INVL TECHNOLOGY

CONFIRMATION OF RESPONSIBLE PERSONS

29 March 2019

Following the Information Disclosure Rules 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 our knowledge, the attached Company's financial statements for the year 2018 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give true and fair view of the assets, liabilities, financial position and profit or loss of INVL Technology.
Presented Annual Report for the year 2018 includes a fair review of the development and performance of the business and position of the company and its companies' group in relation to the description of the main risks and contingencies faced thereby.

ENCLOSED:

1. Company's financial statements for 2018.
2. Annual Report for 2018.

Chairman of the Investment Committee
of INVL Technology — Kazimieras Tonkūnas

Chief Financier of the Management Company
INVL Asset Management — Justina Konteniene

Special closed-end type private capital investment company
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Company code 300893533
Account No LT66 7044 0600 0604 2883
SEB bank

INVL TECHNOLOGY

INVL TECHNOLOGY UTIB

ANNUAL REPORT, COMPANY'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 PREPARED ACCORDING
TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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Independent auditor's report

To the shareholders of INVL Technology UTIB

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of INVL Technology UTIB ("the Company") as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements that are relevant to our audit of the financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statement.

To the best of our knowledge and belief, we declare that we did not provide non-audit services to the Company in 2018. We also declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014 considering the exemptions of Regulation (EU) No 537/2014 endorsed in the Law of the Republic of Lithuania on the Audit of Financial Statements.

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Our audit approach

Overview

Materiality	Our materiality: € 280 thousand.
Key audit matters	Valuation of investments.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

Overall Company materiality	€ 280 thousand (2017: € 231 thousand).
How we determined it	1% of total equity.
Rationale for the materiality benchmark applied	We chose the equity as the benchmark because, in our view, it is an appropriate measure of the size of the entity, and changes in it indicate the performance of the Company. Therefore the value of equity and changes in it are commonly utilised by stakeholders of investment companies, and they are generally accepted benchmarks. The key driver of the business and determinant of the Company's value is the value of investments into various IT businesses. For this reason, the key area of focus in the audit of the financial statements was the valuation of investments. We chose 1%, which is within the range of acceptable quantitative materiality thresholds.

We agreed with the *Audit Committee* that we would report to them misstatements identified during our audit above € 28 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investments (financial assets at fair value through profit or loss)	
Refer to Note 4 to the financial statements. The Company is an investment entity and classifies its investments in equity securities, as financial assets at fair value through profit or loss. Management estimated the fair value of the financial assets to be € 24 229 thousand as at 31 December 2018, as compared to € 20,808 thousand as at 31 December 2017. The net change in fair value of financial assets was recorded as a gain of € 3,421 thousand in the statement of comprehensive income. The valuation of investments was based on the values determined by independent valuers. The Company's investments in subsidiaries are not traded in an active market and the fair value is determined by using discounted cash flows method. Given the significant carrying value of investments, the revaluation to fair value has a significant impact on the financial statements. We focused on this area as the fair values are dependent upon significant estimates involved in performing the valuation, and they are very sensitive to the inputs and assumptions underlying those valuations. In particular, the most significant estimates relate to discount rates, long-term growth rate and free cash flow forecasts made by the management for the period of 5 years. Free cash flows were calculated as operating profit after tax plus depreciation, adjusted by change in working capital and decreased by capital expenditure. For the above-mentioned reasons, due to existence of significant estimation uncertainty, we determined this area as a key audit matter.	Our procedures in relation to management's valuation of investments included as follows: • evaluation of the independent external valuers' competence, capabilities and objectivity; • assessment of the methodologies used and appropriateness of key assumptions and inputs based on our knowledge of IT industry; • testing, on a sample basis, whether specific information supplied to the valuers reflected the underlying information on financial performance of investments held by the Company; • testing the data inputs underpinning the valuation for a sample of investments, including sales, profitability ratios, capital expenditure, by agreeing them back to the supporting documentation. Because of the subjectivity involved in determining the value of investments and existence of alternative assumptions and valuation methods, we have reviewed the sensitivity analysis of the fair value of investments to changes in key assumptions, which was prepared by the independent valuer. We also considered whether or not there was bias in determining individual values. We also considered the adequacy of disclosures in Note 4.

Reporting on other information including the annual report

Management is responsible for the other information. The other information comprises the annual report, including the corporate governance report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, including the annual report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the annual report, we considered whether the annual report includes the disclosures required by Law of the Republic of Lithuania on Financial Reporting by Undertakings implementing Article 19 of Directive 2013/34/EU.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the annual report for the financial year ended 31 December 2018, for which the financial statements are prepared, is consistent with the financial statements; and
- the annual report has been prepared in accordance with the Law of the Republic of Lithuania on Financial Reporting by Undertakings.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the annual report which we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Company for the year 2014. Our appointment has been renewed annually by the shareholders' resolution representing a total period of uninterrupted engagement appointment of 5 years.

The certified auditor on the audit resulting in this independent auditor's report is Rasa Radzevičienė.

On behalf of PricewaterhouseCoopers UAB

Rasa Radzevičienė
Partner
Auditor's Certificate No. 000377

Vilnius, Republic of Lithuania
29 March 2019

BASIC DETAILS

Investment committee

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

Advisory Committee

Alvydas Banys
Indrė Mišeikytė
Virginijus Strioga
Gintaras Rutkauskas

Management Company

INVL Asset Management UAB

Depository

AB SEB bank

Principal place of business and company code

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

Company code 300893533

Banks

AB SEB bank

These financial statements were authorised for issue by the Management Company and signed on 29 March 2019.

Kazimieras Tonkūnas INVL Technology managing partner at INVL Asset Management UAB	Justina Kontenienė Chief financier at INVL Asset Management UAB

(All amounts are in EUR thousands unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2018	2017
Income			
Net change in fair value of financial assets	4	3,421	4,112
Dividend income	12	1,319	329
Interest income	12	33	39
Other revenue	13	7	257
Total net income		**4,780**	**4,737**
Management fee		(381)	(390)
Other expenses		(152)	(243)
Total operating expenses	14	**(533)**	**(633)**
Operating profit (loss)		**4,247**	**4,104**
Finance costs	15	(34)	(20)
Profit (loss) before tax for the reporting period		**4,213**	**4,084**
Income tax expense	16	-	-
Profit (loss) for the reporting period		**4,213**	**4,084**
Other comprehensive income for the reporting period, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD, NET OF INCOME TAX		**4,213**	**4,084**
Basic and diluted earnings (deficit) per share (in EUR)	17	0,35	0.34

(All amounts are in EUR thousands unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2018	As at 31 December 2017
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	4	24,229	20,808
Bonds	7	251	-
Total non-current assets		**24,480**	**20,808**
Current assets			
Other receivables	6,18	439	39
Bonds		1,001	-
Cash and cash equivalents	5	2,230	5,030
Total current assets		**3,670**	**5,069**
Total assets		**28,150**	**25,877**
EQUITY AND LIABILITIES			
Equity			
Share capital	1	3,531	3,531
Share premium		8,268	8,268
Reserves	8	10,154	10,154
Retained earnings		6,072	1,859
Total equity	11, 21.3	**28,025**	**23,812**
Liabilities			
Loan payables	9	-	1,709
Total long term liabilities		**-**	**1,709**
Current liabilities			
Loan payables	9	-	244
Trade payables		**-**	-
Other current liabilities	10	125	112
Total current liabilities		**125**	**356**
Total liabilities		**125**	**2,065**
Total equity and liabilities		**28,150**	**25,877**

(All amounts are in EUR thousands unless otherwise stated)

STATEMENT OF CASH FLOWS

	Notes	2018	2017
Cash flows from operating activities			
Net profit for the reporting period		4,213	4,084
Adjustments for:			
Elimination of items of financing activities		(23)	39
Dividend income	12	(1,319)	(329)
Interest income	12	(33)	(39)
Interest and related costs	15	34	20
Other revenue	13	(7)	(257)
Net change in fair value of financial assets	4	(3,421)	(4,112)
Income tax (benefit) expense	16	-	-
		(556)	**(594)**
Changes in working capital:			
Decrease (increase) in financial assets at fair value	4	-	(5,000)
Investment transfer	4	-	5,250
Decrease (increase) in trade and other receivables	6	22	(12)
Decrease (increase) in other current assets		-	-
Increase (decrease) in trade payables		-	(1)
Dividends received	12,4	880	329
Increase (decrease) in other current liabilities		13	(10)
Cash flows from (used in) operating activities		**915**	**(38)**
Income tax paid		-	-
Net cash flows from (used in) operating activities		**359**	**(38)**
Cash flows from investing activities			
Interest received	13	63	7
Sale of non-current assets		-	-
Loans (granted)		(1,735)	(2,050)
Loan repayments received		500	2,050
Net cash flows from (used in) investing activities		**(1,172)**	**7**
Cash flows from financing activities			
Cash flows related to owners:			
Cash flows related to other financing sources:			
(Repayments) of borrowings	9	(1,953)	(175)
Interest (paid)	9, 15	(34)	(20)
Proceeds from borrowings	9	-	2,128
Net cash flows from (used in) financing activities		**(1,987)**	**1,933**
Foreign exchange effect on the balance of cash and cash equivalents		-	-
Net increase (decrease) in cash and cash equivalents		**(2,800)**	**1,902**
Cash and cash equivalents in the beginning of the		**5,030**	**3,128**
Cash and cash equivalents at the end of the period	5	**2,230**	**5,030**

(All amounts are in EUR thousands unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Legal reserve	Reserve for acquisition of own shares	Retained earnings	Total
Balance at 31 December 2016	**3,531**	**8,268**	**354**	**9,800**	**(2,225)**	**19,728**
Redistribution of retained earnings to the reserves	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**
Net (loss) for 2017	-	-	-	-	4,084	4,084
Total comprehensive income for 2017	**-**	**-**	**-**	**-**	**4,084**	**4,084**
Balance at 31 December 2017	**3,531**	**8,268**	**354**	**9,800**	**1,859**	**23,812**
Redistribution of retained earnings to the reserves	-	-	-	-	-	-
Total transactions with owners of the Company, recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**
Net (loss) for 2018	-	-	-	-	4,213	4,213
Total comprehensive income for 2018	**-**	**-**	**-**	**-**	**4,213**	**4,213**
Balance at 31 December 2018	**3,531**	**8,268**	**354**	**9,800**	**6,072**	**28,025**

(All amounts are in EUR thousands unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

1 General information

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

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

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

Based on the Management Company’s INVL Asset Management Board decision the Investment Committee was formed in order to ensure efficiency and control of investments. The Investment Committee consists of 4 (four) representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company). The purpose of the Investment Committee is to ensure the Managed Company’s objectives, its investment strategy and the adoption of prudent decisions for the investment and management of the Managed Company’s assets, to supervise the adopted decisions. On 2017 April the Company has formed an Advisory Committee. The purpose of the Advisory Committee is to provide the Investment Committee with reasoned and fact-based opinions as a way to express an independent position regarding investment decisions, thereby ensuring and protecting shareholders’ interests. The Advisory Committee consists of four members who are appointed and removed by the Board of the Managing Company.

The Company operates as a cluster of IT businesses working with large corporate and public entities. The classification of companies into 4 areas of activity, as used previously, from the beginning of 2018 is replaced by 3 new functional groups: business climate improvement and e-government, IT services and software, and cyber security. NRD companies continue to belong to the business climate improvement and e-government group, the cyber security group covers NRD CS, whereas the IT services and software group is formed by joining the areas of IT infrastructure and IT intensive industries’ solutions. At the end of the nine months of 2018 INVL Technology portfolio consists of 17 operating companies. The major investments of INVL Technology are currently in businesses based in Lithuania, Estonia, Norway, Moldova, Tanzania, Rwanda, Uganda and Bangladesh.

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

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

As at 31 December 2018 and 2017, the Company’s authorised share capital was divided into 12.175.321 ordinary registered shares with par value of EUR 0.29 each. All the shares of the Company have been fully paid. The Company’s subsidiaries hold no shares of the Company. The shareholders of the Company’s authorised share capital (by number of votes held) are as follows as of 31 December 2018 and 31 December 2017:

	Number of votes conferred by shares held under the title of ownership as at 2018.12.31	Voting rights held (%) as at 2018.12.31	Number of votes conferred by shares held under the title of ownership as at 2017.12.31	Voting rights held (%) as at 2017.12.31
LJB Investments UAB	2,424,152	19.91%	2,424,152	19.91%
Invalda INVL AB	1,744,283	14.33%	1,691,737	13.90%
Ms Irena Ona Mišeikienė	1,466,421	12.04%	1,466,421	12.04%
Lietuvos Draudimas AB	909,090	7.47%	909,090	7.47%
Mr Kazimieras Tonkūnas	675,452	5.55%	675,452	5.55%
Mr Alvydas Banys	618,745	5.08%	618,745	5.08%
Other minor shareholders	4,337,178	35.62%	4,389,724	36.05%
Total	**12,175,321**	**100.00%**	**12,175,321**	**100.00%**

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

In 2018 and 2017 the Company did not have employees.

2 Basis of preparation and accounting policies

2.1 Basis of preparation

Statement of compliance

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

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

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

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

Adoption of new and/or changed IFRSs and IFRIC interpretations

The Company has adopted the new and amended IFRS and IFRIC interpretations as of 1 January 2018:

- IFRS 9 *Financial Instruments* effective 1 January 2018;
- IFRS 15 *Revenue from Contracts with Customers* effective 1 January 2018;
- Amendments to IFRS 15 *Revenue from Contracts with Customers* effective 1 January 2018;
- Amendments to IFRS 2 *Share-based Payments* effective 1 January 2018;
- *Annual Improvements* to IFRSs 2014-2016 Cycle effective 1 January 2018 (changes to IFRS 1 and IAS 28);
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* effective 1 January 2018;
- Amendments to IAS 40 *Transfers of Investment Property* effective 1 January 2018;
- Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply overlay approach).

The principal effects of these changes are as follows:

IFRS 9 *Financial Instruments*

Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated as at fair value through profit or loss in other comprehensive income.

- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.
- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

IFRS 9 has been applied retrospectively by the Company and did not result in a change to the classification or measurement of financial instruments as outlined in note 2.5. The Company's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

IFRS 15 *Revenue from Contracts with Customers*
Amendments to IFRS 15 *Revenue from Contracts with Customers*

The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

The amendments do not change the underlying principles of the standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new standard.

The adoption of the standard did not have monetary impact on the Company's financial statements for the year ended 31 December 2018 as the main revenue of the Company is interest income and dividends, that are not in scope of IFRS 15. All revenue is recognised at a point in time.

All other amendments adopted as of 1 January 2018 had no impact on the Company's financial statements for the year ended 31 December 2018.

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

IFRS 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company does not expect the impact of the application of the standard to be significant because the Company has not entered into contracts as a lessee.

Other amendments to the standards and the new standards approved for application in the EU but not yet in force are not relevant to the Company.

Standards not yet adopted by the EU

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

2.2 Investment entity and consolidated financial statements

Investment entity

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

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

Subsidiaries

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

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

2.3 Functional and presentation currency

The Company's functional and presentation currency is euro after Lithuania adopted euro as its official currency with effect from 1 January 2015.

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

As all amounts in these financial statements have been presented in EUR thousands, individual amounts have been rounded up. Due to the rounding effects, the totals in the tables may not add up.

2.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments that are not traded in active markets is determined by using valuation techniques. Such valuation techniques may include the most recent transactions in the market, the market price for similar transactions, discounted cash flow analysis or any other valuation models.

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

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

2.5 Financial assets

Accounting policy from 1 January 2018

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

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

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

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

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Accounting policy applied until 31 December 2017

Financial assets are cash and cash equivalents, contractual rights to receive cash or another financial asset, contractual rights to exchange financial instruments with another party under favorable terms and equity instruments issued by other entities and contracts that will or may be settled by the Company's own equity instruments. Company's Financial assets are measured and Classified in accordance with IFRS 39 Financial Instruments.

The Company allocates financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose of the acquisition of the financial asset. Financial assets are initially measured at fair value plus transaction costs (except for the financial assets or the financial liabilities carried at fair value through profit or loss).

The Company determines the classification of its financial assets at initial recognition.

All ordinary purchases and sales of financial assets are recognized on the settlement date. All regular purchases and sales are purchases and sales of financial assets that require delivery of the asset over a period of time set in the regulations or convention in the marketplace.

Financial assets at fair value through profit or loss

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

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

(i) Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separable embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

(ii) Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy requires the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information. This sub-category includes unconsolidated subsidiaries that are part of the Company's investment portfolio. During the periods presented in these financial statements, all the financial assets at fair value through profit or loss have been designated to that category.

Profit (loss) is recognized as:

- gains or losses arising from changes in the fair value of financial assets valued at fair value through profit or loss;
- changes in the interest rate charged on debt securities measured at fair value using the effective interest rate;
- dividends on investment when the right to pay dividends is established.

Gains or losses on financial assets at fair value through profit or loss are recognised in profit and loss within "Net changes in fair value of financial assets". Interest on debt securities at fair value through profit or loss is recognised within "Interest income" based on the effective interest rate. Dividends earned on investments are recognised in the statement of comprehensive income as "Dividend income" when the right of payment has been established. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through amortisation process. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables are recorded within 'Trade and other receivables', 'Loans granted' and 'Cash and cash equivalents' in the statement of financial position.

2.6 Impairment of financial assets

Accounting policy from 1 January 2018

From 1 January 2018, the Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

- Stage 1 – balances, for which the credit risk has not increased significantly since initial recognition, or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months;
- Stage 2 – comprises balances for which there have been a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight;
- Stage 3 – comprises balances with objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

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

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

Financial assets are written off, in whole or in part, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

For other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are classified either to Stage 2 or Stage 3:
- Stage 2 – comprises receivables for which there the simplified approach was applied to measure the expected lifetime credit losses, except for certain trade receivables classified in Stage 3;
- Stage 3 – comprises trade receivables which are overdue more than 90 days or individually identified as impaired.

The expected loss rates are based on the payment profiles of rent over a period of 36 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the tenants to settle the receivable.

Accounting policy applied until 31 December 2017

Assets carried at amortised cost

The Company assesses at each reporting date whether is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company assesses whether objective evidence of impairment exists individually for financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When financial asset is assessed as uncollectible the impaired asset is derecognised.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the expected decrease in the value of the asset is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows (estimating the present value of future cash flows future events that will affect cash flows are taken into account as well), discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.7 Trade and other receivables

In the case of trade receivables and other receivables, the Company applies the Standard IFRS 9. The application is described in Note 2.6.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.8 Cash and cash equivalents

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

2.9 Success fee and Management fee

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

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

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

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

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

The Success Fee shall be disbursed to the Management Company only after the Shareholders are paid their initial investment) with average annual return of 8 percent. Until then, the Success Fee shall be accumulated and reflected in financial statements as a liability to the Management Company according accounting policy. The Success Fee shall be disbursed to the Management Company each time when funds are disbursed to Shareholders if the condition provided above is satisfied (Note 2.10).

2.10 Financial liabilities

Accounting policy from 1 January 2018

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

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

Trade payables

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

Management fee

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

Accounting policy applied until 31 December 2017

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The measurement of financial liabilities depends on the group to which the financial liabilities are assigned.

The fair value of financial liabilities measured at fair value through profit or loss is determined using the measurement methods described in the Company's net asset value calculation methodology approved by the Management Company.

Other financial liabilities that are not measured at fair value through profit or loss are carried at amortized cost.

The measurement of financial liabilities depends on their classification as follows:

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Management fee and Success Fee

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

2.11 Borrowing costs

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

2.12 Revenue recognition

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

The following criteria also apply to income recognition:

Income from investment transfer

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

Sale of services

Revenue from the sale of services is recognized in that period when the service is rendered, depending on the level of execution of each transaction, which is determined on the basis of the ratio between the volume of services actually rendered and the service to be provided.

Interest Income

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

Dividend income

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

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from share premium.

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

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

2.14 Net Asset Value

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

2.15 Segment reporting

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

2.16 Current and deferred income tax

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

2.17 Provisions

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

<u>Provisions for success fee and part of management fee</u>

The Company is obliged to pay success fee and part of the management fee to the management company under certain circumstances (note 2.9).

As management services are provided during the period, provision for success and part of management fee should be recognised when the Company has a present obligation (legal or constructive) as a result of a past event (the annual return of the Company exceeds hurdle rate of 8%). The amount to be recognized equals the best estimate of economic resources needed to cover the obligation. The management company has changed the Company's accounting policy for success fee classification and measurement in 2018 with the aim to harmonise accounting policy for success fee among all alternative investments management by the management company. The success fee classification and measurement policy was changed from financial liability at fair value to provision. As the success fee liability is zero if calculated according to the previous and new accounting policy, the change in this accounting policy had no impact on these financial statements. The change in accounting policy is applied retrospectively.

3 Accounting estimates and judgements

3.1 Judgements

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

Investment entity status

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

3.2 Accounting estimates and assumptions

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

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

Fair value of investments that are not traded in an active market

Fair values of investments in subsidiaries that are not traded in an active market are determined by using valuation techniques, primarily discounted cash flows. The valuation techniques used to determine fair values are periodically reviewed and compared against historical results to ensure their reliability. Details of the inputs and valuation models used to determine Level 3 fair value are provided in Note 4.

4 Financial assets at fair value through profit or loss

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

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

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

(All amounts are in EUR thousands unless otherwise stated)

The table below presents the Company's direct and indirect investments in unconsolidated subsidiaries as at **31 December 2018:**

Name	Country of incorporation	Shares (voting rights) held directly/indirectly by the Company, (%)	Profile of activities
Novian UAB **	Lithuania	100	Information technology solutions
BAIP UAB *	Lithuania	100	Information technology solutions
Acena UAB*	Lithuania	100	Information technology solutions
Norway Registers Development AS	Norway	100	Information technology solutions
NRD Systems UAB* (previous name – NRD UAB)	Lithuania	89.20	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
Algoritmų sistemos UAB	Lithuania	100	Information technology solutions
FINtime UAB	Lithuania	100	Business process outsourcing
NRD Bangladesh Ltd*	Bangladesh	100	Information technology solutions
Andmevara AS	Estonia	100	Information technology solutions
Andmevara Services OU*	Estonia	100	Information technology solutions
Andmevara SRL*	Moldova	100	Information technology solutions
NRD AS Lithuania	Lithuania	100	Information technology solutions

** These entities were indirectly controlled by the Company as at 31 December 2018.*
***The company name changed from VITMA UAB to UAB Novian on 21st February, 2018.*

The table below presents the Company's direct and indirect investments in unconsolidated subsidiaries as at **31 December 2017:**

Name	Country of incorporation	Shares (voting rights) held directly/indirectly by the Company, (%)	Profile of activities
Vitma UAB **	Lithuania	100	Information technology solutions
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	89.20	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
Algoritmų sistemos UAB	Lithuania	100	Information technology solutions
FINtime UAB	Lithuania	100	Business process outsourcing
NRD Bangladesh Ltd*	Bangladesh	100	Information technology solutions
Andmevara AS	Estonia	100	Information technology solutions
Andmevara SRL*	Moldova	100	Information technology solutions

** These entities were indirectly controlled by the Company as at 31 December 2017.*
***The company name changed from VITMA UAB to UAB Novian on 21st February, 2018.*

The Company conducts an independent valuation of its investments in subsidiaries when preparing the annual financial statements. As at 31 December 2018 and 31 December 2017, the valuation was carried out by Deloitte Verslo Konsultacijos UAB using the income 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.

