

**CONFIRMATION OF RESPONSIBLE PERSONS**

30 August 2017

Following the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania and the Law on Securities (article 22) of the Republic of Lithuania, management of INVL Technology hereby confirms that, to the best of our knowledge, the attached and Company's Financial Statements for six months of 2017 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of INVL Technology.

Presented Interim Report includes a fair review of the development and performance of the business and position of the company and its companies group.

**ENCLOSED:**

1. Company's Financial Statements for six months of 2017.
2. Interim Report for six months of 2017.

Managing Partner of INVL Technology

Kazimieras Tonkūnas

CFO of the Management Company  
INVL Asset Management

Nerijus Drobavičius



# TECHNOLOGY

Special Closed-Ended Type Private Capital Investment Company's  
INVL Technology Interim Report for the six months  
and interim condensed unaudited Financial  
Statements for the six months period ended 30 June  
2017,

prepared according to international Financial Reporting Standards as adopted  
by the European Union.

## INVL TECHNOLOGY

### INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

(all amounts are in EUR thousand unless otherwise stated)

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## GENERAL INFORMATION

### Management

From July 14 after receipt of the license, the management of INVL Technology has been transferred to INVL Asset Management UAB, company code 126263073.

### Address and company code

Registration address  
Gyneju str. 16,  
Vilnius,  
Lithuania

Company code 300893533

### Banks

SEB bank AB

These financial statements were approved and signed by the management company on 28 August 2017.



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Kazimieras Tonkūnas  
Chairman of the Investment Committee of INVL  
Technology



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Justina Kontenienė  
Chief accountant of INVL Asset Management

## Interim statement of comprehensive income

|  | Note | 2017 6<br>months<br>Unaudited | 2016 6<br>months<br>Unaudited | 2017 II<br>quarter<br>Unaudited | 2016 II<br>quarter<br>Unaudited |
|--|------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Net change in fair value of financial assets                               | 3    | (101)                         | (61)                          | 264                             | (125)                           |
| Dividend income  | 5    | 329                           | -                             | 329                             | -                               |
| Interest income  | 5    | 34                            | 1                             | 11                              | -                               |
| Other income   |      | -                             | 97                            | -                               | 19                              |
| <b>Total income</b>  |      | <b>262</b>                    | <b>37</b>                     | <b>604</b>                      | <b>(106)</b>                    |
| Employee benefits  |      | -                             | (185)                         | -                               | (100)                           |
| Other expenses   |      | (241)                         | (169)                         | (125)                           | (102)                           |
| <b>Total operating expenses</b>  |      | <b>(241)</b>                  | <b>(354)</b>                  | <b>(125)</b>                    | <b>(202)</b>                    |
| <b>Operating profit (loss)</b>   |      | <b>21</b>                     | <b>(317)</b>                  | <b>479</b>                      | <b>(308)</b>                    |
| Costs on financial activities  |      | -                             | -                             | -                               | -                               |
| <b>Profit (loss) for the reporting period before tax</b>                   |      | <b>21</b>                     | <b>(317)</b>                  | <b>479</b>                      | <b>(308)</b>                    |
| Income tax benefit   | 6    | -                             | (1)                           | -                               | (1)                             |
| <b>Net profit (loss) for the reporting period</b>                          |      | <b>21</b>                     | <b>(318)</b>                  | <b>479</b>                      | <b>(309)</b>                    |
| Other comprehensive income for the reporting period less the income tax    |      | -                             | -                             | -                               | -                               |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD LESS INCOME TAX</b> |      | <b>21</b>                     | <b>(318)</b>                  | <b>479</b>                      | <b>(309)</b>                    |
| Attributable to:   |      |                               |                               |                                 |                                 |
| - Shareholders of the parent company                                       |      | 21                            | (318)                         | 479                             | (309)                           |
| Basic and diluted earnings (deficit) per share (in EUR)                    | 7    | 0,002                         | (0,026)                       | 0,039                           | (0,025)                         |

## Interim statement of financial position

|  | Notes | 30 June<br>2017 | 31 December<br>2016 |
|--|-------|-----------------|---------------------|
|  |       | Unaudited       |                     |
| <b>ASSETS</b>  |       |                 |                     |
| <b>Non-current assets</b>                                      |       |                 |                     |
| Tangible and intangible assets                                 |       | -               | -                   |
| Financial assets measured at fair value through profit or loss | 3     | 16.595          | 16.696              |
| Deferred income tax asset                                      |       | -               | -                   |
| <b>Total non-current assets</b>                                |       | <b>16.595</b>   | <b>16.696</b>       |
| <b>Current assets</b>  |       |                 |                     |
| Trade and other amounts receivable and loans granted           |       | 35              | 27                  |
| Prepayments and deferred charges                               |       | -               | -                   |
| Cash and cash equivalents                                      | 4     | 3.225           | 3.128               |
| <b>Total current assets</b>                                    |       | <b>3.260</b>    | <b>3.155</b>        |
| <b>Total assets</b>  |       | <b>19.855</b>   | <b>19.851</b>       |
| <b>EQUITY AND LIABILITIES</b>                                  |       |                 |                     |
| <b>Equity</b>  |       |                 |                     |
| Share capital  |       | 3.531           | 3.531               |
| Share premium  |       | 8.268           | 8.268               |
| Reserves   |       | 10.154          | 10.154              |
| Retained earnings  |       | (2.204)         | (2.225)             |
| <b>Total equity</b>  |       | <b>19.749</b>   | <b>19.728</b>       |
| <b>Liabilities</b>   |       |                 |                     |
| <b>Total non-current liabilities</b>                           |       |                 |                     |
| <b>Current liabilities</b>                                     |       |                 |                     |
| Trade payables   |       | 1               | 1                   |
| Employment related liabilities                                 |       | -               | -                   |
| Other current liabilities                                      |       | 105             | 122                 |
| <b>Total current liabilities</b>                               |       | <b>106</b>      | <b>123</b>          |
| <b>Total liabilities</b>                                       |       | <b>106</b>      | <b>123</b>          |
| <b>Total equity and liabilities</b>                            |       | <b>19.855</b>   | <b>19.851</b>       |

## Interim statement of cash flows

|   | Note | 2017 6 months<br>Unaudited | 2016 6 months<br>Unaudited |
|---|------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                     |      |                            |                            |
| Net profit (loss) for the reporting period                      |      | 21                         | (318)                      |
| <b>Non-cash flows:</b>  |      |                            |                            |
| Elimination of financial activities                             |      | 34                         | -                          |
| Dividend (income)   | 5    | (329)                      | -                          |
| Interest (income)   | 5    | (34)                       | (1)                        |
| Interest (costs)  |      | -                          | -                          |
| Depreciation and amortisation                                   |      | -                          | -                          |
| Change in fair value of financial assets                        | 3    | 101                        | 61                         |
| Income tax (benefit) expenses                                   | 6    | -                          | 1                          |
|   |      | <b>(207)</b>               | <b>(256)</b>               |
| Changes in working capital                                      |      |                            |                            |
| (Acquisition) sale of investments                               |      | -                          | (3.688)                    |
| Decrease (increase) in trade and other receivables              |      | (8)                        | 295                        |
| Decrease (increase) in other current assets                     |      | -                          | 1                          |
| Increase (decrease) in trade payables                           |      | (17)                       | (42)                       |
| Received dividends  | 3    | 329                        | -                          |
| Increase (decrease) in other current liabilities                |      | -                          | (37)                       |
| <b>Cash flows from operating activities</b>                     |      | <b>97</b>                  | <b>(3.727)</b>             |
| Income tax (paid)   |      | -                          | -                          |
| <b>Net cash flows from operating activities</b>                 |      | <b>97</b>                  | <b>(3.727)</b>             |
| <b>Cash flows from investing activities</b>                     |      |                            |                            |
| Sale (acquisition) of non-current assets                        |      | -                          | 5                          |
| Loans granted   |      | -                          | (155)                      |
| Repayment of loans granted                                      |      | -                          | 238                        |
| <b>Net cash flows from investing activities</b>                 |      | <b>-</b>                   | <b>88</b>                  |
| <b>Cash flows from financing activities</b>                     |      |                            |                            |
| Cash flows related to owners                                    |      |                            |                            |
| Proceeds from the offering                                      |      | -                          | -                          |
| Cash received under terms of split-off                          |      | -                          | -                          |
|   |      | -                          | -                          |
| Cash flows related to other sources of financing                |      |                            |                            |
| Repayment of loans received                                     |      | -                          | -                          |
|   |      | -                          | -                          |
| <b>Net cash flows from financing activities</b>                 |      | <b>-</b>                   | <b>-</b>                   |
| <b>Impact of currency exchange on cash and cash equivalents</b> |      | <b>-</b>                   | <b>-</b>                   |
| <b>Net increase (decrease) in cash and cash equivalents</b>     |      | <b>97</b>                  | <b>(3.639)</b>             |
| <b>Cash and cash equivalents at the beginning of the period</b> |      | <b>3.128</b>               | <b>6.994</b>               |
| <b>Cash and cash equivalents at the end of the period</b>       | 4    | <b>3.225</b>               | <b>3.355</b>               |

## Interim statement of changes in equity

|   | Share capital | Share premiums | Legal reserve | Reserve of purchase of own shares | Retained earnings | Total          |
|---|---------------|----------------|---------------|-----------------------------------|-------------------|----------------|
| <b>Balance at 31 December 2014</b>  | <b>172</b>    | <b>250</b>     | <b>23</b>     | <b>556</b>                        | <b>6.846</b>      | <b>7.847</b>   |
| The effect of the reorganisation  | 1.601         | (71)           | (23)          | (556)                             | 3.084             | 4.035          |
| Net profit reallocation to reserves   | -             | -              | 177           | 9.800                             | (9.977)           | -              |
| Proceeds from new offering less costs of issue                                      | 1.758         | 8.089          | -             | -                                 | -                 | 9.847          |
| <b>Total transactions with owners of the Company, recognized directly in equity</b> | <b>3.359</b>  | <b>8.018</b>   | <b>154</b>    | <b>9.244</b>                      | <b>(6.893)</b>    | <b>13.882</b>  |
| Net profit (loss) during 2015   | -             | -              | -             | -                                 | 2.514             | 2.514          |
| <b>Total comprehensive income</b>   | <b>-</b>      | <b>-</b>       | <b>-</b>      | <b>-</b>                          | <b>2.514</b>      | <b>2.514</b>   |
| <b>Balance at 31 December 2015</b>  | <b>3.531</b>  | <b>8.268</b>   | <b>177</b>    | <b>9.800</b>                      | <b>2.467</b>      | <b>24.243</b>  |
| Net profit reallocation to reserves   | -             | -              | 177           | -                                 | (177)             | -              |
| <b>Total transactions with owners of the Company, recognized directly in equity</b> | <b>-</b>      | <b>-</b>       | <b>177</b>    | <b>-</b>                          | <b>(177)</b>      | <b>-</b>       |
| Net profit (loss) during 2016   | -             | -              | -             | -                                 | (4.515)           | (4.515)        |
| <b>Total comprehensive income (costs)</b>   | <b>-</b>      | <b>-</b>       | <b>-</b>      | <b>-</b>                          | <b>(4.515)</b>    | <b>(4.515)</b> |
| <b>Balance at 31 December 2016</b>  | <b>3.531</b>  | <b>8.268</b>   | <b>354</b>    | <b>9.800</b>                      | <b>(2.225)</b>    | <b>19.728</b>  |
| Net profit reallocation to reserves   | -             | -              | -             | -                                 | -                 | -              |
| <b>Total transactions with owners of the Company, recognized directly in equity</b> | <b>-</b>      | <b>-</b>       | <b>-</b>      | <b>-</b>                          | <b>-</b>          | <b>-</b>       |
| Net profit (loss) during I half 2017  | -             | -              | -             | -                                 | 21                | 21             |
| Total comprehensive income  | -             | -              | -             | -                                 | 21                | 21             |
| <b>Balance at 30 June 2017</b>  | <b>3.531</b>  | <b>8.268</b>   | <b>354</b>    | <b>9.800</b>                      | <b>2.204</b>      | <b>19.749</b>  |

## Notes to the interim condensed financial statements

### 1 General information

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

On 9 February 2015 the Company was merged with its then parent company, INVL Technology AB (company code 303299817, hereinafter “the Former Parent Company”) into BAIP Grupė AB.

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

Based on the Articles of Association, an Investment Committee was formed to make decisions on the Company’s activities and control its investments. The Investment Committee consists of 4 (four) representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company). An approval of the Investment Committee must be obtained for acquisition of all investments of the Company and for their sale.

The Company operates as a cluster of IT businesses working with large corporate and public entities with a focus in four key areas: business climate improvement and e-governance, IT infrastructure, cyber security and solutions for IT-intensive industries. The major investments of INVL technology are currently in businesses based in Lithuania, Estonia, Norway, Moldova, Tanzania, Rwanda, Uganda and Bangladesh.

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

The Company’s share capital is divided into 12.175.321 ordinary registered shares with the nominal value of EUR 0,29 each. All the shares of the Company were fully paid. Portfolio companies did not hold any shares of the Company. As at 30 June 2017 the shareholders of the Company were \*:

|                           | Number of shares held | Percentage of share capital held |
|---------------------------|-----------------------|----------------------------------|
| LJB INVESTMENTS UAB       | 2.424.152             | 19,91%                           |
| INVALDA INVL AB           | 1.910.812             | 15,69%                           |
| Mrs. Irena Ona Mišeikienė | 1.466.421             | 12,04%                           |
| Lietuvos draudimas AB     | 909.090               | 7,47%                            |
| Mr. Kazimieras Tonkūnas   | 675.452               | 5,55%                            |
| Mr. Alvydas Banys         | 618.745               | 5,08%                            |
| Others                    | 4.170.649             | 34,26%                           |
| <b>Total</b>              | <b>12.175.321</b>     | <b>100%</b>                      |

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

### 2 Basis of preparation and accounting policies

The interim condensed financial statements for the 6 months ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2016

#### 2.1 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2016.

#### 2.2 Accounting estimates

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial year. These estimates and judgements are continuously reviewed and are based on historical experience and other factors,



**INVL TECHNOLOGY****INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

(all amounts are in EUR thousand unless otherwise stated)

including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates not always reflect actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below.

