 September 2024, it was announced that BDO auditas ir apskaita is proposed as the audit firm for INVL Technology and INVL Baltic Real Estate for the years 2024–2026.
- On 8 October 2024, it was announced that the INVL Baltic Real Estate group had signed an agreement for the sale of assets in Latvia valued at EUR 7.45 million.
- On 21 October 2024, it was announced that the General Shareholders' Meeting resolved that the audit of INVL Technology and INVL Baltic Real Estate for the years 2024–2026 will be carried out by BDO auditas ir apskaita.
- On 28 October 2024, it was announced that the shareholders' meeting will approve the reorganisation terms of INVL Baltic Real Estate and Pramogų Bankas.
- On 30 October 2024, INVL Technology announced that the revenue of its managed companies for the nine months of 2024 increased by 12.5% compared to the same period last year.
- On 31 October 2024, it was announced that INVL Baltic Real Estate earned a net profit of EUR 1.02 million during the first three quarters of 2024.

- On 31 October 2024, INVL Baltic Sea Growth Fund announced that Eco Baltia, managed by the fund, had completed the acquisition of Eko Osta.
- On 4 November 2024, it was announced that INVL Sustainable Timberland and Farmland Fund II – Capital Fund will seek to raise additional investments from investors.
- On 11 November 2024, INVL Partner Power Opportunities Fund announced that it had raised USD 24.71 million from investors.
- On 14 November 2024, it was announced that the bonds of FERN Group, managed by INVL Baltic Sea Growth Fund, had been admitted to the alternative securities market.
- On 19 November 2024, INVL Sustainable Timberland and Farmland Fund II – Capital Fund announced that it had raised EUR 2.09 million from investors.
- On 19 November 2024, it was announced that INVL Baltic Real Estate will merge Pramogų Bankas by way of reorganisation.
- On 29 November 2024, it was announced that the INVL Baltic Real Estate group had completed the real estate sale transaction in Latvia.
- On 3 December 2024, INVL Baltic Real Estate announced that it will acquire a portion of its own shares.
- On 9 December 2024, it was announced that INVL Partner Global Real Estate Fund I had raised additional USD 1.19 million from investors.
- On 10 December 2024, it was announced that INVL Baltic Sea Growth Fund had signed an agreement for the acquisition of the Pehart Group in Romania.
- On 10 December 2024, INVL Baltic Real Estate announced that it had acquired a portion of its own shares.
- On 11 December 2024, it was announced that INVL Baltic Real Estate intends to acquire an additional portion of its own shares.
- On 13 December 2024, it was announced that, following the reorganisation, INVL Asset Management became the manager of INVL Bridge Finance.
- On 20 December 2024, INVL Baltic Real Estate announced that it had acquired an additional portion of its own shares.

#### Post-reporting period events:

- On 7 January 2025, it was announced that Audrius Matikiūnas would temporarily serve as the General Manager of INVL Asset Management.
- On 9 January 2025, INVL Baltic Sea Growth Fund, managed by the Company, announced that it had signed an agreement for the sale of the InMedica Group network to the Finnish healthcare company Mehiläinen.
- On 29 January 2025, it was announced that the private debt fund INVL Bridge Finance had provided EUR 37.9 million in financing to companies in the previous year.
- On 3 February 2025, it was announced that REFI Energy, managed by INVL Renewable Energy Fund I, will launch a public offering of bonds with a total nominal value of EUR 8 million.
- On 17 February 2025, it was announced that INVL Private Equity Fund II, the largest private equity fund in the Baltic States, commenced operations after raising EUR 305 million — exceeding its target size in the first offering.
- On 20 February 2025, INVL Renewable Energy Fund I announced that REFI Energy, managed by the fund, had completed the placement of EUR 8 million in bonds, with demand exceeding supply by 1.7 times.
- On 27 February 2025, it was announced that the Company had established a new fund — INVL Partner Strategic Lending Fund.
- On 5 March 2025, it was announced that INVL Baltic Sea Growth Fund, managed by the Company, had completed the sale of the InMedica Group to the Finnish healthcare company Mehiläinen.

## Objective overview of the Company's financial position, performance and development

The Company's core line of business is the management of financial assets on behalf of customers. The Company specialises in the management of alternative investments. Until 30 November 2023, INVL Asset Management managed pillar II and pillar III pension funds as well as investment funds, customer investment portfolios and alternative investments and provided asset management services to both retail clients and Lithuanian and foreign professional and institutional investors. When the retail asset management business was transferred to Šiaulių Bankas Group under the transaction of merger of retail businesses on 1 December 2023, the Company managed customer investment portfolios and alternative investments. Effective from 1 January 2024, the management of clients' investment portfolios was transferred to INVL Financial Advisors UAB, part of the Invalda INVL group.

### Pension funds (until 30/11/2023)

The Company specialises in the management of alternative investments.

Prior to the merger of the retail business with the Šiaulių Bankas Group, the Company managed pillar II and pillar III pension funds. From the beginning 2023 to 30 November 2023, assets of pillar II pension funds increased from EUR 796 million to EUR 948 million, and assets of pillar III pension funds increased within the same period from EUR 90 million to EUR 116 million. The value of pension funds increased due to both client inflows and market influences. In the period from the beginning of the year until the transfer of the retail business, the same pension funds were managed in pillar II and III.

## Management of closed-end investment companies

Currently INVL Asset Management UAB manages three alternative investment companies: INVL Technology, the aim of which is to invest into IT companies operating in the region; INVL Baltic Real Estate, which manages commercial real estate in Lithuania and Latvia; and BSGF Salt Invest, which has been established for co-investment together with INVL Baltic Sea Growth Fund into Eglės Sanatorija. INVL Technology and INVL Baltic Real Estate have been established as special closed-end investment companies (UTIB), and BSGF Salt Invest is closed-end investment company for informed investors (UTIISIB).

In 2024, INVL Technology and BSGF Salt Invest did not pay any dividends. INVL Baltic Real Estate allocated EUR 726 thousand in dividends for 2023, which were approved at the Annual General Shareholders' Meeting held on 30 April 2024. For 2022, EUR 726 thousand in dividends were also allocated and approved at the Annual General Shareholders' Meeting held on 18 April 2023.

The table below presents information on closed-end investment companies' share prices and capitalisation as at 31 December 2024 and 31 December 2023.

Company	Share price 31 December 2024	Share price 31 December 2023	Assets managed 31 December 2024	Assets managed 31 December 2023*
CEIC INVL Technology	3.22	1.9	38,607,333	22,940,731
CEIC INVL Baltic Real Estate	2.64	2.1	20,998,386	16,928,969
UTIISIB BSGF Salt Invest	1.32	1.11	16,948,480	14,131,445
			<b>76,554,199</b>	<b>54,001,145</b>

The subfund INVL Partner Energy and Infrastructure Fund, part of the closed-end umbrella investment fund intended for informed investors — INVL Alternative Assets Umbrella Fund II — has been operating since 20 November 2017, following the approval of its establishment documents by the Bank of Lithuania.

The closed-end private equity investment fund intended for professional investors INVL Baltic Sea Growth Fund started its activities on 25 June 2018, following the approval of its establishment documents by the Bank of Lithuania.

INVL Special Opportunities Fund – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund I started its activities on 23 July 2018, following the approval of its establishment documents by the Bank of Lithuania.

INVL Baltic Sea Growth Capital Fund – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund started its activities on 22 October 2018, following the approval of its establishment documents by the Bank of Lithuania.

INVL Partner Global Distressed Debt Fund I – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund started its activities on 14 September 2020, following the approval of its establishment documents by the Bank of Lithuania.

INVL Sustainable Timberland and Farmland Fund II – Capital Fund – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund started its activities on 5 October 2020, following the approval of its establishment documents by the Bank of Lithuania.

INVL Renewable Energy Fund I – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund started its activities on 19 July 2021, following the approval of its establishment documents by the Bank of Lithuania.

INVL Partner Global Infrastructure Fund I – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund started its activities on 15 November 2021, following the approval of its establishment documents by the Bank of Lithuania.

INVL Partner Private Equity Fund I – the subfund of the closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund started its activities on 17 January 2023, following the approval of its establishment documents by the Bank of Lithuania.

The open-ended investment fund intended for informed investors INVL Partner Global Real Estate Fund I started its activities on 9 January 2024, following the approval of its establishment documents by the Bank of Lithuania.

The closed-end private equity investment fund intended for informed investors INVL Private Equity Fund II started its activities on 9 April 2024, following the approval of its establishment documents by the Bank of Lithuania.

The closed-end investment fund intended for informed investors INVL Private Equity Capital Fund II started its activities on 14 May 2024, following the approval of its establishment documents by the Bank of Lithuania.

The closed-end investment fund intended for informed investors INVL Partner Power Opportunities Fund started its activities on 3 September 2024, following the approval of its establishment documents by the Bank of Lithuania.

The closed-end investment fund intended for informed investors INVL BSGF Co-Invest Fund II started its activities on 10 September 2024, following the approval of its establishment documents by the Bank of Lithuania.

The open-ended investment fund intended for informed investors INVL Bridge Finance started its activities on 23 March 2015, following the approval of its establishment documents by the Bank of Lithuania. INVL Asset Management UAB assumed the management of this fund on 11 December 2024.

## Management of private equity and alternative collective investment undertakings

Fund	Unit value 31 December 2024, EUR*	Unit value 31 December 2023, EUR*	Assets managed 31 December 2024	Assets managed 31 December 2023
<b>Closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund I:</b>			<b>290,080,620</b>	<b>279,626,781</b>
Subfund INVL Special Opportunities Fund	747.8485	611.3169	16,784,821	17,446,366
Subfund INVL Baltic Sea Growth Capital Fund	261.0554 class A 272.0423 class B	215.0265 class A 221.3039 class B	45,306,000** class A 15,000,000** class B	45,306,000** class A 15,000,000** class B
Subfund INVL Partner Global Distressed Debt Fund I	115.3863 class A 115.8952 class B 116.4040 class C	105.2367 class A 105.5291 class B 105.8215 class C	9,655,574***	9,126,046***
Subfund INVL Sustainable Timberland and Farmland Fund II-Capital Fund	1,441.0530 class A 1,445.9738 class B	1,385.2260 class A 1,388.9070 class B	66,315,000**	62,945,000**
Subfund INVL Renewable Energy Fund I	109.3311 class A 100.0000 class B 113.4626 class C	111.0889 class A 100.0000 class B 120.7548 class C	56,665,000** class A 270,000 class B 1,000,000 class C	56,665,000** class A 270,000 class B 1,000,000 class C
Subfund INVL Partner Global Infrastructure Fund I	107.1658 class A 108.2763 class B 109.1600 class C	96.4585 class A 96.9705 class B 97.3710 class C	27,418,879**** class A 15,575,596**** class B 5,464,750**** class C	21,653,158**** class A 14,715,737**** class B 4,874,474**** class C
Subfund INVL Partner Private Equity Fund I	83.2940 class A 85.7682 class B 88.4444 class C	86.0211 class A 87.0016 class B 88.1667 class C -	17,625,000** class A 8,000,000** class B 5,000,000** class C	17,625,000** class A 8,000,000** class B 5,000,000** class C
<b>Closed-end umbrella investment fund intended for informed investors INVL Alternative Assets Umbrella Fund II:</b>			<b>10,571,384</b>	<b>10,571,384</b>
Subfund INVL Partner Energy and Infrastructure Fund	127.7144	134.9778	10,571,581	10,571,581
<b>Closed-end private equity investment fund intended for professional investors INVL Baltic Sea Growth Fund</b>	<b>236.9890 class A 100.0000 class B 276.9906 class C</b>	<b>194.3804 class A 100.00 class B 222.1296 class C</b>	<b>117,791,798*****</b>	<b>164,709,750</b>
Investment of INVL Baltic Sea Growth Capital Fund Subfund into INVL Baltic Sea Growth Fund	-	-	(60,306,000)	(60,306,000)
<b>Open-ended investment fund intended for informed investors INVL Partner Global Real Estate Fund I</b>	<b>95.5731 class A 95.7015 class B</b>	-	7,808,677**** class A 3,811,588**** class B	
<b>Closed-end private equity investment fund intended for informed investors INVL Private Equity Fund II</b>	-	-	-	-
<b>Closed-end investment fund intended for informed investors INVL Private Equity Capital Fund II</b>	-	-	-	-
<b>Closed-end investment fund intended for informed investors INVL Partner Power Opportunities Fund</b>	-	-	-	-
<b>Closed-end investment fund intended for informed investors INVL BSGF Co-Invest Fund II</b>	-	-	-	-



<b>Open-ended investment fund intended for informed investors INVL Bridge Finance</b>	<b>205.9153</b>	<b>195.0806</b>	<b>37,090,780</b>	<b>30,783,294</b>
1,332.6839 class A				
1,497.5294 B/11-2020 series		1280.8374 class A		
1,518.0828 B/06-2021 series		1430.5570 B/11-2020 series		
1,471.1211 B/12-2021 series		1452.2930 B/06-2021 series		
<b>INVL Alternative Assets Umbrella Fund, SCSp</b>		1411.4654 B/12-2021 series		
<b>SICAV-RAIF subfund INVL Sustainable</b>	1,475.3318 B/01-2022 series	1415.3829 B/01-2022 series	<b>96,904,000</b>	<b>93,979,000</b>
<b>Timberland and Farmland Fund II</b>	1,472.522 B/08-2022 series	1413.4545 B/08-2022 series		
	0.2106 class P	0.19172 class P		
	1,478.5556 B/07-2023	1423.14680 B/07-2023 series		
	1,425.7030 B/01-2024			
	1,468.8384 B/07-2024			
	1,475.5342 B/11-2024			
INVL Sustainable Timberland and Farmland Fund II-Capital Fund investment into INVL Sustainable Timberland and Farmland Fund II			(65,559,000)	(62,349,000)
			<b>438,194,044</b>	<b>426,231,915</b>

\* Unit values of all funds are calculated from funds NAV  
 \*\* investors' obligation to invest is shown as management fees are calculated from the obligation to invest  
 \*\*\* called amount translated into euros  
 \*\*\*\* Unit class NAV before management fee, converted into EUR  
 \*\*\*\*\* Invested capital calculated in accordance with the fund rules

#### Harmonised and special investment funds

The Company also managed harmonised and special investment funds until the date of transfer of retail business to Šiaulių Bankas. On 25 May 2023, the INVL Russian non-state-owned enterprises sub-fund made its final distribution to investors and was liquidated. On 2 May 2023, INVL Alternative Investment Fund II started its operations and it is for retail investors and invests in alternative assets. Distribution of the fund was completed on 30 November 2023; EUR 5 million were raised from the investors. Operations of other harmonised and special investment funds did not change in 2023. On 1 December 2023, management of all these funds, including fund investors and assets, were transferred to SB Asset Management UAB in accordance with the agreement on merger of retail businesses with Šiaulių Bankas Group.