(All amounts are in EUR thousands unless otherwise stated)

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

Name	**At 31 December 2018**	**At 31 December 2017**
Novian UAB Group*	7,537	7,497
NRD Group**	5,458	3,624
NRD CS UAB	6,455	5,067
Algoritmu sistemos UAB	4,078	3,821
FINtime UAB	231	274
Andemavara***	470	525
Total	**24,229**	**20,808**

** Novian UAB group consisted of Novian UAB together with the entities controlled by it – BAIP UAB and Acena UAB*
*** Includes all NRD Group companies*
****Andmevara includes Andmevara AS and Andmevara SRL*

The subsidiaries of the Company as at 31 December 2018 did not have any significant restrictions on the repayment of dividends to the Company from non-consolidated subsidiaries or the Company's loans to unconsolidated subsidiaries. Due to changes in the fair value of subsidiaries of the Company, the Company may incur losses.

Information about dividend is presented in Note 12.

The table below presents movements in Level 3 financial instruments during 2018:

Opening balance at 1 January 2018	**20,808**
Realized gains on the sale of the investments fo the period recognized in the income statement	-
Unrealized gains and losses for the reporting period recognized in the income statement for assets managed at the end of the reporting period	3,421
Closing balance at 31 December 2018	**24,229**

The equity value of the Company was EUR 28,025 thousand, or EUR 2.30 per share, at the end of 2018, and increased 17.69 percent during the year.

At the end of the year 2018 the value of the investments managed by the Company amounted to EUR 24.2 million (EUR 20.8 million at the end of 2017) and increased by 16.44 per cent over the year. At the end of the year 2018 INVL Technology's net profit after revaluation of financial assets amounted to EUR 4.2 million.

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

Name	Fair value, EUR '000	Valuation technique	Inputs	Input value	Reasonable possible shift -/+	Change in valuation +/-
Novian UAB	7,537	Discounted cash flow	Weighted average cost of capital	*9.30%*	-/+ 0.5 %	455 / (396)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(298) / 342
			Free cash flows	-	-/+ 10 %	(635) / 635
			Discount for lack of marketability	*13.5%*	-/+ 2 %	161 / (161)
			5y revenue growth rate	-	-/+ 0.5 %	(196) / 200
NRD Group	5,458	Discounted cash flow	Weighted average cost of capital	*11.1%*	-/+ 0.5 %	293 / (262)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(177) / 198
			Free cash flows	-	-/+ 10 %	(482) / 482
			Discount for lack of marketability	*15.1%*	-/+ 2 %	128 / (128)
			5y revenue growth rate	-	-/+ 0.5 %	(90) / 92
NRD CS UAB	6,455	Discounted cash flow	Weighted average cost of capital	*9.5%*	-/+ 0.5 %	438 / (383)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(292) / 333
			Free cash flows	-	-/+ 10 %	(600) / 600
			Discount for lack of marketability	*13.9%*	-/+ 2 %	150 / (150)
			5y revenue growth rate		-/+ 0.5 %	(148) / 151
Andmevara AS	386	Discounted cash flow	Weighted average cost of capital	*9.9%*	-/+ 0.5 %	31 / (28)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(19) / 21
			Free cash flows	-	-/+ 10 %	(47) / 47
			Discount for lack of marketability	*15.1%*	-/+ 2 %	10 / (10)
			5y revenue growth rate	-	-/+ 0.5 %	(9) / 9
Andmevara Services OU	84	Net assets value	N/A	*N/A*	N/A	N/A
Algoritmų sistemos UAB	4,078	Discounted cash flow	Weighted average cost of capital	*9.40%*	-/+ 0.5 %	275 / (240)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(175) / 200
			Free cash flows	-	-/+ 10 %	(388) / 388
			Discount for lack of marketability	*15.1%*	-/+ 2 %	96 / (96)
			5y revenue growth rate	-	-/+ 0.5 %	(90) / 91
FINtime UAB	231	Net assets value	N/A	*N/A*	N/A	N/A
Total:	**24,229**					

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

Cash flow projections made by Company management for the period of 5 years (2019-2023) 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.

(All amounts are in EUR thousands unless otherwise stated)

As at 31 December 2017

In 2017 these companies have announced and paid dividends: UAB Inventio (at the end of 2017 Company name was UAB Algoritmu sistemos) – 329 thousand EUR.

The table below presents movements in Level 3 financial instruments during 2017:

Opening balance at 1 January 2017	**16,696**
Investments in the purchase of new businesses	5,000
Sale of investments	(5,250)
Profit from the sale of investments*	250
Acquisitions for assets available for sale **	2,055
Assets held for sale (sale)**	(2,055)
Unrealized gains and losses for the reporting period recognized in the income statement for assets managed at the end of the reporting period	4,112
Closing balance at 31 December 2017	**20,808**

* 2017 realized profit amounted to 5.000 thousand euro's and it was the result of the transfer of Deltagon Group shares.
**Assets held for possible sale consisted of the acquisition of bonds issued by UAB Baip, including accrued interest and redemption.

The equity capital of INVL Technology, a company that invests in IT businesses, was EUR 23.81 million, or EUR 1.96 per share, at the end of 2017, and increased 20,99 percent during the year. In terms of assessing the performance of INVL Technology's business holdings in 2017, NRD Companies, that work in the area of business climate improvement and e-governance (and whose results also include the results of Etronika and NRD), saw revenue increase nearly 20 per cent in the year to EUR 7.23 million (versus 2016 revenue of EUR 6.03 million). The group's EBTIDA rose in the same period from a negative EUR 42,000 to a positive EUR 565,000. Net profit for 2017 was EUR 421,000, compared with a group loss of EUR 431,000 in 2016.

The largest revaluation gain was 3.159 thousand EUR after NRD CS company revaluation. NRD CS, which operates in the area of cybersecurity, more than doubled its revenue in 2017 to EUR 3.49 million (compared with EUR 1.58 million in 2016). EBITDA increased 5.5 times to EUR 603,000 (up from EUR 110,000 in 2016). The company's net profit grew to EUR 468,000 in 2017, which is 6.8 times the previous year's level of EUR 69,000.

The revenues of BAIP and Acena, which work in the area of IT infrastructure, grew 5.7 per cent during 2017 to EUR 11.73 million (versus EUR 11.1 million in 2016). Their EBITDA for the same period more than doubled to EUR 780 000, up from EUR 373 000 in 2016. The companies had a net profit of EUR 203 000 for 2017, versus a net loss of EUR 107 000 the previous year.
The fair value of the Company's investments was determined by Deloitte Verslo Konsultacijos 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	7.497	Discounted cash flow	Weighted average cost of capital	*9.60%*	-/+ 0.5 %	453 / (397)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(276) / 315
			Free cash flows	-	-/+ 10 %	(593) / 593
			Discount for lack of marketability	*13.2%*	-/+ 2 %	134 / (134)
			5y revenue growth rate	-	-/+ 0.5 %	(250) / 254
NRD Group	3.624	Discounted cash flow	Weighted average cost of capital	*13.20%*	-/+ 0.5 %	177 / (162)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(102) / 111
			Free cash flows	-	-/+ 10 %	(368) / 368
			Discount for lack of marketability	*13.2%*	-/+ 2 %	83 / (83)
			5y revenue growth rate	-	-/+ 0.5 %	(69) / 71
NRD CS UAB	5.067	Discounted cash flow	Weighted average cost of capital	*11.1%*	-/+ 0.5 %	287 / (257)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(167) / 187
			Free cash flows	-	-/+ 10 %	(489) / 489
			Discount for lack of marketability	*13.9%*	-/+ 2 %	118 / (118)
			5y revenue growth rate		-/+ 0.5 %	(92) / 93
Andmevara	525	Discounted cash flow	Weighted average cost of capital	*10.2%*	-/+ 0.5 %	49 / (43)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(31) / 35
			Free cash flows	-	-/+ 10 %	(53) / 53
			Discount for lack of marketability	*13.2%*	-/+ 2 %	12 / (12)
			5y revenue growth rate	-	-/+ 0.5 %	(14) / 14
Algoritmų sistemos UAB	3.821	Discounted cash flow	Weighted average cost of capital	*10.40%*	-/+ 0.5 %	207 / (184)
			Long-term growth rate	*2.00%*	-/+ 0.5 %	(129) / 145
			Free cash flows	-	-/+ 10 %	(366) / 366
			Discount for lack of marketability	*13.2%*	-/+ 2 %	88 / (88)
			5y revenue growth rate	-	-/+ 0.5 %	(67) / 68
Fintime UAB	274	Net assets value	N/A	*N/A*	N/A	N/A
Total:	**20,808**					

The fair value was based on discounted cash flow method, which was selected by the external valuator as the best representation of the company specific development potential, except for FINtime UAB, where net assets value method was used. Different method was selected as at the current moment the entity does not expect to generate significant free cash flows. Sensitivity is not appliable 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 Company management for the period of 5 years (2018-2022) 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.

(All amounts are in EUR thousands unless otherwise stated)

5 Cash and cash equivalents

	At 31 December 2018	At 31 December 2017
Cash in bank accounts		
Cash EUR	2,230	5,030
Total cash and cash equivalents	**2,230**	**5,030**

All Company's cash and cash equivalents comprised funds in the bank's current accounts.

6 Other receivables

	At 31 December 2018	At 31 December 2017
Loans granted to subsidiaries and accrued interest thereon	-	39
Dividends receivable from subsidiaries	439	-
Total value of other receivables	**439**	**39**
Subtracted: impairment of trade receivables and other receivables	-	-
Subtracted: A write-off that is subject to an enforcement activity	-	-
Trade value of other receivables less expected credit losses	**439**	**39**

As at 31 December 2018 all receivables of the Company were not past due and were not impaired.

The credit quality of the Company's receivables can be estimated from the aging analysis below:

	Receivables not past due and not impaired	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days	Receivables impaired	Total
As at 31 December 2018							
Dividends receivable	-	-	-	-	439	-	439
Expected credit losses	-	-	-	-	-	-	-
Other receivables less expected credit losses		**-**	**-**	**-**	**439**	**-**	**439**
As at 31 December 2017							
Interest on loans to subsidiaries	39	-	-	-	-	-	39
Other receivables	-	-	-	-	-	-	-
Expected credit losses	-	-	-	-	-	-	-
Other receivables less expected credit losses	**39**	**-**	**-**	**-**	**-**	**-**	**39**

All receivables past due but not impaired were receivables from subsidiaries. In the opinion of the Company's management, these receivables were not impaired since the Company has full control of cash flows of subsidiaries and there were no restrictions on transfer of the above-indicated balances to the Company. If necessary, the Company was able to collect these amounts in cash or capitalise them as an additional contribution to the share capital of the subsidiary.

<u>Credit quality of receivables neither past due nor impaired</u>

As at 31 December 2018, receivables past due but not impaired amounting to EUR 439 thousand were receivables from the subsidiaries which had no debts overdue as at 31 December 2018.

As at 31 December 2017, receivables neither past due nor impaired amounting to EUR 39 thousand were receivables from the subsidiaries which had no debts overdue as at 31 December 2017.

As at the reporting date, for receivables from subsidiaries neither past due nor impaired there were no indications that the debtors will fail to fulfil their liabilities in due time, since the Company has full control over the cash flows of the subsidiaries and there are no restrictions on transfer of the above-indicated balances to the Company. The maximum exposure to credit risk as at the reporting date is equal to the carrying amount of each group of receivables indicated in the table above. The Company holds no collateral as a security.

(All amounts are in EUR thousands unless otherwise stated)

7 Bonds

	At 31 December 2018	At 31 December 2017
Classified as non-current asset	**251**	
Bonds	*245*	-
Accrued interest	*6*	
Classiffied as current asset	**1,001**	
Bonds	*990*	-
Accrued interest	*11*	
Total value of bonds	**1,252**	**-**

On December 31, 2018, the Company had bonds in the the following companies: OU Andmevara Services; Andmevara AS; BAIP UAB; FINtime UAB; NRD CS UAB and NRD Systems UAB. Bonds are accounted for at amortized cost as they are considered to be held for cash flow interest payments and principal repayments only. As at December 31 2018, the expected credit loss was estimated which was considered to be not material and was, therefore, not recognized in these financial statements.

8 Reserves

As at 31 December 2018, the Company‘s reserves consisted of the reserve for acquisition of own shares amounting to EUR 9,800 thousand and legal reserve amounting to EUR 354 thousand (EUR 9,800 thousand and EUR 354 thousand as at 31 December 2017, respectively). The reserves were formed upon appropriation of the Company’s result in the past.

Legal reserve

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

Reserve for acquisition of own shares

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

9 Liabilities

In September 2017 AB LUMINOR granted a loan of EUR 1,953 thousand to the Company. The purpose of the loan was the acquisition by Deltagon Group Oy of a legal entity in Finland, company code 0948181-6, registered at Itälahdenkatu 22, 00210 Helsinki, Finland, for the acquisition of 100 (one hundred) per cent of the shares / units, through the acquisition of Mäkitalo Box 4 Oy, a company specially acquired in Finland, using the granted credit funds to increase the authorized capital of the company being established or transfer to a newly founded company.

During 2018 the amount of interest paid was 34 thousand EUR. Bank loan interest margin was 3.5%; Interest is variable, calculated and paid each month last day. As of 25 June 2018 the entire loan was repaid to AB Luminor bank.

(All amounts are in EUR thousands unless otherwise stated)

Net debt balance and cash flow from financial activities in 2018 and 2017 alignment:

	Cash / Account balance surplus	Current part of long term loans	Long-term loan, long-term part	Total
Net debt at 31 December 2017	**5,030**	**(244)**	**(1,709)**	**3,077**
Decrease in cash and cash equivalents	(2,800)	-	-	(2,800)
Received loan	-	-	-	-
Loan returns	-	244	1,709	1,953
Other non cash changes	-	-	-	-
Net debt at 31 December 2018	**2,230**	**-**	**-**	**2,230**

10 Other short term liabilities

Other short-term liabilities as of 31 December 2018 consisted of the amount payable to the depositary (EUR 7 thousand), the payable sum to the management company (EUR 90 thousand), payable sums to other vendors (EUR 22 thousand) and accrued amounts to auditors (EUR 6 thousand), the total amount of current liabilities was EUR 125 thousand.

Other short-term liabilities on 31 December 2017 consisted of the amount payable to the depositary (EUR 6 thousand), the payable sum to the management company (EUR 101 thousand) and accrued amounts to auditors (EUR 5 thousand), the total amount of current liabilities was EUR112 thousand.

11 Net Asset Value (non-IFRS measure)

	At 31 December 2018	At 31 December 2017
Net asset value, total, EUR	28,024,654	23,811,753
Net asset value per share, EUR	2.3018	1.9557

12 Dividend income

During the year of 2018 these companies declared dividends: Novian UAB – EUR 700 thousand and Algoritmu sistemos UAB – EUR 180 thousand, NRD CS UAB – EUR 400 thousand, FINtime UAB – EUR 39 thousand. EUR 880 thousand of declared dividends were received in cash by the Company in 2018 and EUR 439 thousand remain in other receivables as at 31 December 2018.

In 2017 dividend income consisted from UAB Inventio announced and paid dividends in total 329 thousand EUR.

	2018	2017
Income		
Interest income	33	39
Dividend income	1,319	329
Income recognized in profit or loss statement	**1,352**	**368**

13 Other revenue

	2018	2017
Other revenue	7	257
	7	**257**

In 2018 other operating income consisted of the administration fee for the bonds issued by BAIP UAB.

14 Operating expenses

	2018	2017
Professional services	69	148
Audit services	6	5
Advertising and marketing	-	-
Lease and maintenance of motor vehicles	-	-
Other expenses	77	90
Other expenses	*152*	*243*
Management fee	*381*	*390*
Total	**533**	**633**

15 Finance costs

	2018	2017
Interest expenses on borrowings from related parties	-	1
Interest and related expenses on borrowings (Note 9)	34	19
	34	**20**

16 Income tax

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

17 Earnings per share

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

The weighted average number of shares for 12 months of 2018 was as follows:

Calculation of weighted average for 12 months of 2018	**Number of shares (thousand)**	**Par value (EUR)**	**Issued/365 (days)**	**Weighted average (thousand)**
Shares outstanding as at 31 December 2018	12,175	0.29	365/365	12,175

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

	2018
Net profit attributable to the equity holders of the parent entity (EUR ‘000)	4,213
Weighted average number of ordinary shares (thousand)	12,175
Basic earnings per share (EUR)	**0.35**

18 Related-party transactions

The Company’s transactions with other related parties during 2018 and outstanding balances as at 31 December 2018 were as follows:

	Revenue and income from related parties	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
The Company’s subsidiaries				
Bonds	-	-	1,235	-
Interest on bonds	33	-	17	-
Dividends	1,319	-	439	-
Other activities	7	14	-	-
Management fee	-	381	-	90
	1,359	**395**	**1,619**	**90**

(All amounts are in EUR thousands unless otherwise stated)

Changes in loans granted to subsidiaries during 2018:

At 1 January 2018	**39**
Interest charged	33
Administration fee	7
Bonds acquired	1,735
Bonds repayments received	(500)
Interest received	(63)
Administration fee received	-
Foreign exchange effect on the balance of loans	-
At 31 December 2018	**1,252**

The Company's transactions with other related parties during 2017 and outstanding balances as at 31 December 2017 were as follows:

	Revenue and income from related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
The Company's subsidiaries				
Bonds	-	-	-	-
Interest	39	-	39	-
Dividends	329	-	-	-
Other activities	7	-	-	-
Management fee	-	390	-	101
	375	**390**	**39**	**101**

Changes in loans granted to subsidiaries during 2017:

At 1 January 2017	-
Interest charged	39
Administration fee	7
Loans granted	2,050
Loan repayments received	(2,050)
Interest received	-
Administration fee	(7)
Foreign exchange effect on the balance of loans	-
At 31 December 2017	**39**

19 Segment reporting

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

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

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

The classification of companies into 4 areas of activity, as used previously, from the beginning of 2018 is replaced by 3 new functional groups: business climate improvement and e-government, IT services and software, and cyber security. NRD companies continue to belong to the business climate improvement and e-government group, the cyber security group covers NRD CS UAB, whereas the IT services and software group is formed by joining the areas of IT infrastructure and IT intensive industries' solutions

The Company has its headquarters in Lithuania. The Company's dividend income is disclosed in Note 12. The Company has no significant fixed assets.

(All amounts are in EUR thousands unless otherwise stated)

20 Financial instruments by category

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

	Loans and receivables	Financial assets at fair value through profit or loss	Total
At 31 December 2018			
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	24,229	24,229
Receivables	439	-	439
Bonds	1,252	-	1,252
Cash and cash equivalents	2,230	-	2,230
Total	**3,921**	**24,229**	**28,150**

	Loans and receivables	Financial assets at fair value through profit or loss	Total
At 31 December 2017			
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	20,808	20,808
Receivables	39	-	39
Cash and cash equivalents	5,030	-	5,030
Total	**5,069**	**20.808**	**25,877**

	Financial liabilities at amortised cost
At 31 December 2018	
Liabilities as per statement of financial position	
Loan payables	-
Trade payables	4
Other current liabilities, excluding taxes and employee benefits	121
Total	**125**

	Financial liabilities at amortised cost
At 31 December 2017	
Liabilities as per statement of financial position	
Loan payables	1,953
Trade payables	-
Other current liabilities, excluding taxes and employee benefits	112
Total	**2,065**

21 Financial risk management

21.1 Financial risk factors

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

The Company's financial liabilities 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 subsidiaries and cash and cash equivalents.

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

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

(All amounts are in EUR thousands unless otherwise stated)

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 neither past due nor impaired, there were no indications as at the reporting date that the debtors will fail to fulfil their liabilities in due time, since the Company constantly reviews the balances of receivables. The Company has no significant transactions in a country other than the countries of domicile of the subsidiaries and their investments. All 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:

Assets with no credit rating assigned	**At 31 December 2018**	**At 31 December 2017**
Dividends and other receivables	456	39
Bonds	1,235	-
Cash and cash equivalents	2,230	5,030
Total current assets	**3,921**	**5,069**

The Company accepts the services from the banks and the financial institutions which (or the controlling financial institutions of which) have been assigned a high credit rating by an independent rating agency. As at 31 December 2018 the Company's cash balances were held in the financial institutions which have not been assigned individual credit ratings, but the controlling financial institutions of which have been assigned "Prime-1" rating by Moody's agency.

Interest rate risk

In 2017 September AB LUMINOR granted 1,953 thousand EUR to the Company loan. Bank loan margin is 3.5%; Interest is variable, calculated and paid each month last day.

In 2018 the Company had bonds in total EUR 1,235 thousand. Bonds interests is within the range 10,5% - 12% , calculated each month last day. As interest rates on bonds are fixed and bonds are accounted at amortised cost, the company did not have interest rate risk related to acquired bonds.

Price risk

The Company's investments are susceptible to price risk arising from uncertainties about future values of the investments that are not traded in an active market. To manage the price risk, the Investment comittee reviews the performance of the portfolio companies at 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 31 December 2018, the fair value of the Company's investments exposed to price risk was EUR 24,229 thousand (31 December 2017: EUR 20,808 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 of the Company is managed by the Management company. The liquidity risk management is divided into long-term and short-term risk management.

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

Long-term liquidity risk is managed by analysing the cash flow projections by taking into account the potential sources of financing. Before approving a new investment project, the Company evaluates the possibilities to attract the required funding.

(All amounts are in EUR thousands unless otherwise stated)

Based on monthly reports, the Company makes projections of monetary income and expenses over the next one year, thereby ensuring an effective planning of the Company's funding.