*Fair value of investments not quoted in an active market*

The fair values of securities that are not quoted in an active market are determined by using valuation techniques, primarily of which are earnings multiples, discounted cash flows and recent comparable transactions. The models used to determine fair values are periodically reviewed and compared against historical results to ensure their reliability.

Details of the inputs and valuation methods used to determine Level 3 fair value, are provided in Note 3.

*Investment entity status*

The management of the Company periodically reviews whether the Company meets all the defining criteria of an investment entity. In addition, the management assesses the Company's operation objective (Note 1), investment strategy, origin of income and fair value models. Based on the assessment of the management, the Company met all the defining criteria of an investment entity throughout the period from its establishment to the financial reporting date.

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

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Non-current assets of the Company at fair value through profit or loss comprise of assets which are Level 3 instruments by valuation technique. The Company has no Level 1 or Level 2 instruments.

The list of unconsolidated subsidiaries and associates, hereinafter referred to as portfolio companies, which are owned by the Company as at 30 June 2017 directly or indirectly, is presented below:

| Entity   | Country of incorporation | Proportion of shares (voting rights) directly/indirectly held by the Company (%) | Nature of business                |
|--|--------------------------|--|-----------------------------------|
| Informatikos pasaulis UAB                      | Lithuania                | 100  | Dormant (liquidation)             |
| Vitma UAB                                      | Lithuania                | 100  | Investments in IT companies       |
| BAIP UAB *                                     | Lithuania                | 100  | Information technology solutions  |
| Acena UAB*                                     | Lithuania                | 100  | Information technology solutions  |
| Norway Registers Development AS                | Norway                   | 100  | Information technology solutions  |
| NRD UAB *                                      | Lithuania                | 76.50  | Information technology solutions  |
| Norway Registers Development East Africa Ltd * | Tanzania                 | 70   | Information technology solutions  |
| Etronika UAB                                   | Lithuania                | 90   | Information technology solutions  |
| Norway Registers Development Rwanda Ltd*       | Rwanda                   | 100  | Information technology solutions  |
| Infobank Uganda Ltd *                          | Uganda                   | 30   | Information technology solutions  |
| NRD CS UAB                                     | Lithuania                | 100  | Information technology solutions  |
| Inventio UAB                                   | Lithuania                | 100  | Investments in IT companies       |
| Algoritmy sistemas UAB*                        | Lithuania                | 100  | Information technology solutions  |
| „Andmevara“ AS                                 | Estonia                  | 100  | Information technology solutions  |
| „Andmevara“ SRL *                              | Moldova                  | 100  | Information technology solutions  |
| UAB „FINtime“                                  | Lithuania                | 100  | Finance management and accounting |
| NRD Bangladesh Ltd*                            | Bangladesh               | 100  | Information technology solutions  |

\*These entities are owned indirectly by the Company as at 30 June 2017.

The Company conducts an independent valuation of its investments in portfolio companies when preparing the annual financial statements. As at 31 December 2016, the valuation was carried out by Deloitte Verslo Konsultacijos UAB using the income

**INV L TECHNOLOGY****INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

(all amounts are in EUR thousand unless otherwise stated)

approach (31 December 2015: income and market approach). In the opinion of the management, the fair value of investments was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments. The fair value of investments was determined in compliance with the International Valuation Standards approved by the International Valuation Standards Council. For the income approach, the discounted cash flow method was used. It was based on free cash flow forecasts made by management for the period of 5 years. Free cash flows were calculated as net operating profit after tax plus depreciation and minus change in working capital and capital expenditure.

At the end of the first half of 2017, companies managed by INV L Technology were measured at their fair value using the same method that will be used after the Company becomes a closed-end investment entity. The fair value of the companies, controlled by INV L Technology, at the end of 2016 was estimated by an independent appraiser Deloitte verslo konsultācijas UAB. Market conditions and other preconditions used in the valuation did not change significantly during the first six months of 2017. Therefore, when preparing preliminary operating results for the 6 months of 2017, the Company measured fair value of investments using the end of 2016 value adjusted by the net profit or loss and payments to the Shareholders that occurred during the period, except for entities acquired/established during 2017 which are stated at cost.

During year 2017 these companies declared and paid dividends: Inventio UAB – EUR 329 thousand.

**Based on above multiples and assumptions, the Company calculated following fair values:**

| Entity                    | 30 June 2017  | 31 December 2016 |
|---------------------------|---------------|------------------|
| Vitma UAB*                | 7.778         | 7.710            |
| NRD Group**               | 3.096         | 2.870            |
| NRD CS UAB                | 1.945         | 1.908            |
| Informatikos pasaulis UAB | -             | -                |
| Inventio UAB***           | 2.897         | 3.222            |
| FINtime UAB               | 287           | 253              |
| Andrevara AS              | 592           | 733              |
| <b>Total</b>              | <b>16.595</b> | <b>16.696</b>    |

\*Includes BAIP UAB and Acena UAB

\*\*Includes all NRD group companies

\*\*\*Includes Algoritmu sistemas UAB

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2017:

|  |               |
|--|---------------|
| <b>Opening balance</b>   | 16.696        |
| Gains and losses recognised in profit or loss  | (101)         |
| Closing balance  | <b>16.595</b> |
| <b>Change in unrealised gains or losses for the period recognised in profit or loss for assets held at the end of the reporting period</b> | <b>(101)</b>  |

**As at 31 December 2016**

Under the valid loan agreement with banks, portfolio companies indirectly controlled by the Company – BAIP UAB and NRD UAB are required to obtain the bank's prior approval when declaring the dividends or making other distributions to shareholders.

Other portfolio companies of the Company as of 2016 December 31 did not have significant restrictions for the payment of the dividends to the Company from not consolidated portfolio companies or the restrictions on repayment of loans granted by the Company to the not consolidated portfolio companies.

The table below presents movements in Level 3 financial instruments during 2016:

|   |                |
|---|----------------|
| <b>Opening balance at 1 January 2016</b>  | 16.955         |
| Additional contributions to share capital*  | 3.090          |
| Acquisitions  | 664            |
| Disposals during the year   | -              |
| Gain (loss) recognised in the income statement  | (4.013)        |
| <b>Closing balance at 31 December 2016</b>  | <b>16.696</b>  |
| <b>Unrealised gain or loss recognised in the income statement on assets controlled at the end of the reporting period</b> | <b>(4.013)</b> |

\*In 2016, additional contributions to share capital consisted of increase in the share capital of subsidiary Inventio UAB for the acquisition of Algoritmu Sistemas UAB, establishment of FINtime UAB, increase in the share capital of subsidiary Norway Registers Development AS.

**INVL TECHNOLOGY**
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

(all amounts are in EUR thousand unless otherwise stated)

The biggest loss on revaluation of EUR 3,764 thousand was on Vitma Group, engaged in IT infrastructure business. The revenue of the IT infrastructure businesses reached EUR 11,100 thousand in 2016, while in 2015 it was EUR 12,149 thousand. EBITDA and net profit in this area decreased in 2016 due to higher costs for international expansion and one-off costs. EBITDA was EUR 373 thousand and net loss was EUR 107 thousand for the year ended 31 December 2016, while EBITDA in 2015 was EUR 1,273 thousand and net profit - EUR 998 thousand. During 2016 BAIP experienced one-off EUR 332 thousand direct costs (including related legal expenses) for the illegal actions of company's partners. The company has taken measures to ensure the internal control procedures in order to avoid such situation in the future and plans to claim compensation for the incurred damages. Business results in the area of IT infrastructure were also impacted by delays in the start of a new EU structural funds investment program, which has reduced public sector demand for IT services this year. Procurement under the new EU program, which is currently being set up, is expected to begin at the end of 2017. Lost income in the Baltic public sector in 2016 has been offset by international activities and long-term service agreements with large corporate clients, namely banks and retail chains. The fair value of the Company's investments was determined by Deloitte Verslo Konsultācijas UAB. The table below presents the inputs and the fair value valuation techniques (Level 3) for investments in subsidiaries and the sensitivity analysis to changes in the inputs used:

| Name          | Fair value, EUR '000 | Valuation technique  | Inputs                             | Input value | Reasonable possible shift - /+ | Change in valuation +/- |
|---------------|----------------------|----------------------|------------------------------------|-------------|--------------------------------|-------------------------|
| Vitma UAB     | 7,710                | Discounted cash flow | Weighted average cost of capital   | 9.4%        | -/+ 0.5 %                      | 575 / (500)             |
|               |                      |                      | Long-term growth rate              | 2.0%        | -/+ 0.5 %                      | (413) / 477             |
|               |                      |                      | Free cash flows                    | -           | -/+ 10 %                       | (674) / 674             |
|               |                      |                      | Discount for lack of marketability | 9.8%        | -/+ 2 %                        | 148 / (148)             |
|               |                      |                      | 5y revenue growth rate             | -           | -/+ 0.5 %                      | (285) / 290             |
| NRD Group     | 2,870                | Discounted cash flow | Weighted average cost of capital   | 12.5%       | -/+ 0.5 %                      | 155 / (140)             |
|               |                      |                      | Long-term growth rate              | 2.0%        | -/+ 0.5 %                      | (103) / 113             |
|               |                      |                      | Free cash flows                    | -           | -/+ 10 %                       | (293) / 293             |
|               |                      |                      | Discount for lack of marketability | 9.8%        | -/+ 2 %                        | 63 / (63)               |
|               |                      |                      | 5y revenue growth rate             | -           | -/+ 0.5 %                      | (53) / 54               |
| NRD CS UAB    | 1,908                | Discounted cash flow | Weighted average cost of capital   | 10.9%       | -/+ 0.5 %                      | 107 / (95)              |
|               |                      |                      | Long-term growth rate              | 2.0%        | -/+ 0.5 %                      | (73) / 82               |
|               |                      |                      | Free cash flows                    | -           | -/+ 10 %                       | (153) / 153             |
|               |                      |                      | Discount for lack of marketability | 12.7%       | -/+ 2 %                        | 43 / (43)               |
|               |                      |                      | 5y revenue growth rate             | -           | -/+ 0.5 %                      | (32) / 33               |
| Andmevara     | 733                  | Discounted cash flow | Weighted average cost of capital   | 9.7%        | -/+ 0.5 %                      | 43 / (38)               |
|               |                      |                      | Long-term growth rate              | 2.0%        | -/+ 0.5 %                      | (30) / 34               |
|               |                      |                      | Free cash flows                    | -           | -/+ 10 %                       | (53) / 53               |
|               |                      |                      | Discount for lack of marketability | 9.8%        | -/+ 2 %                        | 16 / (16)               |
|               |                      |                      | 5y revenue growth rate             | -           | -/+ 0.5 %                      | (14) / 14               |
| Inventio      | 3,222                | Discounted cash flow | Weighted average cost of capital   | 9.8%        | -/+ 0.5 %                      | 161 / (141)             |
|               |                      |                      | Long-term growth rate              | 2.0%        | -/+ 0.5 %                      | (111) / 127             |
|               |                      |                      | Free cash flows                    | -           | -/+ 10 %                       | (248) / 248             |
|               |                      |                      | Discount for lack of marketability | 9.8%        | -/+ 2 %                        | 65 / (65)               |
|               |                      |                      | 5y revenue growth rate             | -           | -/+ 0.5 %                      | (45) / 46               |
| Fintime       | 253                  | Net assets value     | N/A                                | N/A         | N/A                            | N/A                     |
| <b>Total:</b> | <b>16,696</b>        |                      |                                    |             |                                |                         |

The fair value was based on discounted cash flow method, which was selected by the external valuator as the best representation of the company specific development potential, except for FINtime UAB, where net assets value method was used. Different method was selected as because as of current moment the entity does not expect to generate significant free cash flows.

**INVL TECHNOLOGY****INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

(all amounts are in EUR thousand unless otherwise stated)

Sensitivity is not applicable as no variable inputs were used. Due to the limited number of comparable companies and transactions, lack of reliability of the market data and limited comparability of peers, the results of the guideline public companies and transaction methods were used as a supplementary analysis and were provided only for illustrative purposes in valuation report.

Cash flow projections made by management for the period of 5 years (2017-2021) were used as a basis in the income method. Free cash flows were calculated as operating profit after tax plus depreciation/amortisation of property, plant and equipment and intangible assets, plus or minus changes in working capital and minus capital expenditure. The resulting value was adjusted by discount for lack of marketability and the amount of surplus assets/liabilities. As part of the valuation process, valuator had analysed items presented on the balance sheet of each company and had identified assets and liabilities, which can be treated as surplus assets (e.g. net working capital above normalised level, non-operating cash balances, loans to related parties) and debt/debt like items; all of which were adjusted when arriving at equity value of the company.

In the opinion of the management, the fair value was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments.

**4 Cash and cash equivalents**

All company's cash and cash equivalents consisted of funds on settlement accounts.