#### Management of financial instruments portfolios

At the end of 2023, the Company managed 101 client financial instrument portfolios. The total value of the managed portfolios as at the end of 2023 amounted to EUR 214.81 million.

Effective from 1 January 2024, the management of clients' investment portfolios was transferred to INVL Financial Advisors UAB, part of the Invalda INVL group.

#### Analysis of financial and non-financial performance

Following the transfer of retail business operations and investment portfolio management activities in 2023, the Company focused in 2024 on developing its core business – alternative investment management.

During 2024, the alternative assets managed by the Company increased from EUR 646 million at the beginning of the year to EUR 811 million at year-end. (The Company calculates assets under management as the net asset value of the managed funds plus uncalled capital commitments from investors)

On 10 April 2024, a new private equity fund – INVL Private Equity Fund II – was established and will seek to raise up to EUR 400 million from investors.

In November 2024, INVL Partner Power Opportunities Fund raised USD 24.71 million from investors.

During 2024, INVL Sustainable Timberland and Farmland Fund II raised an additional EUR 6.8 million of investor commitments and reached a size of EUR 96.9 million.

In October 2024, the INVL Baltic Real Estate group signed an agreement for the sale of assets in Latvia valued at EUR 7.45 million.

The Company's largest alternative fund – INVL Baltic Sea Growth Fund – continued to expand its investment portfolio, both through follow-on investments and new direct acquisitions. In December 2024, INVL Baltic Sea Growth Fund signed an agreement for the acquisition of the Pehart Group in Romania.

On 13 December 2024, the Company merged with its subsidiary Mundus and became the management company of INVL Bridge Finance, which had a net asset value of EUR 37 million as at year-end 2024.

The key performance indicators of the Company are presented in the table below.

Items	31 December 2024 (EUR thousand)*	31 December 2023 (EUR thousand)
Commission, management and service income	7,288	13,639
Profit (loss) before tax	(405)	29,162
Net profit/(loss)	(317)	25,026
Assets	10,769	44,966
Shareholders' equity	7,391	37,280
Book value per share	0.39	1.98
Indicators	31 December 2024	31 December 2023
Net profit margin	-4%	183%
Return on assets (ROA)	-2.95%	55.66%
Return on equity (ROE)	-4.29%	67.13%

\*the result of merger of the retail business with Šiaulių Bankas had a material impact on the indicators

## The environment and climate change action

The Company is not committed to achieving climate change targets; however, it assesses and, where necessary, takes appropriate action to manage climate-related risks. In its strategic goals, the Company is committed to acting responsibly, by acknowledging the challenges posed by climate change and aiming to reduce its negative impact on the environment. The Company develops and manages products, makes investment decisions, and integrates sustainability risk management in line with its Responsible Investment and Sustainability Risk Integration Policy. However, at the Company level, the negative impact of investment decisions on sustainability factors is not currently considered, as the Company is not yet in a position to ensure that all financial products take into account the principal adverse impact on sustainability factors.

The Company manages different classes of assets (e.g. shares, bonds, alternative investments) through different legal forms (e.g. private equity, real estate and alternative funds). The Company operates in the financial services sector and it can make the greatest impact on the fight against climate change through the investments it manages. Actions in environmental and climate change can vary depending on the asset, strategy and investment maturity of a certain financial product.

During the reporting period, the investments managed by the Company implemented projects aimed at reducing carbon emissions, promoting energy efficiency, supporting sustainable urban development initiatives, and expanding renewable energy capacity. More detailed information on the objectives of financial products related to the environmental and climate change can be found in the annual report and/or pre-contractual information of the specific financial product.

During the reporting period, the Company had no significant environmental projects. The Company is improving its processes and regularly reviews opportunities to consider and pursue specific climate change targets.

## Fight against corruption and bribery

To mitigate the risk of external and internal bribery, the Company has internal procedures in place to ensure transparency in its operations, thereby preventing involvement in criminal activities, including any intolerable actions related to the bribery of foreign officials (or others) in the context of international business transactions.

In its operations, the Company follows a Code of Ethics, which sets out the Company's general ethical standards to be adhered to by the Management Company's employees in their activities, including specific requirements aimed at preventing fraud, corruption, and bribery. To mitigate the risk of external and internal fraud or bribery, the Company applies a range of procedures designed to ensure operational transparency and prevent involvement in criminal activities. These include, for example, procedures for assessing employees' reputation and qualifications during recruitment, rules governing employees' participation in other activities, procedures related to the receipt and provision of gifts or other personal benefits by employees, controls on employees' personal transactions, and the use of inside information, among other measures. The Company has implemented internal control procedures and established a procedure for the anonymous reporting of unlawful activities.



## References to and additional explanations of data reported in the annual financial statements

The information in the annual financial statements is provided in sufficient detail; therefore, references and additional explanations are not provided.

## Description of the Company's exposure to key risks and contingencies

The main risks to which the Company is exposed include credit and counterparty risk, operational risk, liquidity risk, market risk, and business risk. Market risks comprise interest rate risk, foreign exchange rate fluctuations, and equity price fluctuations, while business risks include concentration risk, strategic risk, partner and supplier risk, and talent management risk.

The Company has effective risk management tools in place to properly identify, assess, monitor, and mitigate these risks. The Company's risk management strategy is designed to ensure the stability and profitability of its operations, the proper management of client assets, and compliance with legal and regulatory requirements. Details of the individual risks and the main risk management tools are described below.

**Credit risk.** It is a risk that the other party will default on its liabilities to the Company. The Company applies measures to ensure on a continuous basis that transactions are concluded with credible parties and do not exceed the credit exposure limit established. The Company has not issued guarantees to secure the fulfilment of obligations of other parties.

**Operational risk.** Operational risk is defined as an exposure to potential direct and/or indirect losses that may occur from inadequate or unimplemented internal control processes, errors and/or illegal actions of employees and IT system disruptions or external events. The impact of employee errors or misconduct is managed through the implementation of control procedures and the review of actions and decisions within key business processes, as well as through employee training. Information system outages and cyber risks are managed by engaging third-party IT security services and conducting IT security audits, with the results used to implement changes where necessary.

**Liquidity risk.** It is a risk of failure to fulfil the Company's payment obligations in a timely manner. The Company manages its liquidity risk by maintaining a sufficient amount of cash and cash equivalents, or ensuring the availability of financing, fulfilment of established commitments through an adequate amount of committed credit facilities or other borrowing instruments.

**Market risk.** It is a risk for the Company to incur losses due to fluctuations in market variables. The Company is mainly exposed to interest rate risk, the risk of fluctuations in security prices and foreign currency risk. The debts of the Company were short-term; therefore, interest rate risk is considered as insignificant. The Company also had no financial instruments designated to control the risk of interest rate fluctuations. The Company has invested a part of its financial funds into equity securities and units of the funds it manages. Before reaching the decision on investing own funds, the Company assesses the risk and liquidity levels of the investment and its compliance with investment objectives. As mainly all of the Company's operations are conducted in euros, open foreign currency positions are insignificant. The Company's foreign exchange risk is insignificant.

**Business risk.** These are risks arising from various internal and external factors affecting the Company, including concentration, talent management, strategic, partner and supplier risks, as well as other risks directly influenced by business decisions. Concentration risk is managed by ensuring a diversified external customer base. This risk also relates to significant dependence on one or more key suppliers and is mitigated through a diversified supplier base, alongside exit strategies and contingency plans. Talent management risk is addressed through competitive remuneration plans for key employees, linked to the Company's performance. Strategic risks are managed through an integrated business planning process and a rigorous multi-level decision-making framework, supported by the Company's extensive market experience. Partner and supplier risk is managed through strict partner and supplier selection procedures.

## Exposure to financial risk and its management objectives

The Company manages its financial risk in the manner described in the annual financial statements. Exposure to financial risk is also described in these financial statements. In performing risk assessment and managing its operations, the Company follows the principles of prudence, conservativeness and precaution.

## Personnel management policy

As at 31 December 2024, the number of actually working employees (excluding employees on parental leave) of INVL Asset Management UAB (hereinafter referred to as the Company) was 87 (31 December 2023: 74). Professional development of employees was conducted based upon the Company's goals, needs of employees and development of their mandatory competences. The data below are presented for all employees of the Company, not limited to those working 100%.

The Company has approved the policies with respect to employees whose professional activity and/or decisions made may have a significant impact on the Company's exposure to risks, including the Company's executive employees, members of managerial bodies, employees carrying out control functions and other employees who receive remuneration attributed to the remuneration category of the Company's management personnel (hereinafter jointly 'risk-assuming employees') ('the Remuneration Policy') which meet the requirements of the Law on Collective Investment Undertakings, the Law on Managers of Alternative Collective Investment Undertakings and other legal acts. As at 31 December 2024, the number of risk-assuming employees was 34 (34 in 2023).

The remuneration policy is approved and amended by the Company's Board. Services of external advisers were not used in updating the Remuneration Policy, there is no contribution from stakeholders. Considering the size of the Company, organisational structure and profile, scope and complexity of activities, the remuneration committee is not formed at the Company. The amount of a monthly service pay of the General Manager, and other employees who are subordinate (accountable) to the Company's Board or to the staff responsible for risk management and regulatory compliance under the direct supervision of the Board in accordance with the management structure approved by the Company's Board is established based on the Board's decision. For all other employees the amount of a monthly service pay is set by the decision of the Company's General Manager in accordance with the requirements applicable to the job position, nature of work, qualification and skills of the employee, his/her experience. Remuneration reviews are influenced by the demand for and supply of similar positions in the labour market. The monthly salaries set for all the Company's employees are set out in employment contracts between the Company and the employee.

The employee's fixed remuneration consists of a monthly service pay, employer's taxes and additional benefits that are allocated to the employee irrespective of his/her performance and paid to all employees who meet the criteria established in accordance with the procedure set at the Company (e.g. pension contributions to voluntary pension funds). In addition to a monthly service pay or remuneration received in other form, an incentive may be paid, i.e. a bonus which is subject to the same procedure which is applied to the variable remuneration part. This procedure is set in the legislation regulating the activities of asset management. The bonus is allocated depending on the fulfilment of the Company's annual business plan and/or budget, fulfilment of annual targets set for the employee's division and/or team and fulfilment of the employee's individual plans and tasks indicated in the employee's individual performance assessment plan. A monthly service pay is established in a manner to ensure proper proportions of a monthly service pay and bonus. A monthly service pay represents a relatively large portion of the employee's overall remuneration thus enabling the Company to implement flexible promotional policies.

The bonus is paid to risk-assuming employees according to the following schedule:

The portion equal to 60% of the bonus is paid as a lump sum in accordance with the procedure and within the time limits set in the order of the Company's General Manager;

The remaining portion of the bonus (i.e. the remaining 40%) is paid to the employee within three years in accordance with the pro rata principle, i.e. the deferred part of the bonus is distributed proportionately throughout the deferral period; the payment is not made earlier than one year after the end of the employee's performance assessment and paid at the annual intervals to complete the payment of a proportionally calculated part of the bonus. In individual cases the competent body of the Company, which makes a decision on the allocation of the bonus, has the right to decide on a longer deferral period (usually not longer than five years), considering the business cycle of the Company and/or respective collective investment undertaking or the pension fund, its activity profile, risks assumed by the employee and results of activities as well as other criteria set forth in legal acts.

The previously set deferral period is not applied if the annual bonus allocated to an employee comprises up to 25% of the annual monthly service pay and is lower than EUR 50,000. In such case, the entire amount of the bonus is paid as a lump sum following the procedure and deadlines set by the order of the Company's General Manager or the decisions of the Company's Board. The same procedure is applicable and the bonus is paid to employees who are not considered risk-assuming employees.

The bonus, including a deferred part thereof, can be allocated and/or paid to the employee only if the Company's financial position is sustainable, considering the results of operations of the Company and/or the Company's unit and only in case the results of the employee's annual individual performance assessment are positive. The individual performance assessment of the employee also takes into consideration non-financial and behavioural (soft) criteria, such as compliance with the Company's internal rules and procedures, communication with customers and investors, observance of rules and professional development, etc. In paying bonuses or applying other incentive measures to employees the Company ensures that their payment (allocation) is not linked with sales of a specific collective investment undertaking or financial instrument. If the results of the Company's financial activities of a respective year are negative or the Company fails to achieve the business objectives set, the Company has the right to make a decision not to pay the bonus or a part thereof, to defer payment or to reduce the amount of the bonus allocated earlier as well as reduce the payment of such amounts previously earned by defining in advance the period of such non-payment, deferral or reduction. Such adjustment or deferral was not applied in the reporting period.

The bonus is usually paid in cash. Following the proportionality principle, the Company does not apply the requirement to pay a certain part of the bonus in financial instruments. However, if such a possibility is offered by the Company and the employee makes such a request, the bonus may be replaced with other incentive measures – granting financial instruments or their equivalents (share options, payments into a private pension fund). The abovementioned deferral is also applied when an employee is awarded other incentive measures than a bonus payment in cash. In 2024, no employment termination benefits were paid out to risk-assuming employees (in 2023, no termination benefits were paid out to risk-assuming employees).

Bonuses of 2024 will be allocated in 2025, following the approval of the financial statements for 2024.

