

# INVL Technology

2015 06 04



# SHORT VIDEO PRESENTATION



Please see the video: <https://youtu.be/P6YoCe1o8Z0>

INVL Technology



**INVL  
Technology**

**Portfolio/  
cluster approach**

**Combined  
competences**

ICT investment company  
listed on OMX Nasdaq Baltic

Operates as a cluster of B2B  
and B2G oriented IT  
businesses with a private  
equity-like investment  
approach

Joint venture of proven track  
record IT industry managers  
and leading Baltic private  
equity group Invalda INVL



## Key focus areas

Business climate improvement & e-Governance, IT infrastructure, Cyber Security and IT intensive industries' solutions providers



## Global executional presence

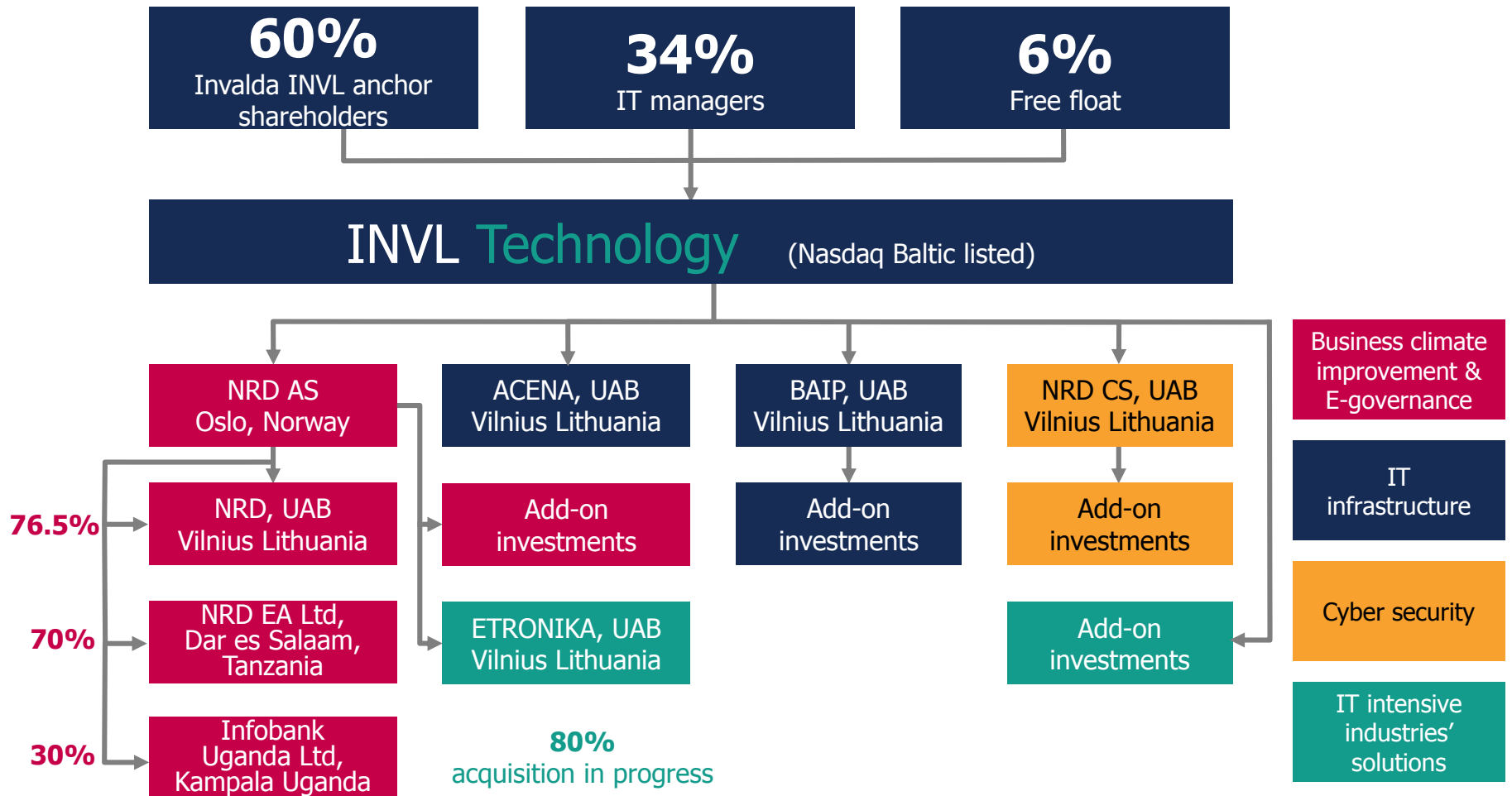
Implementation of high-impact development projects in 50+ countries for multinational donor agencies (WB/UN/Norwegian development agencies/etc.)