**5 Income**

|                     | <b>2017 6 months</b> | <b>2016 6 months</b> |
|---------------------|----------------------|----------------------|
| Interest income     | 34                   | 1                    |
| Dividend income     | 329                  | -                    |
| <b>Total Income</b> | <b>363</b>           | <b>1</b>             |

**6 Income tax**

The Company does not account for deferred income tax liabilities related to change in the fair value of financial assets, because the Company's investments meet the criteria defined in the Law on Corporate Income Tax, under which the revenue on disposal of investments is exempt from income tax.

|   | <b>2017 6 months</b> | <b>2016 6 months</b> |
|---|----------------------|----------------------|
| <b>Components of the income tax benefit (expenses)</b>              |                      |                      |
| Deferred income tax expenses (benefit)                              | -                    | 1                    |
| <b>Income tax expenses (benefit) stated in the income statement</b> | <b>-</b>             | <b>1</b>             |

**7 Earnings per share**

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

The weighted average number of shares for the period ended 30 June 2017 was as follows:

| <b>Calculation of weighted average for the period ended 30 June 2017</b> | <b>Number of shares (thousand)</b> | <b>Par value (EUR)</b> | <b>Issued/180 (days)</b> | <b>Weighted average (thousand)</b> |
|--|------------------------------------|------------------------|--------------------------|------------------------------------|
| Shares issued as at 31 December 2016                                     | 12.175                             | 0.29                   | 180/180                  | 12.175                             |
| Shares issued as at 30 June 2017   | <b>12.175</b>                      | <b>0,29</b>            |                          | <b>12.175</b>                      |

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

|   | <b>2017 6 months</b> |
|---|----------------------|
| Net loss, attributable to the equity holders of the parent  | 21                   |
| Weighted average number of ordinary shares (thousand)       | 12.175               |
| <b>Basic and diluted earnings (deficit) per share (EUR)</b> | <b>0,002</b>         |

**INVL TECHNOLOGY**  
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**  
(all amounts are in EUR thousand unless otherwise stated)

## 8 Related party transactions

Transactions of the Company with related parties for the first half of 2016 and balances as at 30 June 2016 were as follows:

| <b>The Company</b>                            | <b>Revenue from<br/>related parties</b> | <b>Purchases from<br/>related parties</b> | <b>Receivables from<br/>related parties</b> | <b>Payables to<br/>related parties</b> |
|---|---|---|---|--|
| <i>Company's management</i>                   |   |   |   |  |
| Lease of assets                               | -                                       | 7   | -   | -                                      |
|   | -                                       | 7   | -   | -                                      |
| <i>INVL Technology AB portfolio companies</i> |   |   |   |  |
| Borrowings                                    | 1                                       | -   | -   | -                                      |
| Dividends                                     | -                                       | -   | -   | -                                      |
| Management and accounting service             | 93                                      | 6   | -   | -                                      |
| Other activities                              | 6                                       | 11  | -   | 2                                      |
|   | <b>100</b>                              | <b>17</b>                                 | -   | <b>2</b>                               |

The Company's transactions with related parties during the first half of 2017 and related balances as at 30 June 2017 were as follows:

| <b>The Company</b>                      | <b>Revenue from<br/>related parties</b> | <b>Purchases from<br/>related parties</b> | <b>Receivables from<br/>related parties</b> | <b>Payables to<br/>related parties</b> |
|---|---|---|---|--|
| <i>Company's management</i>             |   |   |   |  |
| Lease of assets                         | -                                       | -   | -   | -                                      |
|   | -                                       | -   | -   | -                                      |
| <i>INVL Technology AB subsidiaries</i>  |   |   |   |  |
| Borrowings                              | -                                       | -   | -   | -                                      |
| Interest                                | 34                                      | -   | 35  | -                                      |
| Dividends                               | 329                                     | -   | -   | -                                      |
| Management and accounting service       | -                                       | -   | -   | -                                      |
| Other activities                        | -                                       | 3   | -   | -                                      |
|   | <b>363</b>                              | <b>3</b>                                  | <b>35</b>                                   | -                                      |
| <i>Invalida INVL AB Group companies</i> |   |   |   |  |
| Borrowings                              | -                                       | -   | -   | -                                      |
| Operating activities                    | -                                       | 201                                       | -   | 97                                     |
|   | -                                       | <b>201</b>                                | -   | <b>97</b>                              |

## 9 Segment information

The Company has defined its operating segments in a manner consistent with the internal reporting provided to the Investment committee of the Management company that is responsible for making strategic decisions. The Investment committee is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Investment committee's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. Therefore, there is no detailed analysis in these financial statements.

There were no changes in the reportable segments during the first half of 2017.

**INVL TECHNOLOGY****INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

(all amounts are in EUR thousand unless otherwise stated)

**10 Financial risk management****10.1 Financial risk factors**

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

The Company's financial liabilities consisted of trade and other payables. The Company has various categories of financial assets, however, the major items of its financial assets were financial assets at fair value through profit loss consisting of the investments in unconsolidated portfolio companies and cash and cash equivalents received on public offering.

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

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

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

Credit risk

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

With respect to trade and other receivables not past due and not impaired, there were no indications as at the reporting date that the debtors will fail to fulfil their liabilities in due time, since the Company constantly reviews the balances of receivables. The Company has no significant transactions in a country other than the countries of domicile of the portfolio companies and their investments. All receivables of the Company are from subsidiaries, and their settlement terms are set by the Company itself.

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

**Unrated assets**

|                             | <b>At 30 June 2017</b> | <b>At 31 December 2016</b> |
|-----------------------------|------------------------|----------------------------|
| Trade and other receivables | 35                     | 27                         |
| Loans granted               | -                      | -                          |
| Cash and cash equivalents   | 3.225                  | 3.128                      |
| <b>Total current assets</b> | <b>3.260</b>           | <b>3.155</b>               |

The Company uses the services from the banks and the financial institutions which (or the controlling financial institutions of which) have been assigned a high credit rating by an independent rating agency. As at 30 June 2017 and 31 December 2016, the Company's cash balances were mostly held in the financial institutions which have not been assigned individual credit ratings, but the controlling financial institutions of which have been assigned "Prime-1" rating by Moody's agency.

Interest rate risk

The Company had no significant borrowings or loans granted, therefore has not been exposed to significant interest rate risk.

Price risk

The Company's investments are sensitive to price risk arising from uncertainties about future values of the investments that are not traded in an active market. To manage the price risk, the Company reviews the performance of the portfolio companies at

## **INVLT TECHNOLOGY**

### **INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

(all amounts are in EUR thousand unless otherwise stated)

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least on a quarterly basis, and keep regular contact with the management of the portfolio companies for business development and day-to-day operation matters.

As at 30 June 2017, the fair value of the Company's investments exposed to price risk was EUR 16.595 thousand (31 December 2016: EUR 16.696 thousand).

#### Liquidity risk

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

Liquidity risk management is divided into long-term and short-term risk management.

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

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

As at 30 June 2017, the Company's financial liabilities (grouped by maturity based on undiscounted contractual payments) consisted of trade and other payables and other current liabilities amounting to EUR 106 thousand (31 December 2016: EUR 123 thousand) to be settled within 3 months after the reporting date.

#### Foreign exchange risk

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

### **10.2 Fair value estimates**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company carries investments in portfolio companies at fair value, please refer to Note 3 for more details.

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

The carrying amount of the cash and cash equivalents, trade and other receivables, as well as trade and other payables of the Company as at 30 June 2017 and 31 December 2016 approximated their fair value because they are short-term and the impact of discounting is immaterial.

### **10.3 Capital management**

The primary objective of the capital management is to ensure that the Company maintains a strong credit health and healthy capital ratios in order to support their business and maximise shareholder value. The Company manages its capital supervising the activities of each portfolio company, in order to achieve that the capital is sufficient to support company's activities. The key management personnel of the companies controls that they are meeting capital requirements as set in the laws and borrowing agreements and provides the information to the Company's management.

The Company's capital comprises share capital, share premium, reserves and retained earnings. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and specific risks of their activity. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the first half of 2017.

The Company is obliged to keep its equity ratio at not less than 50% of its share capital, as imposed by the Law on Companies of Republic of Lithuania.

**11 Events after the reporting period**

There were no material events.





# TECHNOLOGY

## Special Closed-Ended Type Private Capital Investment Company 's INVL Technology Results for 6 months of 2017

Prepared in accordance with The Rules for the Preparation and the Submission of the Periodic and Additional Information, approved by the decision No. 03-48 of the Board of the Bank of Lithuania passed on 28 February 2013.

## Translation note:

This version of the Interim Report for the 6 months of 2017 is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

## Content

|   |    |
|---|----|
| I. GENERAL INFORMATION .....  | 19 |
| 1 Reporting period .....  | 19 |
| 2 General information about the Company (Issuer') and other companies comprising the Issuer's group .....   | 19 |
| 2.1. Information about the Issuer .....   | 19 |
| 2.2. Information on company's goals and strategy .....  | 19 |
| 2.3. Information about the Issuer's group of companies .....  | 20 |
| 2.4. Participation in Association .....   | 23 |
| II. INFORMATION ABOUT THE ISSUER'S AND ITS GROUP COMPANIES' ACTIVITY .....  | 24 |
| 3. Significant Issuer's and its group events during the reporting period, effect on the financial statement .....   | 24 |
| 4. Overview of the Issuer and its group activity .....  | 25 |
| 5. Key figures of INVL Technology .....   | 27 |
| 6. The results of INVL Technology portfolio companies for 6 months of 2017 .....  | 28 |
| 6.1. Activities of NRD Companies .....  | 28 |
| 6.2. Activities of Andmevara AS .....   | 32 |
| 6.3. Activities of BAIP UAB and Acena UAB .....   | 33 |
| 6.4. Activities of NRD CS UAB .....   | 35 |
| 6.5. Activities of Algoritmu sistemas UAB .....   | 37 |
| III. INFORMATION ABOUT SECURITIES .....   | 39 |
| 7. The order of amendment of Issuer's Articles of Association .....   | 39 |
| 8. Structure of the authorized capital .....  | 39 |
| 9. Trading in Issuer's securities as well as securities, which are deemed to be a significant financial investment to the Issuer on a regulated market .....  | 39 |
| 10. Information about Shareholders of the Company .....   | 41 |
| IV. ISSUER'S MANAGING BODIES .....  | 42 |
| 11. Information about Issuer's managing bodies, Company providing accounting services and about Audit Committee of the Company .....  | 42 |
| 12. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the members of the Board, director and Company providing accounting services .....  | 44 |
| 13. Information about the employees of the Company .....  | 44 |
| 14. Information about agreements of the Company and the members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the Company ..... | 45 |
| V. OTHER INFORMATION .....  | 45 |
| 15. Agreements with intermediaries on public trading in securities .....  | 45 |

|     |  |    |
|-----|--|----|
| 16. | Information on Issuer's branches and representative offices .....  | 45 |
| 17. | Information on the related parties' transactions .....   | 45 |
| 18. | A description of the principal advantages, risks and uncertainties .....   | 45 |
| 19. | Information about significant agreements to which the issuer is a party, which would come into force, be amended or cease to be valid if there was a change in issuer 's controlling shareholder ..... | 45 |

# I. GENERAL INFORMATION

## 1 Reporting period

The Interim Report is prepared for the period from 1 January 2017 until 30 June 2017.

## 2 General information about the Company (Issuer') and other companies comprising the Issuer's group

### 2.1. INFORMATION ABOUT THE ISSUER

|  |  |
|--|--|
| Name of the Company  | Special closed-end type private capital investment company INVL Technology |
| Code   | 300893533  |
| Address  | Gynėjų str. 14, LT-01109 Vilnius, Lithuania                                |
| Telephone  | +370 5 279 0601  |
| Fax  | +370 5 279 0530  |
| E-mail   | <a href="mailto:info@invltechnology.lt">info@invltechnology.lt</a>         |
| Website  | <a href="http://www.invltechnology.lt">www.invltechnology.lt</a>           |
| Legal form   | Public joint-stock company   |
| Type of the Company  | Closed-ended type investment company                                       |
| Date and place of registration   | 27 June 2007; Register of Legal Entities                                   |
| Date on which the Supervisory authority approved the documents on the formation of the collective investment undertaking | 14 July 2016   |
| Register in which data about the Company are accumulated and stored  | Register of Legal Entities   |
| Management company   | INVL Asset Management UAB, code 126263073, licence No. V JK-005            |
| Depository   | SEB Bank, AB, code 112021238, bank licence No. 2                           |

### 2.2. INFORMATION ON COMPANY'S GOALS AND STRATEGY

On 14 July 2016 INVL Technology received a closed-ended type investment company licence, issued by the Bank of Lithuania. Under the company's Articles of Association, a closed-ended type investment company (CEF) INVL Technology will operate until 14 July 2026, with a possible extension for two more years.

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

The priority for INVL Technology was expansion of the regular sales channels as well as the portfolio of the managed companies.

The priority for the managed companies was new product development as well as increasing their capacity for international operations. During this period of intensive investment, the collaboration between INVL Technology managed companies is an important aspect of the value growth by 2026. It allows the companies to utilise their resources more effectively, share and take over the best-practices, use sales channels in foreign markets and together develop new specialised competences.

INVL Technology has investments in the Norwegian company Norway Registers Development AS with subsidiaries NRD Systems (NRD UAB) and Etronika UAB in Lithuania, Norway Registers Development East Africa Ltd. in Tanzania, Norway Registers Development Rwanda Ltd. in Rwanda, Norway Registers Development Bangladesh Ltd. in Bangladesh and

Infobank Uganda Ltd. in Uganda. It has also invested in BAIP UAB with its subsidiary Acena UAB, NRD CS UAB and Algoritmu sistemas UAB, all in Lithuania, and Estonia's Andmevara AS with its subsidiary Andmevara SRL in Moldova.

INVL Technology – company, investing in IT businesses, listed on Nasdaq Baltic stock exchange (Nasdaq Vilnius: INC1L) from June 2014.