The distribution of remuneration and incentives allocated and paid in 2024 is presented below:

	Number of employees*	Annual fixed remuneration (including taxes), EUR	Variable remuneration (bonuses)**		Remaining allocated deferred variable remuneration (bonuses), EUR
			In cash and contributions to pension funds, EUR	In share-based financial instruments, EUR	
Management personnel	3	302,714	222,478	-	-
Risk-assuming employees, except for the Board members and management personnel	32	2,739,315	221,996	95,032	164,115
Employees	48	1,878,268	164,781	21,303	4,667
<b>Total:</b>	<b>83</b>	<b>4,890,022</b>	<b>609,255</b>	<b>116,335</b>	<b>168,782</b>

\* Weighted average

\*\* For the purpose of information disclosure, meets the definition of the bonus, as described above, and comprises the part of variable remuneration allocated for the previous year, which was paid/due in the financial year. Reduction of the deferred variable remuneration (bonus) for 2017–2024, by adjusting according to activity results, was not applied during the reporting period.

The remaining allocated deferred variable remuneration (bonus) in the table above comprises the entire allocated part which was not paid by 31 December 2024. Based on the Company's variable remuneration policy, part of this remuneration was recognised as the Company's costs and liabilities or share-based payment reserve before 31 December 2024. The part of variable remuneration (bonus) calculated for the year 2024 but which will be allocated only after the issue of the financial statements, is not included in the amounts in the table above. More details are provided in Notes 16 and 17 of the financial statements.

#### The Company's operation plans and prospects

The Company focuses on alternative asset management. The Company's plans are focused on increasing the volume of assets managed by customers by establishing new alternative funds, and increasing the value of existing assets of the customers by making the best fund management decisions. In the area of fund administration, the Company will continue to improve its processes and introduce additional control procedures in order to increase efficiency and reduce risks.

In 2025, the Company plans to complete the offering of the private equity fund INV L Private equity fund II. With the first offering phase in February 2025, EUR 305 million was raised, and the Company aims to attract the maximum possible amount into the fund during 2025 – EUR 400 million. The Company is also further expanding its range of investor funds that invest in attractive third-party products for clients.

## Information on the positions held by members of the management and their main workplace

Information on other managing positions held by the head of the Company and members of the board, and information on their main employment is provided below:

-	<p>Paulius Žurauskas – General Manager of the Management Company until 6 January 2025</p> <p>Main workplace – INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), General Manager until 6 January 2025.</p> <p>Involvement in activities of other companies: -</p> <p>INVL Financial Advisors UAB FMĮ (company code: 304049332, address: Gynėjų St. 14, Vilnius) Member of the Board from April 2024 until 27 December 2024;</p> <p>IPAS INVL Asset Management (investment management joint-stock company, company code: 40003605043, address: Kronvalda bulvė 3-3, Riga, Latvia), Member of the Supervisory Board from April 2024 until 17 December 2024;</p> <p>AS INVL atklātājs pensiju fonds (joint-stock company, company code: 40003377918, address: Kronvalda bulvė 3-3, Riga, Latvia), Member of the Supervisory Board from April 2024 until 17 December 2024.</p>
	<p>Audrius Matikiūnas – Acting General Manager since 7 January 2025.</p> <p>Main workplace – INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), Head of Business Development.</p> <p>Involvement in activities of other companies: -</p>
	<p>Darius Šulnis – Chairman of the Board of the Management Company</p> <p>Main workplace – Invalda INVL AB (company code: 121304349, address: Gynėjų St. 14, Vilnius), Head of the company.</p> <p>Involvement in activities of other companies:</p> <p>Investment Committee member and Managing Partner of INVL Baltic Sea Growth Fund and INVL Private Equity Fund II, funds managed by INVL Asset Management UAB (code 126263073, Gynėjų St. 14, Vilnius)</p> <p>Šiaulių Bankas AB (company code: 112025254, address: Tilžės St. 149, Šiauliai), Member of the Supervisory Board;</p> <p>Litagra UAB (company code: 304564478, address: Savanorių Ave. 173, Vilnius), Member of the Board;</p> <p>FERN Group AB (company code: 306110392, address: Granito St. 3-101, Vilnius), Chairman of the Supervisory Board;</p> <p>Galinta UAB (company code: 134568135, Veiverių St. 51C, Kaunas), Member of the Board.</p>
	<p>Nerijus Drobavičius – Member of the Board of the Management Company until 29 April 2024.</p> <p>Main workplace – INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), Partner for Private Equity.</p> <p>Involvement in activities of other companies:</p> <p>Investment Committee member of INVL Baltic Sea Growth Fund and INVL Private Equity Fund II, funds managed by INVL Asset Management UAB (code 126263073, Gynėjų St. 14, Vilnius);</p> <p>BSGF Sanus UAB (company code: 304924481, address: Gynėjų St. 14, Vilnius), Director;</p> <p>Reneso UAB (company code: 302941941, address: Gynėjų St. 14, Vilnius), Director;</p> <p>InMedica UAB (company code: 300011170, address: L. Asanavičiūtės St. 20-201, Vilnius), Chairman of the Board until 5 March 2025;</p> <p>MBL A/S (company code: 12825242, address: Glarmestervej 18, st. Silkeborg 8600 Denmark) Member of the Board;</p> <p>MBL Poland Sp. Z o.o. (company code: 0000065219, address: Sulejowska 45d, 97-300 Piotrkow Trybunalski, Poland), Member of the Supervisory Board;</p> <p>UTIB Salt Invest (company code: 306193648, address: Gynėjų St. 14, Vilnius), Manager.</p> <p>BSGF Salt UAB (company code: 306193153, address: Gynėjų St. 14, Vilnius), Director;</p>



Eglės sanatorija UAB (company code: 152038626, address: Eglės St. 1, Druskininkai) Chairman of the Board; MiniVet Holding;

MiniVet Holding UAB (company code: 306127331, address: Gynėjų St. 14, Vilnius), Member of the Board;

UTIB INVL Technology (company code: 300893533, address: Gynėjų St. 14, Vilnius), Member of the Investment Committee;

Sugrasta, MB (company code: 305287386, address: Pranapolio St. 11, Vilnius), Director;

Bališkių individualių gyvenamųjų namų statybos bendrija (Bališkės partnership for construction of individual residential houses) (company code: 300027032, address: Pranapolio St. 11, Vilnius), Chairman of the Partnership.



Asta Jovaišienė – Member of the Board of the Management Company until 30 April 2024.

Main workplace – FMI INVL Financial Advisors UAB (company code: 304049332, address: Gynėjų St. 14, Vilnius), Head of the INVL Family Office, Member of the Board.

Involvement in activities of other companies:

AS INVL atklātais pensiju fonds (company code: 40003377918, Elizabetes iela 10B-1, Riga, Latvia) – Member of the Supervisory Board;

IPAS INVL Asset Management (company code: 40003605043, Elizabetes iela 10B-1, Riga, Latvia) – Member of the Supervisory Board;

Lithuania Family Wealth Management Association (code 306720940, Palangos St. 4-101, Vilnius) – Chair of the Board.



Vytautas Plunksnis – Member of the Board of the Management Company

Main workplace – INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), Head of Private Equity.

Involvement in activities of other companies:

Investment Committee member of INVL Baltic Sea Growth Fund and INVL Private Equity Fund II, funds managed by INVL Asset Management UAB (code 126263073, Gynėjų St. 14, Vilnius), and manager of INVL BSGF Co-Invest Fund II;

Eco Baltia AS (company code: 40103435432, address: Latgales str. 240-3, Riga, Latvia), Chairman of the Supervisory Board;

SIA Eco Baltia vide (company code: 40003309841, address: Getliņu str. 5, Rumbula, Stopiņu Parish, Ropazu Municipality, LV-2121, Latvia) – Member of the Supervisory Board;

Ecoservice UAB (company code: 123044722, address: Dunojaus St. 29, Vilnius, Lithuania), Chairman of the Board;

SIA B2Y (company code: 40103243404, address: Latgales str. 322A, Riga, Latvia) – Chairman of the Board until 19 April 2025;

Metal-Plast Sp.z o.o. (company code: 0001007622, address: 58-160 Świebodzice, ul. Ciernie 157B, Poland) – Member of the Supervisory Board;

UTIB INVL Technology (company code: 300893533, address: Gynėjų St. 14, Vilnius), Member of the Investment Committee;

Norway Registers Development AS (company code: NO 985221405 MVA, address: Lokketangen 20 B, 1337 Sandvika, Norway), Member of the Board;

NRD Companies AS (company code: NO 921985290 MVA, address: Lokketangen 20 B, 1337 Sandvika, Norway), Member of the Board;

NRD CS UAB (company code: 303115085, address: Gynėjų St. 14, Vilnius), Member of the Board;

Novian Systems UAB (company code: 125774645, address: Gynėjų St. 14, Vilnius), Chairman of the Board;

BC MAIB SA (MAIB) (company code: 1002600003778, address: 31 August 1989 str., 127 MD 2012, Chişinău, Moldova) – Chairman of the Supervisory Board;

Association Investuotojų Asociacija (company code: 302351517, address: Konstitucijos Ave. 23, Vilnius), Chairman of the Board.

#### Other required disclosures

The Company has no authorisations or commitments to issue or purchase its own shares. The Company is not engaged in any research and development activities.

Disclosure of legal proceedings: The Company is a defendant in a civil case in which a claim has been filed seeking damages of EUR 1,125,000. The case is currently under consideration by the court of first instance, and no rulings have been issued to date. The Company disputes the claim and, in the opinion of the management and lawyers, considers the claims brought against the Company to be unfounded and expects them to be dismissed by the court. Furthermore, in the opinion of management, the circumstances of the claim are expected to fall within the coverage and conditions of the Company's civil liability insurance policy. Accordingly, management believes that even in the event of an unfavourable court ruling, any losses incurred by the Company in connection with this claim would not be material. For this reason, no provision related to the claim has been recognised in the financial statements.

Acting General Manager

Audrius Matikiūnas

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023 (restated)
Revenue from contracts with customers	4	7,287,570	13,639,055
Profit from business transfer	21	-	30,000,514
Other income (including investing and financing activities)	6	1,136,773	332,668
Net change in fair value of financial instruments measured at fair value through profit or loss	11	684,681	903,990
Employee benefits	5, 3.15, 3.16	(5,523,729)	(8,301,191)
Fees on fund distribution		(1,390,364)	(2,188,130)
Amortisation of costs for obtaining contracts with customers	10	-	-
IT maintenance and development expenses		(256,900)	(1,099,012)
Depreciation and amortisation	9, 10	(166,858)	(171,629)
Rent of premises and utility services		(524,056)	(411,751)
Advertising and other sales promotion expenses		(140,398)	(246,285)
Impairment, write-downs and provisions		-	(7,540)
Other expenses	7	(1,474,258)	(2,668,136)
Finance costs	7, 18	(37,093)	(37,491)
<b>Operating profit (loss)</b>		<b>(404,632)</b>	<b>29,760,142</b>
<b>Profit/(loss) before tax for the reporting period</b>		<b>(404,632)</b>	<b>29,760,142</b>
Income tax (expenses) / income	8	87,288	(4,226,289)
<b>Net profit (loss) for the reporting period attributable to the Company's shareholders</b>		<b>(317,344)</b>	<b>25,533,853</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (expenses) for the year attributable to the Company's shareholders</b>		<b>(317,344)</b>	<b>25,533,853</b>

The accompanying notes form an integral part of these financial statements.

These financial statements were signed and approved for issue on behalf of the Company by:

**Acting General Manager**

Group's CFO Mindaugas Lankas 31 March 2025



## SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	31 December 2024	31 December 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	9	227,996	294,949
Right-of-use assets	18	510,790	943,367
Intangible assets	10	43,243	80,521
Costs of obtaining contracts with customers	10	-	-
Investments in subsidiaries/associates	20	15,000	708,666
Financial assets at fair value through profit or loss	11	5,474,056	9,786,568
Other amounts receivable	12	16,000	-
Deferred income tax assets	8	206,548	119,259
<b>Total non-current assets</b>		<b>6,493,633</b>	<b>11,933,330</b>
<b>Current assets</b>			
Trade and other receivables	12	3,050,974	32,309,783
Assets from contracts with customers	12	698,638	592,287
Prepayments and deferred costs	13	128,014	69,504
Cash and cash equivalents	14	398,114	61,539
<b>Total current assets</b>		<b>4,275,740</b>	<b>33,033,113</b>
<b>TOTAL ASSETS</b>		<b>10,769,373</b>	<b>44,966,443</b>

## SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	31 December 2024	31 December 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	5,452,000	5,452,000
Reserves	16	2,713,698	2,233,514
Retained earnings/(loss)		(775,085)	29,594,288
<b>Total equity</b>		<b>7,390,613</b>	<b>37,279,802</b>
<b>Amounts payable and liabilities</b>			
<b>Amounts payable after one year and non-current liabilities</b>			
Non-current portion of contract liabilities	19	-	-
Non-current portion of lease liabilities	18	110,986	548,365
Trade and other payables	17	39,187	89,904
<b>Total amounts payable after one year and non-current liabilities</b>		<b>150,173</b>	<b>638,269</b>
<b>Amounts payable within one year and current liabilities</b>			
Current portion of contract liabilities	19	-	-
Current portion of lease liabilities	18	442,289	449,984
Payable income tax		-	3,445,970
Trade and other payables	17	2,786,298	3,152,418
<b>Liabilities related to business held for sale</b>	21	-	-
<b>Total amounts payable within one year and current liabilities</b>		<b>3,228,587</b>	<b>7,048,372</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,769,373</b>	<b>44,966,443</b>

