

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

1 INVL TECHNOLOGY RESULTS AND KEY EVENTS IN 2015

During 2015 the Company had a net profit of EUR 2,490 thousand. Fair value of investments managed by the Company reached EUR 16,931 thousand by the 31 December 2015, increase in fair value on revaluation was EUR 2,223 thousand. Fair value measurement is based on preliminary independent appraisal. The Company performs independent appraisal annually while preparing annual financial statements.

During 2015, the Company also received EUR 598 thousands dividends from the managed companies. Equity of the company as of 31 December 2015 was EUR 24,219 thousand.

The Company performs independent appraisal annually while preparing annual financial statements. During preparation of interim condensed financial statements, the Company measured fair value of investments either using EBITDA multiple, using historical EBITDA of last 12 months and multiples of comparable entities, or acquisition cost if the transaction occurred recently, thus resulting in fair value variations throughout the year.

On 9 February 2015 the Company completed a merger with its parent company. After the merger, the Company continues activities of an investment entity as defined under IFRS 10.

On 3 July 2015 the Company completed secondary public offering and attracted EUR 10 million during the placement by issuing 6,060,607 ordinary shares for the price of EUR 1.65 per share.

1.1 FINANCIAL ASSETS

ENTITY	31 DECEMBER 2015	31 DECEMBER 2014 ¹
Vitma UAB ²	11,442	13,200
NRD group ³	3,716	700
NRD CS UAB	1,773	1,000
Inventio UAB	-	2
TOTAL	16,931	14,902

1.2 CHANGE IN FAIR VALUE OF FINANCIAL ASSETS

Opening balance	7,828
Impact of reorganisation	7,074
Acquisitions during the year	218
Disposals during the year ⁴	(412)
Gains and losses recognised in profit or loss	2,223
CLOSING BALANCE	16,931

¹ Investments of BAIP grupe AB acquired by the company during the reorganisation on 9 February 2015

² includes both BAIP UAB and Acena UAB

³ includes Etronika UAB as of 31 December 2015, acquired in 2015

⁴ sale of Acena UAB to BAIP UAB (as of end of year included in total value of VITMA UAB, previously reported as separate investment)

1.3 KEY FINANCIAL DATA OF THE COMPANY

	31 DECEMBER 2015	31 DECEMBER 2014
Financial assets at fair value	16,931	7,828
Cash and cash equivalents	6,994	25
Other assets	399	-
TOTAL ASSETS	24,324	7,853
Financial liabilities	-	-
Other liabilities	105	6
Equity	24,219	7,847
TOTAL EQUITY AND LIABILITIES	24,324	7,853

2 INVL TECHNOLOGY BUSINESS AREAS

INVL Technology operates as a cluster of IT businesses working with large corporates and government entities with a focus in four key areas: business climate improvement and e-governance, IT infrastructure, cyber security and IT intensive industries’ solutions. Largest INVL Technology AB investments currently are companies in Lithuania, Norway, Tanzania, Uganda and Rwanda.



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



Critical IT infrastructure company BAIP with subsidiary Acena - specialized Microsoft solutions company, work in the area of **IT infrastructure** and provide information systems’ resilience and mobility services for the largest corporate IT users, central banks and public sector organisations with high data availability requirements. Company is acknowledged as a strategic IT infrastructure architect and assists organisations to ensure their business continuity processes.