### 2.3. INFORMATION ABOUT THE ISSUER'S GROUP OF COMPANIES

INVL Technology operates as a cluster of IT businesses working with large corporate and government entities with a focus in four key areas: business climate improvement and e-governance, IT infrastructure, cyber security and IT intensive industries' solutions:



Companies working in the area of **Business climate improvement and e-governance** combine legal, consultancy and information technology skills to address governance and economic digital infrastructure development challenges effectively. They develop national state-of-art registries and provide digital and mobile signature, digital platforms for finance and retail sectors, state taxes, information distribution, digital licenses, digital documents and other economic digital infrastructure solutions.



Companies working in the area of **IT infrastructure** provide information systems' resilience and mobility services for the largest corporate IT users, central banks and public sector organizations with high data availability requirements. Companies are acknowledged as strategic IT infrastructure architects and assist organizations to ensure their business continuity processes.



**Cybersecurity** companies provide technology consulting, incident response and National Computer Incident Response Teams (CIRTs/SOCs) establishment services. They are focused on the services to law enforcement, national communication regulators, CERTs, and corporate information security departments.



Companies working in the area of **IT intensive industries' solutions** develop high quality, effective and reliable information systems and business process facilitating programs for large and medium-sized public organizations and enterprises. Main fields of activities include e-governance, e-health, finance, social security, environmental protection and education.

#### PORTFOLIO COMPANIES OF INVL TECHNOLOGY:

##### *BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE:*



#### **NRD Companies**

**Norway Registers Development AS (NRD AS)** is management consulting and IT services' company, specializing in the development of national registers, e-governance solutions and public sector reforms backed by ICT solutions. NRD was established in Norway in 1995. More information – [www.nrd.no](http://www.nrd.no)

**NRD Systems (NRD UAB)** was incorporated in October 1998. NRD, UAB is a subsidiary company and information system design and development excellence center of Norway Registers Development AS. NRD, UAB specializes in business, property, mortgage, licenses, citizen's registry and tax information systems creation and development. More information – [www.nrd.lt](http://www.nrd.lt)

**Norway Registers Development East Africa Limited** - NRD AS subsidiary in East Africa, established in April 2013. Provides on-site delivery of NRD group services, supports the companies in East Africa in the delivery of information security technologies as a value-added distributor and assists other organizations investing in East Africa in the creation, development, maintenance and security of their information technology infrastructure. Performs audit of information systems, provides IT management consulting and trainings. More information – [www.nrd.co.tz](http://www.nrd.co.tz)

**Norway Registers Development Rwanda Limited (NRD Rwanda)** was registered in Kigali on 22 February 2016. NRD Rwanda offer full portfolio of NRD group and other INVL Technology



businesses' services. In addition, backing the regional export strategy of Rwanda, it also participates in projects in Burundi and Democratic Republic of the Congo. More information – [www.nrd.no](http://www.nrd.no)

**NRD Bangladesh Limited** was registered on 2 February 2017. NRD Bangladesh will offer full portfolio of NRD Companies and other INVL Technology businesses services and support NRD Companies projects in South and Southeast Asia regions. NRD Bangladesh will mainly focus on the services, related to securing the digital environment as well as offer the know-how of NRD Companies in the fields of enabling the business environment & job creation, increasing efficiency of government services, smart IT infrastructure and digital platforms for finance sector. More information – [www.nrd.no](http://www.nrd.no)



**Etronika UAB** is NRD group's company, specialized in e-banking and m-signature solutions. ETRONIKA develops complex and innovative solutions for finance and online business, integrating advanced and secure technologies across various electronic channels. More information – [www.etronika.com](http://www.etronika.com)



**Infobank Uganda Limited** – company in Uganda, established in December 2014. Norway Registers Development AS holds 30 percent of the shares. Currently does not perform any activities but intends to work with different registries which are currently largely paper based, and provide registries information to financial sector clients via electronic system. More information – [www.infobank-uganda.com](http://www.infobank-uganda.com)



**Andmevara AS** (Estonia) is a highly reliable information technology company engaged in software development, digitization and a variety of IT solutions for local governments. The company also provides maintenance and customer support. Andmevara is actively contributing to the implementation of Estonia's E-Government project and mostly serves Estonian public sector organizations. It provides a number of ready-made software products to municipal and governmental institutions. Andmevara has a subsidiary in Moldova. More information – [www.andmevara.ee](http://www.andmevara.ee)

#### IT INFRASTRUCTURE:



**BAIP UAB** is a critical IT infrastructure company providing information systems' resilience and mobility services for the largest corporate IT users and public sector organizations. Company is acknowledged as a strategic IT infrastructure architect and assists organizations to ensure their business continuity processes. More information – [www.baip.lt](http://www.baip.lt)



**Acena UAB** provides specialized Microsoft solutions to increase operational efficiency. The company provides business productivity, process transformation, business intelligence and other professional services. Its specialists help clients to transform their IT infrastructure and solutions and to optimize costs and employee time resources. More information – [www.acena.lt](http://www.acena.lt)

#### CYBER SECURITY:



**NRD CS UAB** is a cybersecurity technology consulting, incident response and applied research company. The company focuses on services for specialized public service providers (law enforcement, national CERTs, telecoms, national communication regulators, national critical infrastructure), the finance industry and corporations with high data sensitivity. NRD CS is a facilitator of Norway Registers Development AS's mission to create a secure digital environment for states, governments, corporations and citizens. In addition to specialized services, NRD CS through its own CIRT provides cyber security consulting, performs security audits as well as compliance and risk assessments, validates and promotes Critical Controls implementations, designs and implements technologies for cybersecurity defense and information system security, and provides training for corporate information security departments. More information – [www.nrdcs.lt](http://www.nrdcs.lt)

#### IT INTENSIVE INDUSTRIES' SOLUTIONS:

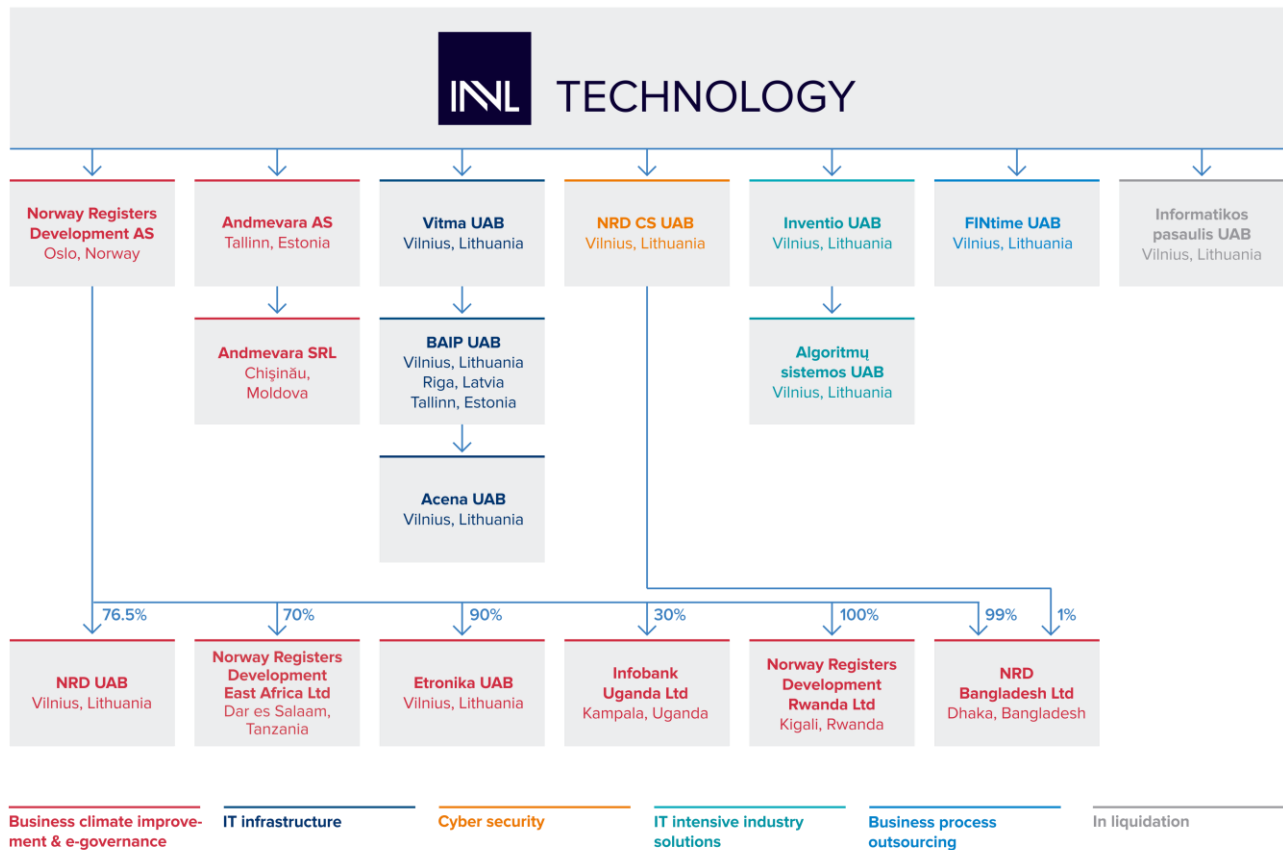


**Algoritmu sistemas UAB** develops high quality, effective and reliable information systems and business process facilitating programs for large and medium-sized public organizations and enterprises. Main fields of company activity include: e-governance, e-health, finance, social security, environmental protection and education. More information – [www.algoritmusistemas.lt](http://www.algoritmusistemas.lt)

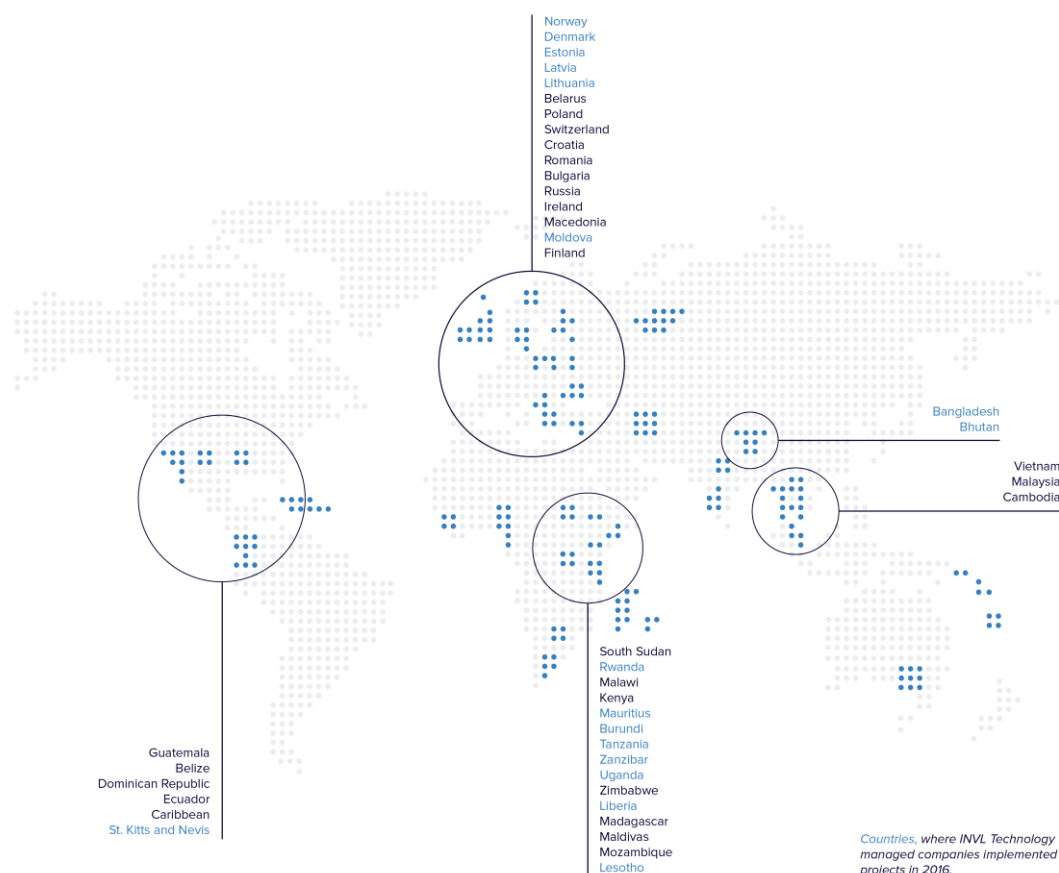
**BUSINESS PROCESS OUTSOURCING:**

**FINtime UAB** established on 29 February 2016 and provides business process outsourcing services.

**STRUCTURE OF INVL TECHNOLOGY PORTFOLIO COMPANIES ON THE ANNUAL REPORT DAY**



## GEOGRAPHY OF INVL TECHNOLOGY PORTFOLIO COMPANIES' PROJECTS



### 2.4. PARTICIPATION IN ASSOCIATIONS

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

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

Invalda INVL is a member of Lithuanian Private Equity and Venture Capital Association, which brings together private equity and venture capital market participants in Lithuania.

INVL Asset Management is a member of Lithuanian investment and pension funds (LIPFA) Association. LIPFA is an independent organisation that brings together the country's private investment management companies and branches of commercial banks engaged in investment activities. Members of the association actively participate in the activities of the association and contribute to the promotion of investment and the favorable environment for Lithuania.

Lithuanian Investment Managers Association (LIVA), one of whose founders is INVL Asset Management, aims to contribute to the development of investment, fund improvements in the legal environment and investor education.

INVL Asset Management is a member of Lithuanian Financial Markets Institute. The activities of this organisation are focused on analysis of Lithuania-specific financial markets problems and research-based solutions delivery. The Institute focuses on the promotion of various business financing forms as well as shaping public attitudes towards the need for effective functioning of financial markets.

Invalda INVL together with its INVL Asset Management companies in Lithuania and Latvia, has joined the UN-supported Principles for Responsible Investment (PRI).