Acting General Manager

Audrius Matikiūnas

31 March 2025

Group's CFO

Mindaugas Lankas

31 March 2025

## SEPARATE STATEMENT OF CHANGES IN EQUITY

	Reserves				
	Share capital	Reserve for share-based payments	Legal reserve	Retained earnings (loss) restated	Total
<b>Balance at 31 December 2022</b>	<b>5,452,000</b>	<b>1,312,124</b>	<b>438,497</b>	<b>5,097,557</b>	<b>12,300,178</b>
Net profit/(loss) for the year (restated)	-	-	-	25,533,853	25,533,853
Transactions in a capacity with shareholders (Note 26)	-	-	-	(508,122)	(508,122)
Share-based payments (Note 16)	-	453,893	-	-	453,893
Dividends paid	-	-	-	(500,000)	(500,000)
Legal reserve	-	-	29,000	(29,000)	-
<b>Balance at 31 December 2023</b>	<b>5,452,000</b>	<b>1,766,017</b>	<b>467,497</b>	<b>29,594,288</b>	<b>37,279,802</b>
Net profit/(loss) for the year	-	-	-	(317,344)	(317,344)
Share-based payments (Note 16)	-	402,481	-	-	402,481
Reorganisation (Mundus merger) (Note 19)	-	-	-	(457,741)	(457,741)
Dividends paid	-	-	-	(29,516,585)	(29,516,585)
Legal reserve	-	-	77,703	(77,703)	-
<b>Balance at 31 December 2024</b>	<b>5,452,000</b>	<b>2,168,498</b>	<b>545,200</b>	<b>(775,085)</b>	<b>7,390,613</b>

Acting General Manager

Audrius Matikiūnas

31 March 2025

Group's CFO

Mindaugas Lankas

31 March 2025

## SEPARATE STATEMENT OF CASH FLOWS

	Note	2024	2023 (restated)
<b>Cash flows from operating activities</b>			
Net profit/(loss) for the year		(317,344)	25,533,853
<b>Adjustments for non-cash items:</b>			
Depreciation and amortisation	9, 10, 18	604,947	470,416
Profit from selling business		-	(30,000,514)
Dividend income	6	(277,012)	(272,511)
Interest income		(14,051)	(18,792)
Interest expense		37,093	37,491
Current year income tax expense/(income)	8	(87,288)	4,226,289
Unrealised/(gain) loss from financial instruments measured at fair value	11	(684,683)	(903,992)
Share-based payments expenses	16	202,295	221,358
Expenses of bonuses	17	614,353	1,781,754
(Profit) loss from amendments to lease agreements		-	(8,612)
Reversal of other non-cash items	10	(589,109)	-
		<b>(510,799)</b>	<b>1,066,740</b>
<b>Changes in working capital:</b>			
Decrease (increase) in trade and other receivables	12	2,426,986	1,376,861
(Increase)/decrease in other current assets	12	(58,510)	659
Increase/(decrease) in trade and other payables	17	(1,014,926)	(1,185,956)
Increase/(decrease) in contract liabilities	19	-	77,322
Income tax paid		(3,306,271)	-
<b>Net cash flows from/(used in) operating activities</b>		<b>(2,463,520)</b>	<b>1,335,626</b>
<b>Cash flows from investing activities</b>			
(Acquisition) of property, plant and equipment	6	(55,219)	(44,436)
Dividends received	6	262,462	256,810
Transfer of business		-	(551,074)
Costs of obtaining contracts with customers		-	(548,884)
Cash receipts related to the reorganisation		278,385	-
Loans granted		-	-
Loans recovered		75,000	75,000
Investments in subsidiaries	20	-	(376,356)
Proceeds on disposal of financial assets		5,548,773	-
Acquisition of financial assets		(551,578)	(435,710)
Interest received	17	29,950	14,277
<b>Net cash flows from/(used in) investing activities</b>		<b>5,587,773</b>	<b>(1,610,373)</b>
<b>Cash flows from financing activities</b>			
Payments of lease liabilities	18	(450,585)	(302,257)
Interest payments	18	(37,093)	(37,491)
Dividends paid		(2,300,000)	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(2,787,678)</b>	<b>(339,748)</b>
<b>Net increase (decrease) in cash flows</b>		<b>336,575</b>	<b>(614,495)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>61,539</b>	<b>676,034</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14, 21</b>	<b>398,114</b>	<b>61,539</b>
Acting General Manager	Audrius Matikiūnas	31 March 2025	
Group's CFO	Mindaugas Lankas	31 March 2025	

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

INVL Asset Management UAB ('the Company') is a private limited liability company registered in the Republic of Lithuania. The address of its registered office is as follows:

Gynėjų St. 14, Vilnius, Lithuania.

The Company was established and registered with the Register of Legal Entities on 21 July 2003 under the name of Finasta Investicijų Valdymas UAB. On 8 October 2009, the Company was renamed to Finasta Asset Management UAB.

On 27 March 2015, Finasta Asset Management UAB was renamed to INVL Asset Management UAB.

As at 31 December 2024, the sole controlling shareholder of the Company was Invalda INVL AB. The Company's share capital amounted to EUR 5,452,000. It is divided into 18,800,000 ordinary registered shares, each with a nominal value of EUR 0.29.

As at 31 December 2024, the Company had 87 (31 December 2023: 74) employees.

The Company operates under the Law on Managers of Alternative Collective Investment Undertakings. On 02/10/2017 the Bank of Lithuania granted the Company the licence (No 3) of a management company operating in accordance with the Law on Managers of Alternative Collective Investment Undertakings of the Republic of Lithuania (with subsequent amendments and additions to this licence). Under the licence the Company is authorised to engage in the following activities:

- manage real estate collective investment undertakings;
- manage collective investment undertakings investing into other collective investment undertakings;
- manage private capital collective investment undertakings;
- manage portfolios of collective investment undertakings intended for informed investors, including collective investment undertakings intended for professional investors.

As at 31 December 2024, the Company managed 3 closed-end investment companies, 5 closed-end investment funds intended for informed investors, 2 closed-end umbrella investment funds intended for informed investors, one of them consists of 7 and 1 subfunds, 1 closed-end investment fund intended for professional investors and 2 open-ended investment funds intended for informed investors. The Company also managed investment portfolio of the fund established in Luxembourg the INVL Alternative Assets Umbrella Fund as well as the INVL Sustainable Timberland and Farmland Fund II which is a subfund of SCSp SICAV-RAIF.

As required by the Lithuanian Law on Companies, the annual financial statements prepared by management should be approved by the General Shareholders' Meeting. The shareholders of the Company have a statutory right to approve these financial statements or not to approve them and to require preparation of a new set of the financial statements.

The Company's management signed these financial statements on 31 March 2025. The Company's shareholders have a statutory right to either approve the financial statements or not to approve them and prepare a new set of financial statements.

### 2 Going concern basis

These financial statements have been prepared on a going concern basis.

### 3 Material accounting policies

The principal accounting policies applied in the preparation of the Company's financial statements for 2024 are set out below.

#### 3.1. Basis of preparation

##### *Statement of compliance*

These financial statements have been prepared on a historical cost basis, except for investments in equity securities, units of collective investment undertakings, contingent consideration liabilities measured at fair value and assets and liabilities held for sale, which are measured at the lower of the carrying amount and fair value less costs to sell.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Company does not prepare consolidated financial statements as permitted by the legislation of the Republic of Lithuania, as the Company and its subsidiary are included into a full consolidation in the consolidated financial statements of the parent company Invalda INVL. Invalda INVL was established in Lithuania and its consolidated financial statements are available at <https://invaldainvl.com/lit/lt/investuotojams/ataskaitos>.

#### Adoption of new and/or changed IFRSs and IFRIC interpretations

In the current reporting year, the Company adopted the new and amended IFRSs and IFRIC interpretations, which 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: *Lease Liability Arising in a Sale and Leaseback*;

Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements*.

All amendments to standards effective from 1 January 2024 had no impact on the Company's financial statements for 2024.

*Standards endorsed by the EU that are not yet effective and that have not been early adopted and not endorsed by the EU*

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

*Standards not yet endorsed for use in the EU*

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

The 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 potential impact of these 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 Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

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

#### Presentation currency

The Company keeps its accounting records in the euro and all amounts in these financial statements have been presented in the national currency of the Republic of Lithuania, the euro (EUR).

### 3.2. Property, plant, and equipment

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and estimated impairment. Cost includes replacement costs of components of property, plant and equipment when incurred and when these costs meet the recognition criteria of property, plant and equipment.

Depreciation is calculated using the straight-line method over useful lives established as follows:

Computer hardware	3–4 years
Office equipment, furniture	4–6 years

The assets' carrying amounts, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year to ensure that they reflect economic benefits expected to be derived from property, plant and equipment.

All other property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised. The accounting policies of right-of-use assets are disclosed in part 3.13.

### 3.3. Business combinations and goodwill

Subsidiaries acquired on a business combination involving entities under common control are not within the scope of IFRS 3, Business Combinations, and accordingly, such acquisitions were accounted for using the predecessor value method. No assets or liabilities were restated by the Company to their fair values. Instead, the Company incorporated their predecessor carrying amounts. They are generally the carrying amounts from the consolidated financial statements of the entity that has the highest common control. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. No goodwill arises in predecessor accounting, and the results of the combined entities are presented in the financial statements from the date of reorganisation. Upon reorganisation of companies and their combination, the goodwill which arose before, during the acquisition of companies, and other assets and liabilities recognised at the time of acquisition are transferred to the statement of financial position of the company which continues its activities after the reorganisation.

### 3.4. Intangible assets

The Company's intangible assets include computer software and fund's management rights acquired on business combination (until 30 November 2023).

Intangible assets are initially stated at acquisition cost. Intangible assets are recognised only when it is probable that future economic benefits associated with these assets will flow to the Company and the value of assets can be measured reliably. Subsequently, intangible assets are stated at acquisition cost, less accumulated amortisation and impairment losses, if any. Intangible assets, excluding goodwill, are deemed to have a finite useful life. Intangible assets are amortised using the straight-line method over the estimated useful life.

#### *Software*

Costs associated with the acquisition of new computer software are capitalised and recognised as intangible assets, provided that such costs are not associated with computer hardware. Computer software is amortised over a period of 2 to 4 years.

Costs incurred in relation to restoration or maintenance of the expected economic benefits from operation of the existing software systems are recognised as expenses in the period during which such maintenance and support works have been carried out.

#### *Fund management rights*

Fund management rights represent the rights to manage assets of pension funds recognised on acquisition of management companies. Fund management rights acquired on business combination are capitalised at their fair value on the acquisition date and classified as intangible assets. Fund management rights are subsequently carried at cost less amortisation and accumulated impairment losses. Fund management rights are amortised over the period of 10 to 20 years.

### 3.5. Costs of obtaining contracts with customers

The Company uses the services of external intermediaries when distributing pillar II and III pension funds. Commission fees are paid to intermediaries for the conclusion of the agreement. Commission fees are paid only when the agreement is concluded and economic benefit is expected to be received in the future. As for pension funds, the Company assesses that each participant of the fund is its customer, because the Company directly communicates with each participant of the pension funds. Therefore, the Company considers that commissions paid to intermediaries for the conclusion of new agreements with pension funds' participants are costs of obtaining contracts with customers and capitalises and amortises them over the average probable period of the new customer's relationship with the Company, i.e. 10 years. Until December 2022, capitalised commission fees paid to intermediaries were recognised within non-current assets in the statement of financial position as costs of obtaining contracts with customers, and from 31 December 2022 they were reclassified as the assets held for sale and transferred to Šiaulių Bankas Group at the merger of retail businesses in 2023.

### 3.6. Investments in associates and subsidiaries

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor interest in a joint venture. Significant influence is an ability to take part in making financial and operating policy decisions but is not control or joint control over those policies generally accompanying a shareholding from 20 to 50 per cent.

A subsidiary is a company over which the Company has control.

In these stand-alone financial statements the Company recognises investments in associates and subsidiaries at acquisition cost. The acquisition cost is equal to the cost of the investment that comprises non-contingent and contingent consideration. Contingent consideration is recorded as financial liability measured at fair value. The Company has selected to recognise change in the fair value of contingent consideration related to investments in associates through profit or loss under IFRS 9.

### 3.7. Impairment of non-financial assets

At the reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's net realisable value and value in use. An asset's recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value, less estimated selling expenses, the discounted cash flow method is used. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.



For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation (if any), had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

### 3.8. Investments and other financial assets

Financial assets within the scope of IFRS 9 are classified as either financial assets at fair value through profit or loss (either through OCI or through profit or loss) or financial assets measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### *Trade and other receivables*

The Company's trade and other receivables are classified within the category of financial assets measured at amortised cost, since according to the business model of these assets, these assets are held for the purpose of receiving contractual cash flows, which meet the requirement of solely payments of principal and interest. This category also includes the line item of cash and cash equivalents within financial assets. The Company reclassifies debt instruments only when the business model for managing such assets changes.

#### *Financial assets at fair value through profit or loss*

The Company's investments in equity securities are measured as financial assets at fair value through profit or loss. Since such assets are not held for trading at initial recognition, the Company has an irrevocable election to present equity instruments at fair value through profit or loss or other comprehensive income subsequent to initial recognition. At the Company, all investments in equity securities are measured at fair value through profit and loss.

#### *Fair value*

The fair value of investments traded in active financial markets is based on quoted closing market prices available at the date of the statement of financial position. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent market transactions, reference to the market value of similar instruments calculated using the discounted cash flow method and other valuation models.

### 3.9. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost.

The Company has the following two types of financial assets for which the expected credit losses model established by IFRS 9 is applied:

- trade and other receivables, contract assets;
- cash and cash equivalents.

The Company's main receivables are from the controlling shareholder and managed funds. The Company has reviewed its impairment approach in accordance with IFRS 9 for each of these asset classes. In the Company's judgement, potential expected credit losses on financial assets measured at amortised cost would be immaterial and are therefore not calculated and not disclosed in these financial statements.

### 3.10. Financial liabilities

The Company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at fair value through profit or loss) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost using the effective interest method, except for liabilities for contingent consideration. A financial liability is derecognised when the obligation under the liability is settled, cancelled or expires.

#### *Trade and other payables*

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Financial liabilities included in trade payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted. If a financing agreement concluded before the date of the statement of financial position proves that the liability was non-current as at the date of the statement of financial position, that financial liability is classified as non-current.