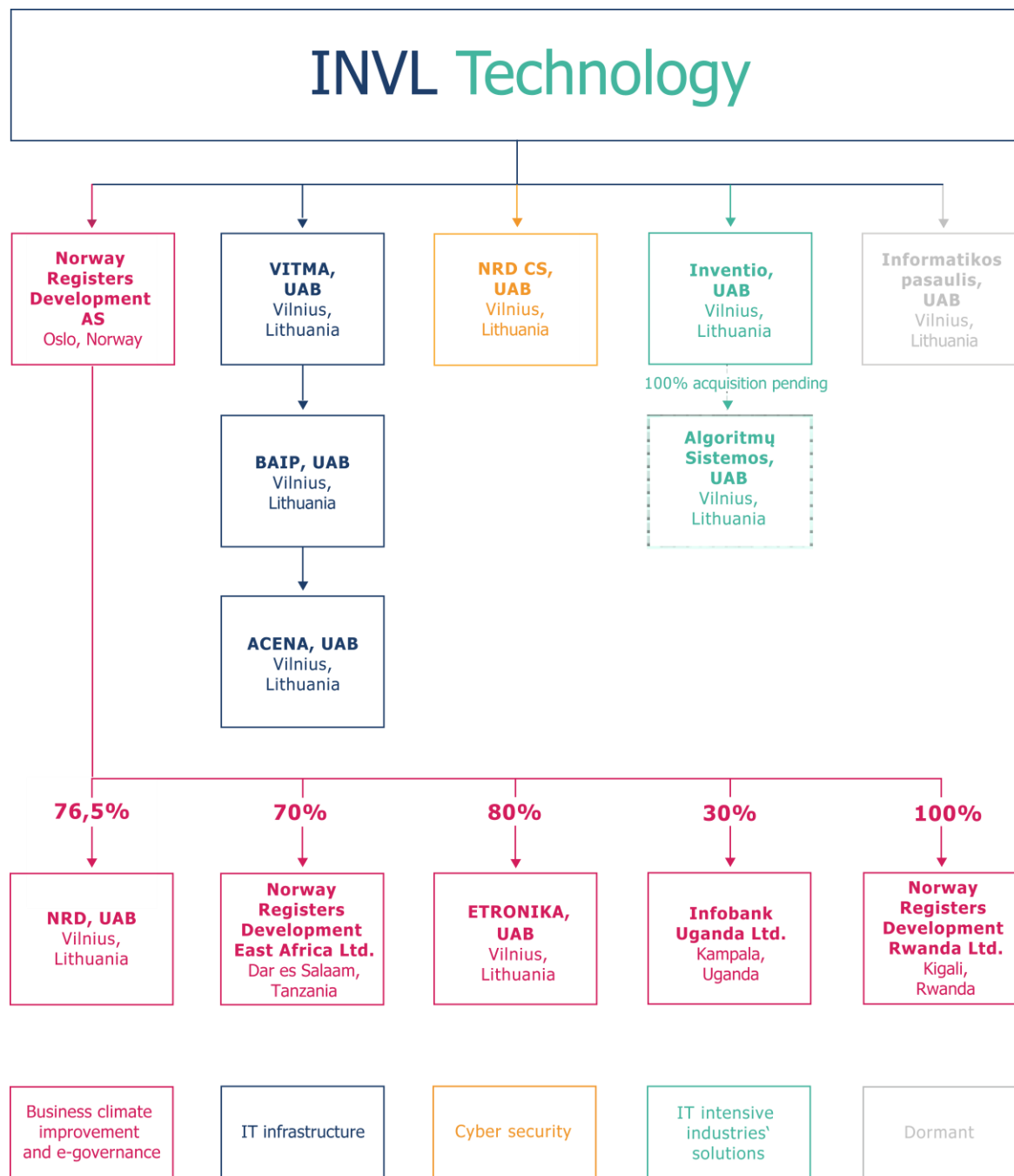


Cybersecurity technology consulting, incident response and applied research company NRD CS focuses on the services to law enforcement, national communication regulators, CERTs, and corporate information security departments. Company holds know-how in National Computer Incident Response Teams (CIRTs) establishment and contributes to the development of international cybersecurity methodologies such as *CIS Critical security Controls*.



Investment in the area of **IT intensive industries’ solutions** is pending with the planned acquisition of company Algoritmu sistemas.

2.1 CURRENT STRUCTURE OF INVL TECHNOLOGY MANAGED COMPANIES⁵:



⁵ Acquisition of Algoritmu sistemos, UAB is expected to be completed after the permits are issued by the Competition Council.