The PRI, founded in 2006, is a global network of over 1700 investors representing US\$73.5 trillion in assets under management, aims to assess the investment implications of environmental, social and governance (ESG) factors. An economically efficient, sustainable global financial system is considered a necessity for long-term value creation. Investors who support the PRI voluntarily work to apply the principles in their investment activities.



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

### 3. Significant Issuer's and its group events during the reporting period, effect on the financial statement

- **17 January 2017** INVL Technology has acquired EUR 1.55 million of bonds from the company BAIP. The bonds pay an annual interest rate of 7.625 per cent and mature on 30 June this year. The money raised in the bond issue was used to ensure the participation of INVL Technology group companies in a foreign tender. The bonds were redeemed in 4 May 2017.
- **2 February 2017** INVL Technology managed NRD Companies has established a subsidiary entity in Dhaka - NRD Bangladesh. NRD Bangladesh will offer full portfolio of NRD Companies and other INVL Technology businesses' services and support NRD Companies projects in South and Southeast Asia regions. NRD Bangladesh will mainly focus on the services, related to securing the digital environment as well as offer the know-how of NRD Companies in the fields of enabling the business environment & job creation, increasing efficiency of government services, smart IT infrastructure and digital platforms for finance sector.
- **28 February 2017** INVL Technology announced preliminary operating results for 12 months of 2016. The preliminary equity of INVL Technology, after the revaluation of financial assets, as of 31 December 2016, was EUR 19.7 million or EUR 1.62 per share (compared to 1.99 euro per share at the end of 2015) and decreased 18.6 percent in 2016.
- **4 April 2017** Etronika UAB has signed a distribution agreement with Comarch Technologies, technology wing of the Comarch Capital Group.
- **6 April 2017** INVL Technology logo has been changed and website was updated.
- **6 April 2017** INVL Technology announced that on 31 March 2017 the net asset value of the Company was EUR 19,259,953.53 or EUR 1.5819 per share.
- **18 April 2017** An Advisory Committee for INVL Technology has been appointed by the board of INVL Asset Management, its management company. The Advisory Committee of the Company is composed of Invalda INVL board members Alvydas Banys and Indrė Mišeikytė, Lietuvos Draudimas's Investment Director for the Baltic countries Gintaras Rutkauskas, and one of the owners of the E-energija group of companies Virginijus Strioga.
- **19 April 2017** the shareholders of Algoritmu Sistemos and shareholders of Profectus novus agreed to terminate the transaction on the acquisition of the shares of Profectus novus.
- **27 April 2017 m.** Resolutions of the Shareholders Meeting of INVL Technology, AB that was held on 29 April 2017 were announced: To approve the financial statements for 2016 of the special closed-ended type private capital investment company INVL Technology; To approve the regulations of the Audit Committee of INVL Technology and to elect Dangutė Pranckėnienė (independent member) and Tomas Bubinas (independent member) to the Audit Committee of INVL Technology for the 4 (four) years term of office; to delegate to the Management company of INVL Technology to determine the remuneration payment procedure for the Audit Committee members; to change the Company registered address.
- **28 April 2017** INVL Technology reports preliminary operating results for 3 months of 2017. Equity of INVL Technology as of 31 March 2017 was EUR 19.26 million or EUR 1.58 per share. Net loss of the Company for the first quarter of 2017 was EUR 468 thousand. On 31 March 2017 the net asset value of the Company was EUR 19,259,953.53 or EUR 1.5819 per share.
- **3 May 2017** INVL Technology has signed the Amendment of the Services Agreement with AB SEB bank. The parties agreed on a 0.04 percentage point lower depository fee.
- **19 May 2017** INVL Technology announced that employees of the companies owned by INVL Technology will receive some bonuses in the form of INVL Technology stock. It is envisaged that up to 30 per cent of employee bonuses will be paid in stock. Shares of INVL Technology will be purchased on the exchange after the audited results and net asset value are published. It is stipulated that the price paid for shares shall not exceed the equity value per share.

**INFORMATION ABOUT PUBLIC INFORMATION**

Following the requirements of the Law of the Republic of Lithuania, all main events concerning the Company and information about time and venue of the General Meeting of Shareholders are published on the website of the Company [www.invltechnology.lt](http://www.invltechnology.lt) and in AB Nasdaq Vilnius Stock Exchange ([www.nasdaqomxbaltic.com](http://www.nasdaqomxbaltic.com)).

#### 4. Overview of the Issuer and its group activity

**BUSINESS ENVIRONMENT**
**BALTIC STOCK MARKET:**

| Index/Shares | 31.12.2016 | 30.06.2017 | +/- %  |
|--------------|------------|------------|--------|
| OMX Tallinn  | 1,075.50   | 1,137.08   | 5.73%  |
| OMX Riga     | 733.77     | 970.21     | 32.22% |
| OMX Vilnius  | 558.50     | 597.07     | 6.91%  |

Source: Nasdaq Baltic

**KEY ECONOMIC INDICATORS OF LITHUANIA:**

| Rate  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017*         |
|---|--------|--------|--------|--------|--------|--------|--------|---------------|
| Real GDP annual change (excluding seasonal and labour days, percent)  | 1.6    | 6.0    | 3.9    | 3.4    | 3.5    | 1.7    | 2.2    | 4.0           |
| Nominal GDP (EUR billion)   | 28.028 | 31.275 | 33.348 | 35.002 | 36.590 | 37.331 | 38.631 | 40.041        |
| Retail trade turnover   | -6.0   | 5.0    | 4.8    | 4.3    | 5.3    | 4.5    | 4.1    | 6.1           |
| (at constant prices, excluding vehicle trade) annual change (percent) | 17.8   | 15.4   | 13.4   | 11.8   | 10.7   | 9.1    | 7.9    | 7.0           |
| CPI, annual change* (%)   | 1.2    | 4.1    | 3.2    | 1.2    | 0.2    | -0.7   | 0.7    | 2.0<br>(June) |
| HICP, annual average change (%)                                       | 614.4  | 629.9  | 646.4  | 677.8  | 714.5  | 756.9  | 822.8  | 817.6<br>(Q1) |
| Average monthly wage  | 0.2    | 2.5    | 2.6    | 4.8    | 5.4    | 5.9    | 8.7    | 9.3<br>(Q1)   |

Source: SEB bank, Statistics Lithuania

\*Data for the first half of the year, unless otherwise noted

## GLOBAL GDP FORECAST:

| Country          | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------|------|------|------|------|------|
| USA              | 2.4  | 2.6  | 1.6  | 2.6  | 2.5  |
| Japan            | -0.1 | 1.2  | 0.9  | 0.6  | 0.5  |
| Germany          | 1.6  | 1.8  | 1.9  | 1.8  | 1.9  |
| China            | 7.3  | 6.9  | 6.7  | 6.6  | 6.3  |
| GB               | 2.9  | 2.2  | 2.0  | 1.1  | 0.9  |
| Euro zone        | 0.9  | 2.0  | 1.8  | 1.8  | 2.0  |
| Nordic countries | 1.6  | 2.3  | 2.0  | 2.1  | 2.1  |
| Baltic countries | 2.8  | 2.0  | 1.8  | 2.7  | 3.2  |
| Lithuania        | 3.5  | 1.7  | 2.2  | 2.5  | 3.0  |
| Latvia           | 2.4  | 2.7  | 2.0  | 2.8  | 3.5  |
| Estonia          | 2.9  | 1.4  | 1.6  | 2.2  | 3.1  |
| OECD             | 1.9  | 2.4  | 1.8  | 2.1  | 2.2  |
| Emerging markets | 4.7  | 4.0  | 4.1  | 4.6  | 4.9  |
| The world, PPP*  | 3.5  | 3.3  | 3.1  | 3.6  | 3.8  |

\* Purchasing Power Parities

Source: SEB Nordic Outlook, May 2017, OECD

Lithuania's economy reached the pre-crisis level in 2012 and continues its moderate growth. In 2016, the GDP annual growth rate was 2.2%, increasing up to 4.0% in the first half of 2017. In recent years, domestic consumption has been the main driver of the economy and it will remain so in the medium term. A favourable situation in the labour market has created preconditions for wage growth and increased the purchasing power of the population. A relatively low inflation has increased both nominal and real income.

For business, the situation was aggravated by the embargo imposed in 2015 and the economic downturn in Russia, but Lithuanian companies have successfully found alternative markets in the EU countries. Export volumes minimally shrunk (1.3%) in 2016, which can be explained by lower oil product and fertilizer prices. Meanwhile, exports have been picking up this year (in the first half of 2017 it increased by as much as 17.7% at an annual rate). One of the reasons is the improving situation in the euro area.

Economists are improving their economic forecasts, calculating that in 2017 Lithuania's GDP growth will accelerate (the European Commission's forecast is 2.9%, SEB's – 3.2%). Inflation, which is expected to exceed 3%, should slow down the growth in disposable income, thus private consumption will grow slower. On the other hand, this year, with the increase in the distribution of the EU funds, private and public investment is expected to recover. Exports of goods and services should contribute to the economic growth. The country's strength remains in the stable public finances with a controlled budget deficit (a projected deficit of 0.5% of GDP in 2017) and an acceptable level of government debt (about 40% of GDP).

Lithuania's public sector investments have a significant impact on the information technology (IT) sector. The value of IT service procurement procedures in 2016 amounted to €79 million (€52 million in 2015 and €108 million in 2014). In recent years, institutions have invested more in traditional IT and analytics solutions and less in the development of systems. Public orders should increase in 2017. One of the risks is that due to the increasing number of orders it can be difficult to meet them properly and on time, as the shortage of IT specialists and rising wage costs remain one of the major issues in the sector.

Growing competition in Lithuanian public sector leads to intensified competition in private sector and creates incentives to step into export markets, which usually allow to earn a higher profitability.

## 5. Key figures of INVL Technology, thous. EUR

|  | 2016 H1       | 2017 H1       |
|--|---------------|---------------|
| Change in the fair value of financial assets | (61)          | (101)         |
| Profit (loss) before taxes                   | (317)         | 21            |
| Net profit (loss)                            | (318)         | 21            |
|  | 31.12.2016    | 30.06.2017    |
| Financial assets value                       | 16,696        | 16,595        |
| Cash and Cash equivalents                    | 3,128         | 3,225         |
| Other assets                                 | 27            | 35            |
| <b>TOTAL ASSETS</b>                          | <b>19,851</b> | <b>19,855</b> |
| Other liabilities                            | 123           | 106           |
| Equity                                       | 19,728        | 19,749        |
| <b>TOTAL EQUITY AND LIABILITIES</b>          | <b>19,851</b> | <b>19,855</b> |

Equity of the Company as of 30 June 217 was EUR 19,7 million or 1,62 per share.

The Company's **net asset value** as of 30 June 2017 was **EUR 19,748,704.83 or EUR 1.6220 per share**.

Investments of the Company to managed companies amounted to EUR 16.6 million at the end of June 2017. Decrease in fair value of investments amounted to EUR 0.1 million. Change comprised of the positive gain on revaluation of investments in amount of EUR 0.2 million and dividends paid by Inventio UAB in amount of EUR 0.3 million (negative impact on value of investments). The cash and cash equivalents of the Company increased from EUR 3.1 million to EUR 3.2 million in six months of 2017. The net profit of the Company amounted EUR 21 thousand.

### FINANCIAL ASSETS, THOUS. EUR

| Company                   | 31.12.2016    | 30.06.2017    |
|---------------------------|---------------|---------------|
| Vitma UAB *               | 7,710         | 7,778         |
| Inventio UAB              | 3,222         | 2,897         |
| NRD Companies             | 2,870         | 3,096         |
| NRD CS UAB                | 1,908         | 1,945         |
| FINtime UAB               | 253           | 287           |
| Andmevara AS              | 733           | 592           |
| Informatikos pasaulis UAB | -             | -             |
| <b>Total</b>              | <b>16,696</b> | <b>16,595</b> |

\* Includes both BAIP UAB and Acena UAB

### CHANGE IN FAIR VALUE OF FINANCIAL ASSETS, THOUS. EUR

| Opening balance                            | 16,696        |
|--|---------------|
| Revaluation                                | 228           |
| Dividends paid by subsidiaries             | (329)         |
| Acquisitions of assets available for sale* | 1,584         |
| Redemptions of assets available for sale * | (1,584)       |
| <b>OPENING BALANCE</b>                     | <b>16,595</b> |

\*Assets available for sale consisted of purchase of bonds issued by UAB BAIP, including accrued interest and redemption

## 6. The results of INVL Technology portfolio companies for 6 months of 2017

### 6.1. ACTIVITIES OF NRD COMPANIES



Business climate improvement  
and e-governance  
NRD companies

In the beginning of 2017, new NRD Companies brand and new website ([www.nrdcompanies.com](http://www.nrdcompanies.com)), representing all of the companies comprising NRD group and their combined services portfolio, was introduced.

NRD Companies is a global information technology and consulting group of companies specialized in governance and economic digital infrastructure development. The group specialises in development of national registries and information systems, digital and m-signature solutions, digital platforms for the financial and retail sectors, digital platforms for state revenue collection,

information distribution, banking, digital licensing, digital documentation, and other economic digital infrastructure solutions. NRD Companies is structured to deliver world-class information technology solutions in Europe, Sub-Saharan Africa, South and Southeast Asia as well as small island states at a competitive cost with a seamless implementation on the ground and provide complementary solutions and services via specialized companies.

#### The group structure:

- Norway Registers Development is the managing company as well as legal, consulting, project leadership and know-how hub for the group based in Sandvika, Norway;
- NRD Systems (NRD UAB) is an information system development and project delivery company with core competences in state tax systems and state registry modernization based in Vilnius, Lithuania;
- NRD East Africa is a regional sale, project leadership, project support and maintenance company for group projects across East African countries based in Dar es Salaam, Tanzania;
- NRD Rwanda is a regional sale, project leadership, project support and maintenance company for group projects in Rwanda, Burundi and Democratic Republic of the Congo;
- NRD Bangladesh is a regional sale, project leadership, project support and maintenance company for group projects in South Asia;
- Etronika is among the top 100 most innovative FinTech companies in Europe, offering digital platforms for finance and retail sectors, digital and mobile signature, mobile payments, digital services for point-of-sales terminals and other services. Company is based in Vilnius, Lithuania;
- Infobank Uganda is a specialized company based in Kampala, Uganda providing information on Ugandan businesses.