#### *Financial liabilities measured at fair value*

Contingent consideration liabilities related to investments in other companies are recognised as financial liabilities measured at fair value through profit or loss.

### 3.11. Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents represent short-term highly liquid investments easily convertible to a known amount of cash. The maturity of such investments does not exceed three months and the risk of changes in their value is insignificant.

### 3.12. Share capital

The share capital is presented in the statement of financial position at the amount subscribed.

### 3.13. Leases

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

#### *The Company as a lessee*

Leases where the Company is a lessee are recognised by accounting for right-of-use assets and a respective lease liability when the underlying assets become available for use.

The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability, lease payments made at or before the commencement date (less any lease incentives received), initial direct costs incurred by the Company. The lease liability is measured at the net present value of the lease payments.

Lease payments are discounted using the interest rate specified in the lease agreement. If this interest rate cannot be readily determined, the borrowing rate charged by the lessee may be used. It is the interest rate that the lessee would be required to pay for its debt obligations necessary to acquire right-of-use assets in a similar economic environment and on similar terms and guarantees, as specified in the lease agreement.

The Company incurs a possible future increase in variable lease payments related to an index specified in the lease agreement which is not included into the value of lease liability until it becomes effective. When lease payments are adjusted due to a change in an index, the lease liability is remeasured and adjusted also adjusting the value of the right-of-use assets.

Lease payments are apportioned between the settlement of lease liability and interest expenses. Interest expenses are recognised in profit or loss over the lease term retaining the constant interest rate for the remaining amount of lease liability in each period.

Right-of-use assets are depreciated over the lease term of an underlying asset.

### 3.14. Revenue recognition

#### *Income from asset management fees*

The Company manages customers' funds invested in the funds managed by the Company and earns management fees for this service. Irrespective of whether a separate participant (investor) of the fund or the entire fund is regarded as the Company's customer, income from management fees is recognised during the period when services are rendered. Asset management services are rendered as long as the customer retains investments in the funds managed by the Company. Income from management fees fluctuates because a management fee is usually calculated as an agreed percentage of the average fair value of assets managed during the period or of the nominal value of obligations assumed by investors to invest in the fund during the investment period.

#### *Income from fund distribution fees*

The Company earns from customers distribution fees for the distribution of certain funds. Distribution fees may be received either entirely for the sum invested in the fund or may be paid on the amounts invested in the fund over the agreed period. The Company estimates whether the distribution of a specific fund is a separate service provided to the customer (the performance obligation). If the distribution of the fund is a separate service provided to the customer, income thereof is recognised when the distribution of the fund is affected. If the distribution of the fund is not a separate service provided to the customer, but rather a part of the asset management services, the recognition of income from distribution fees is deferred and recognised over the average period of the contract with the customer.

#### *Income from a success fee*

The Company earns a variable fee, i.e. a success fee, when return from certain funds exceeds the established return limit. Depending on the fund's rules the Company earns the right to a success fee immediately when return from the fund exceeds the established return limit or only at the end of the existence of the fund when the assets of the fund are distributed. A success fee is recognised by the Company as income when it earns the right to receive a calculated success fee. If the Company cannot confirm that it is highly probable that expected income from a success fee will not be reversed in the future, then it does not recognise a success fee.

#### *Income from the management of customers' portfolio*

The Company earns management fee for the management of customers' portfolio. The commission fee is calculated from the value of managed portfolio. Income from commission fee for portfolio management is recognised over the service provision period.

*Interest income*

Interest income is recognised on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future net cash receipts through the expected life of the financial instruments to the net carrying amount of the financial instruments.

*Dividend income*

Dividend income is recognised when the right to receive dividend payment is established and is included in other income.

**3.15. Employee benefits***Social security contributions*

The Company pays social security contributions to the State Social Security Fund ("the Fund") on behalf of its employees based on the defined contribution plan in accordance with the Lithuanian legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The social security contributions are recognised as an expense on an accrual basis and are included within staff costs. Social security contributions each year are allocated by the Fund for pension, health, sickness, maternity and unemployment payments.

*Termination benefits*

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

**3.16. Bonuses**

After the end of the year, achievements of all of the Company's employees of the previous year are assessed and, if an incentive – a bonus is intended to be allocated, amounts of the part are determined for each employee based on the performance of the Company, the respective department and employee of the Company for the previous year. Bonuses are awarded and paid following approval of the Company's audited annual financial statements. However, an exception came into effect as of 2021 providing that in the absence of an approved set of the Company's financial statements, the Company's management can decide on payment of Bonuses and the total amount of Bonuses in cash for employees whose main activity in the Company is participation in the taking of investment decisions on asset management of alternative collective investment undertakings (hereinafter – ACIU) based on the life cycle of ACIU. In accordance with the Company's practice, unless otherwise stated, the Company's employees have the possibility to choose the incentive method (bonus, pension scheme contribution to the pension fund, insurance contribution or acquisition of share options of the parent company Invalda INVL). The Company's employees who make decisions related to risk management, 60% of the bonus is paid once awarded and the remaining 40% part is paid in equal amounts in three years (in certain cases might be paid within five years) after the bonus has been awarded. The same principles are applied for alternative incentive measures. Based on the Company's internal procedures, if these employees leave the Company before the term of the bonus payment, the outstanding part of the bonus is not paid.

Payment plans of bonuses based on which employees can choose one of the incentive methods: share-based payment or payment in cash not linked to shares, are accounted for as a compound financial instruments linked to shares comprising debt and equity parts in accordance with International Financial Reporting Standard 2 (IFRS 2). The fair value of this financial instrument comprises the fair values of debt and equity parts. The fair value of the debt part is measured applying International Accounting Standard 19 (IAS 19) based on option value of cash payment. On initial recognition, the fair value of equity part is carried as a difference between the fair value of the whole compound financial instrument and the fair value of debt part considering that an employee must refuse to receive the payment in cash in order to receive the equity part. If on initial recognition the fair value of the compound instrument does not exceed the value of the debt part, the entire amount of compound instrument is accounted for as liability.

The Company carries separately the employee services based on each bonus compound financial instrument. For the debt part, the Company recognises costs for the services received and liability to pay for these services over the period of service provision. The bonus which has already been recognised as costs and which will be paid later than after one year is recognised as non-current liability.

For equity part, the Company recognises costs for received services and increase in equity share-based payments reserve on a proportionate basis over the period of service provision. When an employee refuses to receive payment in cash under this compound financial instrument, i.e. when he or she enters into a share option agreement, then the accumulated part of liability is transferred to equity and continues to be recognised as described above, based on the accounting requirements for equity-settled share-based payments transactions.

As described above, part of payment of bonus is deferred from one to three years (up to five years in certain cases) after the end of the reporting period and the employee must remain employed at the Company until the deferred part is paid. For both debt and equity parts, the Company recognises costs for received services proportionately over the period of service provision, which starts at the beginning of the year for which the bonus was allocated and ends on the date when the employee obtains a non-cancellable right to receive cash payments (coincides with the moment of payment) or receives share options.

The possibility to choose incentive in equity instruments is separately approved by the Board of the parent company; therefore, the grant-date of equity part is deferred until the approval of the possibility to receive share options instead of a bonus has been obtained.

On the grant-date of equity part, the fair value of the equity part is remeasured so that the equity-settled amounts recognised for the services rendered by employees correspond to the fair value of equity instruments established at the grant-date of equity part. Remeasurement at fair value is based on the following assumptions:

- including the impact of market performance vesting conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and retention of employment relations with the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. The effect of adjustment (if any) of initial estimates is recognised in profit or loss and equity is adjusted accordingly.

### 3.17. Income tax

Income tax charge is calculated on profit or loss for the year and considers deferred taxation. Income tax is calculated in accordance with the Lithuanian regulatory legislation on taxation.

Lithuanian companies are subject to a standard income tax rate of 15 per cent.

Tax losses can be carried forward for indefinite period of time against future taxable income, except for losses arising from the disposal of securities and/or derivative financial instruments which can be carried forward for the period of 5 years. Losses arising from the disposal of securities and/or derivative financial instruments can be covered using taxable income received from transactions of the same type.

Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. Deferred tax assets on lease liabilities and deferred tax liabilities on right-of-use assets are calculated separately.

Deferred tax assets are recognised in the statement of financial position to the extent the management believes it is probable that they will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

From 1 January 2025, the corporate income tax rate will change to 16%. As a result, deferred tax assets in the financial statements as at the end of 2024 are recalculated based on the income tax rate known to be applicable in the subsequent period.

### 3.18. Provisions

Provisions are recognised only when the Company has a legal obligation or irrevocable commitment as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects that the amount of provision will be compensated in part or in full, e.g. by insurance, compensation to be received is recorded as a separate asset, but only when it is virtually certain. Expenses related to provisions are recorded in the statement of comprehensive income, net of compensation receivable. If the effect of the time value of money is material, the amount of provision is discounted using the effective pre-tax discount rate set based on the interest rates for the period and taking into account specific risks associated with the provision as appropriate. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

### 3.19. Assets and liabilities held for sale

The assets and liabilities are separated from the Company's other assets and liabilities in statement of financial position and disclosed under separate items of current assets and current liabilities in the statement of financial position as assets and liabilities held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. These assets and liabilities are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. The statement of financial position shall only separate assets and liabilities that are directly attributable to the Company's business held for sale. Those assets and liabilities that relate to both the held for sale and continuing operations of the Company are not separated from the other assets and liabilities of the Company.

### 3.20. Contingencies

Contingent consideration liabilities are not recognised in the financial statements. They are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of income or economic benefits is probable.

### 3.21. Subsequent events

Events after the reporting period that provide additional information about the Company's position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Subsequent events other than adjusting events are disclosed in the explanatory notes to the financial statements when such events are significant.

### 3.22. Critical accounting estimates used in the preparation of the financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards, as adopted by the EU, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingencies. The significant areas of estimation used in the preparation of the accompanying financial statements relate to the measurement of fair value of financial assets, realisation of deferred tax assets, impairment indicators of non-financial assets and measurement of the recoverable amount of such assets, useful lives of intangible assets and assets from contracts with customers, effect of application of IFRS 16 and share-based plans.

Below are presented key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Fair value measurement of financial assets and liabilities*

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques. More information on estimates is disclosed in Note 24.

#### *Realisation of deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be earned against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In assessing the realisation of deferred income tax assets the Company referred to the Company's 10-year taxable profit forecasts. Refer to Note 8 for more detailed information.

#### *Determining impairment indications of non-financial assets and measurement of recoverable amount*

At each reporting date, the Company assesses whether any indications of impairment of non-financial assets exist. Non-financial assets are reviewed for impairment whenever indications exist that the assets may not be recoverable. The values in use are determined by management with reference to estimated probable future cash flows from assets or cash generating units, using an appropriate discount rate, and estimating the present value of cash flows. The analysis of impairment of costs of obtaining contracts with customers is presented in Note 10.

#### *Recognition and measurement of lease liability and right-of-use assets*

In 2024, the Company leased premises in Vilnius and Kaunas. When calculating lease liability and right-of-use assets, for premises in Vilnius and Kaunas the Company applied the market interest rates announced by the Bank of Lithuania as the Company has no loans received and, as to the management's assessment, this rate is an appropriate estimate of the Company's potential borrowing rate (see Note 18 for more details).

#### *Bonuses*

The Company's employees have the possibility to choose the incentive method (bonus, contribution to pension funds or acquisition of share options of the parent company Invalda INVL AB). As described in more details in Note 3.16, this arrangement with employees is accounted for as a compound financial instrument comprising debt and equity part. When determining the period of service provision and recognising costs proportionately over the set period of service provision, the Company uses an accounting estimate. Also, the equity part of bonus is paid through derivative financial instruments – share options. These instruments are stated at the fair value of the option at the time of granting the instrument. The fair value calculation method is a significant accounting estimate. The fair value of these instruments is accounted for using the Black-Scholes method for pricing of options. All main inputs, except for volatility, are observable market data (the price of shares of the parent company and risk-free interest rate). Share price volatility is calculated based on market data on historical change in share price. More details on calculation principles and inputs are provided in Note 16.

Future events may cause assumptions used in making estimates to change. The effect of such changes on estimates will be disclosed in the financial statements as they occur.

### 3.23. Significant judgements affecting the financial statements

In applying the Company's accounting policies, management made the following judgements that had the major impact on the amounts recognised in these financial statements:

#### *Recognition of distribution fees related to managed funds*

The Company makes a judgement in determining whether the distribution of managed funds is a separate service, or a part of the asset management services.

The Company estimates that the distribution of alternative funds, funds for informed investors and investment funds is a separate service because each fund is a specialised fund and the Company provides to a person or undertaking investing in such a fund a separate identifiable distribution service which comprises the elements of the fund's selection, adaptation.

In terms of the distribution of pension funds, the Company estimates that distribution is not a separate service, but a part of asset management services, as pension funds are standardized retail investment products intended for a wide range of investors. As a result, income from pension funds' distribution fees is recognised over the average period of the contract with the customer, i.e. 10 years.



#### *Recognition of success fees related to managed funds*

The success fee accumulated in the funds managed by the Company is not recognised as income until the conditions for the payment of success fee to the Company are met. In the Company's assessment, until the payment conditions are met, a significant uncertainty related to the amount of the success fee and payment term exists.

#### *Funds' control*

In assessing whether it has control over managed funds, the Company makes judgement. The main aspects assessed by the Company include the volatility of general economic interest and rights held by the investors limiting the rights of the manager, including the right to replace the manager. The Company assessed the volatility of economic interest and rights held by investors for all of its funds and, considering the results, made a decision that it does not control any of the funds under management.

#### *Retail asset management business held for sale (applicable to the 2023 period)*

The Company's management has decided that the retail asset management business held for sale (see Note 21) is not a discontinued operation as defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Management made this judgement in the context of its consideration of whether the business held for sale meets the definition of a discontinued operation. In management's assessment, the business held for sale does not meet the definition of a discontinued operation because:

- The retail asset management business held for sale does not meet the definition of a component of the Company as its operations and cash flows cannot be clearly separated from the rest of the Company's activities. The Company has centralised most of its functions (e.g. finance, compliance, administration, HR, IT) and these functions serve both the business held for sale and the rest of the Company's activities, namely alternative funds and portfolio management.
- The business held for sale is not a separate material part of the business activities, as the Company's shareholders treat the entire asset management activities as a single asset management business with similar operational and risk characteristics.