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

	Up to 3 months	4 - 12 months	2 to 5 years	Over 5 years	Total
Loans to credit institutions with interest	-	-	-	-	-
Other current liabilities	125	-	-	-	125
At 31 December 2018	**125**	**-**	**-**	**-**	**125**
Loans to credit institutions with interest	17	292	1,810	-	2,119
Other current liabilities	112	-	-	-	112
At 31 December 2017	**129**	**292**	**1,810**	**-**	**2,231**

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

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.

21.2 Fair value estimation

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

The Company's principal financial instruments that are not carried at fair value in the statement of financial position are cash and cash equivalents, trade and other receivables, 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 31 December 2018 approximated their fair value because they are short-term and the impact of discounting is immaterial.

21.3 Capital management

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

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

During 2018, no changes were introduced in the objectives of capital management, policies or processes.

The Company is obliged to keep its equity ratio at not less than 50 % of its share capital, as imposed by the Lithuanian Law on Companies. As at 31 December 2018 the Company complied with this requirement.

22 Events after the reporting period

There were no events after the period ended, 31 December 2018, that could influence the economic decisions of the users of the financial statements.

INVL TECHNOLOGY

Special Closed-Ended Type Private Capital Investment Company‘s

INVL Technology Annual Report for 2018

Translation note:
This version of the Annual Report for the year of 2018 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.

Contents

Foreword of the Managing Partner of INVL Technology

INVL Technology had equity of EUR 28 million at the end of 2018, or EUR 2.3 per share. Equity per share increased by 17 per cent during the year.

INVL Technology Managing Partner

INVL Technology had equity of EUR 28 million at the end of 2018, or EUR 2.3 per share. Equity per share increased by almost 18 per cent during the year. The company's net profit for 2018, taking into account a revaluation of financial assets, was EUR 4.2 million.

The share of the fast-growing IT segment of cybersecurity and financial technology companies in the value of the full portfolio of businesses increased from 27 per cent in 2017 to 33 per cent in 2018.

Unconsolidated revenue of the portfolio companies grew 18 per cent compared to 2017 to EUR 32.7 million in 2018, with total profit for the year up 17 per cent to EUR 13.6 million in 2018 (versus EUR 11.6 million in 2017). The aggregate EBITDA increased from EUR 1.97 million in 2017 to EUR 2.32 million in 2018.

The businesses got more than 6 per cent of revenue from new products introduced to the market. Growth of the companies' revenue and value was also ensured by the strengthening of strategic partnerships, international operations and consolidation which was undertaken.

In 2018, the cyber security company NRD Cyber Security (NRD CS) became one of the seven partners of Oxford University's Global Cyber Security Capacity Centre for assessing the cybersecurity maturity of countries, and in February 2019 – one of the International Telecommunication Union (ITU) cybersecurity competence centres for the European region.

In 2018, INVL Technology companies carried out projects in 23 countries, of which 7 were for the first time. This year the companies will give more attention to the expansion of operations in European countries, especially the Balkans, and in Central Asia.

In 2019, we will continue to form 3 groups of companies from the 18 currently managed businesses: NRD Companies, Novian and a cyber security company. Last year, part of the business was separated from Estonian Andmevara AS into a newly established company Andmevara Services OÜ. The restructuring of NRD companies is currently being finalized. In 2019-2020, Novian will consolidate companies belonging to the IT services and software group.

In 2019, NRD Companies will give priority to modernization of national systems and development of financial technology products, NRD Cyber Security - to further development and sale of its cyber security products, and the Novian group –to consolidation and growth in value. We believe that the complex services offered by the group will give the companies a competitive advantage in the Baltics, and that larger companies will be attractive to investors.

Although planned acquisitions in the second half of 2018 have slowed down due to sellers' expectations and uncertain situation in the financial markets, INVL Technology has been working with several companies and expects to implement new acquisitions in 2019. The company is interested in specialized IT companies working in robotics, analytics and other fields. INVL Technology will seek to implement new investments through its currently managed companies.

Kazimieras Tonkūnas,

INVL Technology Managing Partner

I. GENERAL INFORMATION

1 Reporting period for which the report is prepared

The Annual Report for the year 2018 is prepared for the period from 1 January 2018 until 31 December 2018. The report also includes important events of the company and group occurring after the end of the reporting period. The report was reviewed by the auditor.

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

2.1. Information about the Issuer

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

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

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

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

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

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

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

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

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

2.3. Information about the Issuer's group of companies

INVL Technology operates as a cluster of IT businesses working with large corporate and government entities. The classification of companies into 4 areas of activity, as used until now, from the beginning of 2018 was replaced by 3 new functional groups:

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 licences, digital documents and other economic digital infrastructure solutions.

IT services and software group was formed by joining the areas of IT infrastructure and IT intensive industries' solutions. Companies, operating in this functional group provide digital transformation, critical IT infrastructure architecture, installation and maintenance services, implement large scale digitisation projects, develop tax and local tax administration systems, election management systems.

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.

2.3.1. 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

NRD Systems 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, licences, citizen's registry and tax information systems creation and development. More information – 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

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

NRD Bangladesh Limited was registered on 2 February 2017. NRD Bangladesh offers full portfolio of NRD Companies and other INVL Technology businesses services and supports 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

ETRONIKA UAB is NRD group's company, specialised 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

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

IT SERVICES AND SOFTWARE

Novian UAB (Vitma UAB that was renamed in February 2018) is a company that manages BAIP UAB and its subsidiary Acena UAB as well as represents the newly formed IT services and software cluster at INVL Technology. The cluster comprises of INVL Technology companies Novian UAB, BAIP UAB, Acena UAB, Algoritmų sistemos UAB and Andmevara AS.

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

Acena UAB is a specialized Microsoft solutions company, providing Windows Azure cloud platform and Office 365 business productivity solutions as well as professional and managed services to deliver and improve cloud based solutions to customers. More information – www.acena.lt

Algoritmų sistemos 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.algoritmusistemos.lt

Andmevara AS (Estonia) is a complex IT solutions and services provider to public sector organisations with expertise in e-Government solutions that include development of registries, important national information systems and software, digitisation, database development and hosting services. Andmevara actively contributes to implementation of Estonian E-Government project, offers several ready-made software products to municipal and governmental institutions, and mostly serves Estonian public sector organisations. More information – www.andmevara.ee

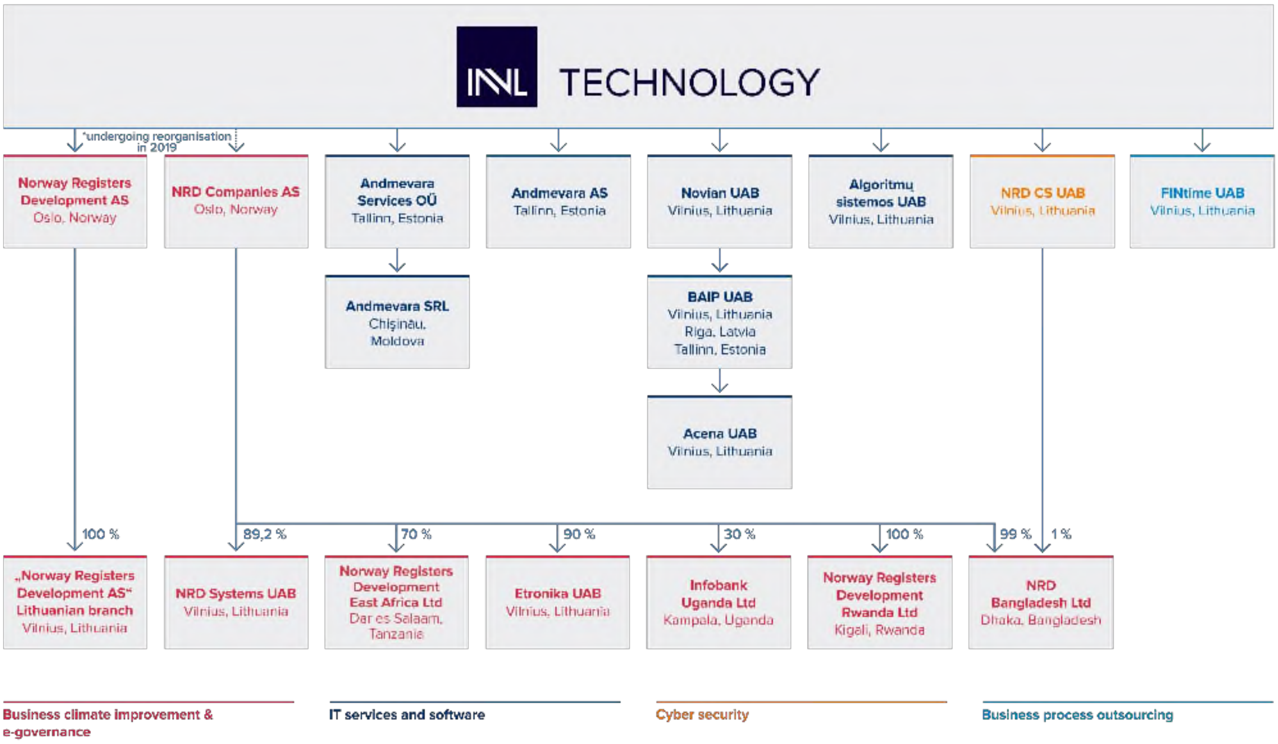
CYBER SECURITY:

NRD CS UAB is a cybersecurity technology consulting, incident response and applied research company, with headquarters in Lithuania, Vilnius. Company focuses on the services to the law enforcement, national communication regulators, CERTs, and corporate information security departments. NRD CS is also a facilitator of Norway Registers Development AS mission of creating a secure digital environment for states, governments, corporations and citizens, contributor to the Critical Security Controls for Effective Cyber Defence and other frameworks. More information – www.nrdcs.lt

BUSINESS PROCESS OUTSOURCING:

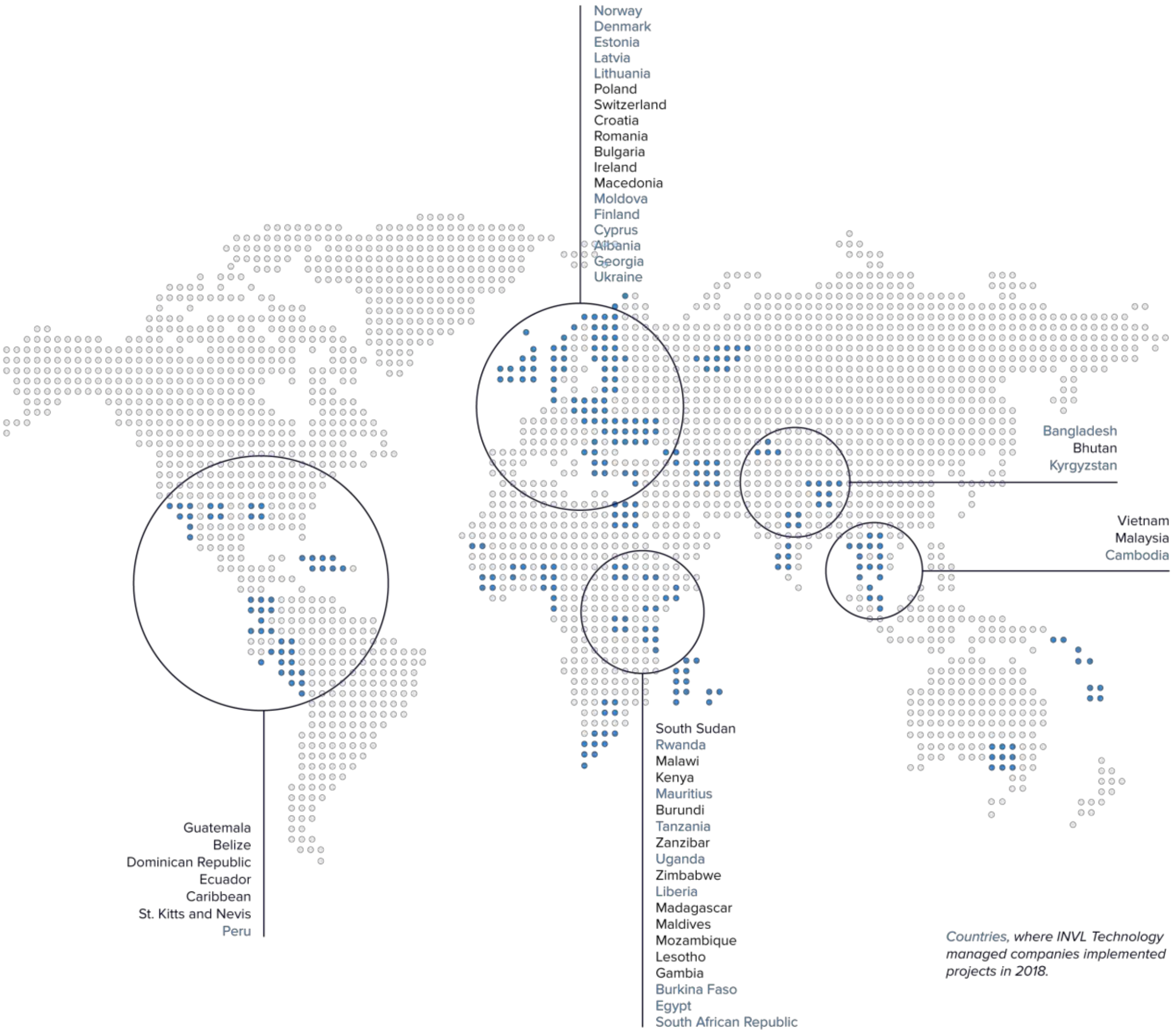
FINtime UAB established on 29 February 2016 provides business process outsourcing services.

2.3.1. STRUCTURE OF THE PORTFOLIO COMPANIES OF INVL TECHNOLOGY:



*Currently NRD Companies is undergoing reorganisation. NRD Companies AS will become the managing company of the group and Norway Registers Development AS will become a consulting company.

2.3.2. GEOGRAPHY OF INVL TECHNOLOGY PORTFOLIO COMPANIES:



Geography of INVL Technology companies (countries written light blue colour, where INVL Technology managed companies implemented projects during the accounting period)

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

3. Key figures of INVL Technology, thous. EUR

KEY FIGURES OF INVL TECHNOLOGY, THOUS. EUR

	12 months of 2017	12 months of 2018
Change in the fair value of financial assets	4,112	3,421
Profit (loss) before taxes	4,084	4,213
Net profit (loss)	4,084	4,213
	31.12.2017	31.12.2018
Financial assets value	20,808	24,229
Cash and Cash equivalents	5,030	2,230
Bonds	-	1,235
Other assets	39	456
TOTAL ASSETS	**25,877**	**28,150**
Other liabilities	2,065	125
of which financial debt	*1,953*	-
Equity	23,812	28,025
TOTAL EQUITY AND LIABILITIES	**25,877**	**28,150**

Equity of the Company, after the revaluation of financial assets, as of 31 December 2018 was EUR 28 million or EUR 2.3 per share (compared to 1.96 euro per share at the end of 2017). The equity increased 17.69 percent in 2018.

The Company's ***net asset value*** as of 31 December 2018 was **EUR 28,024,654.44 or EUR 2.3018 per share**.

The Company conducts an independent valuation of its investments in subsidiaries when preparing the annual financial statements. As at 31 December 2018 the valuation was carried out by Deloitte Verslo Konsultacijos UAB. The fair value of investments was determined in compliance with the International Valuation Standards approved by the International Valuation Standards Council. In the opinion of the management, the fair value of investments was determined appropriately using the inputs and ratios properly selected and reasonably reflecting the investments.

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

FINANCIAL ASSETS, THOUS. EUR

Company	31.12.2017	31.12.2018
NRD Companies (includes Etronika UAB, NRD UAB, Norway Registers Development AS and others)	3,624	5,458
Novian UAB* (Includes both BAIP UAB and Acena UAB)	7,497	7,537
Algoritmų sistemos UAB (Inventio UAB in 2016)**	3,821	4,078
Andmevara*	525	470
NRD CS UAB	5,067	6,455
FINtime UAB	274	231
Total	**20,808**	**24,229**

* Includes results of Andmevara AS, Andmevara SRL and Andmevara Services OU

In 2018 the following fully controlled subsidiaries of INVL technology paid dividends: Algoritmų sistemos (EUR 180 thousand) and Novian (EUR 700 thousand). In 2018 the following companies allocated dividends: NRD CS (EUR 400 thousand) and FINtime (EUR 39 thousand).

CHANGE IN FAIR VALUE OF FINANCIAL ASSETS, THOUS. EUR

Opening balance	20,808
Revaluation	3,421
CLOSING BALANCE	**24,229**

INDEXES 2017-2018

	2017	2018
Net Asset Value per share, EUR	1.96	2.3018
Total Net asset value (equity value), thous. EUR	23,812	28,025
Return on equity (ROE) = net profit / equity * 100	17.15%	15.03 %
Earnings per share (EPS) = net profit / number of shares	0.34	0.35
Debt ratio = liabilities/ assets	0.08	0.004
Change in fair value, thous. EUR	4,112	3,421
Net profit, thous. EUR	4,084	4,213
Liquid funds and total assets ratio = cash and cash equivalents/assets	19.44 %	7.92 %
Investing in a company operating ratio of the net asset value*	31.48%	26.89 %

* applicable to the Company upon closed-ended investment company (CEF) license. The Index must not exceed 30 percent. The Index may be exceeded by up to 4 years from the date of the Company becoming CEF

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

Significant events during the reporting period

FINANCIAL REPORTS

- **28 February 2018** INVL Technology announced preliminary operating results for 12 months of 2017. The preliminary equity of INVL Technology as of 31 December 2017, was EUR 23.146 million or EUR 1.90 per share. The company's investments in the businesses it owns totalled EUR 20.1 million at the end of December. According to preliminary data, the company's net profit for 2017, taking into account a revaluation of financial assets, was EUR 3.418 million.

- **9 April 2018** INVL Technology announced that on 31 March 2017 the Net Asset Value of the Company was EUR 23,811,752.53 or EUR 1.9557 per share. Moreover, the audited annual results were announced. Audited net profit of INVL Technology for 2017, taking into account a revaluation of financial assets, was EUR 4.08 million (in 2016 the Company had EUR 4.515 million loss).
- **27 April 2018** INVL Technology reported preliminary operating results for 3 months of 2018. Equity of the Company and the Company's net asset value as of 31 March 2018 was EUR 23,35 mln or EUR 1.9180 per share. Investments of the Company into managed companies amounted to EUR 20.48 million at the end of March 2018. The net loss of the Company for 3 months of 2018 was EUR 460 thousand. On 31 March 2018 the net asset value of the Company was EUR 23,351,694.00 or EUR 1.9180 per share.
- **29 August 2018** INVL Technology reported the results for 6 months of 2018. Equity of the Company and the Company's net asset value as of 30 June 2018 was EUR 23,5 mln or EUR 1.9306 per share. Investments of the Company into managed companies amounted to EUR 19.7 million at the end of June 2018. The net loss of the Company for 6 months of 2018 was EUR 306 thousand. On 30 June 2018 the net asset value of the Company was EUR 23,505,653.11 or EUR 1.9306 per share.
- **29 October 2018** INVL Technology reported the results for 9 months of 2018. Equity of the Company and the Company's net asset value as of 30 September 2018 was EUR 23,914,761.87 or EUR 1.9642 per share. Investments of the Company into managed companies amounted to EUR 20 million at the end of September 2018. The net profit of the Company for 9 months of 2018 was EUR 103 thousand; the net profit of the Company for the third quarter of 2018 amounted to EUR 409 thousand.

AGREEMENTS

- **7 May 2018** the Company signed the new wording the Depository Services Agreement with the SEB Bank. Amendment of the Depository Services Agreement has been made taking into account that the investment company's management activities are subject to provisions of the Law of the Republic of Lithuania on Collective Investment Undertakings for professional investors and the necessity to accommodate the Depository Services Agreement with the requirements of the specified legal regulation.

CHANGES IN THE MANAGEMENT TEAM

- **In the beginning of 2018** Giedrius Cvilikas has been appointed as CEO of AS Andmevara. Mr. Cvilikas has significant work experience in companies' management and business development and serves as CEO of Novian UAB, another company of INVL Technology group.
- **In November 2018** it was announced that Mindaugas Glodas in January 2019 will become the new managing director at Norway Registers Development AS and NRD Companies – a global information technology and consulting group of companies, controlled by INVL Technology. Mr. Glodas apart from national registries development and their digital transformation, tax administration systems modernisation and financial technologies he will additionally focus on development of products that will contribute to business environment improvement by modernising financial post services, microcrediting, and revenue collection automation.

LOAN REPAYMENT

- **25 June 2018** INVL Technology has repaid loan issued by Luminor Bank AB in full amount together with interest accrued (EUR 1,953 thousand and EUR 4.7 thousand respectively) on 25th June 2018. The loan was granted on 20th September 2017 to finance acquisition of investment portfolio company.

Significant events occurred after the end of the reporting period

- **28 February 2019** the company announced the preliminary results for 12 months of 2018. Equity of the Company as of 31 December 2018 was EUR 28,1 mln or EUR 2.31 per share. Investments of the Company into managed companies amounted to EUR 24.3 million at the end of 2018. The net profit of the Company for 12 months of 2018 was EUR 4.3 mln; the net profit of the Company for the fourth quarter of 2018 amounted to EUR 4.2 mln.

Significant events of portfolio companies during reporting period

Business climate improvement and e-governance. NRD Companies

KEY PROFIT (LOSS) ITEMS, THOUSAND EUR*

	NRD Companies		Etronika UAB[1]		NRD UAB[1]	
	2017	2018	2017	2018	2017	2018
Revenue	7,232	7,122	1,667	1,880	2,020	2,373
Gross profit	4,287	4,375	1,568	1,713	1,842	1,849
EBITDA	557	609	294	214	134	72
EBIT	363	453	268	174	93	35
Net Profit (Loss)	397	373	248	140	71	1

KEY BALANCE SHEET ITEMS, THOUSAND EUR*

	NRD Companies		Etronika UAB[1]		NRD UAB[1]	
	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018
Tangible assets	257	58	9	2	305	29
Intangible assets	599	481	402	369	4	3
Other non-current assets	50	35	15	21	23	15
Current assets	3,606	4,801	464	670	1,042	1,688
of which cash	297	458	130	61	-	193
Total assets	**4,512**	**5,375**	**890**	**1,062**	**1,374**	**1,735**
Equity	1,404	1,773	297	437	654	510
Non-current liabilities	131	110	81	81	-	-
Of which financial debt	-	-	-	-	-	-
Current liabilities	2,977	3,492	512	544	720	1,225
of which financial debt	130	560	60	90	70	307
Total liabilities and equity	**4,512**	**5,375**	**890**	**1,062**	**1,374**	**1,735**

* results of portfolio companies are unaudited

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.