In 2017 NRD companies continued implementing projects in Lithuania, Tanzania, Zanzibar, Uganda, Burundi, Mauritius, the Kingdom of Lesotho and Bangladesh. Companies are also actively participating in international tenders in South Asia and East Africa.

In February, NRD Systems (NRD UAB) signed a contract with the Centre of Registers of Lithuania for the provision of implementation and support services of Legal rights registers for three years. The value of the contract is 774.000,00 Eur (excluding VAT). The company also started an assignment to extend and improve the payment system SEPA-MMS for the Central Bank of Lithuania.

In Zanzibar, NRD Companies launched a consulting project for design and implementation of a computer based on-line system for registration of businesses and secured transactions. This August, Zanzibar delegation visited Lithuania where they met with Lithuanian authorities for the best-practice exchange..





In Bangladesh, NRD AS, together with NRD CS, finalised the National Computer Incident Response Team development project and in joint venture with BAIP signed a new software and hardware delivery and deployment contract with the Bangladesh Computer Council. The companies will set up a laboratory for the National Computer Incident Response Team (CIRT). NRD CS will provide technology for implementation of the project. Setting-up of the laboratory is financed by the World Bank under the Bangladesh Computer Council's project "Leveraging ICT for Growth, Employment and Governance".



During the first six months of 2017, NRD Companies also continued implementing Norwegian Peace Corps (Fredskorpset Norway – FK Norway) financed employee exchange program. This is the third round of the project and a total of 6 employees from NRD Companies have been improving their skills and gaining new knowledge in Lithuania and Tanzania (2 system analysts from Tanzania are currently working in Kaunas).

NRD company Etronika with its mobile banking solution BANKTRON was included in the study "IDC MarketScape: European Mobile Banking Software Solutions 2017 Vendor Assessment", which assesses and compares developers of European mobile banking software solutions. The study covers 11 solutions and is an important criteria for financial institutions to consider when making a mobile banking investment decision.

International Cyber Security Conference organized by Bangladesh Computer Council took place in Dhaka on 9 March 2017. Norway Registers Development AS was the leading partner of the conference. NRD CS and NRD Bangladesh have also contributed to International Cyber Security conference.

Mr Rimantas Žylius, the Managing Director at Norway Registers Development AS, gave a keynote speech on cyber security worldwide trends. At least 20 foreign cyber security experts and 200 government officials attended the conference. The conference marks the one year anniversary of BGD e-GOV CIRT (Bangladesh Government Computer Incident Response Team) establishment. BGD e-GOV CIRT was established with assistance from NRD Companies and NRD Cyber Security. State Minister for ICT Zunaid Ahmed Palak delivered a special gift for the successful cooperation to Rimantas Žylius, Managing Director of NRD AS. Declaration 2017 on strengthening cybersecurity was endorsed at the International Cybersecurity Conference and signed by honorable State Minister for ICT Zunaid Ahmed Palak. The declaration asks organizations to take full responsibility for cyber security of their activities and services provided and declare that cyber security is a Management issue and not a technological one. Full text of the Declaration is available here: <https://www.cirt.gov.bd/declaration-2017-on-strengthening-cybersecurity/>.





Norway Registers Development AS sponsored The European Commerce Registers' Forum (ECRF 2017), held on 14–16 June in Vilnius, where Managing Director Rimantas Žylius delivered a speech on the importance of cooperation between business registers in Europe and emerging markets.

The 5th annual Cyber Defence East Africa 2017 conference, held on 9–10 August in Kampala, the capital of Uganda, brought together nearly 150 East African cyber security policy makers and experts from East African central and commercial banks, ministries of ICT and finance, the President's Office, communications regulators, computer emergency response teams (CERT), law enforcement authorities and academia. The conference was organised by NRD companies and NRD CS in cooperation with the National Information Technology Authority – Uganda (NITA-U). The conference was sponsored by BAIP UAB.



**KEY PL ITEMS OF NRD COMPANIES, THOUS. EUR**

|                   | NRD Companies |         |         |         |
|-------------------|---------------|---------|---------|---------|
|                   | 2016 Q2       | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue           | 985           | 1,680   | 2,834   | 2,676   |
| Gross profit      | 806           | 1,108   | 2,223   | 2,025   |
| EBITDA            | (176)         | 256     | (107)   | 157     |
| EBIT              | (205)         | 222     | (168)   | 73      |
| Net Profit (Loss) | (171)         | 357     | (163)   | 180     |

**KEY BS ITEMS OF NRD COMPANIES, THOUS. EUR \***

|                                     | NRD Companies |              |
|-------------------------------------|---------------|--------------|
|                                     | 31.12.2016    | 30.06.2017   |
| Tangible assets                     | 314           | 282          |
| Intangible assets                   | 593           | 527          |
| Other non-current assets            | 43            | 57           |
| Current assets                      | 2,964         | 2,888        |
| <i>of which cash</i>                | 456           | 330          |
| <b>Total assets</b>                 | <b>3,914</b>  | <b>3,754</b> |
| Equity                              | 1,109         | 1,239        |
| Non-current liabilities             | 229           | 138          |
| <i>of which financial debt</i>      | 12            | 0            |
| Current liabilities                 | 2,576         | 2,377        |
| <i>of which financial debt</i>      | 365           | 312          |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>3,914</b>  | <b>3,754</b> |

\* During 2016 net assets, related to acquisition of Etronika UAB, were recalculated, resulting that goodwill was allocated to the respective items within intangible assets, amortizing the assets during their useful lives.

**KEY PL ITEMS OF ETRONIKA UAB, THOUS. EUR \***

|                   | Etronika UAB |         |         |         |
|-------------------|--------------|---------|---------|---------|
|                   | 2016 Q2      | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue           | 341          | 414     | 773     | 762     |
| Gross profit      | 290          | 395     | 647     | 730     |
| EBITDA            | (97)         | 66      | (119)   | 28      |
| EBIT              | (107)        | 60      | (142)   | 14      |
| Net Profit (Loss) | (108)        | 55      | (143)   | 6       |



**KEY PL ITEMS OF NRD SYSTEMS (NRD UAB), THOUS. EUR**

|              | NRD Systems (NRD UAB) |         |         |         |
|--------------|-----------------------|---------|---------|---------|
|              | 2016 Q2               | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue      | 439                   | 568     | 975     | 983     |
| Gross profit | 406                   | 546     | 945     | 940     |
| EBITDA       | 0                     | 116     | 69      | 96      |
| EBIT         | (11)                  | 106     | 47      | 75      |
| Net Profit   | (13)                  | 104     | 43      | 72      |

**6.2. ACTIVITIES OF ANDMEVARA AS**


Business climate improvement  
and e-governance  
NRD companies

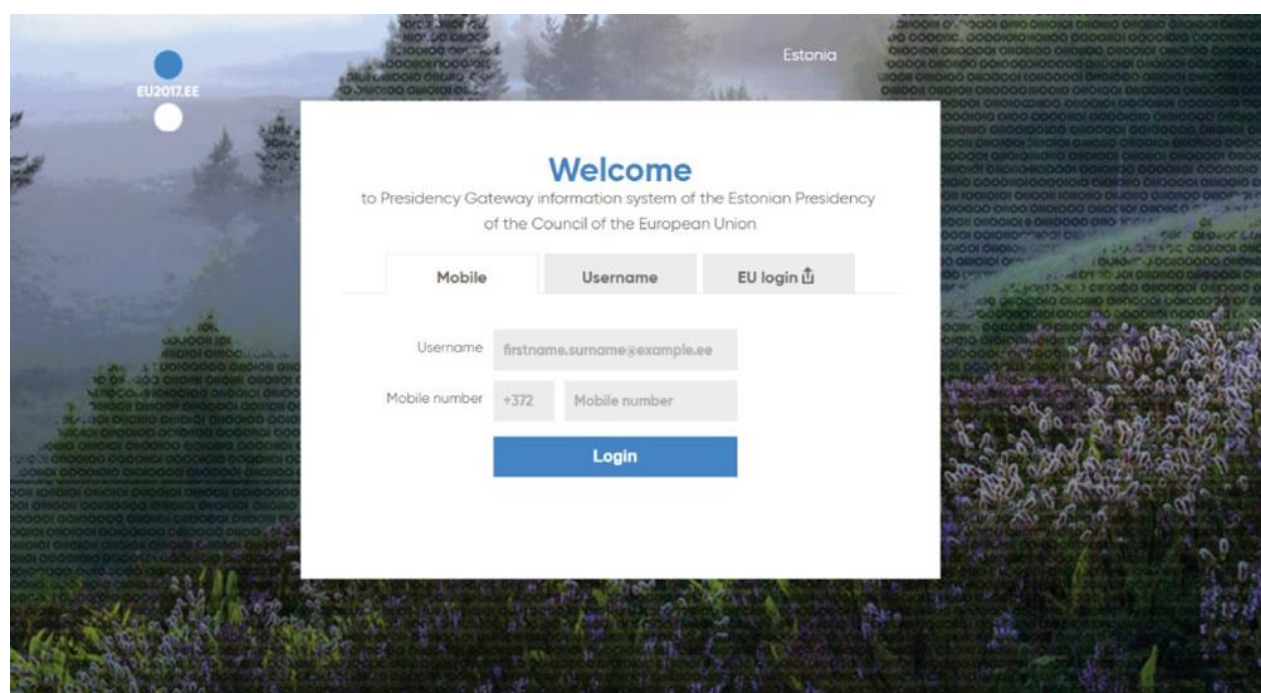
Andmevara is an information technology company engaged in software development, digitization and a variety of IT solutions for local governments. The company also provides maintenance and customer support.

In January 2017 Andmevara completed the digitization of 650 thousand Moldovan court documents project. In the end of January 2017, the Company updated its corporate image.

On 6 February 2017, an agreement was signed under which AS Andmevara became a partner for the management and development of information systems for local governments. Estonia is currently undertaking local government reform to improve local public services and governance, and achieve efficiency gains.

In May 2017, the company informed about the pilot project of the Andmevara Information System VOLIS being implemented in five municipalities of the Netherlands.

In July 2017, Andmevara finished developing an information system (Presidency Gateway) that will make it simpler to organise and run the events taking place during the Estonian Presidency of the Council of the European Union. This will be the main English-language web-based system for the Estonian Presidency, which aims at reducing e-mail messages and exchange of paper printouts, as well as improving information security. This initiative is designed to make the processes safer, faster and more cost-effective and promote the use of digital signatures.



AS Andmevara currently serves 250 clients in Estonia and Moldova. In Moldova, the National Archives Digitization Project is currently taking place, funded by the Estonian Ministry of Foreign Affairs.

**KEY PL ITEMS OF ANDMEVARA AS, THOUS. EUR \***

|              | Andmevara AS |         |         |         |
|--------------|--------------|---------|---------|---------|
|              | 2016 Q2      | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue      | 190          | 254     | 190     | 562     |
| Gross profit | 153          | 166     | 153     | 413     |
| EBITDA       | (50)         | (107)   | (50)    | (129)   |
| EBIT         | (58)         | (112)   | (58)    | (141)   |
| Net Profit   | (58)         | (112)   | (58)    | (141)   |

\*Andmevara AS is included from the month the control was transferred, i.e. 1 May 2016

**KEY BS OF ANDMEVARA AS ITEMS, THOUS. EUR\***

|                                     | Andmevara AS |            |
|-------------------------------------|--------------|------------|
|                                     | 31.12.2016   | 30.06.2017 |
| Tangible assets                     | 28           | 20         |
| Intangible assets                   | 11           | 9          |
| Current assets                      | 0            | 0          |
| <i>of which cash</i>                | 456          | 400        |
| <b>Total assets</b>                 | 296          | 30         |
| Equity                              | <b>495</b>   | <b>429</b> |
| Non-current liabilities             | 218          | 133        |
| Current liabilities                 | 0            | 0          |
| <i>of which financial debt</i>      | 0            | 0          |
| <b>TOTAL LIABILITIES AND EQUITY</b> | 277          | 296        |
| Tangible assets                     | 0            | 0          |
| Intangible assets                   | <b>495</b>   | <b>429</b> |

\* Andmevara AS is included from the month the control was transferred, i.e. 1 May 2016.

**6.3. ACTIVITIES OF BAIP UAB AND ACENA UAB**


IT infrastructure  
BAIP

Revenue of BAIP and Acena increased during the first six months of 2017 compared to the same period of 2016. Companies expect that public-sector demand for IT services will increase in the second half of the year, and that BAIP and Acena will begin implementing significant new projects in Lithuania and abroad.

17 January 2017 INVL Technology has acquired EUR 1.55 million of bonds from the company BAIP. The bonds pay an annual interest rate of 7.625 per cent and mature on 30 June this year.

The bonds were redeemed in 4 May 2017. The money raised in the bond issue was used to ensure the participation of INVL Technology group companies in a foreign tender.

BAIP UAB, which works in IT infrastructure, carried out projects and signed new contracts in the Baltic States, Denmark, Norway, Rwanda, Burundi and Mauritius. BAIP also strengthened its partnerships with hardware and software vendors and qualified as a Dell Premier Partner in Lithuania. In the beginning of April 2017, BAIP was named DELL EMC Partner of the year in the category for Cloud & Data Center solutions in their annual regional partners' awards for the Baltics.