#### **4. Revenue from contracts with customers**

Funds and portfolio management revenue by type:

	2024	2023
<i>Revenue recognised over time</i>	7,287,570	13,604,062
Management fee	7,287,570	13,385,043
Success fee	-	-
Distribution fee recognised over time (Note 19)	-	219,019
<i>Revenue recognised at a point in time</i>	-	34,993
Fee on payments	-	27,035
Distribution fee recognised at a point in time	-	7,522
Exit fee income	-	436
	<b>7,287,570</b>	<b>13,639,055</b>

Following the transfer of retail business operations and investment portfolio management activities in 2023, the Company generated revenue in 2024 solely from its core activity — alternative investment management.

In 2024 and 2023, the Company did not earn any success fee income.

#### **5. Employee benefits**

	2024	2023
Wages and salaries and related expenses	4,706,581	6,298,079
Expenses of bonuses to employees	614,353	1,781,754
Share-based payment expenses	202,295	221,358
Other expenses related to employees	500	-
	<b>5,523,729</b>	<b>8,301,191</b>

**6. Other income (including investing and financing activities)**

	2024	2023
Dividend income	277,012	272,511
Other income	261,972	60,157
Reversal of discounting of amounts receivable	597,789	-
	<b>1,136,773</b>	<b>332,668</b>

**7. Other and finance costs**

	2024	2023 (restated)
Maintenance of motor vehicles	112,955	131,154
Maintenance and repair of premises	85,697	126,448
Taxes to the State	451,027	653,425
Professional services	405,149	652,811
Fees for operations with securities	16,117	488,202
Other expenses	403,313	616,096
	<b>1,474,258</b>	<b>2,668,136</b>
	<b>2024</b>	<b>2023</b>
IFRS 16 interest costs	37,093	37,491
	<b>37,093</b>	<b>37,491</b>

Presented below are all the services rendered by the audit firm to the Company and the pillar II pension funds in 2024 and 2023.

	To the Company in 2024	To the Company and pillar II pension funds in 2023
Audit of the Company's financial statements under agreements	39,567	46,678
Audit of the funds' financial statements under the agreements	-	30,918
Assurance and other related services	-	-
Tax consultation services	-	-
The Company's expenses related to other services	-	1,100
The funds' expenses related to other services	-	-
	<b>39,567</b>	<b>78,696</b>

**8. Income tax**

	2024	2023 (restated)
<b>Components of income tax (expenses) income:</b>		
Income tax expenses for the current period	-	(3,547,708)
Adjustment to income tax of the previous year	-	-
Change in deferred income tax	87,288	(678,581)
<b>Income tax (expenses)/income recognised in profit or loss</b>	<b>87,288</b>	<b>(4,226,289)</b>



	2024	2023
<b>Deferred income tax assets</b>		
Tax losses carried forward for indefinite period related to operating activities	181,199	-
Social security on accrued vacation	1,202	1,020
Bonuses to employees	132,889	157,495
Lease liabilities	88,524	149,752
Amounts receivable	-	89,668
<b>Deferred income tax assets</b>	<b>403,814</b>	<b>397,935</b>
Less: unrecognised deferred income tax assets arising from a part of tax losses	-	-
<b>Deferred income tax assets, net</b>	<b>403,814</b>	<b>397,935</b>
<b>Deferred income tax liability</b>		
Right-of-use assets	(81,726)	(141,505)
Revaluation of financial assets	(115,540)	(137,171)
<b>Deferred income tax liability</b>	<b>(197,266)</b>	<b>(278,676)</b>
<b>Deferred income tax, net</b>	<b>206,548</b>	<b>119,259</b>

Following the change in the corporate income tax rate effective from 1 January 2025, the Company calculated deferred tax as at the end of 2024 applying a 16% corporate income tax rate. In 2023, deferred tax was calculated using a 15% corporate income tax rate.

The movement of deferred income tax is presented in the table below:

	2024	2023 (restated)
<b>Deferred income tax assets at the beginning of the period</b>	<b>119,260</b>	<b>506,095</b>
Transfers to assets held for sale	-	-
Transfers from assets held for sale	-	224,932
Change in deferred income tax recognised in profit or loss	87,288	(678,581)
Deferred income tax assets related to deemed dividends (Note 26)	-	89,667
Sold tax losses	-	(22,854)
<b>Deferred income tax assets at the end of the period</b>	<b>206,548</b>	<b>119,259</b>

In 2023, the Company recognised tax losses transferred from the group company IPPG UAB in the amount of EUR 14,569 and from the parent company Invalda INVL AB in the amount of EUR 875,650. The total consideration paid for the transfer of these losses was EUR 133,533.

Income tax expenses can be reconciled to the theoretical amount of income tax using the income tax rate as follows:

	2024	2023 (restated)
Profit (loss) before tax	(404,632)	29,760,142
Income tax calculated at a rate of 15%	60,695	(4,464,021)
Expenses not deductible for tax purposes	(88,344)	(117,688)
Income not subject to tax	102,028	169,801
Support	-	35,700
Change in not recognised income tax from part of tax losses	-	149,919
Impact of the change in the income tax rate (from 15% to 16%)	12,909	-
<b>Income tax change recognised in profit or loss</b>	<b>87,288</b>	<b>(4,226,289)</b>

**9. Property, plant, and equipment**

2024	Computer hardware and office equipment	Furniture	Total
<b>Acquisition cost</b>			
Balance at the beginning of the year	497,344	364,233	861,577
Additions	31,140	24,079	55,219
Disposals (write-offs)	(205,228)	(11,667)	(216,895)
Mundus merger	6,924		6,924
Balance at the end of the year	330,180	376,645	706,825
<b>Accumulated depreciation</b>			
Balance at the beginning of the year	392,582	174,047	566,629
Charge for the year	53,219	61,811	115,030
Disposals (write-offs)	(192,962)	(14,404)	(207,366)
Mundus merger	4,536		4,536
Balance at the end of the year	257,375	221,454	478,829
<b>Carrying amount at the end of the year</b>	<b>72,805</b>	<b>155,191</b>	<b>227,996</b>
2023	Computer hardware and office equipment	Furniture	Total
<b>Acquisition cost</b>			
Balance at the beginning of the year	511,075	356,074	867,149
Additions	41,425	8,159	49,584
Disposals (write-offs)	(55,155)	-	(55,155)
Balance at the end of the year	497,345	364,233	861,578
<b>Accumulated depreciation</b>			
Balance at the beginning of the year	368,764	116,576	485,340
Charge for the year	53,298	57,471	110,769
Disposals (write-offs)	(29,480)	-	(29,480)
Balance at the end of the year	392,582	174,047	566,629
<b>Carrying amount at the end of the year</b>	<b>104,763</b>	<b>190,186</b>	<b>294,949</b>

Depreciation expenses of property, plant and equipment are included in operating expenses in profit or loss.

**10. Intangible assets and costs of obtaining contracts with customers**

2024	Software	Goodwill	Fund management rights	Total
<b>Acquisition cost</b>				
Balance at the beginning of the year	348,440	-	-	348,440
Disposals (write-offs)	(112,565)	-	-	(112,565)
Mundus merger	-	13,702	-	13,702
Balance at the end of the year	235,875	13,702	-	249,577
<b>Accumulated amortisation</b>				
Balance at the beginning of the year	267,919	-	-	267,919
Charge for the year	51,827	-	-	51,827
Disposals (write-offs)	(113,412)	-	-	(113,412)
Balance at the end of the year	206,334	-	-	206,334
<b>Carrying amount at the end of the year</b>	<b>29,541</b>	<b>13,702</b>	<b>-</b>	<b>43,243</b>

  

2023	Software	Goodwill	Fund management rights	Total
<b>Acquisition cost</b>				
Balance at the beginning of the year	348,718	-	-	348,718
Transferred with sale of business	(278)	-	-	(278)
Additions	-	-	-	-
Balance at the end of the year	348,440	-	-	348,440
<b>Accumulated amortisation</b>				
Balance at the beginning of the year	207,060	-	-	207,060
Charge for the year	60,859	-	-	60,859
Transfers to assets held for sale (Note 21)	-	-	-	-
Balance at the end of the year	267,919	-	-	267,919
<b>Carrying amount at the end of the year</b>	<b>80,521</b>	<b>-</b>	<b>-</b>	<b>80,521</b>

In 2024, Mundus UAB was merged to INVL Asset Management UAB by way of reorganisation. During the reorganisation, assets amounting to EUR 281,052 (including cash) were transferred to INVL Asset Management UAB for management. As a result, goodwill was recognised in the amount of EUR 13,702 at the reorganisation date.

**11. Financial assets at fair value through profit or loss**

The Company's financial assets at fair value through profit or loss include as follows:

	2024	2023
Equity securities (0.6% investment into Šiaulių Bankas AB shares)	1,648,000	2,737,350
Units of collective investment undertakings, whereof:	3,826,056	7,049,218
Funds managed by INVL Asset Management, including funds for the investment portfolio of which INVL Asset Management is responsible	3,107,996	6,625,518
Closed-end investment undertakings managed by INVL Asset Management	718,060	423,700
	<b>5,474,056</b>	<b>9,786,568</b>

In 2024, the Company invested EUR 404 thousand in INVL Renewable Energy Fund I, EUR 13 thousand in INVL Partner Private Equity Fund I, and USD 145 thousand in INVL Partner Global Real Estate Fund I. As at 31 December 2024, the remaining liability amount to INVL Partner Private Equity Fund I was EUR 88 thousand.

In 2023, the Company invested EUR 70 thousand into the INVL Partner Global Distressed Debt Fund I. Also, EUR 321 thousand into the INVL Renewable Energy Fund I, EUR 19 thousand into the INVL Partner Global Infrastructure Fund, EUR 6 thousand into the INVL Partner Private Equity Fund I and EUR 20 thousand into the INVL Alternative Investment II Fund. As at 31 December 2023, the remaining liability amount to INVL Partner Global Distressed Debt Fund I was USD 35 thousand, INVL Renewable Energy Fund I – EUR 403 thousand, and INVL Partner Private Equity Fund I – EUR 100 thousand.

Net change in the fair value of financial instruments measured at fair value through profit or loss:

	2024	2023
Realised gain on disposal of financial assets measured at fair value through profit or loss	-	-
Unrealised gain (loss) on revaluation of securities	684,681	903,990
Unrealised gain (loss) on change in the fair value of financial liabilities measured at fair value	-	-
	<b>684,681</b>	<b>903,990</b>

## 12. Trade and other receivables

	31 December 2024	31 December 2023
Trade receivables, gross	892,579	822,669
Other receivables, gross	2,075,665	31,487,114
Taxes receivable, gross	98,730	-
Assets from contracts with customers	698,638	592,287
<b>Trade and other receivables, gross</b>	<b>3,765,612</b>	<b>32,902,070</b>
Less: provision for impairment of trade and other receivables	-	-
<b>Trade and other receivables, net</b>	<b>3,765,612</b>	<b>32,902,070</b>

In 2024, the most significant receivable was the amount due from the parent company Invalda INVL AB – EUR 1.99 million. In 2023, the most significant portion of receivables was the amount receivable from the retail business sale transaction.

Expected credit losses were not recognised as they were immaterial.

Trade receivables from funds managed by the Company and other companies of INVL Group represent the major portion of the Company's receivables. The credit quality of these receivables is high.

## 13. Prepayments and deferred costs

	31 December 2024	31 December 2023
Deferred costs	96,475	36,509
Prepayments	31,539	32,995
	<b>128,014</b>	<b>69,504</b>

## 14. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash balances in bank accounts		
Cash denominated in EUR	398,114	61,539
<b>Total cash and cash equivalents</b>	<b>398,114</b>	<b>61,539</b>

The Company had no term deposits as at 31 December 2024 and 2023.

## 15. Share capital

The management of the Company is constantly monitoring that the ratio of the shareholder's equity would not be less than 50% of its authorised share capital as required by the Lithuanian Law on Companies. As at 31 December 2024 and 2023, the Company complied with all the above requirements and as at 31 December 2024 and 2023 the requirement set in the Law on Companies of the Republic of Lithuania was being fulfilled. See Note 22 for the own funds ratio.

During 2024 and 2023, the Company did not increase its share capital.

## 16. Reserves

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of 5% of net profit calculated in accordance with the Lithuanian regulatory legislation on accounting are required until the reserve reaches 10% of the authorised share capital. This reserve can be used only to cover losses. The legal reserve was formed in 2023.

Based on the variable bonus arrangements described in Part 3.16 of the Material accounting policies, in May 2024 and in June 2023 the Company made an agreement with employees who chose to receive incentive in equity instruments (share options) on option conditions related to acquisition of shares of the Company's controlling shareholder INVL Invalda AB.

The movement in the number of share options based on effective option contracts is presented in the table below:

	2024	2023
The number of share options to which the Company's employees are entitled at the beginning of the period	86,971	216,658
Acquired rights to share options during the period	14,960	38,892
Change in the amount due to the change in exercise price	-	(64,283)
Change in quantity due to changes in assumptions regarding non-market performance vesting conditions	17,778	-
Exercised share options	(41,902)	(104,296)
Options cancelled as a result of the employee's transfer to another group entity	(254)	-
<b>The number of issued options at the end of the period</b>	<b>77,553</b>	<b>86,971</b>
<b>The number of share options to which the Company's employees are entitled at the end of the period</b>	<b>37,562</b>	<b>63,678</b>
<b>The number of options based on signed contracts to which employees are not yet entitled</b>	<b>39,991</b>	<b>23,293</b>

The main terms and conditions of these transactions are as follows:

- The right to acquire the shares becomes effective after three years after the conclusion of share option contracts; consummation on an earlier date is not allowed;
- The right to acquire a part of the shares becomes effective on future dates: 30 April of 2025, 2026 and 2027 (granted options in 2023: 30 April of 2024, 2025 and 2026 respectively), provided the employment contract of the employee does not terminate by that date;
- Share acquisition price – EUR 1;
- Upon reaching the time-limit for the employee to acquire the shares, the right to acquire the shares shall be realised by selling own shares held by the controlling shareholder to the employee, or by offering the employee an option to subscribe to newly issued shares;
- The employee shall not transfer the rights acquired under the contract.