The group structure:

- NRD Companies after reorganisation will become the managing company of the group. The company is registered in in Sandvika, Norway;
- Norway Registers Development after reorganisation will operate as a consulting company, project leadership and know-how hub for the group based in Sandvika, Norway;

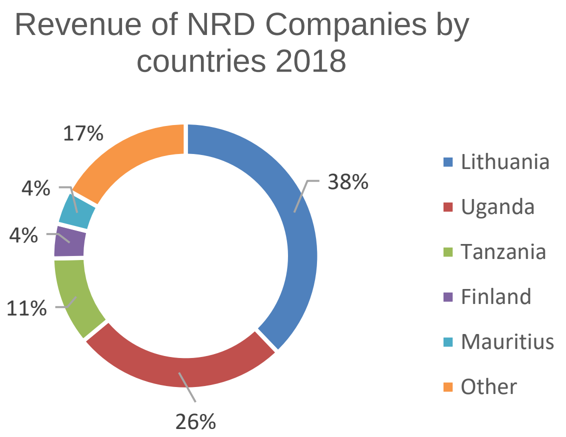
[1] The results of Etronika UAB and NRD UAB are included into results of NRD Companies

- Norway Registers Development Lithuania branch provides management, finance, sales, marketing and other services to all companies in the NRD companies group. The company is based in Vilnius, Lithuania;
- NRD Systems 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 sales, 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 sales, project leadership, project support and maintenance company for group projects in Rwanda, Burundi and Democratic Republic of the Congo;
- NRD Bangladesh is a regional sales, 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.

PROJECTS

In 2018, NRD companies implemented projects in Lithuania, Latvia, Estonia, Finland, Albania, Kyrgyzstan, Tanzania, Zanzibar, Uganda, Ruanda, Liberia, Mauritius, Cambodia and Bangladesh.

LITHUANIA



NRD Systems, a part of NRD Companies, in 2018 signed and started implementing a 3-year long contract with Lithuanian State Food and Veterinary Service for information system maintenance and modification as well as development of several new modules. The company also continued implementing the Legal rights registers and information systems development and maintenance project with the Centre of Registers of Lithuania as well as the i.SAF-T subsystem implementation project with the State Tax Inspectorate of Lithuania, among other projects. NRD Systems in joint venture NFQ Technologies also signed a contract with Lithuanian State Tax Inspectorate and started developing the Electronic Declaration System (EDS).

Etronika, also a part of NRD Companies, contributed to the development of Lithuanian mobile payment platform MoQ. The company developed a mobile application – POS station for businesses as well as an acquiring platform for mobile payments that serves as a payment gateway between the business and the customer.

In 2018, Etronika continued providing services to Lithuanian banks Šiaulių Bankas and Medicinos bankas, Luminor bank, implemented maintenance and development services. Based on an agreement with Telia, Etronika also contributed to mobile signature migration project and carried out other agreements.

EUROPE

Norway Registers Development AS finished the UNDP financed consultancy project in Albania - Mobile government service delivery to remote areas in Albania.

Etronika has been selected as Online Banking technology partner and provider for the Latvian Baltic International Bank, and has already finished the first phase of the project. This is the first BANKTRON implementation in Latvia. BANKTRON is an award winning Omnichannel Digital Banking Platform developed by Etronika.

Etronika also continued implementing maintenance and development of a self-service retail check-out solution for Reitan Group in Finland, Lithuania and Estonia.

EAST AFRICA

An Online Registration System at Tanzanian Business Registrations and Licensing Agency (BRELA), designed and developed by NRD Companies, was officially opened in the beginning of 2018.

In Zanzibar, NRD Companies implemented a consulting project for design and implementation of a computer based on-line system for registration of businesses and secured transactions. During the project, operations of Zanzibar Business and Property Registration Agency have been completely transformed – the agency now provides fully electronic services, without any "paper-based" processes remaining. The President of Zanzibar Hon. Ali Mohamed Shein and the Minister of Trade and Industries Hon. Amina Salum Ali were present during an official opening ceremony of the new register.

In Zanzibar the companies also signed a one-year Zanzibar Civil Registry maintenance agreement, and they are continuing with the Data Center modernization (NRD East Africa with BAIP) and Zanzibar Revenue Board (NRD East Africa with NRD Systems) projects.

In Uganda, NRD Companies are implementing a business registry development project at Uganda Services Registration Bureau.

In Ruanda, NRD Rwanda Ltd. together with BAIP is implementing a database migration and transformation project at Rwanda Development Board.

Photo credit: Uganda Registration Services Bureau

SOUTH AND SOUTHEAST ASIA

In Cambodia, an agreement was signed with UNDP Cambodia for the development of ICT strategies for the Ministry of Environment and the National Sustainable Development Council.

In July 2018, Bangladesh Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy inaugurated BGD e-Gov CIRT Laboratory, designed and implemented by Norway Registers Development AS, BAIP and NRD Cyber Security. The LAB compliments Bangladesh e-GOV CIRT, which has been in operation since 2016, and serves as a tool for very complex incident investigations. In addition, a new agreement for capacity building of Bangladesh e-GOV CIRT was signed.

In June 2018, Norway Registers Development AS, NRD Cyber Security and Algoritmų sistemos signed an agreement with Bangladesh Computer Council to start a 12-month cyber security capacity building project. The companies will assist Bangladesh in reviewing its national cyber security strategy, developing strategy for critical information infrastructure protection as well as creating cyber risk assessment framework for Critical Information Infrastructures (CIIs).

Furthermore, since August 2018, Norway Registers Development AS, BAIP and Duomenu logistikos centras are modernising Bangladesh National Data Center (NDC).

The projects are financed by the World Bank, as a part of the leveraging ICT for Growth, Employment and Governance Project.

CENTRAL ASIA

Norway Registers Development AS signed an agreement for the provision of consulting services for Uzbekistan Republic Real estate registry and cadastre.

In Kyrgyzstan, Etronika together with BAIP began modernizing the provision of financial services for Kyrgyzstan post.

OTHER IMPORTANT EVENTS

In January 2019, Mr Mindaugas Glodas became the new managing director at Norway Registers Development AS and NRD Companies. He took over from Mr Rimantas Žylius who served in this position since 2014. Mr Rimantas Žylius will become a member of the Board at Norway Registers Development AS.

Mindaugas Glodas was also appointed to the Management Boards of Norway Registers Development AS subsidiary companies.

In order to optimise the operations of NRD companies and increase efficiency, the group is currently undergoing reorganization. NRD Companies AS will become the managing company of the group and Norway Registers Development AS will become a consulting company.

On 22 August 2018, Norway Registers Development AS, registered a company branch - a service center in Lithuania. The newly established service center will provide management, finance, sales, marketing and other services to all companies in the NRD companies group. On 26 November 2018, Mindaugas Glodas was appointed director of the company.

On 8 October 2018, NRD UAB has changed its legal name to NRD Systems UAB. On 15 October the company celebrated its 20 year anniversary.

Photo: NRD Systems 20th anniversary

IT SERVICES AND SOFWARE.

NOVIAN GROUP: BAIP AND ACENA

KEY PROFIT (LOSS) ITEMS, THOUSAND EUR*

	BAIP and ACENA	
	2017	2018
Revenue	11,732	14,894
Gross profit	2,245	2,267
EBITDA	780	777
EBIT	317	293
Net Profit (Loss)	203	238

KEY BALANCE SHEET ITEMS, THOUSAND EUR*

	BAIP and ACENA	
	31.12.2017	31.12.2018
Tangible assets	1,005	678
Intangible assets	361	420
Other non-current assets	37	361
Current assets	4,146	9,018
of which cash	430	4,676
Total assets	**5,549**	**10,477**
Equity	2,032	2,231
Non-current liabilities	18	1,253
Of which financial debt	18	1,253
Current liabilities	3,499	6,993
of which financial debt	231	11
Total liabilities and equity	**5,549**	**10,477**

* results of portfolio companies are unaudited

BAIP provides critical IT infrastructure services: information system resilience and mobility services for the largest corporate IT users and public sector organisations.

Acena provides specialized Microsoft solutions to increase operational efficiency. The company provides business productivity, process transformation, business intelligence and other professional services. Acena is a subsidiary of BAIP.

PROJECTS

In 2018, BAIP and Acena carried out projects and signed new contracts in the Baltic States, Denmark, Norway, Kyrgyzstan, Rwanda, Mauritius, Burkina Faso, Bangladesh and other countries.

LITHUANIA

In 2018, 80 percent of BAIP revenue came from projects in Lithuania. The company implemented IT infrastructure maintenance and modernisation agreements, various technological solutions and provided other services.

At Kaunas University of Technology, Lithuanian Research and Education Network (LITNET), BAIP implemented a EUR 0.5 million project "Data Center Protection Barrier System". Lithuanian Research and Education Network (LITNET) connects computer networks of research, study and education institutions. The consultations and equipment provided during the project will contribute to the improvement of Lithuanian cyber security and will ensure safer use of the LITNET network.

BAIP also migrated and developed new critical infrastructure for an international courier company DPD.

Acena implemented various business analytics, business productivity and other projects for private sector customers.

SUBSAHARAN AFRICA

In Zanzibar, BAIP together with NRD East Africa is currently implementing a Data Center modernisation project.

In Ruanda, BAIP with NRD Rwanda is implementing a database migration and transformation project at Rwanda Development Board.

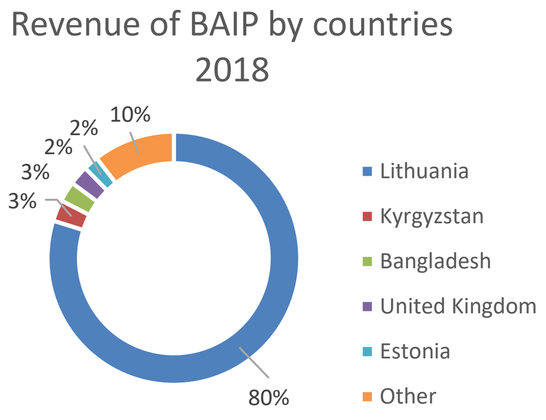
In addition, the company won a new tender for the supply of equipment at the National Bank of Rwanda.

BAIP has also entered a new market in West Africa – in Burkina Faso the company signed a contract to install a supercomputer for meteorological research and climate change analysis.

SOUTH ASIA

In July 2018, Bangladesh Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy inaugurated BGD e-Gov CIRT Laboratory, designed and implemented by Norway Registers Development AS, BAIP and NRD Cyber Security. The LAB compliments Bangladesh e-GOV CIRT, which has been in operation since 2016, and serves as a tool for very complex incident investigations.

In August 2018, BAIP together with Norway Registers Development AS and Duomenu logistikos centras began implementing Bangladesh National Data Center (NDC) modernisation project.



CENTRAL ASIA

In Kyrgyzstan, BAIP together with Etronika began modernizing the provision of financial services for Kyrgyzstan post.

OTHER IMPORTANT EVENTS

During the 6 months of 2018, BAIP added supercomputing and artificial intelligence competencies to its portfolio. As a Preferred Partner of the NVIDIA Partner Program (NPN), BAIP is now able to offer regional business, science and state institutions in the Baltic States access to cutting-edge AI and high performance computing technology.

Company also strengthened its partnership and competences with Microsoft and will offer even more solutions enabling companies to better organize their everyday IT work – from efficient workstations management to the newest cloud technology implementations, migration to the cloud, and implementing change across all organization's IT project management.

At the fifth annual conference Technology and Resilience 2018 that took place in Vilnius on 12 April 2018, BAIP invited its customers, partners and IT professionals to learn more about IT as a service – a new strategic approach not only to IT, but also to business management as a whole.

Photo: Conference Technology and Resilience 2018

Photo: Conference Technology and Resilience 2018

IT SERVICES AND SOFTWARE.

NOVIAN GROUP: ALGORTIMŲ SISTEMOS

KEY PROFIT (LOSS) ITEMS, THOUSAND EUR*

	ALGORITMŲ SISTEMOS[2]	
	2017	2018
Revenue	2,757	3,207
Gross profit	2,136	2,658
EBITDA	320	420
EBIT	301	389
Net Profit (Loss)	299	324

KEY BALANCE SHEET ITEMS, THOUSAND EUR*

	ALGORITMŲ SISTEMOS[3]	
	31.12.2017	31.12.2018
Tangible assets	40	89
Intangible assets	1,790	1,802
Other non-current assets	76	65
Current assets	1,440	1,941
of which cash	284	468
Total assets	**3,346**	**3,897**
Equity	2,613	2,756
Non-current liabilities	100	194
Of which financial debt	-	-
Current liabilities	633	947
of which financial debt	-	-
Total liabilities and equity	**3,346**	**3,897**

* results of portfolio companies are unaudited

Algoritmų Sistemos provides high-quality, efficient and reliable information systems for large and medium-sized organisations, and business process automation software. The company's main areas of activity are e-governance, e-health, finance, social security, environmental protection, and solutions for the education sector.

PROJECTS

In 2018, Algoritmų sistemos was awarded new contracts with Statistics Lithuania for the National Census 2020 and with Ministry of Social Security and Labour for development of an information system for the management of the European fund for the Support of the most deprived persons. The company was also active in the areas of municipal waste management and tax administration, and implemented various other system development and maintenance agreements.

[2] Algoritmu sistemos UAB is included from the month the control was transferred, i.e. 1 April 2016. 31.12.2016 data includes both Inventio UAB and Algoritmų sistemos UAB; in 2017 the companies were merged

At Vilnius City municipality, Algoritmų sistemos completed the adaptation of the ATRIS system to the municipal waste management reform, and in more than 10 other municipalities of Lithuania the company implemented Land lease tax accounting information system development projects.

The company also continued to cooperate and signed new agreements with the State Tax Inspectorate. Algoritmų sistemos provided services for the development and modification of the Taxpayers' Electronic Education, Counselling and Information Services System (ESKIS), started the development of the Personal Income Tax Information System (GYPAS) and provided maintenance services.

In November 2018, Algoritmų sistemos signed a contract with Vilnius University for Lithuanian-speaking services development project LIEPA 2. The aim of the project is to increase the use of the Lithuanian language in electronic media.

In 2018, Algoritmų sistemos also began implementing its first project in Bangladesh. On 26th June, Algoritmų sistemos, together with Norway Registers Development AS and NRD Cyber Security signed an agreement with Bangladesh Computer Council to start a 12-month cyber security capacity building project. The companies will assist Bangladesh in reviewing its national cyber security strategy, developing strategy for critical information infrastructure protection as well as creating cyber risk assessment framework for Critical Information Infrastructures (CIIs).

Currently, the biggest clients of Algortimų Sistemos 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, and the Environmental Protection Agency.

Photo: Algoritmų sistemos at Bangladesh Computer Council

IT SERVICES AND SOFTWARE.

NOVIAN GROUP: ANDMEVARA AS, ANDMEVARA SERVICES OÜ AND ANDMEVARA SRL

KEY PROFIT (LOSS) ITEMS, THOUSAND EUR*

	ANDMEVARA[3]	
	2017	2018
Revenue	1,092	1,523
Gross profit	821	1,422
EBITDA	(271)	31
EBIT	(292)	2
Net Profit (Loss)	(292)	(47)

KEY BALANCE SHEET ITEMS, THOUSAND EUR*

	ANDMEVARA[2]	
	31.12.2017	31.12.2018
Tangible assets	63	25
Intangible assets	6	4
Other non-current assets	-	-
Current assets	235	900
of which cash	51	213
Total assets	**304**	**929**
Equity	(27)	(72)
Non-current liabilities	-	-
Of which financial debt	-	-
Current liabilities	331	1,001
of which financial debt	50	530
Total liabilities and equity	**304**	**929**

* results of portfolio companies are unaudited

AS Andmevara, an IT services company operating in Estonia and Moldova, in 2018 has been reorganized by separating activities and demerged into two companies: Andmevara AS and Andmevara Services OÜ.

In September, IT infrastructure maintenance, website hosting and digitisation services have been separated from Andmevara AS into the new company Andmevara Services OÜ. Andmevara AS will continue focusing on the main activity of the company - development of information systems.

General Manager of BAIP Gytis Umantas has been appointed as the CEO of Andmevara Services OÜ, and Giedrius Cvilikas will continue serving as the CEO of Andmevara AS.

In 2018, 77 percent of revenue came from projects in Estonia and 23 percent – from projects in Moldova.

ESTONIA

[3] Andmevara AS is included from the month the control was acquired, i.e. 1 May 2016.

In 2018, Andmevara implemented various projects in Estonian municipalities – as a strategic IT partner for the maintenance and development of information systems for local governments in Estonia.

In December, Andmevara AS signed a two-year contract to digitize the Estonian National Archives. The project, which is worth more than 350 thousand euro, will be implemented together with Andmevara Services.

MOLDOVA

In May 2018, Andmevara completed Moldovan National Archive digitisation project. The project facilitates citizens' access to historical documents kept at the National Archives. 250 000 documents were digitised during the 2 year development cooperation project, financed by Estonian Ministry of Foreign Affairs. Now this archive is accessible on-line and it is easily searchable since metadata for each digitised document was translated and entered into a database, developed by Andmevara.

Over the last 10 years Andmevara has helped to digitise over 16.5 million of various paper documents, mainly in Estonia and Moldova.

Currently, Andmevara is digitising the archive of judicial cases of the Court of Chisinau.

The company also became a resident of Moldova IT Park. This will allow the company to utilise various tax benefits and simplify administration activities.

OTHER IMPORTANT EVENTS

In January 2018, Andrus Kõre stepped down from his role as CEO of AS Andmevara. Giedrius Cvilikas has been appointed as CEO of AS Andmevara. G. Cvilikas currently also serves as a director of another INVL Technology managed company Novian UAB (until 21 February 2018 - Vitma UAB).

Photo: Moldovan National Archive digitisation project

CYBERSECURITY. NRD CYBER SECURITY (NRD CS)

KEY PROFIT (LOSS) ITEMS, THOUSAND EUR*

	NRD CS	
	2017	2018
Revenue	3,493	3,876
Gross profit	1,755	1,863
EBITDA	603	559
EBIT	586	535
Net Profit (Loss)	468	460

KEY BALANCE SHEET ITEMS, THOUSAND EUR*

	NRD CS	
	31.12.2017	31.12.2018
Tangible assets	34	48
Intangible assets	5	140
Other non-current assets	8	22
Current assets	2,215	2,486
of which cash	383	749
Total assets	**2,262**	**2,69682**
Equity	787	840
Non-current liabilities	-	-
Of which financial debt	-	-
Current liabilities	1,475	1,856
of which financial debt	366	-
Total liabilities and equity	**2,262**	**2,696**

* results of portfolio companies are unaudited

NRD Cyber Security (NRD CS) is a cybersecurity technology consulting, incident response and applied research company. The company focuses on services for specialized public service providers, the finance industry and corporations with high data sensitivity.

PROJECTS

In 2018, NRD CS implemented projects and signed new contracts in Lithuania, Cyprus, Peru, Bangladesh, Ukraine, Georgia, Egypt and South African Republic.

LITHUANIA AND EUROPE

In 2018, NRD Cyber Security implemented information analysis capacity building projects with law enforcement, signed new agreements for sales of specialised technologies, assisted organisations in preparation for the implementation of the EU general data protection regulation (GDPR), provided comprehensive security checks, other consulting services and specialised trainings.

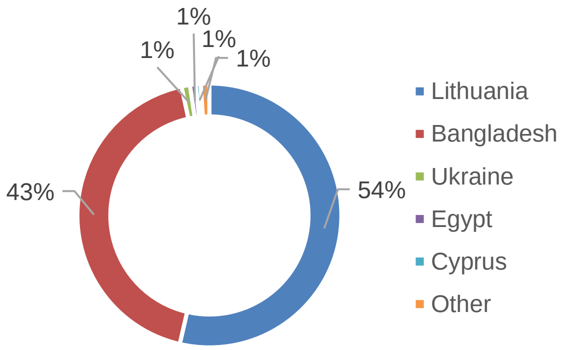
In Cyprus, NRD CS consultants continued assisting the Office of the Commissioner of Electronic Communications and Postal Regulation in development of the national cyber security incident response team (CIRT).

SOUTH ASIA

Bangladesh Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy inaugurated BGD e-Gov CIRT Laboratory, designed and implemented by Norway Registers Development AS, BAIP and NRD Cyber Security. The LAB compliments Bangladesh e-GOV CIRT, which has been in operation since 2016, and serves as a tool for very complex incident investigations. In addition, a new agreement for capacity building of Bangladesh e-GOV CIRT was signed.

On 26th June, Norway Registers Development AS, NRD Cyber Security and Algoritmų sistemos signed an agreement with Bangladesh Computer Council to start a 12-month cyber security capacity building project. The companies will assist Bangladesh in reviewing its national cyber security strategy, developing strategy for critical information infrastructure protection as well as creating cyber risk assessment framework for Critical Information Infrastructures (CIIs).

NRD CS experts, together with Oxford „Global Cyber Security Capacity Centre" also implemented Bangladesh Cyber Security Maturity Assessment.



NEW MRKETS

In **PERU**, NRD Cyber Security team has carried out Secure Soft Security Operation Centre (SOC) maturity assessment.

In **GEORGIA**, NRD CS, together with the University of Oxford, conducted an assessment of the country's cyber security capacity maturity. The assessment was funded by the UK Foreign Ministry. The company also carried out a European Union-funded assessment of **UKRAINIAN** cyber security maturity.

EVENTS

In 2018, NRD CS experts organised and participated as speakers and lecturers in various cyber security conferences, seminars, discussions and Forums in Lithuania, the United Kingdom, the USA, Indonesia, Malaysia, Bangladesh, Kyrgyzstan, Uganda and other countries.

In September, a conference by TF-CSIRT, a community of computer security professionals, took place in Vilnius, attracting over 150 cyber security professionals from across Europe. On the occasion of the Centennial of the restored Lithuania, this community was invited to Lithuania by a joint team from private, public and academic sectors: NRD CS, National Cyber Security Centre under the Ministry of National Defence, Swedbank, Lithuanian Research and Education Network LITNET and Kaunas University of Technology.