On January 2017, BAIP UAB signed office equipment maintenance, service and rental contract with Orlen Lietuva AB.

In the first half of 2017, the company also signed contracts and implemented projects with the Lithuanian Police Forensic Science Centre, State Enterprise Susisiekimo paslaugos, the Centre for Communicable Diseases and AIDS (together with NRD CS) and other organisations. In joint venture with NRD UAB it was awarded the contract by State Enterprise Centre of Registers for the maintenance and development of the population register.

In April, BAIP with NRD East Africa signed a contract for further modernisation of the Rwandan Central Bank.

In June 2017, Norway Registers Development AS and BAIP signed an agreement for “Supply, Installation and commissioning of software & various equipment for setting up CIRT Laboratory at Bangladesh Computer Council” under Leveraging ICT for Growth, Employment and Governance Project. NRD CS will provide the technology required for project implementation.



An annual conference “Technologies and Resilience” was organized by BAIP and its partners on 27 March 2017. More than 100 Executives, CIOs and IT specialists from biggest Lithuanian business companies, governmental organizations and academic institutions gather there to discuss about the biggest IT challenges and opportunities. The main topics of the conference were the renewed BAIP methodology CIMF2.0 and applications management. Some of the other topics include data growth, its growth in smart cities, governmental cloud computing projects success stories, and other.

BAIP also sponsored the conference “Cyber Defence East Africa 2017”, held on 9–10 August in Kampala.

#### KEY PL ITEMS OF BAIP UAB AND ACENA UAB, THOUS. EUR

|                   | BAIP and Acena |         |         |         |
|-------------------|----------------|---------|---------|---------|
|                   | 2016 Q2        | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue           | 2,813          | 2,753   | 5,044   | 5,209   |
| Gross profit      | 961            | 971     | 1,821   | 1,789   |
| EBITDA            | 133            | 224     | 245     | 329     |
| EBIT              | 21             | 116     | 36      | 109     |
| Net Profit (Loss) | 6              | 73      | 19      | 57      |

## KEY BS ITEMS OF BAIP UAB AND ACENA UAB, THOUS. EUR

|                                     | BAIP and Acena |              |
|-------------------------------------|----------------|--------------|
|                                     | 31.12.2016     | 30.06.2017   |
| Tangible assets                     | 1,176          | 1,090        |
| Intangible assets                   | 359            | 366          |
| Other non-current assets            | 308            | 65           |
| Current assets                      | 4,637          | 3,293        |
| <i>of which cash</i>                | 1,276          | 144          |
| <b>Total assets</b>                 | <b>6,480</b>   | <b>4,814</b> |
| Equity                              | 1,829          | 1,825        |
| Non-current liabilities             | 85             | 85           |
| <i>of which financial debt</i>      | 85             | 85           |
| Current liabilities                 | 4,566          | 2,904        |
| <i>of which financial debt</i>      | 288            | 816          |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>6,480</b>   | <b>4,814</b> |

## 6.4. ACTIVITIES OF NRD CS UAB



In 2017, NRD CS updated its brand and the website ([www.nrdcs.lt](http://www.nrdcs.lt)), which now more clearly distinguishes the company's services of prevention, response, security management, capacity building and solutions for critical infrastructure.

In March 2017, NRD CS organised the second seminar in Vilnius for heads of the analytical departments of intelligence, law enforcement and control institutions. This time the topic chosen for discussion was the use of GIS technology to address the challenges of intelligence, law enforcement and control analysts. It included the demonstration of practical scenarios of how to

exploit GIS technologies together with tools already available to the participants, such as i2 Analyst's Notebook, etc. In this way, the company seeks to contribute to the strengthening of Lithuanian intelligence and criminal intelligence analysts' capacities.

In the second half of 2017, NRD CS together with NRD AS finalised the National Computer Incident Response Team development project and within the framework of NRD AS and BAIP's project began to supply technology for the set up of a laboratory for the National Computer Incident Response Team (CIRT) in the Bangladesh Computer Council.

In April and May, NRD CS held seminars in Vilnius and Klaipėda, titled "Cyber resilience: what do you need to know this spring?" During the seminars NRD CS consultants presented cyber security management trends and prospects, the new EU personal data privacy regulation and other topics.

In April and May, NRD CS also organised practical workshops "Open source intelligence: targeted information search", where participants learned how to effectively find targeted information and to draw a big picture using the available information, for example, contacts of a person or an organisation. The OSINT module developed by NRD CS enables its clients to collect and track information coming from open sources and receive reports on any subject of their choice.

At the end of April, NRD CS and Vilnius University initiated a visit of representatives from the Oxford Global Cyber Security Capacity Centre and together with representatives from the public and private sectors, law enforcement, banks and academic community contributed to the Lithuanian cyber security maturity assessment implemented by the Centre.

On 31 May–1 June NRD CS participated in the conference "GFCE Annual Meeting 2017", organised in Brussels by its partner Global Forum on Cyber Expertise. Akvilė Giniotienė, a security governance expert at NRD CS, made a report on "Cyber resilience with a change of mindset" and presented an idea that cyber security must be integrated into all national digital development programmes at an early stage.



On 15 June 2017, NRD CS Director Dr Vilius Benetis participated in World Summit on the Information Society (WSIS) Forum 2017, held in Geneva, Switzerland, where he shared his insights on the panel of Global Forum on Cyber Expertise (GFCE) on “Responding to Cyber Threats: Establishing an Effective Computer Incident Response Team”. The aim of this session was to reveal the importance of coordinated response to ICT security incidents and the impact of national development programmes. The panelists also discussed the skills needed to create an effective computer security incident response team (CSIRT).

On 27 June, NRD CS Director Dr Vilius Benetis also participated in the Baltic Shared Services Community (BSSC) event where he presented a report on cyber security prospects “Cyber Security: How Digitisation Will Challenge Current Security Practices”.



On 9–10 August, the 5th annual Cyber Defence East Africa 2017 conference was held in Kampala, the capital of Uganda. The conference was organised by NRD companies and NRD CS in cooperation with the National Information Technology Authority – Uganda (NITA-U).

Nearly 100 IT security professionals participated in information analysis and open source intelligence training organised by NRD CS experts, learning how open source data and information analysis can enhance the resilience of the financial sector by preventing and investigating cyber attacks.



**KEY PL ITEMS OF NRD CS UAB, THOUS. EUR**

|                   | NRD CS  |         |         |         |
|-------------------|---------|---------|---------|---------|
|                   | 2016 Q2 | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue           | 419     | 474     | 672     | 705     |
| Gross profit      | 222     | 372     | 421     | 517     |
| EBITDA            | 44      | 123     | 94      | 53      |
| EBIT              | 39      | 119     | 85      | 45      |
| Net Profit (Loss) | 39      | 141     | 80      | 37      |

**KEY BS ITEMS OF NRD CS UAB, THOUS. EUR**

|                                     | NRD CS     |              |
|-------------------------------------|------------|--------------|
|                                     | 31.12.2016 | 30.06.2017   |
| Tangible assets                     | 32         | 34           |
| Intangible assets                   | 1          | 5            |
| Other non-current assets            | 2          | 2            |
| Current assets                      | 719        | 1,077        |
| <i>of which cash</i>                | 422        | 135          |
| <b>Total assets</b>                 | <b>754</b> | <b>1,118</b> |
| Equity                              | 319        | 357          |
| Non-current liabilities             | 0          | 0            |
| <i>of which financial debt</i>      | 0          | 0            |
| Current liabilities                 | 435        | 761          |
| <i>of which financial debt</i>      | 0          | 412          |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>754</b> | <b>1,118</b> |

**6.5. ACTIVITIES OF ALGORITMU SISTEMOS UAB**


Currently, the biggest clients of Algoritmu Sistemų UAB operating in the field of solutions for IT-intensive industries are the Ministry of Environment, the State Tax Inspectorate, State Enterprise Susisiekimo Paslaugos, Vilnius City Municipality, the National Health Insurance Fund, the State Labour Inspectorate, the Environmental Protection Agency and State Social Insurance Fund Board.

In the first half of 2017, Algoritmu sistemas was awarded contracts by Vilnius City Municipality for the development of Real estate accounting system, by the State Tax Inspectorate for the maintenance of its information systems as well as other contracts – in total, 28 new contracts were signed.

The company has implemented such projects as “Pillow Fee in Palanga Municipality”, “Register of Persons who Limited their Gambling Possibilities”, “Creation of VLE.LT, an Electronic Version of the Universal Lithuanian Encyclopaedia”, and other. During the first half of 2017, the company was implementing 48 different contracts.

The company also contributed to the development of anti-corruption environment in Lithuania and in cooperation with the Lithuanian Special Investigation Service and Telia Lietuva AB created a website for the Anti-Corruption Guide for Business.

Algoritmų Sistemų actively participated in international public procurement tenders together with other companies owned by INVL Technology. The portfolio of services offered by the company includes a range of services relevant to the public sector: e-health, tax modernisation, environmental management, election system solutions, etc.

**KEY PL ITEMS OF ALGORITMU SISTEMOS UAB, THOUS. EUR\***

|                   | Algoritmu sistemas |         |         |         |
|-------------------|--------------------|---------|---------|---------|
|                   | 2016 Q2            | 2017 Q2 | 2016 H1 | 2017 H1 |
| Revenue           | 624                | 533     | 624     | 880     |
| Gross profit      | 517                | 485     | 517     | 753     |
| EBITDA            | 138                | 72      | 138     | (14)    |
| EBIT              | 132                | 67      | 132     | (24)    |
| Net Profit (Loss) | 132                | 95      | 132     | 5       |

\* Algoritmu sistemas UAB is included from the month the control was transferred, i.e. 1 April 2016

**KEY BS ITEMS OF ALGORITMU SISTEMOS UAB, THOUS. EUR**

|                                     | Algoritmu sistemas |            |
|-------------------------------------|--------------------|------------|
|                                     | 2016-12-31         | 31.12.2016 |
| Tangible assets                     | 50                 | 42         |
| Intangible assets                   | 1                  | 1          |
| Other non-current assets            | 0                  | 0          |
| Current assets                      | 1,132              | 899        |
| <i>of which cash</i>                | 542                | 104        |
| <b>Total assets</b>                 | <b>1,183</b>       | <b>942</b> |
| Equity                              | 674                | 579        |
| Non-current liabilities             | 0                  | 0          |
| <i>of which financial debt</i>      | 0                  | 0          |
| Current liabilities                 | 509                | 363        |
| <i>of which financial debt</i>      | 0                  | 20         |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>1,183</b>       | <b>942</b> |

### III. INFORMATION ABOUT SECURITIES

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

„The Articles of Association of INVL Technology may be amended by resolution of the General Shareholders' Meeting, passed by more than 3/4 of votes (except in cases provided for by the Law on Companies of the Republic of Lithuania).

Actual wording of the Articles of Association is dated as of 27 June 2016. The Company's Articles of Association is published on the Company's web page.

#### 8. Structure of the authorized capital

##### STRUCTURE INVL TECHNOLOGY AUTHORIZED CAPITAL AS OF 30 JUNE 2017

| Type of shares             | Number of shares, units | Total voting rights granted by the issued shares, units | Nominal value, EUR | Total nominal value, EUR | Portion of the authorised capital, % |
|----------------------------|-------------------------|---|--------------------|--------------------------|--------------------------------------|
| Ordinary registered shares | 12,175,321              | 12,175,321  | 0.29               | 3,530,843.09             | 100                                  |

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

Company used no services of liquidity providers during the reporting period. Starting 8 August 2016 Siauliu bankas acts as market maker for INVL Technology shares. Under the agreement, Siauliu bankas will provide liquidity on both bid and ask sides around the INVL Technology spread at least 85 percent of the trading time on the stock exchange, increasing market depth in this way.

##### INFORMATION ABOUT THE ISSUER'S TREASURY SHARES

INVL Technology or its subsidiary has not acquired shares in INVL Technology directly or indirectly under the order of subsidiary by persons acting by their name.