3 KEY OPERATING RATIOS OF THE BUSINESSES

3.1 KEY PL ITEMS

KEY PL ITEMS IV Q	BAIP & Acena		NRD group ⁶		NRD CS	
	2015 IV Q	2014 IV Q	2015 IV Q	2014 IV Q	2015 IV Q	2014 IV Q
Revenue	5,124	5,274	2,686	2,883	1,114	476
Gross profit	1,587	1,352	2,191	1,430	482	235
EBITDA	839	660	624	143	301	106
EBIT	765	601	591	45	296	102
Net Profit (Loss)	622	361	438	62	266	97
KEY PL ITEMS 12 MONTHS	2015	2014	2015	2014	2015	2014
Revenue	12,425	14,234	5,929	3,276	1,523	870
Gross profit	3,817	4,188	4,478	1,598	691	404
EBITDA	1,259	1,722	873	74	191	37
EBIT	1,044	1,488	771	(30)	173	27
Net Profit (Loss)	998	1,366	548	(12)	141	22

3.2 KEY BS ITEMS

	BAIP & Acena		NRD group ⁷		NRD CS	
	2015.12.31	2014.12.31	2015.12.31	2014.12.31	2015.12.31	2014.12.31
Tangible assets	843	271	346	276	40	46
Intangible assets	334	14	772	265	2	4
Other non-current assets	68	156	74	27	1	1
Current assets	6,138	6,239	3,481	1,224	782	379
<i>of which cash</i>	746	836	868	151	76	43
TOTAL ASSETS	7,383	6,680	4,673	1,792	825	430
Equity	2,781	3,025	1,305	533	250	109
Non-current liabilities	115	409	197	195	0	0
<i>of which financial debt</i>	115	409	26	82	0	0
Current liabilities	4,487	3,246	3,171	1,064	575	321
<i>of which financial debt</i>	247	351	131	52	27	0
TOTAL LIABILITIES AND EQUITY	7,383	6,680	4,673	1,792	825	430

⁶ ETRONIKA UAB is included from the month the control was transferred, i.e. 1 July 2015

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4 MAIN EVENTS IN 2015

4.1 NEW ENTITIES AND ACQUISITIONS

Norway Registers Development AS, working in the area of business climate improvement and e-governance (further on NRD AS), acquired 80 per cent shares of electronic banking, mobile signature, electronic transport tickets, and retail software solutions' developer **ETRONIKA UAB** for EUR 200 thousand.

In addition, **Infobank Uganda Limited** shareholders agreement was signed on the 23 March and formal negotiations regarding a public private partnership with Uganda Registration Services Bureau are currently taking place. NRD AS owns 30 per cent of Infobank Uganda Limited shares.

Norway Registers Development Rwanda Ltd. was established in Kigali, Rwanda on the 22 February 2016. NRD Rwanda will offer full portfolio of NRD group and other INVL Technology businesses' services. In addition, backing the regional export strategy of Rwanda, it might also participate in projects in Burundi and Democratic Republic of the Congo. According to him, NRD Rwanda will attract and combine the know-how of NRD group in the fields of business climate improvement and e-governance, smart IT infrastructure, cybersecurity and digital platforms for finance sector, and advance these competences in the country.

The acquisition of information system development company **Algoritmu sistemas** UAB is expected to be completed in the first quarter of 2016, after the permits are issued by the Competition Council and the Commission for the evaluation of compliance of potential buyers to the national security interests. The value of the deal depends on Algoritmu sistemas financial results for 2015. Therefore, it will be revealed when the acquisition is completed.

INVL Technology is currently actively looking for new acquisitions.

4.2 BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE

In 2015 revenue and EBITDA of **NRD group** grew due to implementation of more complex and higher value added projects, increased share of consultancy tasks in the projects, and successful NRD UAB activities both in Lithuania and in NRD group projects in East Africa and Southeast Asia markets.

Furthermore, in 2015 companies signed new strategic agreements in East and South Africa and South Asia that will generate long term revenue for the whole group.

In Africa, NRD AS signed USD 415 thousand contract with National Information Technology Authority-Uganda (NITA-U) to design and implement an integrated One-Stop-Centre solution at Uganda Investment Authority. Together with NRD UAB, company also signed a USD 480 thousand (inclusive of withholding tax) contract with Tanzania Social Action Fund for Consultancy Services to Develop Unified Registry of Beneficiaries System. In Tanzania, the company also implemented a UNDP financed Certification and Security Audit of Election Management Systems.