In Estonia, NRD CS Intelligence Analysis Expert conducted training for analysts working with the IBM i2 solution to raise their level of competence and help them gain new skills. The training attracted an international audience and was organized by one of the European Commission's agencies.

NRD Cyber Security and NRD Bangladesh Limited, in collaboration with Bangladesh Computer Council - BCC and BGD e-GOV CIRT, organised an international cyber security conference in Dhaka, Bangladesh. The theme of the event was Cyber security incident response teams - CSIRTs/SOCs - for financial sector organisations.

On 6-7 September in Kampala, Uganda, NRD Cyber Security organized the 6th annual conference Cyber Defence East Africa (CDEA). This year the conference was dedicated to effective preparation for cyber crisis by organisations that belong to national critical information infrastructure.

By initiating and contributing to various local and international initiatives, NRD Cyber Security seeks to promote efficient methods to build national, sectoral and internal CSIRTs, and advocates CII methodologies to increase resilience of the cyberspace.

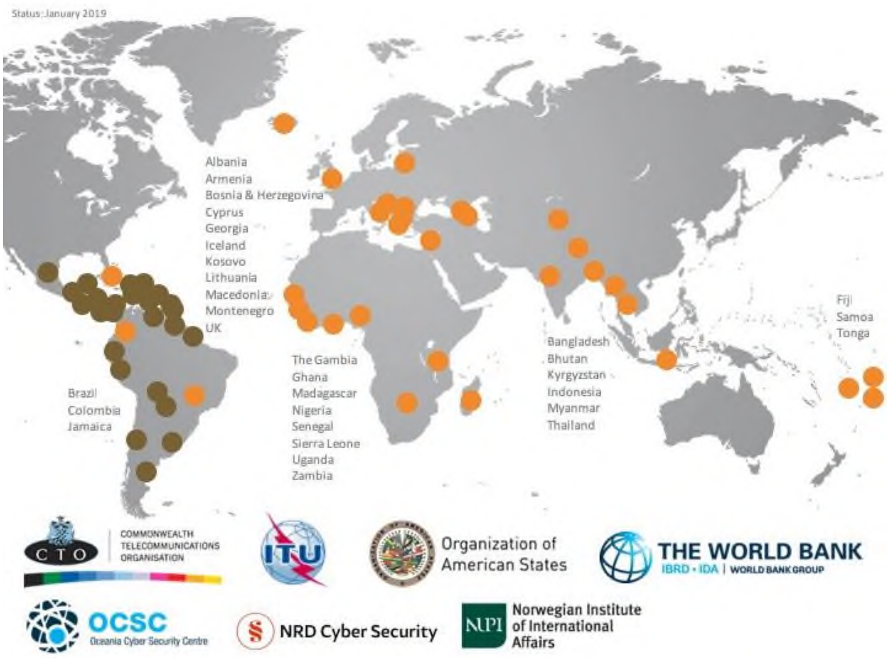
OTHER IMPORTANT EVENTS

In March 2018, NRD Cyber Security became an ITU-D Associate of Study Group 2 on "ICT applications, cybersecurity, emergency telecommunications and climate-change adaptation".

In February 2019, NRD Cyber Security has been nominated as International Telecommunication Union (ITU) Centre of Excellence (CoE) in European region 2019-22 cycle. The Company will be providing training courses for global ICT community members on areas such as national cyber security governance, cyber security incident management and Open Source Intelligence (OSINT).

The company has also become one of the seven partners of the Global Cyber Security Capacity Center at the University of Oxford for deploying Cybersecurity Capacity Maturity Model for Nations (CMM).

In 2018 NRD CS was included in Deloitte Tech Fast CE 50 - a programme that annually recognises and profiles the fastest growing public or private technology companies in Central Europe.



Picture: Oxford CMM application in the world and partners for CMM deployment

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

EVALUATION OF IMPLEMENTATION OF GOALS FOR 2018

In 2018, INVL Technology gave priority to development of the managed companies and increasing their value. The classification of companies into 4 areas of activity, as used previously, was replaced by 3 new functional groups: business climate improvement and e-government, IT services and software, and cyber security.

The share of the fast-growing IT segment of cybersecurity and financial technology companies in the value of the full portfolio of businesses increased from 27 per cent in 2017 to 33 per cent in 2018. Moreover, the businesses got more than 6 per cent of revenue from new products introduced to the market.

Reviewing the results achieved by the managed companies, growth of the companies' revenue and value was also ensured by the strengthening of strategic partnerships, international operations and consolidation which was undertaken. In 2018, the cyber security company NRD Cyber Security (NRD CS) became one of the seven partners of Oxford University's Global Cyber Security Capacity Centre for assessing the cybersecurity maturity of countries, and in February 2019 – one of the International Telecommunication Union (ITU) cybersecurity competence centres for the European region.

ACTIVITY PLANS AND FORECASTS

In 2019, it is planned to continue forming 3 groups of companies from the 18 currently managed businesses: NRD Companies, Novian and a cyber security company. In 2019, NRD Companies will give priority to modernization of national systems and development of financial technology products, NRD Cyber Security - to further development and sale of its cyber security products, and the Novian group –to consolidation and growth in value. We believe that the complex services offered by the group will give the companies a competitive advantage in the Baltics, and that larger companies will be attractive to investors.

INVL Technology has been working with several companies and expects to implement new acquisitions in 2019. The company is interested in specialized IT companies working in robotics, analytics and other fields. INVL Technology will seek to implement new investments through its currently managed companies.

In 2018, INVL Technology companies carried out projects in 23 countries, of which 7 were for the first time. This year the companies will give more attention to the expansion of operations in European countries, especially the Balkans, and in Central Asia.

III. INFORMATION ABOUT SECURITIES

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

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

During the reporting period the Articles of Association were not amended. 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.

7. Structure of the authorized capital

Table 7.1. Structure INVL Technology authorised capital as of 31 December 2018.

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.

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.

From 8 August 2016 Šiaulių bankas acts as market maker for INVL Technology shares. Under the agreement, Šiaulių bankas provides 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.

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

INC1L
Nasdaq Baltic Listed

Table 8.1. Main characteristics of INVL Technology shares admitted to trading

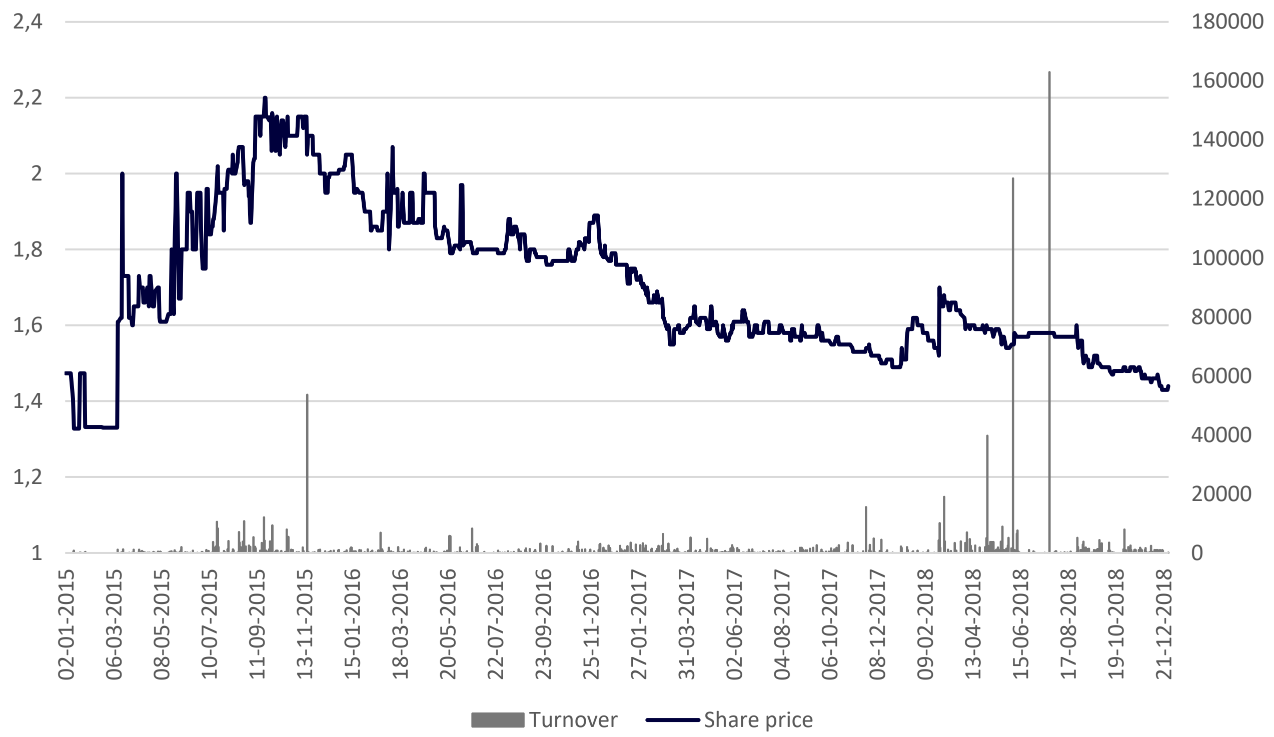
Shares issued, units	12,175,321
Shares with voting rights, units	12,175,321
Nominal value, EUR	0.29
Total nominal value, EUR	3,530,843.09
ISIN code	LT0000128860
LEI code	5299006UHD9X339RUR46
Name	INC1L
Exchange	Nasdaq Vilnius
List	Baltic Secondary list
Listing date	4 June 2014

Table 8.2. Trading in the company's shares 2016 - 2018 (quarterly) on Nasdaq Vilnius

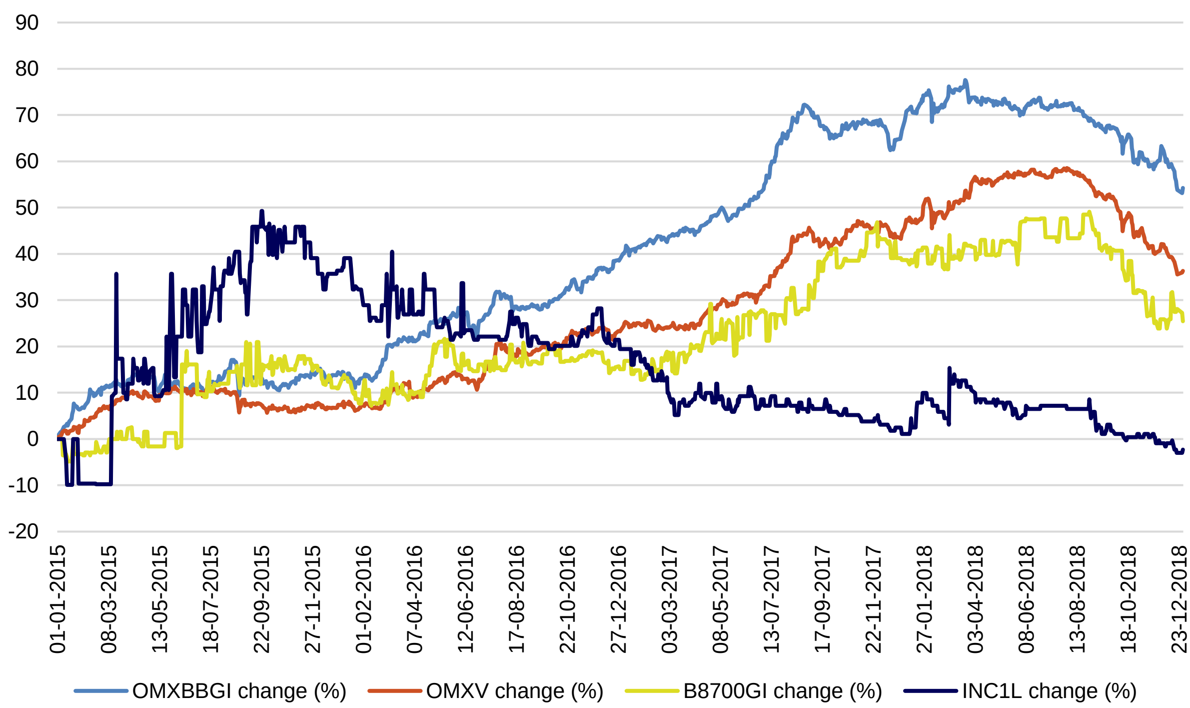
Reporting period	Price, EUR			Turnover, EUR			Last trading date	Total turnover	
	high	low	last	high	low	high		quantity	EUR
2016 1st Q	2.07	1.80	1.87	6,859.80	13.65	361.21	31.03.2016	16,807	30,166.08
2016 2nd Q	2.06	1.79	1.80	8,263.96	6.00	0	30.06.2016	21,368	39,077.25
2016 3rd Q	1.88	1.76	1.76	3,184.42	12.53	0	30.09.2016	8,993	16,144.05
2016 4th Q	1.89	1.75	1.76	3,102.15	24.78	522.72	30.12.2016	17,907	25,448.77
2017 1st Q	1.76	1.55	1.59	6,478.67	25.20	128.79	31.03.2017	33,268	55,850.45
2017 2nd Q	1.65	1.56	1.60	5,289.92	11.34	22.40	30.06.2017	22,292	35,620.67
2017 3rd Q	1.61	1.56	1.56	2,707.26	7.80	31.20	29.09.2017	13,728	21,647.58
2017 4th Q	1.65	1.49	1.49	15,570.62	61.50	202.64	29.12.2017	32,036	49,579.61
2018 1st Q	1,70	1,49	1,63	19,055.69	4.53	3,921.78	29.03.2018	36,421	59,541.58
2018 2nd Q	1,63	1,54	1,58	126,989.95	83.20	0	29.06.2018	171,788	269,475.50
2018 3rd Q	1,60	1,46	1,49	162,935.92	15.80	8,000.52	31.10.2018	138,255	216,310.60
2018 4th Q	1,49	1,43	1,44	2,594.78	91.98	118.08	28.12.2018	20,762	30,606.62

Table 8.3. Trading in shares 2016 - 2018

Price, EUR:	2016	2017	2018
- open	2.01	1.76	1.49
- high	2.07	1.76	1.70
- low	1.75	1.49	1.43
- medium	1.7	1.60	1.55
- last	1.76	1.49	1.44
Turnover, units	65,075	101,324	367,226
Turnover, EUR	110,836	162,698	575,934
Traded volume, units	307	364	336



Turnover and share price of INVL Technology



Change of share price of INVL Technology and indexes

Table 8.4. Capitalisation, 2016-2018

Last trading date	Number of shares, units	Last price, EUR	Capitalisation, EUR
31.03.2016	12,175,321	1.87	22,767,850
30.06.2016	12,175,321	1.80	21,915,578
30.09.2016	12,175,321	1.76	21,428,565
30.12.2016	12,175,321	1.76	21,428,565
31.03.2017	12,175,321	1.59	19,358,760
30.06.2017	12,175,321	1.60	19,480,514
29.09.2017	12,175,321	1.56	18,993,501
29.12.2017	12,175,321	1.49	18,141,228
29.03.2018	12,175,321	1.63	19,845,773
29.06.2018	12,175,321	1.58	19,237,007
31.10.2018	12,175,321	1.49	18,141,228
28.12.2018	12,175,321	1.44	17,532,462

9. Dividends

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

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

According to the Law on Personal Income Tax and the Law on Corporate Income Tax, 15 % tax is applied to the dividends since 2014. The company is responsible for calculation, withdrawn and transfer (to the benefit of the State) of applicable taxes[4].

The company did not allocated dividends during the reporting period.

Table 9.1. Indexes related with shares

Company's	2016	2017	2018
Book Value per share, EUR	1.62	1.96	2.30
Price to book value (P/Bv)	1.09	0.76	0.63

10. Shareholders

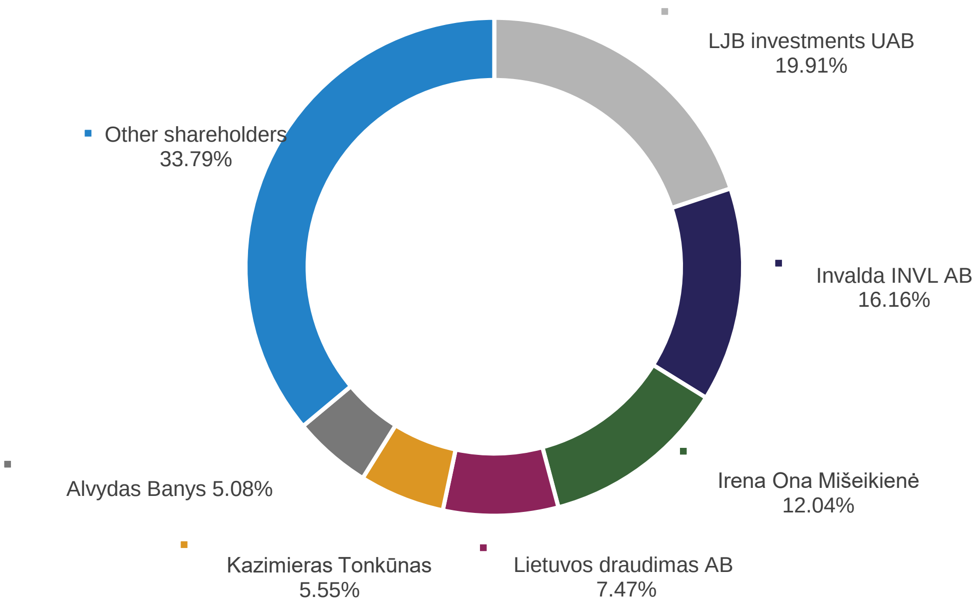
10.1. Information about Company's shareholders

Table 10.1.1. Shareholders who held title to more than 5% of INVL Technology authorised capital and/or votes as of 31 December 2018.

[4]This information should not be treated as tax consultation.

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	1,744,283	14.33	14.33	1.83[5]	16,16
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[6]	7.08
Alvydas Banys	618,745	5.08	5.08	19.91[7]	24.99

The total number of shareholders in INVL Technology was 3,421 on 31 December 2018 (3,389 on 31 December 2017). There are no shareholders entitled to special rights of control.



Votes as of 31 December 2018

[5] It is considered that Invalda INVL has votes of controlled company INVL Asset Management UAB.
[6] It is considered that Kazimieras Tonkunas has votes of his spouse.
[7] It is considered that Alvydas Banys has votes of LJB Investments, UAB a company controlled by him.

Investors	Shareholders		Share of votes given by the owned shares	
	Amount	Part %	Amount	Part %
Private persons	3,391	99.12	5,330,131	43.78
Institutions	30	0.88	6,845,190	56.22

Fig. 10.1.2. Distribution of securities by investors' groups as of 31 December 2018.

10.2. Rights and obligations carried by the shares

10.2.1. Rights of the shareholders

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

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

10.2.2. Obligations of the shareholders

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Shareholders' Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Shareholders' Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

The person who acquired all shares in the company or the holder of all shares in the company who transferred a part of his shares to another person must notify the company of the acquisition or transfer of shares within 5 days from the conclusion of the transaction. The notice shall indicate the number of acquired or transferred shares, the nominal share price and the particulars of the person who acquired or transferred the shares (the natural person's full name, personal number and address; the name, legal form it has taken, registration number, address of the registered office of the legal person.)

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

A shareholder shall repay the Company any dividend paid out in violation of the mandatory norms of the Lithuanian Law on Companies, if the Company proves that the shareholder knew or should have known thereof.

Each shareholder shall be entitled to authorise a natural or legal person to represent him when maintaining contacts with the Company and other persons.

IV. ISSUER'S MANAGING BODIES

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

The Company is managed in accordance the Governance Code of Nasdaq Vilnius for the companies listed on the regulated market. Refer to the Appendix No 2 to the Annual Report for the compliance report.

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

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

Investment Committee was established for operational efficiency and investment control by the decision of the Board of the Management Company INVL Asset Management. Investment Committee is the collegial investment and management decision-making body responsible for adopting decisions on the management of the Company's assets and for the representation and protection of the Company's interests. Upon decision of the management company the Advisory Committee was established also.

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

11.1. General Shareholders' Meeting

11.1.1. Powers of the General Shareholders' Meeting

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

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

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

All decisions of the general meeting of Shareholders of the Company shall be taken by a 3/4 majority of votes carried by Shares of the Shareholders present in the meeting, except for the decisions indicated below, which shall be taken by a 2/3 majority of votes carried by Shares of the Shareholders present in the meeting, i.e. decisions:

- to elect and remove a certified auditor or audit firm and establish terms of payment for audit services;

- to change company's office;
- to approve sets of annual and interim financial statements;
- on extension of the Term of Activities of the Company and making related amendments to the Articles of Association.

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

- amending the Articles of Association of the Company;
- redemption of Shares;
- distribution of the profit (loss) of the Company;
- formation, use, reduction and cancellation of reserves;
- increase or reduction of the authorised capital;
- reorganisation, spin-off or transformation of the Company;
- merger of the Company with other collective investment undertakings;
- approval of the agreement with the Depository, appointment of the person authorised to sign the approved agreement with the Depository on behalf of the Company, change of the Depository;
- liquidation of the Company or extension of the Term of Activities of the Company;
- restructuring of the Company.

11.1.2. Convocation of the General Shareholders' Meeting of INVL Technology

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

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

The shareholders are entitled: (i) to propose to supplement the agenda of the General Shareholders Meeting submitting draft resolution on every additional item of agenda or, then there is no need to make a decision - explanation of the shareholder (this right is granted to shareholders who hold shares carrying at least 1/20 of all the votes). Proposal to supplement the agenda is submitted in writing sending the proposal by registered mail to the Company at Gynėjų str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company or by sending proposal to the Company by email info@invltechnology.lt. The agenda is supplemented if the proposal is received no later than 14 before the General Shareholders Meeting; (ii) to propose draft resolutions on the issues already included or to be included in the agenda of the General Shareholders Meeting at any time prior to the date of the General Shareholders meeting (in writing sending the proposal by registered mail to the Company at Gynėjų str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company or by sending proposal to the Company by email info@invltechnology.lt) or in writing during the General Shareholders Meeting (this right is granted to shareholders who hold shares carrying at least 1/20 of all the votes); (iii) to submit questions to the Company related to the issues of agenda of the General Shareholders Meeting in advance but no later than 3 business days prior to the General Shareholders Meeting in writing sending the proposal by registered mail to the Company at Gyneju str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company or by sending proposal to the Company by email info@invltechnology.lt. The company reserves the right to answer to those shareholders of the Company who can be identified and whose questions are not related to the company's confidential information or commercial secrets.