The value of share-based payments in equity is recognised in share-based payments reserve. Share-based payments expenses are recognised proportionately to the time worked by employees during the vesting period, considering the fair value of share options. Vesting period is considered to start at the beginning of the year for which options are granted and is considered to end when an employee obtains a non-cancellable right to share options. Based on the rules of payment of the deferred bonus to employees making decisions related to risk management, employees obtain the right to 60% of share options immediately after the granting, and the remaining 40% proportionately after one, two or three years following the option grant-date. When an employee chooses share options, part of its bonus liability is transferred to equity share-based payments reserve (see the movement below).

Movement of the recognised share-based payments reserve is disclosed in the table below:

	2024	2023
Amount of share-based payments reserve at the beginning of the period	1,766,017	1,312,124
Transfer of bonuses to share-based payments reserve (Note 17)	200,186	232,535
Share-based payments expenses (Note 5)	202,295	221,358
<b>Amount of share-based payments reserve at the end of the period</b>	<b>2,168,498</b>	<b>1,766,017</b>

Allocated part of share-based payments which has not yet been recognised in the item of share-based payments reserve is disclosed in Note 23.

Key inputs used in determining the fair value of options using the Black-Scholes method are disclosed in the table below:

	2024	2023
Option grant-date	28/05/2024	12/06/2023
Share price on the option grant-date	12.30	11.10
Risk-free interest rate, %	2.77	2.587
Share volatility calculated using historical share price fluctuations	29.85%	30.63%
Expected dividend rate	0%	0%
Calculated fair value of share options at the grant-date	11.38	10.17

## 17. Trade and other payables

Trade payables are non-interest bearing and are normally settled within the term of 14 to 30 days.

Amounts payable within one year:

	31 December 2024	31 December 2023
Trade payables	1,075,206	724,287
Employment related liabilities	509,045	491,524
Liabilities related to bonuses to employees	890,318	1,049,970
Other amounts payable	336,611	970,847
Gross taxes payable	14,305	5,694
Financial liabilities measured at fair value through profit or loss	-	-
<b>Total trade and other payables</b>	<b>2,825,485</b>	<b>3,242,322</b>

Trade payables consist of amounts payable for attracting investors to funds and distributing funds, depositary fees and other amounts payable for the services received.

Other amounts payable primarily comprise accrued expenses payable to the related company INVL Financial Advisors.

Non-current trade and other payables in the statement of financial position comprise the following: non-current portion of bonuses of EUR 39,187 (2023: non-current portion of bonuses of EUR 89,904).

Bonus liabilities are accrued for the period for which the employee earned a bonus. For employees for which the payment of bonus is deferred, liabilities are accrued proportionately over the period from the beginning of year for which the bonus is allocated until the expected date of payment of bonus. The part of bonus liability chosen by employees to be obtained in share options is transferred to share-based payments reserve when share options are allocated to employees (see Note 16).

The table below presents the movement of bonus liabilities during the year:

	2024	2023
Bonus liability at the beginning of the period	1,049,970	716,598
Adjustment to bonuses of the previous year		
Transfer of bonuses to share-based payments reserve (Note 16)	(200,187)	(232,535)
Payment of bonuses	(590,135)	(1,216,247)
Accrual of bonuses of the financial year	670,302	1,672,005
Reversal of bonuses due to employees leaving the company	(39,632)	-
Transfer of accumulated bonuses to liabilities related to business held for sale	-	110,149
<b>Bonus liability at the end of the period</b>	<b>890,318</b>	<b>1,049,970</b>



**18. Right-of-use assets and lease liabilities**

The Company leases premises in Vilnius and Kaunas, and parking spaces in Vilnius. The main information on lease agreements

Lease location	Leased assets	Agreement duration	Indexation	Lease liabilities determined using a discount, %
Vilnius	Premises, parking	31 March 2026	Yes, HICP*	4.39
Vilnius	Premises, parking	31 March 2026	Yes, HICP*	5.69
Kaunas	Premises	31 March 2025	Yes, HICP	5.69

\*harmonised index of consumer prices

To determine the value of lease liabilities for leases signed at the end of 2023 in Vilnius and Kaunas, the Company used the average market interest rate of 5.69% based on the average fixed rate for loans to non-financial companies published by the Bank of Lithuania. An interest rate of 4.39% was applied to the previously signed lease agreement.

In addition, the Company leases cars. The lease agreements for cars may be terminated upon an advance notice of 30 days; therefore, these leases are treated as short-term leases and related lease liabilities are not capitalised.

The table below discloses the movement of right-of-use assets and lease liabilities during 2024 and 2023.

	2024	2023
Right-of-use assets as at 1 January	943,367	983,375
New contracts	-	301,905
Depreciation	(438,088)	(298,510)
Termination of asset lease	-	(111,065)
Additionally recognised assets due to change in leased area and term	-	-
Contract modification impact	-	-
Recalculation of asset value due to indexation	5,511	67,662
<b>Right-of-use assets as at 31 December</b>	<b>510,790</b>	<b>943,367</b>
Lease liabilities at 1 January	998,349	1,050,717
New contracts	-	301,905
Calculated interest	37,093	37,491
Lease payments	(487,678)	(339,748)
Termination of liabilities	-	(119,678)
Contract modification impact	-	-
Additionally recognised liabilities due to increase in leased area	-	-
Recalculation of liability value due to indexation	5,511	67,662
<b>Lease liabilities at 31 December</b>	<b>553,275</b>	<b>998,349</b>

### 19. Investments in subsidiaries

On 29 December 2022, the Company signed the agreement on acquisition of the remaining (48.99%) of shares of Mundus UAB, the asset management company managing private debt fund Mundus Bridge Finance. The transaction was closed on 10 February 2023. The consideration depends on the current and future net asset value of the fund under management and the equity value of the company. It was valued at EUR 428 thousand. The full payment was made in 2024. The Company paid EUR 376 thousand in 2023. Following completion of the transaction, the Company owned 100% of shares of Mundus UAB.

On 13 December 2024, Mundus UAB was merged to the Company. Following the merger, the Company's assets and liabilities were affected as follows:

#### Non-current assets

Goodwill	13,702
Property, plant, and equipment	2,387
Investments in subsidiaries/associates	(693,666)
<b>Total non-current assets</b>	<b>(677,577)</b>

#### Current assets

Prepayments and deferred costs	249
Cash and cash equivalents	278,415
<b>Total current assets</b>	<b>278,664</b>
<b>TOTAL ASSETS</b>	<b>(398,913)</b>

#### EQUITY AND LIABILITIES

<b>Equity</b>	
Retained earnings/(loss)	(457,740)
<b>Total equity</b>	<b>(457,740)</b>

#### Amounts payable and liabilities

##### Amounts payable within one year and current liabilities

Payable income tax	8,383
Trade and other payables	50,444
<b>Total amounts payable within one year and current liabilities</b>	<b>58,827</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(398,913)</b>

In 2020, the Company invested EUR 15,000 into 100% of the share capital of INVL LUX GP 1 S.à r.l., the company established in Luxembourg. This company is the General Partner of the Company's umbrella fund INVL ALTERNATIVE ASSETS UMBRELLA FUND, SCSp SICAV-RAIF established in Luxembourg.

## 20. Retail business transfer transaction

Invalda INVL completed the transfer of retail asset management business to Šiaulių Bankas Group. Under the transaction, the Company transferred its retail product business, comprising pillar II and pillar III pension funds and harmonised investment funds, as well as investment funds investing in other entities for collective investment. The employees, systems, assets and liabilities related to the development and management of these assets were transferred. The Company generated profit of EUR 30,001 thousand from the transfer of business. Transferred assets and liabilities are presented in the table below:

	30/11/2023
Goodwill	58,422
Fund management rights	1,034,854
Intangible assets	123,611
Property, plant, and equipment	25,675
Financial assets	113,710
Costs of obtaining contracts with customers	3,283,733
Trade and other receivables	17,003
Deferred income tax assets	146,362
Cash and cash equivalents	551,074
<b>Assets related to business held for sale</b>	<b>5,354,444</b>
Contract liabilities	1,786,760
Trade payables	22,916
Employment related liabilities	517,706
Other amounts payable	141,165
<b>Liabilities related to business held for sale</b>	<b>2,468,547</b>
<b>Carrying amount of net assets held for sale</b>	<b>2,885,897</b>
<b>Inflows from business transfer</b>	<b>-</b>
<b>Transferred cash</b>	<b>(551,074)</b>
<b>Net flows from business transfer</b>	<b>(551,074)</b>

## 21. Management of financial risks and capital

In the ordinary course of business, the Company is exposed to various risks. The main risks inherent to the Company's operations are those related to credit risk, operational risk, liquidity risk, and market risk. Risk management policies established by the Company with respect to the mentioned risks are summarised in the paragraphs below.

For the purposes of the risk assessment, receivables and current liabilities, comparative information include amounts that have been reclassified to assets and liabilities in accordance with Note 21.

### Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk arising from different financial instruments. Significant credit risk concentration is related to amounts receivable from related parties (Note 24).

	31 December 2024	31 December 2023
<b>Items of the statement of financial position</b>		
Cash at bank (Note 14)	398,114	61,539
Amounts receivable (Note 12)	3,765,612	32,895,372
<b>Total credit exposure</b>	<b>4,163,726</b>	<b>32,956,911</b>

*Financial assets by credit risk*

The Company's financial assets exposed to credit risk comprise only trade receivables, assets from contracts with customers, and cash at bank. Low credit risk funds held at banks are those which are held at banks with a BBB- and higher credit rating as set by S&Ps or an equivalent investment rating as set by other rating agencies. Where the bank's rating is lower than the investment rating, funds are classified as exposed to a higher credit risk. Trade receivables and assets from contracts with customers are deemed as exposed to a low credit risk when amounts receivable comprise amounts receivable from the pension, investment or alternative funds managed by the Company, or, in the case of other amounts receivable, when they are past due for a shorter period than 30 days. If they are past due for a longer period than 30 days, such amounts receivable are classified as exposed to a higher risk. In the case of existence of impairment indications, amounts receivable are classified as impaired assets. As at 31 December 2024 and 2023 all of the Company's cash at bank and amounts receivable were of low risk.

*Operational risk*

The main objective of the Company's operational risk management is to ensure the sound operation of the business, protect against internal and external threats, and minimise the impact of potential risk events on the Company's activities. Operational risk management is decentralised, taking place within each of the Company's business units and across all ongoing processes. Risk mitigation is supported by the Company's clear organisational structure, with well-defined roles and responsibilities. Every employee is directly involved in operational risk management processes. Any disruptions detected are promptly recorded and addressed in accordance with the Operational Risk Management requirements. The Company manages operational risks in the area of cyber security by engaging third-party IT security services, conducting security audits of IT systems, and implementing changes where necessary. The operational risk of human error is managed through control procedures and reviews of actions and decisions in key business processes, as well as ongoing staff training. The risk of errors in systems and processes is managed through a system for recording and monitoring operational risk events, along with periodic reviews of the Company's core processes. The risk of natural disasters is managed through the implementation and regular testing of the Company's business continuity plans.

*Liquidity risk*

The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through committed credit facilities or other funding sources to meet its commitments at a given date in accordance with its plans.

The Company's liquidity risk management framework comprises the following elements of short-term and long-term liquidity risk management: short-term and long-term cash flow forecasting; analysis of the Company's liquid assets and current liabilities; assessment and securing of external sources of liquidity; communication of the Company's liquidity position to senior management and the shareholder; and liquidity crisis resolution and recovery management.

For the purpose of assessing liquidity risk, the Company calculates the liquid assets to current liabilities ratio, which exceeds the set target level of 100% with a margin.

When calculating liquid assets, the Company's investments into managed funds and equity securities are considered liquid assets only if these investments are listed or the fund's manager has committed to redeem fund units on investor's demand.

	31 December 2024	31 December 2023
Liquid assets		
Cash at bank (Note 14)	398,114	61,539
Amounts receivable	3,749,612	32,895,372
Liquid financial assets	2,366,060	3,161,050
<b>Total liquid assets</b>	<b>6,513,786</b>	<b>36,117,961</b>
<b>Current liabilities</b>	<b>3,228,587</b>	<b>7,041,673</b>
<b>Liquidity ratio, %</b>	<b>202</b>	<b>513</b>

The table below shows undiscounted future payments:

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>31 December 2024</b>						
Other amounts payable	121,204	1,290,613	-	-	-	1,411,817
Lease liabilities	40,952	81,904	335,492	111,831	-	570,179
<b>Total</b>	<b>162,156</b>	<b>412,679</b>	<b>1,289,911</b>	<b>117,250</b>	<b>-</b>	<b>1,981,996</b>
<b>31 December 2023</b>						
Other amounts payable	304,020	114,500	1,495,914	-	-	1,914,434
Lease liabilities	25,340	49,724	223,757	329,851	-	628,672
<b>Total</b>	<b>329,360</b>	<b>164,224</b>	<b>1,719,671</b>	<b>329,851</b>	<b>-</b>	<b>2,543,106</b>

#### Market risk

Market risk is defined as the risk that the Company will suffer losses due to the volatility of financial instruments resulting from changes of market variables (foreign currency rate, market interest rate, prices of securities). The Company has made investments into products under its own management (a closed-end investment company, collective investment undertakings, and collective investment undertakings intended for informed investors) and equity securities, and aims to gain a profit from these investments in the long-term (Note 11). As at 31 December 2024, the Company's investments were mainly concentrated in the banking sector – 30% (2023: 28% of total investments), the forestry sector – 26% (2023: 57%), and the renewable energy sector – 21% (2023: 7%). If as at 31 December 2024 the value of investments in quoted equity securities and closed-end investment companies shares decreased by 20%, and the value of investments into units of managed funds decreased by 10%, the Company would incur losses of EUR 784 thousand (2023: losses of EUR 1,284 thousand). The Company manages the risk of short-term fluctuations by limiting the gross amount of the investments. Before investing additional funds, the Company assesses the current and future own funds and liquidity ratios, and only then decides on increasing or reducing its investments.