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

##### MAIN CHARACTERISTICS OF INVL TECHNOLOGY SHARES ADMITTED TO TRADING

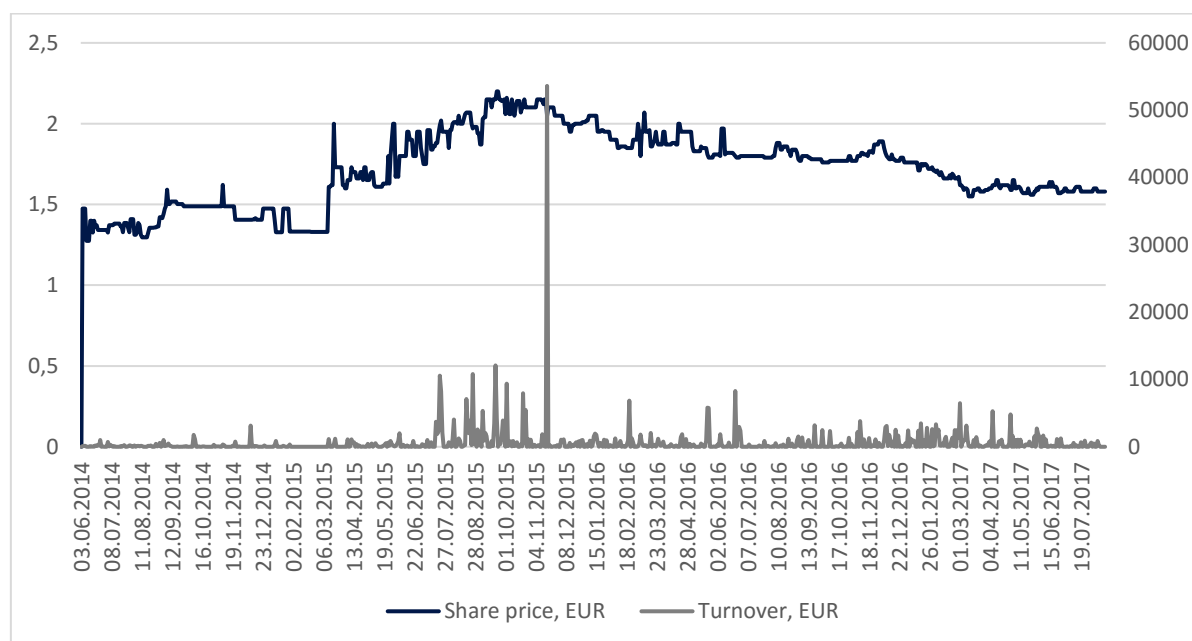
|                                  |                       |
|----------------------------------|-----------------------|
| Shares issued, units             | 12,175,321            |
| Shares with voting rights, units | 12,175,321            |
| Nominal value, EUR               | 0.29                  |
| Total nominal value, EUR         | 3,530,843.09          |
| ISIN code                        | LT0000128860          |
| Name                             | INC1L                 |
| Exchange                         | Nasdaq Vilnius        |
| List                             | Baltic Secondary list |
| Listing date                     | 4 June 2014           |

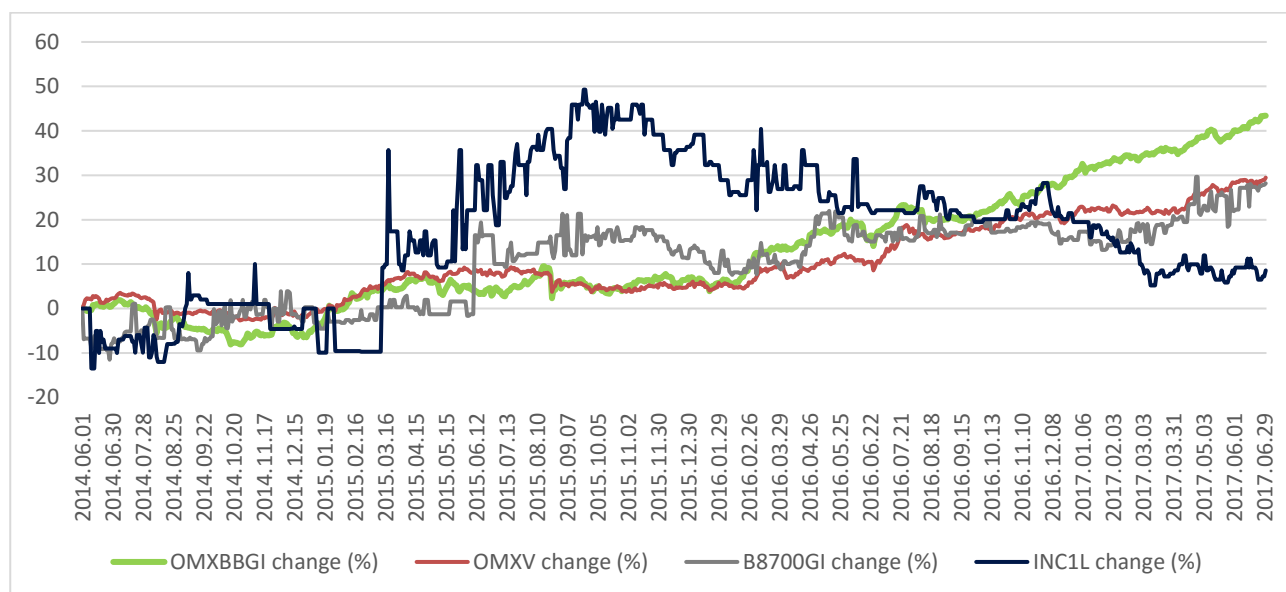


**TRADING IN THE COMPANY'S SHARES 2015 – 2017**

|   | H1 2015*  | H1 2016   | H1 2017   |
|---|-----------|-----------|-----------|
| Open share price, Eur                         | 1.47      | 2.01      | 1.76      |
| Highest share price, Eur                      | 2         | 2.07      | 1.76      |
| Lowest share price, Eur                       | 1.33      | 1.79      | 1.55      |
| Average share price, Eur                      | 1.78      | 1.90      | 1.64      |
| Price per share at the end of the period, Eur | 1.85      | 1.8       | 1.6       |
| Turnover, units                               | 9,660     | 38,175    | 55,560    |
| Turnover, Eur                                 | 17,225.06 | 71,327.53 | 91,471.12 |
| Trade volume, units                           | 122       | 196       | 192       |
| Capitalisation, million Eur                   | 11.31     | 21.92     | 19.48     |

\* The data is provided since 4 June 2014, from the beginning of the listing of the Former Parent Company in the Stock Exchange. 2014-2015 share price was adjusted due to Reorganization.

**CHANGE OF SHARE PRICE OF INV L TECHNOLOGY**


**TURNOVER OF INVL TECHNOLOGY SHARES, CHANGE OF SHARE PRICE AND INDEXES**


## 10. Information about Shareholders of the Company

The total number of shareholders in INVL Technology was 3,427 on 30 June 2017 (more than 3,500 on 30 June 2016). There are no shareholders entitled to special rights of control. All shares of the Company are of one class ordinary registered shares granting their owners (shareholders) equal rights. Company grants one vote in the General meeting of Shareholders.

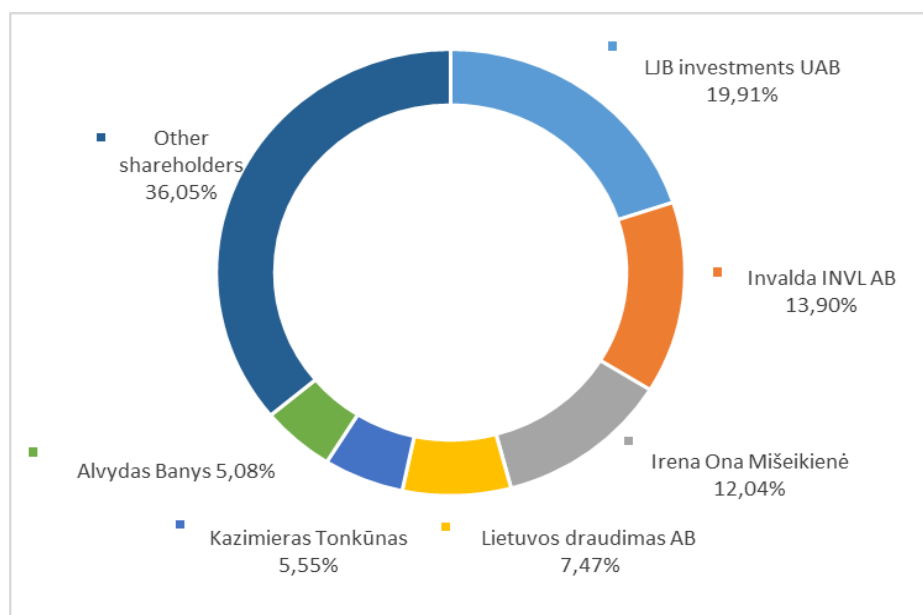
**SHAREHOLDERS WHO HELD TITLE TO MORE THAN 5% OF INVL TECHNOLOGY AUTHORIZED CAPITAL AND/OR VOTES AS OF 30 JUNE 2017**

| Name of the shareholder or company                                      | Number of shares held by the right of ownership, units | Share of the authorised capital held, % | Share of the votes, %  |                          |          |
|---|--|---|--|--------------------------|----------|
|   |  |   | Share of votes given by the shares held by the right of ownership, % | Indirectly held votes, % | Total, % |
| LJB investments UAB, code 300822575, A.Juozapavičiaus str. 9A, Vilnius  | 2,424,152  | 19.91                                   | 19.91  | -                        | 19.91    |
| Invalda INVL AB, code 121304349, Gynėjų str. 14, Vilnius                | 1,691,737  | 13.90                                   | 13.90  | -                        | 13.90    |
| Irena Ona Mišeikienė  | 1,466,421  | 12.04                                   | 12.04  | -                        | 12.04    |
| Lietuvos draudimas AB, Code 110051834, J.Basanavičiaus str. 12, Vilnius | 909,090  | 7.47                                    | 7.47   | -                        | 7.47     |
| Kazimieras Tonkūnas   | 675,452  | 5.55                                    | 5.55   | 1.53 <sup>1</sup>        | 7.08     |
| Alvydas Banys   | 618,745  | 5.08                                    | 5.08   | 19.91 <sup>2</sup>       | 24.99    |

<sup>1</sup> According to Part 10 of Paragraph 1 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Kazimieras Tonkunas has votes of his spouse.

<sup>2</sup> According to Part 6 of Paragraph 1 of Article 24 of the Law on Securities of the Republic of Lithuania, it is considered that Alvydas Banys has votes of LJB Investments, UAB a company controlled by him.

VOTES AS OF 30 JUNE 2017



## IV. ISSUER'S MANAGING BODIES

### 11. Information about Issuer's managing bodies, Company providing accounting services and about Audit Committee of the Company

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

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

CEO of the Managent Company INVL Asset Management is Darius Šulnis.

Members of the Board since 19 January 2015:



Darius Šulnis  
Chairman of the Board



Nerijus Drobavičius  
Member of the Board



Vytautas Plunksnis  
Member of the Board

### INVESTMENT COMMITTEE

Investment Committee was established for operational efficiency and investment control by the decision of the Board of the Management Company INVL Asset Management.

Investment Committee is the collegial investment and management decision-making body responsible for adopting decisions on the management of the Company's assets and for the representation and protection of the Company's interests.

Investment Committee operates from 14 July 2016. Members of the Investment Committee:



**Kazimieras Tonkūnas**  
Chairman of the  
Investment Committee



**Vytautas Plunksnis**  
Member of the  
Investment Committee



**Vida Juozapavičienė**  
Member of the  
Investment Committee



**Nerijus Drobavičius**  
Member of the  
Investment Committee

### ADVISORY COMMITTEE

The Company also has an Advisory Committee, a collegial advisory body composed of external experts and shareholders' representatives to advise the Company's Investment Committee on investment decisions.

Members of the Advisory Committee:



**Alvydas Banyas**  
Member of the  
Advisory Committee



**Indrė Mišeikytė**  
Member of the  
Advisory Committee



**Gintaras Rutkauskas**  
Member of the  
Advisory Committee



**Virginijus Strioga**  
Member of the  
Advisory Committee

### INFORMATION ABOUT ACCOUNTING SERVICES COMPANY

On 14 July 2016 the Bank of Lithuania issued the closed-ended type investment company licence. Accounting services from this date are provided by the management company INVL Asset management (code 126263073, address Gyneju str. 14, Vilnius) and FINtime, UAB (code 304192355, address A.Juozapaviciaus st. 6, Vilnius).

### INFORMATION ABOUT THE AUDIT COMMITTEE OF THE COMPANY

The Audit Committee of INVL Technology consists of 2 members, both of which are independent. The members of the Audit Committee are elected for four years by the General Shareholders' Meeting or the Management Company

The main functions of the Committee are the following:

- provide recommendations for the Management Company of the company with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;

- monitor how the external auditor and audit Company follow the principles of independence and objectivity;
- observe the preparation process of Company's financial reports;
- monitor the efficiency of Management Company's internal control and risk management systems. Once a year review the need of the internal audit function;
- monitor if the Management Company 's managers properly response to the audit firm 's recommendations and comments.

The General Shareholders Meeting which took place on 27 April 2017 decided to elect Dangutė Pranckėnienė, the partner at Moore Stephens Vilnius UAB, and Tomas Bubinas, CFO at Biotechpharma UAB to the Audit Committee of INVL Technology.



Dangutė Pranckėnienė

Member of the Audit Committee



Tomas Bubinas

Member of the Audit Committee

## 12. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the members of the Board, director and Company providing accounting services

Since 14 July 2016 the management of INVL Technology was assumed by INVL Asset Management. The management fee will be payable to the management company. The management fee during investment period for a full six months shall be 0.625 percent.

During the first six months of 2017 the calculated total remuneration for the accounting services company was EUR 2.4 thousand.

During the first six months of 2017 the calculated total remuneration for the Audit Committee members for the work in the Audit Committee - EUR 507.5. The members of the Audit Committee are remunerated according to the Remuneration payment order for the activity of independent audit committee members, determined by the Management Company.

The members of the Board and the members of the investment committee of the Management Company do not receive remuneration for these duties. They are paid the salary according to the employment contract with the Management Company.

## 13. Information about the employees of the Company

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



#### 14. Information about agreements of the Company and the members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the Company

There are no agreements of the Management company and the Members of the Investment Committee, providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the company.

## V. OTHER INFORMATION

#### 15. Agreements with intermediaries on public trading in securities

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

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

#### 16. Information on Issuer's branches and representative offices

INVL Technology has no branches or representative offices.

#### 17. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in the explanatory notes to the Company's financial statements for six months of 2017. In six months of 2017 there were no changes in type of transactions with related parties, which could have made impact on the Company's financial activity.

#### 18. A description of the principal advantages, risks and uncertainties

During the six months of 2017 of this year there were no material changes from the information about the principal risks and uncertainties disclosed in the latest Annual report.

#### 19. Information about significant agreements to which the issuer is a party, which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder

There are no significant agreements of the company which would come into force, be amended or cease to be valid if there was a change in issuer's controlling shareholder.

#### CONFIRMATION OF RESPONSIBLE PERSONS

Following the Rules on Preparation and Submission of Periodic and Additional information of the Bank of Lithuania and the Law on Securities (article 22) of the Republic of Lithuania, management of INVL Technology hereby confirms that, to the best of our knowledge the above-presented Interim Report of INVL Technology for six months of 2017 give true and fair view fair review of the development and performance of the business and position of the Company and its companies group.

Managing Partner of INVL Technology



Kazimieras Tonkūnas