Shareholder participating at the General Shareholders Meeting and having the right to vote must submit documents confirming personal identity. Each shareholder may authorize either a natural or a legal person to participate and to vote on the shareholder's behalf at the General Shareholders Meeting. A power of attorney issued by a natural person must be certified by a notary. The representative has the same rights as his represented shareholder at the General Shareholders Meeting. The authorized persons must have documents confirming their personal identity and power of attorney approved in the manner specified by law which must be submitted to the Company no later than before the commencement of registration for the General Shareholders Meeting. A power of attorney issued in a foreign state must be translated into Lithuanian and legalised in the manner established by law. The Company does not establish special form of power of attorney.

Shareholder is entitled to issue power of attorney by means of electronic communications for legal or natural persons to participate and to vote on its behalf at the General Shareholders Meeting. No notarisation of such authorization is required.

The power of attorney issued through electronic communication means must be confirmed by the shareholder with a safe electronic signature developed by safe signature equipment and approved by a qualified certificate effective in the Republic of Lithuania. The shareholder shall inform the Company on the power of attorney issued through the means of electronic communication by e-mail info@invltechnology.com not later than on the last business day before the General Shareholders Meeting. The power of attorney and notification must be issued in writing and could be sent to the Company by communication means, if the transmitted information is secured and the shareholder's identity can be identified.

The Company is not providing the possibility to attend and vote at the General Shareholders Meeting through electronic means of communication.

Shareholder or its representative may vote in writing by filling general voting bulletin, in such a case the requirement to deliver a personal identity document does not apply. The form of general voting bulletin is presented at the Company's webpage www.bre.invl.com section For Investors.

If shareholder requests, the Company shall send the general voting bulletin to the requesting shareholder by registered mail or shall deliver it in person against signature no later than 10 days prior to the General Shareholders Meeting free of charge. The filled general voting bulletin must be signed by the shareholder or its authorized representative. Document confirming the right to vote must be added to the general voting bulletin if authorized person is voting. The filled general voting bulletin must be sent by the registered mail to the Company at Gyneju str. 14, Vilnius, Lithuania, or delivered in person to the representative of the Company no later than the day before of the General Shareholders Meeting.

An annual general meeting of shareholders must take place no later than by 30 April of the current year.

There were 2 (two) General Shareholders Meetings of INVL Technology, AB during 2018.

27 April 2017 the Shareholders Meeting of INVL Technology took place. On 30 April 2018, at the general meeting of shareholders, the shareholders decided: to approve INVL Technology's financial statements for 2017; to approve the policy of INVL Technology transactions with related parties and to approve the new wording of the depositary services agreement with SEB bank. On 9 November 2018, the general meeting of shareholders elected an audit firm for the audit of annual financial statements and approved the establishment of terms of payment for the audit services.

11.2.THE MANAGEMENT COMPANY

No management bodies shall be formed in the Company.

Management of the Company shall be transferred to the Management Company, therefore, following the Law of the Republic of Lithuania on Collective Investment Undertakings, and the rights and duties of the Board and the head of the Company, as set in the Law of the Republic of Lithuania on Companies, shall be transferred to the Management Company.

The Management Company shall be responsible for convocation and organisation of the general meeting of shareholders of the Company, giving notices about Material Events under the procedure set by legal acts, organisation of activities of the Company, proper management of information about activities of the Company and performance of other functions assigned to the Management Company.

The Management Company shall have the right:

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

The Management Company must:

- act in a fair, correct and professional manner on the terms best for the Company and its Shareholders and in their interests and ensure integrity of the market;
- act carefully, professionally and prudently;
- have and use means and procedures necessary for its activities;
- have reliable administration and accounting procedures, electronic data processing control and security measures and a proper mechanism of internal control, including the rules on personal transactions in financial instruments conducted by employees of the Management Company and transactions in financial instruments conducted at the expense of the Management Company;

- ensure that documents of and information about taken investment decisions, conducted transactions would be kept for at least 10 years after the date of taking an investment decision, conduction of a transaction or performance of an operation, unless legal acts set a longer term of keeping documents;
- have such an organisational structure that would help to avoid conflicts of interest. When it is impossible to avoid conflicts of interest, the Management Company must ensure that Shareholders are treated fairly;
- ensure that persons taking decisions on management of the Company would have qualification and experience established by the Supervisory Authority, be of sufficiently good repute;
- ensure that assets of the Company would be invested according to the investment strategy set in these Articles of Association and requirements set in legal acts of the Republic of Lithuania;
- prepare the prospectus, the document of main information for investors, annual and semi-annual reports under the procedure set by legal acts;
- perform other duties set in these Articles of Association and legal acts of the Republic of Lithuania.

The Company’s management agreement with the Management Company must be approved by the general meeting of shareholders.

The Management Company can be replaced by a reasoned decision of the general meeting of shareholders of the Company.

The Management Company can be replaced by a decision of the general meeting of shareholders in cases when:

- the Management Company is liquidated;
- the Management Company undergoes restructuring;
- bankruptcy proceedings are initiated against the Management Company;
- the Supervisory Authority takes a decision to restrict or cancel the rights provided for in the license of the Management Company related to management of investment companies;
- the Management Company commits a material breach of the respective management agreement, these Articles of Association or legal acts.

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

The management company, ensuring the management of INVL Technology, has CEO, board and the Investment Committee formed by its decision. 18 April 2017 INVL Technology's management company INVL Asset Management has appointed the Advisory Committee of the Company.

The Board of the Management Company operates following the Civil Code of the Republic of Lithuania, the Law of the Republic of Lithuania on Companies, other legal acts, Articles of Association of the Company, the resolutions of the General Shareholders Meetings, decisions of the Board and Regulations of the Board.

The Board acts in furtherance of the declared strategic objectives in view of the need to optimize shareholder value and to ensure that the rights and interests of persons other than the company’s shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company’s operation, are duly respected.

The procedure of work, rights and responsibilities of the members of the Board of the Management Company are set in the Regulations of the Board

Darius Šulnis (the chairman), Nerijus Drobavičius and Vytautas Plunksnis are members of the Board of the Management Company.

The Management Company is managed by the CEO. The CEO is the main person managing the Company and representing the Company.

11.3. Investment Committee

Investment Committee is responsible for adopting decisions on the management of the Company’s assets and for the representation and protection of the Company’s interests. The Investment Committee conducts its activities in accordance with the Rules of the Investment Committee.

11.3.1. Powers of the Investment Committee

The Investment Committee consists of four members. The Investment Committee members are appointed and removed by resolution of the board of the Management Company. The Investment Committee members must have a higher education and at least 3 years of work experience developing and/or managing private equity and/or other activities similar to those described in the Articles of Association of INVL Technology as corresponding to the activities of investment objects, or have a financial broker's license issued by the Bank of Lithuania or other suitable documents recognized by the Bank of Lithuania and confirming suitable qualification. The Investment Committee members must have an impeccable reputation. Employees responsible for determining the value of investment instruments may not be members of the Investment Committee.

The functions of the Investment Committee are:

- to seek to increase the value of individual investment objects and also of the Company as a whole;
- to consider and adopt investment proposals submitted to the Investment Committee including decisions regarding acquisition and disposal of the investment objects, increase and decrease of the authorised capital of the investment objects and other decisions related to capital of the aforementioned companies;
- to consider and adopt management proposals submitted to the Investment Committee including decisions regarding appointment and substitution of the members of the management board of the investment objects;
- to take into account the opinion of the Advisory Committee regarding investment proposals;
- to make decisions on voting in shareholder's meetings of the companies that are being controlled the Company;
- to propose the new investment ideas and improve management processes of the Company as well as improve these rules;
- when making investment decisions, to establish possible investment restrictions for a specific investment object;
- to determine the procedures for entering into relationships with consultants, advisors, investment bankers and other experts related to the particular transactions;
- to make decisions on incentive programs within companies that are controlled by the Managed Companies
- to constantly monitor the efficiency and effectiveness of decision-making procedures.

11.3.2. Convocation of the Investment Committee meeting

Decisions of the Committee shall be adopted during a meeting of the committee. The Investment Committee meeting can be initiated by members of the Committee.

Issues proposed for consideration and draft decisions shall be prepared and submitted to the Investment Committee by Committee members, the Advisory Committee members or the Management Company Department.

Draft decisions shall be prepared in light of the investment strategy specified in the bylaws of the Company and the requirements established in the management agreement, the current level of risk of the Company's assets, the impact of investment decisions on the overall level of risk of the Company's assets, the relationship between expected return and risk, the future counterparty to a transaction and its risk, and other circumstances foreseen in the Policy.

The Investment Committee may adopt decisions, and its meeting shall be deemed to have been held, when at least 3/4 of the appointed (elected) the Investment Committee members participate.

The Investment Committee members shall asses the opinion expressed by the Advisory Committee regarding a given investment decision. Should the Investment Committee members disagree with an opinion expressed by the Advisory Committee the Investment Committee decision should be made only during unanimous voting.

The head of the Management Company Private Equity Department must ensure that if data regarding The Investment Committee members changes or they cease to perform such duties, information about such changes is provided to the Bank of Lithuania within 5 working days of the change.

11.4. The Advisory Committee

The purpose of the Advisory Committee is to provide the Investment Committee with reasoned and fact-based opinions as a way to express an independent position regarding investment decisions, thereby ensuring and protecting shareholders' interests. The Advisory Committee conducts its activities in accordance with the Rules of the Advisory Committee.

11.4.1. Powers of the Advisory Committee

The Advisory Committee consists of five members. The Advisory Committee members are appointed and removed by resolution of the board of the Management Company. The Advisory Committee members have no vote in the adoption of decisions regarding investment proposals. The Advisory Committee members must have a higher education and at least 3 (three) years of work experience related to the area of expertise which they represent. The Advisory Committee members must have an impeccable reputation. Employees responsible for determining the value of investment instruments may not be members of the Advisory Committee.

The functions of the Advisory Committee are:

- to consider investment proposals submitted to the Investment Committee including decisions regarding acquisition and disposal of the investment objects, increase and decrease of the authorized capital of the investment objects and other decisions related to capital of the aforementioned companies;
- to objectively assess investment proposals in light of their impact on the Company's assets, risk, return and shareholder interests as well as the potential to participate in managing the Company's assets and the potential to increase the value of those assets;
- to provide the Investment Committee with arguments and an opinion regarding each investment proposal;
- to propose the new investment ideas and improving management processes of the Company as well as propose improvements to these rules.

11.4.2. CONVOCATION OF THE ADVISORY COMMITTEE MEETING

Decisions of the Committee shall be adopted during a meeting of the committee. Issues proposed for consideration and draft decisions shall be prepared and submitted to the Advisory Committee by Committee members, the Investment Committee members or the Management Company Department.

The Advisory Committee member who initiates an Advisory Committee Meeting shall notify all the other Advisory Committee members by e-mail about the planned meeting. When submitting investment proposals to the Advisory Committee, the supporting materials shall also be sent by e-mail to the members.

Other employees of the Management Company may also be invited to Advisory Committee Meetings. They are obliged to safeguard the commercial secrets of the Company and the Company about which they have learned while participating in Advisory Committee Meetings.

Each the Advisory Committee member shall express his or her opinion and observations regarding each investment proposal that is put forward.

Recommendations of the Advisory Committee are adopted with members voting "for" or "against" each of the investment proposals that is put forward.

A recommendation of the Advisory Committee is deemed adopted if a simple majority votes in favour.

A summary of the Advisory Committee members' arguments and their final decision are presented to the Investment Committee as a recommendation of the Advisory Committee.

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

12.1. THE MANAGING BODIES OF THE ISSUER

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

Darius Šulnis – Chairman of the Board of the Management Company.

Educational background and qualifications: Duke University (USA), Business Administration, Global Executive MBA. Vilnius University, Master in Accounting and Audit. Financial broker's license (General) No. A109.

Main workplace – AB Invalda INVL (code 121304349, Gynėjų g. 14, Vilnius) prezidentas.

Participation in other companies: AB Invalda INVL (code 121304349, Gynėjų g. 14, Vilnius) Chairman of the Board, the president; AB Šiaulių bankas (code 112025254, Tilžės g. 149, Šiauliai) Member of the Supervisory Board; UAB Litagra (code 304564478, Savanorių pr. 173, Vilnius) Board Member; AB INVL Baltic Farmland (code 303299781, Gynėjų g. 14, Vilnius) Board Member.

Nerijus Drobavičius – Board Member of the Management Company.

Educational background and qualifications: Vytautas Magnus University, Bachelor‘s degree in Business management and Master's degree in banking and finance.

Main workplace – UAB INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius) Private Equity Partner.

Participation in other companies: special closed-ended type private capital investment company INVL Technology (code 300893533, Gynėjų g. 14, Vilnius) Investment Committee member; Andmevara AS (code 10264823, Parnu mnt. 158, 11317, Tallinn, Estonia) Chairman of the Supervisory Board; UAB Inservis (code 126180446 , A.Juozapavičiaus g. 6, Vilnius) Chairman of the Board; UAB Įmonių grupė Inservis (code 301673796, Gynėjų g. 14, Vilnius) Chairman of the Board; UAB Jurita (code 220152850, Justiniškių g. 64, Vilnius) Chairman of the Board; UAB Etronika (code 125224135, Gynėjų g. 14, Vilnius) Board Member; UAB BSGF Sanus (code 304924481, Gynėjų g. 14, Vilnius) CEO.

Vytautas Plunksnis – Board Member of the Management Company.

Educational background and qualifications: Kaunas University of Technology Bachelor‘s degree in Management. Financial broker‘s licence (General) No. G091.

Main workplace – UAB INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius) Head of the Private Equity Division.

Participation in other companies: special closed-ended type private capital investment company INVL Technology (code 300893533, Gynėjų g. 14, Vilnius) Investment Committee member; Norway Registers Development AS (code NO 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) Board Member; UAB NRD Systems (code 111647812, Gynėjų g. 14, Vilnius) Board Member; UAB NRD CS (code 303115085, Gynėjų g. 14, Vilnius) Board Member; UAB Algoritmų sistemos (code 125774645, Gynėjų g. 14, Vilnius) Chairman of the Board; associatio Investuotojų Asociacija (code 302351517, Konstitucijos pr. 23, Vilnius) Chairman of the Board; NRD Companies AS (code NO 921 985 290, Lokketangen 20 B, 1337 Sandvika, Norway) – Board Member (since January 2019); Moldova Agroindbank S.A. (code 1002600003778, Constantin Tănase, 9/1, Chisinau, Moldova) Supervisory Board member (since March 2019).

Laura Križinauskienė – CEO of the Management Company.

Educational background and qualifications: Vilnius Gediminas Technical University, Master‘s degree in Management and Business Administration.

Main workplace – UAB INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius) CEO.

Participation in other companies: UAB FMĮ INVL Finasta (code 304049332, Gynėjų g. 14, Vilnius) Board Member; IPAS INVL Asset Management (code 40003605043, Smilšu iela 7-1, Riga, Latvia) Member of the Supervisory Board; AS INVL atklātajs pensiju fonds (code 40003377918, Smilšu iela 7-1, Riga, Latvia) Member of the Supervisory Board.

For operational efficiency and investment control, the company's Investment Committee was formed by the decision of the Board of the management company INVL Asset Management. The Investment Committee is a collegial decision-making body for investment and management that is responsible for making decisions on corporate asset management and for representing and protecting the company's interests.

Kazimieras Tonkūnas – Chairman of the Investment Committee.

Educational background and qualifications: Vilnius University, master’s degree in economics and mathematics with a specialisation in systemic economic analysis.

Main workplace – UAB INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius) Managing Partner of INVL Technology.

Participation in other companies: UAB Acena (code 300935644, Gynėjų g. 14, Vilnius) Board Member; Andmevara AS (code 10264823, Parnu mnt. 158, 11317, Tallinn, Estonia) Supervisory Board member; Andmevara Services OU (uždaroji akcinė bendrovė, code 14552803, Narva mnt. 5, 10117 Tallinn, Estonia) Supervisory Board member; UAB BAIP (code 301318539, Gynėjų g. 14, Vilnius) Chairman of the Management Board; Norway Registers Development AS (code NO 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) Chairman of the Management Board; UAB NRD CS (code 303115085, Gynėjų g. 14, Vilnius) Chairman of the Management Board; NRD Companies AS (uždaroji akcinė bendrovė, code NO 921 985 290, Lokketangen 20 B, 1337 Sandvika, Norway) – Chairman of the Management Board (since January 2019).

Vida Juozapavičienė – Member of the Investment Committee.

Educational background and qualifications: Kaunas University of Technology, bachelor's degree in business administration.

Main workplace – UAB INVL Asset Management (code 126263073, Gynėjų g. 14, Vilnius) Partner of INVL Technology.

Participation in other companies: UAB Acena (code 300935644, Gynėjų g. 14, Vilnius) Board Member; Norway Registers Development AS (code NO 985 221 405, Lokketangen 20 B, 1337 Sandvika, Norway) Board Member; UAB NRD Systems (code 111647812, Gynėjų g. 14, Vilnius) Board Member; UAB Etronika (code 125224135, Gynėjų g. 14, Vilnius) Chairman of the Management Board; UAB Algoritmų sistemos (code 125774645, Gynėjų g. 14, Vilnius) Board Member; Andmevara AS (code 10264823, Parnu mnt. 158, 11317, Tallinn, Estonia) Supervisory Board member; Andmevara Services OU (code 14552803, Narva mnt. 5, 10117 Tallinn, Estonia) Supervisory Board member; NRD Companies AS (code NO 921 985 290, Lokketangen 20 B, 1337 Sandvika, Norway) – Board Member (since January 2019).

Vytautas Plunksnis and Nerijus Drobavičius also serve as members of the Investment Committee. Information about them is provided presenting the members of the Management Board of the Management Company.

ISSUER'S SUPERVISORY BODIES

The Company's Advisory Committee has been operational since18 April 2017. The task of the Advisory Committee is to provide the investment committee with a reasoned and factual opinion, thereby expressing an independent position on the investment decision, thus ensuring the interests and protection of the shareholders. The Advisory Committee shall comprise:

Alvydas Banys

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

Till 1 April 2019

12.2. INFORMATION ABOUT ACCOUNTING SERVICES COMPANY

14 July 2016 the Bank of Lithuania issued approval for the closed-ended type investment company activities. 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).

12.3. INFORMATION ABOUT THE AUDIT COMMITTEE OF THE COMPANY

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

The main functions of the Audit Committee are the following:

- provide recommendations to the Management company with selection, appointment, reappointment and removal of an external audit company of the Company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit of the Company;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the process of preparation of financial reports of the Company;

- monitor the efficiency of the internal control and risk management systems of the Management company directly related to the management of the Company. Once a year review the need of the dedicated internal audit function for the Company within the Management company;
- monitor if the Management company gives due consideration to the recommendations or comments provided by the audit company regarding management of the Company;
- The Audit Committee reports its activities to the Company's ordinary General Shareholders Meeting by submitting a written report on Audit Committee activities during the last financial year.

Any member of the Audit Committee should have the right to resign upon submitting a 14 (fourteen) days written notice to the Management company. When the Management company receives the notice of resignation of a member of the Audit Committee and considers all circumstances related to the resignation, it may decide - either to convene an Extraordinary General Shareholders Meeting to elect new member of the Audit Committee, or to postpone the question on the election of the new member of the Audit Committee till the next General Shareholders Meeting of the Company. The new member is elected till the end of term of office of the operating Audit Committee.

12.3.1. Procedure of work of the Audit Committee

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

The Audit Committee is a collegial body, taking decisions during meetings. The Audit Committee may take decisions and its meeting should be considered valid, when both members of the Committee participate in it. The decision should be passed when both members of the Audit Committee vote for it. The member of the Audit Committee may express his will – for or against the decision in question, with the draft of which he is familiar with – by voting in advance in writing. Voting in writing should be considered equal to voting by telecommunication end devices, provided text protection is ensured and it is possible to identify the signature.

The right of initiative of convoking the meetings of the Audit Committee is held by both members of the Audit Committee. The other member of the Audit Committee should be informed about the convoked meeting, questions that will be discussed there and the suggested drafts of decisions not later than 3 (three) business days in advance in writing (by e-mail or fax). The meetings of the Audit Committee should not be formed as a written protocol, if the taken decisions are signed by both members of the Committee. When both Audit Committee members vote in writing, the decision should be written down and signed by the secretary of the Audit Committee who should be appointed by the Management company. The decision should be written down and signed within 7 (seven) days from the day of the meeting of the Audit Committee.

The Audit Committee should have the right to invite the head of the Management company, member(s) of the Board, the chief financier, employees responsible for finance, accounting and treasury issues of the managed Company as well as external auditors of the Company to its meetings. Members of the Audit Committee may receive remuneration for their work in the committee. The remuneration for the Audit Committee members is approved by the General Shareholders Meeting fixing the maximum hourly rate.

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

12.3.2. THE AUDIT COMMITTEE BODIES

The General Shareholders Meeting which took place on 27 April 2017 decided to elect Dangutė Pranckėnienė, partner and auditor of Moore Stephens Vilnius, UAB and T. Bubinas for the Audit Committee for the 4 (four) years of office term.

Dangutė Pranckėnienė
Audit Committee member

Tomas Bubinas
Audit Committee member

12.3.3. 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 quarter shall be 0.625 percent while after its end it shall be 0.5 percent of the weighted average capitalisation of the company. In addition, a Success fee may be paid to the management company in accordance with the Articles of Association. During the reporting period EUR 380.8 thousand management fee was calculated for the management company. Success fee has not been calculated.

The members of the Board of the Management Company and the members of the Investment Committee do not receive remuneration for these duties. They are paid the salary according to the employment contract with the Management Company. During the year 2018 company's management bodies did not receive dividends or bonuses from the company. There were no assets transferred. no guarantees granted, no bonuses paid and no special payouts made by the company to company's management. No special benefits were also provided to the management bodies of the company.

In 2018, the company paid no remuneration to the Management Company for accounting services, these services are included in the management fee.

During the year 2018, the total remuneration for the members of the Audit Committee of the Company amounted to EUR 391.50.

V. OTHER INFORMATION

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

All data is presented in consolidated and company's financial statements' explanatory notes of 2018.

14. 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 European private equity and venture capital sector companies and investors organization uniting Invest Europe full member.

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

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

15. Agreements with intermediaries on public trading in securities

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

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

16. Information on Issuer's branches and representative offices

INVL Technology has no branches or representative offices.

17. 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 and Advisory Committees, 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.