In Burundi, NRD AS, as a lead partner in joint venture with NRD CS UAB, BAIP UAB and Norway Registers Development East Africa Ltd, signed an agreement with the Bank of the Republic of Burundi (BRB) for the implementation of COBIT 5 framework for the governance and management of enterprise IT. Furthermore, the company signed a USD 484 thousand (inclusive of local indirect taxes) contract with the Ministry of Communications, Science and Technology at the Kingdom of Lesotho to assist the country in strategic reform planning - Pre-Investment Study for the Lesotho E-Government Infrastructure Project.

In 2015, NRD group also implemented projects in Zanzibar, Liberia, Mozambique and Mauritius.

In South Asia region, NRD AS signed and implemented a contract with United Nations Children's Fund (UNICEF) to develop a National Strategic Plan for Identification in Cambodia. The Draft Strategic Plan was presented at the National Workshop, held on the 22-23rd September in Phnom Penh. NRD AS is also involved in projects in Bangladesh and Bhutan – together with NRD CS UAB.

4.3 IT INFRASTRUCTURE

In order to simplify the structure and management of INVL Technology investments portfolio by linking the companies working in the field of IT infrastructure, 100 percent shares of a specialized Microsoft solutions company Acena, UAB transfer to critical IT infrastructure services company BAIP, UAB was completed on 2 October 2015. The deal value is equal to the value of Acena at the end of June 2015 – EUR 412 thousand, therefore the deal did not influence INVL Technology performance indicators.

In 2015 BAIP successfully carried out its mid-term goals – expanded operations to Latvia and Estonia and signed more agreements for maintenance services. In May, BAIP launched operations and registered as a tax payer, and in September as a VAT payer in Latvia and Estonia, where it provides integrated mobility, cloud computing and managed IT services. The first BAIP clients in Latvia and Estonia are large retail trade networks and Scandinavian banks.

During 2015, BAIP signed an agreement with Lithuanian electricity transmission system operator Litgrid for the implementation of a data backup and recovery system worth 201.5 thousand euros. The company also deployed new internet bank terminals for Swedbank customers and agreed on integrated support services in bank's branches in Lithuania, Latvia and Estonia. Long-term maintenance contract was also signed with the company Palink that manages the retail chain IKI. Furthermore, BAIP UAB entered into the market of enterprise mobility management (EMM) solutions and services, and implemented an EMM project in one of the largest Scandinavian banks across the Baltics.

In Rwanda, BAIP UAB as a lead partner in a joint venture agreement with Norway Registers Development East Africa Ltd signed an agreement with East African Community on the implementation of 2 modernisation projects in the Rwanda National Bank, worth USD 2.35 million in total.

In 2015, Acena was selected as Microsoft country partner of the year for Lithuania.

4.4 CYBER SECURITY

In 2015 specialised cyber defence company NRD CS UAB actively invested in the development of international markets which resulted in several long-term projects in frontier markets.

In Lithuania, NRD CS implemented Cyber security technological capacity building project with Cyber security and telecommunications department under the Ministry of Defence, prepared Methodology for identification and classification of Lithuanian Internet infrastructure's critical elements for the Ministry of the Interior and provided Specialised analytical software for the Customs.

In Tanzania, UNDP financed Certification and Security Audit of Election Management Systems was implemented.

In in the South Asia region (Bangladesh and Bhutan) NRD CS together with other INVL Technology AB managed companies signed contracts and began implementing two projects: A two year, 912 thousand USD (including taxes) contract was signed with Bangladesh Computer Council (BCC) for the development of a modern National Cyber Defence and Cyber Security Doctrine. An agreement worth USD 150,489 (inclusive of local indirect taxes) was signed with Department of IT & Telecom under the Ministry of Information & Communications, the Royal Government of Bhutan for the consultancy services to establish BtCIRT. This allows the companies to enter a new market with 160 million people, and creates preconditions for further international development.