#### Foreign exchange risk

The Company is not exposed to a significant currency risk because its assets and liabilities are denominated in euros.

#### Interest rate risk

As at 31 December 2024 and 2023, the Company had no loans with variable interest rates granted or received; therefore, potential exposure to interest rate risk arising from different repricing dates of assets and liabilities was insignificant. Given the above, the Company had no financial instruments designated to control the risk of interest rate fluctuations.

#### Internal control

The management must ensure the implementation of appropriate organisational measures, procedures and information systems supporting its business processes, which, as a whole, must ensure the adequacy on the internal control system in place. The following key internal control components are to be noted: checking primary system data on completed operations against operation data in the accounting system, separation of functions, daily accounting, market assessment, limits and control thereof, other control measures.

#### Disclosure of own funds ratio (unaudited)

	31 December 2024	31 December 2023
Aggregate amount of capital requirement	2,890	2,910
Tier 1 capital	6,945	9,813
<b>Own funds ratio</b>	<b>2.40</b>	<b>3.37</b>

In accordance with the own funds requirements approved by the Bank of Lithuania, the own funds ratio cannot be lower than 1. The negative result for 2024 was included in the calculation of the above own funds ratio as at 31 December 2024.

Compliance with the own funds ratio is monitored by the Company's management on a daily basis. The Company is obliged to keep its own funds ratio not less than 50% of its authorised share capital, as imposed by the Law on Companies of the Republic of Lithuania. As at 31 December 2024 and 2023, the Company complied with the latter requirements (Note 15).

## 22. Provisions, off-balance sheet commitments and contingencies

The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties. The management of the Company is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

Specification of bonuses not recognised as costs (for more details, see Notes 16 and 17 and part 3.16 of Material accounting policies):

	31 December 2024	31 December 2023
Allocated for payment in share options	27,626	12,734
Allocated for payment in cash or contributions into pension funds	5,719	9,879
Calculated for the year but not yet allocated	5,442	45,806

Disclosure of legal proceedings: The Company is a defendant in a civil case in which a claim has been filed seeking damages of EUR 1,125,000. The case is currently under consideration by the court of first instance, and no rulings have been issued to date. The Company disputes the claim and, in the opinion of the management and lawyers, considers the claims brought against the Company to be unfounded and expects them to be dismissed by the court. Furthermore, in the opinion of management, the circumstances of the claim are expected to fall within the coverage and conditions of the Company's civil liability insurance policy. Accordingly, management believes that even in the event of an unfavourable court ruling, any losses incurred by the Company in connection with this claim would not be material. For this reason, no provision related to the claim has been recognised in the financial statements.

## 23. Related-party transactions

The parties are deemed to be related when one party has a power to exercise control over the other party or make significant influence on its financial and operation decisions. The Company's income earned from related parties comprises income from management and success fee, and expenses incurred in relation to related parties comprise expenses for portfolio management and funds' distribution, lease, IT maintenance and other expenses. INVL Asset Management funds are not considered related parties with the Company as the Company does not have control or significant impact in them.

Transactions conducted by the Company with related parties in 2024 and balances arising from these transactions as at 31 December 2024 were as follows:

2024	Amounts payable, EUR	Amounts receivable, EUR	Revenue, EUR	Expenses (compensation for expenses), EUR
INVL Baltic Real Estate AB	-	16,646	173,276	-
Special closed-end private equity investment company INVL Technology	-	204,893	641,050	-
Novian Technologies UAB	4,637	-	-	83,796
NRD CS UAB	3,751	-	-	37,200
INVL Financial Advisors UAB	1,213,879	53,968	400,295	1,414,576
IPAS INVL Asset Management	-	-	-	267
FINtime UAB	2,057	-	-	20,400
Invalda INVL AB	-	1,992,390	-	(9,938)
Mundus UAB	-	-	193,570	-
Novian Systems UAB	10,668	-	-	39,461
INVL Life UADB	-	-	-	(587)
	<b>1.234.992</b>	<b>2.267.897</b>	<b>1.408.191</b>	<b>1.585.175</b>

In 2024, the Company distributed dividends in the amount of EUR 29,516,585 to its parent company Invalda INVL AB.



Transactions conducted by the Company with related parties in 2023 and balances arising from these transactions as at 31 December 2023 were as follows:

2023	Amounts payable, EUR	Amounts receivable, EUR	Revenue, EUR	Expenses (compensation for expenses), EUR
INVL Baltic Real Estate AB	-	12,669	172,016	-
special closed-end private equity investment company INVL Technology	-	113,210	480,596	-
Novian Technologies UAB	19,536	-	-	117,004
NRD CS UAB	11,011	-	-	48,935
INVL Financial Advisors UAB	1,108,655	-	49,302	2,659,198
IPAS INVL Asset Management	-	-	-	2,236
FINtime UAB	1,876	-	-	18,600
Invalda INVL AB	-	32,002,000	45,499	540,791
Mundus UAB	-	1,087	180,882	-
Litagra UAB	-	-	-	-
Novian Systems UAB	3,976	-	-	39,669
Proprietas UAB	-	-	-	-
INVL Life UADB	-	43,805	255,160	161,676
	<b>1,145,054</b>	<b>32,172,771</b>	<b>1,183,455</b>	<b>3,588,109</b>

The Company has acquired the funds under its management, information whereof is disclosed in Note 11.

#### *Terms and conditions of transactions with related parties*

Year-end balances are not covered with insurance, do not bear interest (except for loans) and settlements are made in cash. There were no guarantees given or received in respect of the related-party payables and receivables. In 2024 and 2023, the Company did not make any provision for doubtful debts relating to amounts owed by related parties. The assessment of doubtful debts is reviewed each financial year by examining the financial position of the related party and the market in which the related party operates.

#### *Remuneration of management and other benefits*

The management remuneration comprises short-term and long-term benefits. In 2024, remuneration of the Company's management totalled EUR 282,042, social security contributions – EUR 5,226, and the awarded bonuses comprised cash payments in the amount of EUR 238,341 (2023: EUR 371,437; social security contributions – EUR 10,250; the awarded bonuses comprised cash payments and share-based payments in the amount of EUR 293,814). In 2024 and 2023, the Company's management included its General Manager and Members of the Board.

## 24. Fair value of financial instruments

In these financial statements, financial instruments carried at fair value are presented at three fair value levels as follows:

**Level 1.** The fair value of financial assets traded in active markets is based on a quoted price at the reporting date and is determined using the market method. The market is active if prices are continuously observable in the Bloomberg terminal (BGN – Bloomberg Generic) and these prices reflect actually conducted transactions and transactions conducted in the market on a continuous basis under market conditions. The bid price of the Company's assets is used. This method is applied for measuring the Company's investments into quoted equity securities and closed-end investment companies, managed by the Company, the shares of which are quoted.

**Level 2.** The fair value of financial assets is determined by market method. Inputs that have a significant impact on the fair value determined are observable in the market either directly or indirectly. The price of collective investment undertakings is based on the announced net asset value (NAV) of the funds at which units of the funds would be redeemed. NAV is determined using the carrying amounts method on the basis of market prices of the securities held with the funds, with reference to Bloomberg, Nasdaq and other sources that provide most reliable estimates of the market price of the securities at the reporting date. Other NAV-comprising elements of assets and liabilities (cash, payable management and custodian fees, other amounts receivable and payable) are measured at carrying amounts which correspond to their fair values. NAV is measured based on the NAV calculation methodology approved by the Company. This method is applied for measuring the Company's investments into collective investment undertakings that invest solely into quoted securities.

**Level 3.** Fair value of financial assets is determined by such valuation methods which use inputs not based on market data and making significant impact on the fair value determined. These valuation methods are used for the establishment of the fair value of units of alternative investment funds and financial liabilities measured at fair value.

The Company's investments into alternative funds are measured based on funds' NAV established as at the reporting date using the method of carrying amounts. The value of the assets to which the fund invests is determined using the market (if the fund's assets have been acquired recently and no significant changes occurred in the assets prices until the reporting date) or income (based on the discounted value of expected cash inflows from the assets managed by the funds) method. Other elements of assets and liabilities comprising NAV (cash, payable management and custodian fees, other amounts receivable and payable) are measured at carrying amounts which approximate their fair values.

The change in fair value was recognised under the following line item in the statement of profit or loss: Net change in the fair value of financial instruments measured at fair value through profit or loss.

No movements of financial instruments between the different levels were observed in 2024 and 2023.

31 December 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>				
Collective investment undertakings	-	-	3,107,997	3,107,997
Closed-end investment companies	718,060	-	-	718,060
Equity securities	1,648,000	-	-	1,648,000
	<b>2,366,060</b>	<b>-</b>	<b>3,107,997</b>	<b>5,474,057</b>

31 December 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss:</b>				
Collective investment undertakings	-	-	6,625,518	6,625,518
Closed-end investment companies	423,700	-	-	423,700
Equity securities	2,737,350	-	-	2,737,350
	<b>3,161,050</b>	<b>-</b>	<b>6,625,518</b>	<b>9,786,568</b>

Movement of financial assets attributed to Level 3:

	2024	2023
Opening balance	6,625,518	5,264,465
Acquisition of financial instruments	551,580	435,711
Revaluation of financial instruments	112,264	925,342
Sale of financial instruments	(4,181,365)	-
Closing balance	3,107,997	6,625,518

As at 31 December 2024 and 2023, the values of the Company's investments into funds were based on the estimated NAV of the funds, determined by the managers of the funds. The table below provides a sensitivity analysis of the value of the investment in INVL Sustainable Timberland and Farmland Fund II (STAFF), which was EUR 1,401 thousand at 31 December 2024 (EUR 5,483 thousand at 31 December 2023), and the value of the investment in INVL Renewable Energy Fund I (REFI), which was EUR 1,135 thousand at 31 December 2024 (EUR 720 thousand at 31 December 2023), based on the information received from the fund's managers and asset valuers.

To determine the STAFF Fund's NAV, the investments into forests were evaluated by an independent asset valuator using the discounted cash flow method by applying 100 years of planned cash flow from forest management and comparable prices method, and investments into agricultural land were also evaluated using the discounted cash flow method by applying 100 years of planned cash flow from land lease activities and comparable prices method. The fair value of the assets under valuation was determined as the weighted average of the value determined using the discounted cash flow method and the value determined using the comparable prices method, using weights determined by the valuator.

To determine the REFI Fund's NAV, the investments into solar power plant projects were evaluated by an independent asset valuator using the discounted cash flow method by applying 31-32 years of planned cash flow from solar power plant management (based on the expected lifetime of the solar power plant once built).

The main assumptions for the measurement models of STAFF and REFI investments and their sensitivity at 31 December 2024 are presented in the table below:

Item	Value used in the model	Expected change	Change in the value of the Company's investments
<b>INVL Sustainable Timberland and Farmland Fund II</b>			
Discount rate, %	5.75% - LT 5.50% - LV 6.50% - RO	+/- 1pp	(146)/2,098
Annual inflation rate	2.00%	+/- 1pp	2,162/(151)
<b>INVL Renewable Energy Fund I</b>			
Discount rate, %	9.38% - RO 8.85% - PL	+/- 1p	(319)/389
Annual inflation rate	2%	+/- 1pp	407/(343)

The main assumptions for the measurement models of STAFF and REFI investments and their sensitivity at 31 December 2023 are presented in the table below:

Item	Value used in the model	Expected change	Change in the value of the Company's investments
<b>INVL Sustainable Timberland and Farmland Fund II</b>			
Discount rate, %	5.75% - LT 5.50% - LV	+/- 1pp	(2,042)/3,107
Annual inflation rate	2.00%	+/- 1pp	3,212/(2,085)
<b>INVL Renewable Energy Fund I</b>			
Discount rate, %	9.56% - RO 8.89% - PL	+/- 1p	(173)/258
Annual inflation rate	2%	+/- 1pp	273/(181)

## 25. Correction of an error – reclassification of the discounting of a receivable from shareholder (transactions in a capacity with shareholders)

As at 31 December 2023, the Company held a receivable from its sole shareholder for which the payment due date had passed. Based on an assessment of the expected payment date, the Company discounted the receivable and initially recognised the resulting discount as finance costs in the statement of comprehensive income. In preparing the financial statements for 2024, the Company reassessed the treatment of the discounting impact and concluded that, in substance, the discount reflects transactions in a capacity with shareholders rather than finance costs. Given the materiality of this impact, the Company has retrospectively adjusted the presentation of the discounting impact in these financial statements.

The impact of the retrospective adjustment on the prior period financial statement line items is presented in the tables below.

Statement of comprehensive income	31 December 2023 (restated)	Adjustment impact	31 December 2023
Finance costs	(37,491)	597,790	(635,281)
<b>Operating profit (loss)</b>	<b>29,760,142</b>	<b>597,790</b>	<b>29,162,352</b>
<b>Profit/(loss) before tax for the reporting period</b>	<b>29,760,142</b>	<b>597,790</b>	<b>29,162,352</b>
Income tax (expenses) / income	(4,226,289)	(89,668)	(4,136,621)
<b>Net profit (loss) for the reporting period attributable to the Company's shareholders</b>	<b>25,533,853</b>	<b>508,122</b>	<b>25,025,731</b>
<b>Total comprehensive income (expenses) for the year attributable to the Company's shareholders</b>	<b>25,533,853</b>	<b>508,122</b>	<b>25,025,731</b>

This adjustment had no impact on the Company's statement of financial position or on the total cash flows from operating, investing, and financing activities. It affected only three line items within cash flows from operating activities, with a net effect of zero.

## 26. Subsequent events

In January 2025, the management of INVL Asset Management changed, and Audrius Matikiūnas was appointed as Acting General Manager.