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

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

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

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

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

After the issuance of the approval by the Bank of Lithuania on 14 July 2016, the Company started to operate not only according to the Law on Companies and Law on Securities and other related legal acts, as it was until obtaining a status of the closed-end investment company, but also under the Law on Collective Investment Undertakings and other related legal acts, which establish certain specific obligations in respect of the protection of Company's shareholders and certain operating restrictions, e.g. the Company is entitled to invest the managed funds following the requirements of the investment strategy of the Company, certain limitations of the applicable laws are applied to the Company with regards its investments, their diversification, management thereof, etc. Furthermore, the Company's operating expenses might be increased because of the requirements to conduct periodic property's assessment, protect the Company's property in the Depository and other.

It should also be noted that investments into Shares of the Company (holding a status of the closed-end investment company) are related to higher than average, long-term risk. The Company cannot guarantee that the shareholders will get invested funds back.

Risk of changes in the market of technologies

The business of information technologies and the market related to information technologies change particularly quickly. Therefore, there is a risk that due to unforeseen changes in the market the value of investments of the Company or the investment return from investment objects of the Company can decrease, the development of companies acquired by the Company will take longer and/or will cost more than planned, therefore, the Company's investments will not be profitable and/or their value will decrease.

The recent global sovereign debt crisis could result in higher borrowing costs and more limited availability of credit

Due to on-going recession and financial disturbance in Europe the availability of capital can be limited and therefore the cost of borrowing can increase. Poor economic situation in Greece, Spain, Cyprus and some other EU member states might further negatively affect the commercial situation of many banks operating in Europe. In addition, the risk of lower consumer confidence can have an adverse impact on financial markets and economic conditions in the EU and throughout the world and, in turn, the market's anticipation or reflection of these impacts could have a material adverse effect on the business of the Company and/or its Portfolio Companies in a variety of ways:

- difficulty or inability to acquire capital for further acquisitions by the Company and/or its Portfolio Companies and to cover financial obligations of current debt;
- increased risk of weak financial condition of the debtors of the Company and/or its Portfolio Companies resulting from current economic situation, etc.

Risk of inflation and deflation

There is a risk that in case of inflation the value of a Share will grow slower than the inflation, which would result in the return lower than inflation. In such a case, the real return earned by persons who sold the Shares of the Company in the market from increase in the value of the Shares can be smaller than expected. In case of deflation, there would be a risk that the value of the Company's investments will decrease by reason of the drop of the general price level.

Geopolitical risk

There is a risk that geopolitical changes can have an effect on activities of the Company and for this reason the investment value of the Company can decrease or it may be impossible to sell the Company's investments at the desired time for the desired price.

Risk factors characteristic of Company and its portfolio companies

General risk

The value of investments into the Company can fluctuate significantly in the short term, depending on the situation in the market. Investments into the Company should be made for a long term in order that the shareholder could avoid the risk of short-term price fluctuations.

Redemption of the Shares of the Company is limited, i.e. a shareholder cannot demand that the Company or the Management Company, which took over its management, would redeem the Shares. But a shareholder of the Company has a possibility to sell Shares of the Company in the secondary market as it is indicated in Articles 82 – 84 of the Articles of Association, incorporated by reference to this Prospectus.

Risk of the management and human resources

The success of the Company's investments will largely depend on heads of companies managed by the Company (directly or indirectly), also on decisions taken by persons in the Management Company who are responsible for management of the Company and on experience and capabilities of the said persons. There is no guarantee that the same employees will continue managing companies managed by the Company (directly or indirectly), as well as the Management Company throughout the whole Term of Activities of the Company.

Transactions with related parties

There are quite a few transactions with related parties among the Company and its Portfolio Companies. Detailed information about such transactions is presented in Section 4.13 of the Prospectus and in the set of financial statements for 2018. Following applicable taxation legislation, transactions with related parties must be conducted at arm's length (i.e. independent and on an equal footing). In spite of the fact that the Management uses all efforts in order to ensure the conformity with the above-mentioned standard, a theoretical taxation risk remains here, i.e. the risk that applicable taxes will be calculated according to prices applicable at arm's length in case it was determined that certain transactions were conducted disregarding this principle, also the risk that relevant fines and default interest will be imposed. Besides, neither the Company nor its Portfolio Companies have approved their pricing policy.

Success of former, current and future investment projects

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

Also, there is no guarantee that the current investment projects related to increase of the Portfolio companies' capacities, introduction of new products and/or technologies will meet the needs of the Portfolio companies' customers.

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

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

Interest rate risk

There is a risk that in case of fast recovery of the global economy or increase in inflation, central banks will increase interest rates and it will be more expensive to service loans in connection with the Company's investments, therefore, the value of the Company's investments can decrease.

Currency risk

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

Credit risk

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

Risk of liquidity of investments

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

Liquidity risk

There is a risk that due to deteriorating economic condition of the world, a region or a country it will become difficult/expensive for the Company (managed by the Management Company) to obtain new loans for acquisition of investment objects or to refinance old loans, therefore the value of the Company's investments can decrease. In order to reduce this risk, the Management Company will seek to maintain a sufficient level of liquidity in the Company or will seek to organise timely financing from financial institutions or other parties.

Acquiring Shares of the Company, the shareholders assume the risk of securities liquidity – in case of a drop in demand for Shares or delisting them from the stock exchange, investors would find it difficult to sell them. In case of deterioration of the Company's financial situation, the demand for Shares of the Company, as well as their price may decrease.

Risk of investments by Operational Companies

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

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

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

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

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

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

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

Risk of insolvency of Operational Companies

Operational Companies, in performance of their activities, can face insolvency problems (go bankrupt, undergo restructuring, etc.). Accordingly, such situations can have a negative effect on the price of the Shares or result in insolvency of the Company itself.

Risk of insolvency of the Company

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

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

Past performance risk

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

No guarantee of return

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

Market risk

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

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

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

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

All the Shares of the Company may be provided for sale without any restrictions (except for certain limited restrictions, described in Section 5.9 of the Prospectus) and there can be no assurance as to whether or not they will be sold on the market.

The Company cannot predict what affect such future sales or offerings of Shares, if any, may have on the market price of the Shares. However, such transactions may have a material adverse effect, even if temporary, on the market price of the Shares. Therefore, there can be no assurance that the market price of the Shares will not decrease due to subsequent sales of the Shares held by the existing shareholders of the Company or a new Share issue by the Company.

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

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

Dividend payment risk

There is a risk that the Company will not pay dividend. A decision on payment of dividend will depend on profitability of activities, cash flows, investments plans and the general financial situation and other circumstances.

Liquidity of the Issuer's Shares is not guaranteed

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

Risk of conflicts of interest

There is a risk that there will be situations when interests of the Management Company (or persons related to it) and the Company or shareholders will differ or interests of individual shareholders will differ, i.e. there will be a conflict of interest. When it is impossible to avoid a conflict of interest, the Management Company must ensure that shareholders are treated fairly. Employees of the Management Company and other persons related to the Management Company and persons, directly or indirectly related to the Management Company by relationship of control, must immediately, as soon as they become aware of such information, notify the Investment Committee about a potential or existing conflict of interest. The Investment Committee, approving of investment decisions, shall take into account the information presented to it about potential or existing conflicts of interest. The Investment Committee shall immediately inform the head and the Board of the Management Company about conflicts of interest it is aware of.

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

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

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

Risk of valuation of the Company's assets

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

Competition risk

The Company, investing into Operational Companies, competes with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the Company would conduct transactions at less favourable conditions than it would be possible in other cases.

Risk related to the duty to redeem shares of the Company

Legal acts provide for a duty of the Company in certain circumstances to redeem its Shares from the shareholders that requested such redemption (for more information please see Article 90 of the Articles of Association). Accordingly, if the Company becomes subject to the duty to offer to the shareholders redemption of its own Shares and if such a redemption is requested by the shareholders holding a significant number of Shares, the Company can be forced to sell its investments urgently, which can significantly reduce the return earned by the Company from sale of its investments. This risk is planned to be managed by means stipulated in Article 97 of the Articles of Association.

Legal and taxation risk factors

Risk of changes in laws and regulations

There is a risk that upon changes in legal acts of the Republic of Lithuania or the states where assets of the Company are invested or where Operational Companies, into which the Company invests, operate, such changes in legal acts can have a negative effect on the protection of the Company's investments, the activities, profitability and value of the Operational Companies or such changes in legal acts can have a negative effect on rights and interests of the Company otherwise.

Risk related to possible liability of the Company

There is a risk that the activities of the Company and the general performance results of the Company can be negatively affected by demands and claims regarding non-disclosed or non-identified obligations and/or violations in connection with investments acquired by the Company, which may result in the Company's liability for such obligations and/or violations and for this reason the value of the Company's investments and, at the same time, the price of the Shares can significantly decrease.

It should be also noted that, the Company after the reorganisation – the merger of Former parent company with the Company (previous name – BAIP grupe AB), which continues its activities after the reorganisation, took over all the assets, equity and liabilities of the Former parent company. For any and all the obligations of the Former parent company after the reorganisation, the Company took responsibility.

Tax risk

Lithuanian tax legislation which was enacted or substantively enacted at the end of the reporting period may be subject to varying interpretations. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be successfully challenged by relevant authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Management is not aware of any circumstances that could lead to significant tax charges and penalties in the future that have not been provided for or disclosed in these financial statements. Uncertain tax positions of the Company and of the Portfolio Companies are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognized based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

There is also a risk that upon changes in economic conditions, political situation in the country or due to any other reasons,

new taxes on shareholders of the Company, the Company or the Operational Companies will appear or the rates of current taxes will increase, therefore the price, liquidity and/or attractiveness of the Shares or the value of investments of the Company may decrease.

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

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

The Management company of INVL Technology is responsible for the supervision and final review of the financial statements. In order to manage these functions properly, the Management company is using an external provider of relevant services. Management company, together with the accounting service provider constantly reviews International Financial Reporting Standards (IFRS) in order to implement in time IFRS changes, analyses company's significant deals, ensures collecting information from the group's companies and timely and fair preparation of this information for the financial statements, periodically informs the Board of the Management company about the preparation process of financial statements.

20. Significant investments made during the reporting period

Planned acquisitions in the second half of 2018 have slowed down due to sellers' expectations and uncertain situation in the financial markets, INVL Technology has been working with several companies and expects to implement new acquisitions in 2019. The company is interested in specialized IT companies working in robotics, analytics and other fields. INVL Technology will seek to implement new investments through its currently managed companies

21. 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.

22. Information on the related parties' transactions

Information on the related parties' transactions is disclosed in the explanatory notes of financial statements for the year ended 31 December 2018.

23. Information on harmful transactions in which the issuer is a party

There were no harmful transactions (those that are not in line with issuer's goals, not under usual market terms, harmful to the shareholders' or stakeholders' interests, etc.) made in the name of the issuer that had or potentially could have negative effects in the future on the issuer's activities or business results. There were also no transactions where a conflict of interest was present between the managing bodies of the Management company, members of the Investment Committee, controlling shareholders' or other related parties' obligations to the issuer and their private interests.

24. Issuer's and its group companies' non – financial results. Information related to social responsibility. environment and employees

RESPONSIBLE BUSINESS ACTIONS IN THE COMPANY

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

Employees

At the end of 2018, as well as in 2017 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.

25. Data on the publicly disclosed information

The information publicly disclosed of INVL Technology during 2018 is presented on the company's website www.invltechnology.lt.

Summary of publicly disclosed information

Date of disclosure	Brief description of disclosed information
23.02.2018	INVL Technology will present results for 12 months of 2017
28.02.2018	INVL Technology reports preliminary operating results for 12 months of 2017
01.03.2018	Presentation of INVL Technology results for 12 months of 2017
09.03.2018	Notification on transactions in the issuer's securities
09.04.2018	Audited results of INVL Technology for 2017
09.04.2018	Announcement of the net asset value of INVL Technology
09.04.2018	Convocation of the Ordinary General Shareholders Meeting of INVL Technology and draft resolutions
27.04.2018	INVL Technology results for 3 months of 2018
27.04.2018	Announcement of the net asset value of INVL Technology
30.04.2018	Resolutions of the Ordinary General Shareholders Meeting of INVL Technology
30.04.2018	Audited annual information of INVL Technology for 2017
04.05.2018	Notification on transactions in the issuer's securities
07.05.2018	INVL Technology signed a new wording of the Depository Services Agreement
10.05.2018	Notification on transactions in the issuer's securities
15.05.2018	Notification on transactions in the issuer's securities
21.05.2018	Notification on transactions in the issuer's securities
24.05.2018	Notification on transactions in the issuer's securities
30.05.2018	Notification on transactions in the issuer's securities
04.06.2018	Notification on transactions in the issuer's securities
20.06.2018	Notification on transactions in the issuer's securities
25.06.2018	INVL Technology repaid loan issued by Luminor Bank
26.06.2018	Notification on transactions in the issuer's securities
05.07.2018	Notification on transactions in the issuer's securities
10.07.2018	Notification on transactions in the issuer's securities
13.07.2018	Notification on transactions in the issuer's securities
29.08.2018	INVL Technology results for 6 months of 2018

29.08.2018	Announcement of the net asset value of INVL Technology
31.08.2018	Notification on transactions in the issuer's securities
06.09.2018	Notification on transactions in the issuer's securities
11.09.2018	Notification on transactions in the issuer's securities
14.09.2018	Notification on transactions in the issuer's securities
21.09.2018	Notification on transactions in the issuer's securities
27.09.2018	Notification on transactions in the issuer's securities
28.09.2018	Notification on transactions in the issuer's securities
10.10.2018	Notification on transactions in the issuer's securities
18.10.2018	Convocation of the General Extraordinary Shareholders Meeting of INVL Technology and draft resolutions
29.10.2018	INVL Technology results for 9 months of 2018
29.10.2018	Announcement of the net asset value of INVL Technology as of 30 September 2018
05.11.2018	Notification on transactions in the issuer's securities
08.11.2018	Notification on transactions in the issuer's securities
09.11.2018	Resolutions of the General Extraordinary Shareholders Meeting of INVL Technology
13.11.2018	Notification on transactions in the issuer's securities
16.11.2018	Notification on transactions in the issuer's securities
21.11.2018	Notification on transactions in the issuer's securities
27.11.2018	Notification on transactions in the issuer's securities
28.11.2018	Notification on transactions in the issuer's securities
30.11.2018	Notification on transactions in the issuer's securities
06.12.2018	Notification on transactions in the issuer's securities
11.12.2018	Notification on transactions in the issuer's securities
17.12.2018	Notification on transactions in the issuer's securities
20.12.2018	INVL Technology investor's calendar for 2019
21.12.2018	Notification on transactions in the issuer's securities

Summary of the notifications on transactions in INVL Technology shares concluded by managers of the Company during 2018.

Date	Person	Number of securities	Security price (EUR)*	Total Value of transaction (EUR)	Form of transaction	Type of transaction	Place of transaction	Form of settle-ment
07.03.2018	Šiaulių bankas, AB	183	1.65	301.95	acquisition	share sale-purchase	AUTO	money
07.03.2018	Šiaulių bankas, AB	3377	1.66	5,605.82	acquisition	share sale-purchase	AUTO	money
07.03.2018	Šiaulių bankas, AB	1,000	1.66	1660	acquisition	share sale-purchase	AUTO	money
07.03.2018	Šiaulių bankas, AB	1,000	1.67	1670	acquisition	share sale-purchase	AUTO	money
07.03.2018	Šiaulių bankas, AB	1,000	1.68	1680	acquisition	share sale-purchase	AUTO	money

07.03.2018	Šiaulių bankas, AB	440	1.68	739.20	acquisition	share sale-purchase	AUTO	money
30.04.2018	Invalda INVL, AB	625	1.6	1,000.00	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	1,000	1.59	1,590	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	1,000	1.59	1,590	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	1,000	1.59	1,590	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	4,000	1.59	6,360	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	375	1.59	596.25	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	157	1.60	251.20	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	1,000	1.60	1,600	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	1000	1.60	1,600	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	3000	1.60	4,800	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	3000	1.60	4,800	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	6205	1.60	9,928	acquisition	share sale-purchase	AUTO	money
03.05.2018	Šiaulių bankas, AB	2	1.59	3.18	acquisition	share sale-purchase	AUTO	money
03.05.2018	Invalda INVL, AB	625	1.59	993.75	acquisition	share sale-purchase	AUTO	money
04.05.2018	Invalda INVL, AB	629	1.59	1,000.11	acquisition	share sale-purchase	AUTO	money
07.05.2018	Invalda INVL, AB	2,322	1.59	3,691.98	acquisition	share sale-purchase	AUTO	money
08.05.2018	Invalda INVL, AB	2,322	1.59	3,691.98	acquisition	share sale-purchase	AUTO	money
09.05.2018	Invalda INVL, AB	2,322	1.59	3,691.98	acquisition	share sale-purchase	AUTO	money
11.05.2018	Invalda INVL, AB	2,322	1.59	3,691.98	acquisition	share sale-purchase	AUTO	money
15.05.2018	Invalda INVL, AB	698	1.59	1,109.82	acquisition	share sale-purchase	AUTO	money
16.05.2018	Invalda INVL, AB	698	1.59	1,109.82	acquisition	share sale-purchase	AUTO	money
17.05.2018	Invalda INVL, AB	698	1.59	1,109.82	acquisition	share sale-purchase	AUTO	money
18.05.2018	Invalda INVL, AB	698	1.59	1,109.82	acquisition	share sale-purchase	AUTO	money
21.05.2018	Invalda INVL, AB	629	1.57	987.53	acquisition	share sale-purchase	AUTO	money
22.05.2018	Invalda INVL, AB	637	1.57	1,000.09	acquisition	share sale-purchase	AUTO	money
24.05.2018	Invalda INVL, AB	637	1.57	1,000.09	acquisition	share sale-purchase	AUTO	money
25.05.2018	Invalda INVL, AB	637	1.57	1,000.09	acquisition	share sale-purchase	AUTO	money
28.05.2018	Invalda INVL, AB	679	1.57	1,066.03	acquisition	share sale-purchase	AUTO	money
30.05.2018	Invalda INVL, AB	692	1.54	1,065.68	acquisition	share sale-purchase	AUTO	money
11.06.2018	Invalda INVL, AB	3,185	1.57	5,000.45	acquisition	share sale-purchase	AUTO	money
12.06.2018	Invalda INVL, AB	3,185	1.57	5,000.45	acquisition	share sale-purchase	AUTO	money
13.06.2018	Invalda INVL, AB	331	1.57	519.67	acquisition	share sale-purchase	AUTO	money
15.06.2018	Invalda INVL, AB	61	1.57	95.77	acquisition	share sale-purchase	AUTO	money

22.06.2018	Šiaulių bankas, AB	28,379	1.61207347	45,749.03	sale	share sale-purchase	XOFF	money
03.07.2018	Invalda INVL, AB	366	1.58	578.28	acquisition	share sale-purchase	AUTO	money
05.07.2018	Invalda INVL, AB	10	1.58	15.80	acquisition	share sale-purchase	AUTO	money
05.07.2018	Šiaulių bankas, AB	1,776	1.61207347	2,863.04	sale	share sale-purchase	XOFF	money
13.07.2018	Šiaulių bankas, AB	364	1.61207347	586.79	sale	share sale-purchase	XOFF	money
30.08.2018	Invalda INVL, AB	625	1.60	1,000.00	acquisition	share sale-purchase	AUTO	money
31.08.2018	Invalda INVL, AB	641	1.56	999.96	acquisition	share sale-purchase	AUTO	money
03.09.2018	Invalda INVL, AB	641	1.56	999.96	acquisition	share sale-purchase	AUTO	money
04.09.2018	Invalda INVL, AB	550	1.56	858.00	acquisition	share sale-purchase	AUTO	money
05.09.2018	Invalda INVL, AB	641	1.56	999.96	acquisition	share sale-purchase	AUTO	money
06.09.2018	Invalda INVL, AB	641	1.56	999.96	acquisition	share sale-purchase	AUTO	money
07.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
10.09.2018	Invalda INVL, AB	667	1.50	1,000.50	acquisition	share sale-purchase	AUTO	money
11.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
12.09.2018	Invalda INVL, AB	469	1.51	708.19	acquisition	share sale-purchase	AUTO	money
14.09.2018	Invalda INVL, AB	654	1.52	994.08	acquisition	share sale-purchase	AUTO	money
19.09.2018	Invalda INVL, AB	14	1.50	21.00	acquisition	share sale-purchase	AUTO	money
21.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
24.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
25.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
26.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
28.09.2018	Invalda INVL, AB	658	1.52	1,000.16	acquisition	share sale-purchase	AUTO	money
08.10.2018	Lucrum Investicija, UAB	80,287	-	-	The loss of votes	The completion of the repurchase agreement dated 24-09-2008	-	-
30.10.2018	Invalda INVL, AB	161	1.48	238.28	acquisition	share sale-purchase	AUTO	money
31.10.2018	Invalda INVL, AB	648	1.49	965.52	acquisition	share sale-purchase	AUTO	money
02.11.2018	Invalda INVL, AB	671	1.49	999.79	acquisition	share sale-purchase	AUTO	money
05.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
06.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
07.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
08.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
09.11.2018	Invalda INVL, AB	669	1.49	996.81	acquisition	share sale-purchase	AUTO	money
12.11.2018	Invalda INVL, AB	156	1.49	232.44	acquisition	share sale-purchase	AUTO	money
13.11.2018	Invalda INVL, AB	671	1.49	999.79	acquisition	share sale-purchase	AUTO	money
14.11.2018	Invalda INVL, AB	671	1.49	999.79	acquisition	share sale-purchase	AUTO	money
15.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
19.11.2018	Invalda INVL, AB	671	1.49	999.79	acquisition	share sale-purchase	AUTO	money

20.11.2018	Invalda INVL, AB	671	1.49	999.79	acquisition	share sale-purchase	AUTO	money
21.11.2018	Invalda INVL, AB	671	1.48	993.08	acquisition	share sale-purchase	AUTO	money
22.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
23.11.2018	Invalda INVL, AB	676	1.48	1,000.48	acquisition	share sale-purchase	AUTO	money
27.11.2018	Invalda INVL, AB	680	1.47	999.60	acquisition	share sale-purchase	AUTO	money
27.11.2018	Šiaulių bankas, AB	67	1.61207347	108.01	sale	share sale-purchase	AUTO	money
28.11.2018	Invalda INVL, AB	680	1.47	999.60	acquisition	share sale-purchase	AUTO	money
29.11.2018	Invalda INVL, AB	174	1.46	254.04	acquisition	share sale-purchase	AUTO	money
30.11.2018	Invalda INVL, AB	63	1.46	91.98	acquisition	share sale-purchase	AUTO	money
03.12.2018	Invalda INVL, AB	222	1.46	324.12	acquisition	share sale-purchase	AUTO	money
05.12.2018	Invalda INVL, AB	680	1.47	999.60	acquisition	share sale-purchase	AUTO	money
07.12.2018	Invalda INVL, AB	275	1.46	401.50	acquisition	share sale-purchase	AUTO	money
10.12.2018	Invalda INVL, AB	685	1.46	1,000.10	acquisition	share sale-purchase	AUTO	money
11.12.2018	Invalda INVL, AB	275	1.46	401.50	acquisition	share sale-purchase	AUTO	money
12.12.2018	Invalda INVL, AB	685	1.46	1,000.10	acquisition	share sale-purchase	AUTO	money
14.12.2018	Invalda INVL, AB	680	1.47	999.60	acquisition	share sale-purchase	AUTO	money
17.12.2018	Invalda INVL, AB	680	1.47	999.60	acquisition	share sale-purchase	AUTO	money
20.12.2018	Invalda INVL, AB	690	1.45	1,000.50	acquisition	share sale-purchase	AUTO	money
21.12.2018	Invalda INVL, AB	528	1.43	755.04	acquisition	share sale-purchase	AUTO	money
28.12.2018	Invalda INVL, AB	82	1.44	118.08	acquisition	share sale-purchase	AUTO	money

***** *Nominal value per share EUR 0.29*

26. Information on audit company

The company have not approved criteria for selection of the audit company. In the General Shareholders' Meeting of the company held 9 November 2018 the audit company PricewaterhouseCoopers, UAB was elected to provide audit services on annual financial statements of the company for the financial year of 2018. It was decided to set remuneration of EUR 4,700 thousand plus VAT for the audit of the annual financial statements.

Audit company	PricewaterhouseCoopers, UAB
Address of the registered office	J. Jasinskio str. 16B, LT-03163, Vilnius
Enterprise code	111473315
Telephone	(+370 5) 239 2300
Fax	(+370 5) 239 2301
E-mail	vilnius@lt.pwc.com
Website	www.pwc.com

The audit company does not provide any other than audit services to the company. No internal audit is performed in the company.

INVL Technology Managing Partner Kazimieras Tonkūnas

APPENDIX 1. Information about invl technology portfolio companies, their contact details

Company	Registration information	Type of activity	Contact details
Norway Registers Development, AS	Company code: NO-985 221 405 MVA Address: Løkketangen 20 B, 1337 Sandvika, Norway Legal form: private limited liability company Registration date:23.12.2002	Legal, organisational reforms and their implementation (business, property, mortgage, licenses and citizen's registries).	Phone + 47 219 50 158 E-mail info@nrd.no www.nrd.no
NRD Companies, AS	Company code: NO-921 985 290Address: Løkketangen 20 B, 1337 Sandvika, Norway Legal form: private limited liability company Registration date:18.01.2019	Management of financial assets	Phone + 47 219 50 158 E-mail info@nrd.no www.nrd.no
NRD Systems, UAB	Company code: 111647812 Address: Žygimantų str. 11-5, Vilnius Legal form: private limited liability company Registration date: 15.10.1998	Information system design and maintenance	Phone : Vilnius +370 5 2310 731, Kaunas + 370 37 31 18 64 E-mail info@nrd.lt www.nrd.lt
ETRONIKA, UAB	Company code: 125224135 Address: Gynėjų str. 14, Vilnius Legal form: private limited liability company Registration date: 30.03.2000	Development and implementation of e-banking, smart retail, mobile applications for finances, e-commerce and e-government.	Phone +370 5 2483 153 E-mail info@etronika.lt www.etronika.lt
Norway Registers Development East Africa Ltd.	Company code: 88597 Address: 3rd floor, Elite tower, Azikiwe Street/Jamhuri street, Dar es Salaam, Tanzania Legal form: private limited liability company Registration date: 13.01.2012	Information technology infrastructure design, development, maintenance and security services. Information system audits, IT management consultations and trainings.	Phone +255 222 110 895 E-mail info@nrd.no www.nrd.co.tz
Infobank Uganda Ltd.	Company code: 193144 Registration date: 03.12.2014	Currently does not perform any activities.	E-mail dmkisakye@infobank-uganda.com
Norway Registers Development Rwanda Ltd.	Company code: 105378191 Address: 5th floor, Centenary House, Plot No: 1381, KN 4 Ave, Kiyovu Cell, Nyarugenge District, Kigali, Rwanda Legal form: private limited liability company Registration date: 22.02.2016	Sales of full portfolio of NRD group and other INVL Technology businesses' services, support in the region: business climate improvement and e-governance, critical IT infrastructure, cyber security and digital platforms for finance sector.	Phone +250 782 102 990 E-mail info@nrd.no www.nrd.rw

Company	Registration information	Type of activity	Contact details
NRD Bangladesh Ltd.	Company code: C-135712/2017 Address: Eastern Commercial Complex, Room No.1/11, (1st floor), 73, Kakrail, Dhaka, Bangladesh Legal form: private limited liability company Registration date: 02.02.2017	Information technology infrastructure design, development, maintenance and security services. Information system audits, IT management consultations and trainings.	-
Andmevara, AS	Company code: 10264823 Address: Pärnu mnt 158, 11317 TALLINN Legal form: private limited liability company Registration date: 19.09.1997	E-Government solutions that include development of registries, important national information systems.	Phone +372 6715 188 E-mail abi@andmevara.ee www.andmevara.ee
Andmevara Services, OU	Company code: 14552803 Address: Narva mnt 5, 10117 TALLINN Legal form: private limited liability company Registration date: 27.08.2018	IT infrasrtructure maintenance, digitisation and hosting services	Phone +370 6715 119 services@andmevara.ee
Andmevara SRL	Company code: 1013600014121 Address: str. Şciusev A. 89, sec. Buiucani, Chisinau, Moldova Legal form: private limited liability company Registration date: 17-04-2013	IT infrasrtructure maintenance, digitisation and hosting services	-
Novian, UAB	Company code: 121998756 Address: Gynėjų str. 14, Vilnius Legal form: private limited liability company Registration date: 25.06.1993	Investment into information technology companies.	Phone +370 5 2190 000
BAIP, UAB	Company code: 301318539 Address: Gynėjų str. 14, Vilnius Legal form: private limited liability company Registration date: 03.12.2007	IT infrastructure strategy and architecture solutions, maintenance, supercomputer design, assistance in complex migrations, critical IT infrastructure maintenance and consultations, data center design and redesign, operations, trainings and maintenance.	Phone +370 5 2190 000 Fax +370 5 2195 900 E-mail info@baip.lt www.baip.lt
Acena, UAB	Company code: 300935644 Address: Gynėjų str. 14, Vilnius Legal form: private limited liability company Registration date: 20.07.2007	Microsoft software licensing consulting, software asset management, collaboration and messaging solutions, cloud services.	Phone +370 5 275 9647 Fax +370 5 273 5106 E-mail info@acena.lt www.acena.lt
NRD CS, UAB	Company code: 303115085 Address: Gynėjų str. 14, Vilnius, Lietuva Legal form: private limited liability company Registration date: 06.08.2013	Internal CIRT establishment, technologies. Digital forensics laboratories, related consultations. Security Operations Center (SOC).	Phone +370 5 219 1919 E-mail info@nrdcs.lt www.nrdcs.lt
Algoritmų sistemos, UAB	Company code: 125774645 Address: Smolensko str. 10, Vilnius Legal form: private limited liability company Registration date: 15.10.2001	Development of 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.	Phone +370 5 2734 181 E-mail ofisas@algoritmusistemos.lt www.algoritmusistemos.lt
FINtime, UAB	Company code: 304192355 Address: Gynėjų str. 14, Vilnius Legal form: private limited liability company Registration date: 29.02.2016	Financial and accounting services.	Phone +370 5 2190 000 Fax +370 5 2195 900

APPENDIX 2. CORPORATE GOVERNANCE REPORTING FORM

INVL Technology (hereinafter referred to as the "**Company**"), acting in compliance with Article 22 (3) of the Law of the Republic of Lithuania on Securities and paragraph 24.5 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with are indicated and the reasons for such non-compliance is specified.

1. Summary of the Corporate Governance Report:

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

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

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

2. Structured table for disclosure:

PRINCIPLES/ RECOMMENDATIONS	YES/NO/ NOT APPLICABLE	COMMENTARY
Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights **The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.**		
1.1. All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	YES	
1.2. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	YES	
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	YES	

1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	YES	
1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	YES	
1.6. With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	YES	
1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	
1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	NO	Shareholders may vote through an authorised person or by filling in the general voting bulletin, but they are not yet able to attend and vote at the general meetings using electronic communications.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	YES	

1.10. Members of the company's collegial management body, heads of the administration[8] or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	YES	
Principle 2: Supervisory board **2.1. Functions and liability of the supervisory board** **The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.** **The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.**		
2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	NOT APPLICABLE	The Supervisory Board is not formed in the company
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.		
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.		
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent[9] members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.		
2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.		
2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.		

<table>
<tr><td colspan="3">2.2. Formation of the supervisory board
The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.</td></tr>
<tr><td>2.2.1.The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.</td><td rowspan="7">NOT APPLICABLE</td><td rowspan="7">The Supervisory Board is not formed in the company</td></tr>
<tr><td>2.2.2.Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.</td></tr>
<tr><td>2.2.3.Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.</td></tr>
<tr><td>2.2.4.Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.</td></tr>
<tr><td>2.2.5.When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.</td></tr>
<tr><td>2.2.6.The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.</td></tr>
<tr><td>2.2.7.Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.</td></tr>
</table>

[8] For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.
[9] For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

Principle 3: Management Board **3.1. Functions and liability of the management board** **The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.**		
3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	YES	
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs *inter alia* the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	YES	
3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	YES	
3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance[10] on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	YES	
3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	YES	
3.2. Formation of the management board		
3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	YES	

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

3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.	NOT APPLICABLE	The General Meeting of shareholders approves the Company's agreement with the management company, but the General Meeting of shareholders does not approve members of the bodies of the management company
3.2.3. All new members of the management board should be familiarized with their duties and the structure and operations of the company.	YES	
3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	YES	
3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.	NOT APPLICABLE	The Company doesn't have the Board and the chairman of the Board.
3.2.6. Each member should give sufficient time and attention to perform the duties of a member of the Board. If a member of the Board participated in less than half of the Board meetings of the Company during the financial year, the Company's Supervisory Board should be informed, if the Supervisory Board is not formed in the Company - the General Meeting of Shareholders.	YES	
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent[11], it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	NO	The Company does not assess the independence of the CEO of the Management Company and the members of the Management Board, nor does it define the content of the concept of sufficiency of independent members.
3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	NO	Appointment and remuneration committees are not formed due to the nature of the Company's management and the absence of employees.

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

3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	YES	
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	NO	Currently, the CEO of the Management Company, the members of the Board, the members of the Investment and Advisory Committee do not perform self-assessment of the activities regarding management of INVL Technology.

Principle 4: Rules of procedure of the supervisory board and the management board of the company **The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.**		
4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform he supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	NOT APPLICABLE	The Supervisory Board is not formed.
4.2. It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	YES	

<table>
<tr><td>4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.</td><td>YES</td><td></td></tr>
<tr><td>4.4. In order to coordinate the activities of the company’s collegial bodies and ensure effective decision-making process, the chairs of the company’s collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company’s supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.</td><td>YES</td><td></td></tr>
<tr><td colspan="3">Principle 5: Nomination, remuneration and audit committees
5.1. Purpose and formation of committees
The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.
Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.</td></tr>
<tr><td>5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees[12].</td><td rowspan="3">NO</td><td rowspan="3">Appointment and remuneration committees are not formed due to the nature of the Company's management and the absence of employees.</td></tr>
<tr><td>5.1.2. Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.</td></tr>
<tr><td>5.1.3. In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.</td></tr>
<tr><td>5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.</td><td>NO</td><td>Appointment and remuneration committees are not formed due to the nature of the Company's management and the absence of employees.</td></tr>
</table>

5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.		
5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.		

5.2. Nomination committee		
5.2.1. The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3) devote the attention necessary to ensure succession planning.	NO	Appointment committee is not formed due to the nature of the Company's management and the absence of employees.
5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	NO	Appointment committee is not formed due to the nature of the Company's management and the absence of employees.

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

5.3. Remuneration committee		
The main functions of the remuneration committee should be as follows: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3) review, on a regular basis, the remuneration policy and its implementation.	NO	Remuneration committee is not formed due to the nature of the Company's management and the absence of employees.
5.4. Audit committee 5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee[13]. 5.4.2. All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	YES YES	
5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	YES	
5.4.4. The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.		
5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.		
5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	NO	So far, the Audit Committee has reported once a year

<table>
<tr><td colspan="3">Principle 6: Prevention and disclosure of conflicts of interest
The corporate governance framework should encourage members of the company’s supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.</td></tr>
<tr><td>Any member of the company’s supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company’s interests. In case such a situation did occur, a member of the company’s supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company’s shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.</td><td>YES</td><td></td></tr>
<tr><td colspan="3">Principle 7: Remuneration policy of the company
The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company’s remuneration policy and its long-term strategy.</td></tr>
<tr><td>7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company’s long-term strategy.</td><td rowspan="4">NOT APPLICABLE</td><td rowspan="4">Due to the legal form of the Company, there are no employees in the Company, so it is not reasonable to establish a remuneration policy. The remuneration policy of the Management Company is approved.</td></tr>
<tr><td>7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.</td></tr>
<tr><td>7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company’s performance.</td></tr>
<tr><td>7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.</td></tr>
</table>

[13] Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

7.5. In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	NOT APPLICABLE	Due to the legal form of the Company, there are no employees in the Company, so it is not reasonable to establish a remuneration policy. The remuneration policy of the Management Company is approved.
7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.		
7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.		
Principle 8: Role of stakeholders in corporate governance **The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "*stakeholders*" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.**		
8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	YES	
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	NO	Such a possibility has not yet been established
Principle 9: Disclosure of information **The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.**		

9.1. In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:	YES	
operating and financial results of the company;	YES	
objectives and non-financial information of the company;	YES	
persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	YES	
members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	YES	
reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	YES	
potential key risk factors, the company's risk management and supervision policy;	YES	
the company's transactions with related parties;	YES	
main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	NO	The Company doesn't have employees
structure and strategy of corporate governance;	YES	
initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.	YES	

9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	NOT APPLICABLE	The Company does not consolidate the results
9.3. When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	NO	Taxes paid to the management company are publicly disclosed. Details of the management company's remuneration information are not publicly disclosed for the protection of personal data.
9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	YES	
Principle 10: Selection of the company's audit firm **The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.**		
10.1. With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	YES	
10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	YES	
10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	NOT APPLICABLE	The audit company does not provide non-audit services to the Company.

APPENDIX 3. COMPANY'S MANAGEMENT REPORT

(Prepared in accordance with the Law of the Republic of Lithuania on Financial Reporting by Undertakings (IX-575) in force from 29 November 2017 and applicable to the annual reports of entities covering periods beginning on or after 1 January 2017)

1. REFERENCE TO THE APPLICABLE CORPORATE GOVERNANCE CODE AND THE PLACE OF ITS PUBLICATION, AND (OR) REFERENCE TO THE ALL NECESSARY PUBLISHED INFORMATION REGARDING MANAGEMENT PRACTICES OF THE ENTITY

The Company discloses the information regarding the compliance with the applicable Corporate Governance Code in Appendix 2 of the consolidated report of 2018. The Company publishes its annual reports in the section For Investors on the website.

2. IN CASE OF DEROGATION FROM THE PROVISIONS OF THE APPLICABLE CORPORATE GOVERNANCE CODE AND (OR) WHEN THE PROVISIONS ARE NOT COMPLIED WITH, SUCH PROVISIONS AND THE REASONS THEREOF SHALL BE INDICATED

The Company discloses such information in sections “Yes/No/Into applicable” and “Commentary” of Appendix 2 of the consolidated report of 2018 “Corporate Governance Reporting Form”.

3. INFORMATION REGARDING THE LEVEL OF RISK AND RISK MANAGEMENT – MANAGEMENT OF RISKS RELATED TO THE FINANCIAL REPORTING, RISK MITIGATION MEASURES, AND INTERNAL CONTROL SYSTEMS IMPLEMENTED AT THE ENTITY SHALL BE DESCRIBED

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

The Management company of INVL Technology is responsible for the supervision and final review of the financial statements. In order to manage these functions properly, the Management company is using an external provider of the relevant services. Management company, together with the accounting service provider constantly reviews International Financial Reporting Standards (IFRS) in order to implement IFRS changes in time, analyses company’s and group’s significant deals, ensures collecting information from the group’s companies and timely and fair preparation of this information for the financial statements, periodically informs the Board of the Management company about the preparation process of financial statements.

4. INFORMATION REGARDING SIGNIFICANT DIRECTLY OR INDIRECTLY MANAGED HOLDINGS

The Company provides information regarding the significant directly or indirectly managed holdings in Clause 4 of the financial statement of 2018.

5. INFORMATION RELATING TO TRANSACTIONS WITH RELATED PARTIES AS PROVIDED FOR IN ARTICLE 37^2 OF THE COMPANIES LAW.

Related party	Company’s relationship with the other counterparty	Date and value of the transaction	Other information
UAB BAIP Code 301318539 Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVL Technology	4 January 2018 INVL Technology acquired bonds of BAIP for the amount of EUR 500,000. Maturity date 28 February 2018.	-
UAB NRD Systems code 111647812 address Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	Norway Registers Development AS is 100% controlled by INVL Technology and controlls 89,2% of UAB NRD Systems	10 October 2018 INVL Technology acquired bonds of NRD Systems for the amount of EUR 150,000.	-
Andmevara AS code 10264823, Parnu mnt 158 Tallinn Harjumaa 11317, Estonia	100% controlled company by INVL Technology	15 October 2018 INVL Technology acquired bonds of Andmevara AS for the amount of EUR 320,000.	-

Estonian Centre of Registers and Information Systems			
OU Andmevara Services code 14552803 Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 5, 10117, Estonia Estonian Centre of Registers and Information Systems	100% controlled company by INVL Technology	15 October 2018 INVL Technology acquired bonds of Andmevara Services for the amount of EUR 210,000.	-
UAB BAIP code 301318539 Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVL Technology	16 October 2018 INVL Technology acquired bonds of BAIP for the amount of EUR 245,000.	-
UAB FINtime code 304192355, Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	100% controlled company by INVL Technology	8 November 2018 INVL Technology acquired bonds of FINtime for the amount of EUR 160,000.	-
UAB NRD Systems code 111647812 address Gynėjų 14, LT-01109, Vilnius, Lithuania Register of Legal Entities of Lithuania	Norway Registers Development AS is 100% controlled by INVL Technology and controlls 89,2% of UAB NRD Systems	9 November 2018 INVL Technology acquired bonds of NRD Systems for the amount of EUR 150,000.	-

6. INFORMATION REGARDING THE SHAREHOLDERS WHO HAVE SPECIAL RIGHTS OF CONTROL AND THE DESCRIPTION OF SUCH RIGHTS

There are no shareholders having special rights of control in the Company.

7. INFORMATION REGARDING ALL CURRENT RESTRICTIONS ON VOTING RIGHTS *(such as the restrictions on voting rights of persons having a certain percentage or number of the votes, the deadlines by which voting rights may be exercised or systems, according to which the property rights granted by the securities are to be separated from the holder of those securities)*

No restrictions on voting rights are applied in the Company.

8. INFORMATION REGARDING THE RULES GOVERNING THE APPOINTMENT AND DISMISSAL OF BOARD MEMBERS, AS WELL AS THE AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

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

The Company has no rules governing the change of the company's Articles of Association. The procedure for the amendment of the articles is described in the Company's Articles of Association and also mentioned in paragraph 6 of the Annual Report for 2017.

9. INFORMATION REGARDING THE POWERS OF THE BOARD MEMBERS

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

10. INFORMATION REGARDING THE COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS, THE RIGHTS OF SHAREHOLDERS AND IMPLEMENTATION THEREOF, IF SUCH INFORMATION IS NOT ESTABLISHED IN THE APPLICABLE LEGISLATION

The company provides information regarding the competence of the general meeting of shareholders, the rights of shareholders, and implementation thereof, as well as the procedure for convening the meetings of shareholders, in Clause 11.1 of the Annual Report of 2017.

11. INFORMATION REGARDING THE COMPOSITION OF THE MANAGEMENT, SUPERVISORY BODIES, AND THE COMMITTEES THEREOF, AS WELL AS THE FIELDS OF ACTIVITY OF THE AFORESAID BODIES AND THE MANAGER OF THE COMPANY

The management of the Company is transferred to the management company UAB INVL Asset Management which exercises the functions of the head and the board of the company. The board members of the management company, General Manager of the management company, and the members of the Investment and Advisory Committees of the company act in accordance with the Rules of Procedure of the Board, Provisions of the General Manager, Provisions of the Investment Committee and Provisions of the Advisory Committee. In addition to this, they always act for the benefit of the Company and its shareholders.

12. DESCRIPTION OF DIVERSITY POLICY APPLICABLE IN APPOINTING THE MANAGER OF THE COMPANY, MANAGEMENT, AND SUPERVISORY BODIES, RELATED TO THE ASPECTS SUCH AS AGE, GENDER, EDUCATION, PROFESSIONAL EXPERIENCE; OBJECTIVES OF SUCH POLICY, METHODS OF IMPLEMENTATION THEREOF, AND RESULTS OF THE REFERENCE PERIOD. IF THE DIVERSITY POLICY IS NOT APPLIED, THE REASONS THEREOF SHALL BE INDICATED

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

13. INFORMATION ON THE REMUNERATION OF EACH MANAGEMENT, SUPERVISORY BODY MEMBERS (AVERAGE REMUNERATION PAYMENTS DURING THE REPORTING PERIOD, INDICATING PREMIUM, PREMIUM, TANTJAM AND OTHER BENEFITS)

The management of the Company is transferred to the management company INVL Asset Management UAB, which performs the functions of the Chief Executive Officer and the Board. Due to the specifics of the Company's activities, the Company itself has no employees. Information about the management fee paid to the Management Company, the amounts of money transferred, other assets transferred and guarantees given to the management bodies and the accounting firm is disclosed in the Annual Report 2018

14. INFORMATION ABOUT ALL AGREEMENTS BETWEEN THE SHAREHOLDERS (THEIR ESSENCE, CONDITIONS).

The Company's shareholders do not have mutual agreements.