## Platform for growth

Raising of 20+m EUR capital facility for additional acquisitions and portfolio companies development in emerging & frontier markets

# CORPORATE STRUCTURE



# KEY EXECUTIVES



**VYTAUTAS  
PLUNKSNIS**

Fund Manager at  
Invalda INVL, AB  
Member of the Board  
of INVL Technology  
12+ years' experience  
in capital markets and  
M&A

**7 years**

Involvement with INVL  
Technology



**DARIUS ŠULNIS**

CEO, managing partner  
Invalda INVL  
CEO, INVL Asset  
Management  
20+ exits  
20+ years of M&A, PE  
experience

**9 years**

Involvement with INVL  
Technology



**KAZIMIERAS  
TONKŪNAS**

CEO, co-founder &  
managing partner of  
INVL Technology  
20+ years' executive  
experience in ICT sector  
M&A, spin-offs, frontier  
markets

**9 years**

Involvement with INVL  
Technology



**VIDA  
JUOZAPAVIČIENĖ**

Head of HR & General  
Affairs at INVL Asset  
Management, co-  
founder of INVL  
Technology  
15+ years' experience  
in ICT sector M&A, HR,  
Marketing and  
Operations

**9 years**

Involvement with INVL  
Technology



**NERIJUS  
DROBAVIČIUS**

Member of the Board of  
INVL Technology  
15+ years' experience  
in M&A, financial  
analysis and setting up  
management controls

**1 years**

Involvement with INVL  
Technology

# CLUSTER FOCUS AREAS



**BUSINESS  
CLIMATE  
IMPROVEMENT &  
E-GOVERNANCE**



**IT  
INFRA-  
STRUCTURE**



**CYBER  
SECURITY**



**IT INTENSIVE  
INDUSTRIES'  
SOLUTIONS**

# BUSINESS CLIMATE IMPROVEMENT & E-GOVERNANCE



**BUILDING SPECIALISED E-GOVERNANCE SOLUTIONS  
PROVIDER WITH A FOOTPRINT IN SELECTED MARKETS**

## **INDUSTRIES & CLIENTS:**

- Registries, Mortgage Offices, Public Procurement Agencies, e-Government, Licensing Offices, Central Banks, Tax inspectorates

## **SERVICES & SOLUTIONS:**

- Legal, organisational reforms and their implementation;
- Design and implementation of critical and important national information systems;
- Tax collection with eFiling
- Transformation of business inspections;
- Public procurement and judiciary system modernisation;
- Reforms of state owned enterprises
- Creation of a secure digital environment.

## **OPERATIONAL MARKETS:**

- Emerging and frontier economies: CEE, East Africa, South and Southeast Asia, Central America.

## **REFERENCES:**

- Rwanda Office of the Registrar General, Mauritius e-Registry, Liberia Ministry of Commerce and Industry, Vietnam Business Development Agency, Lithuanian Central Mortgage Office.





## Mauritius Registrar General Department. Before & After

# IT INFRASTRUCTURE



**BUILDING LEADING IT INFRASTRUCTURE SERVICES  
PLAYER IN THE BALTICS WITH SIGNIFICANT SERVICES  
EXPORT TO THE FRONTIER MARKETS.**

## INDUSTRIES & CLIENTS

- General with focus on large corporate IT users and public sector

## SERVICES & SOLUTIONS

- Design and installation of data centers;
- Design of super computers;
- Consolidation and virtualisation of servers and main IT infrastructure;
- Backup, emergency recovery and business continuity solutions.;
- Managed printing services – CopyPrint;
- Information system lifecycle management, 24x7 maintenance and support.

## OPERATIONAL MARKETS

- CEE, East Africa

## REFERENCES

- Vilnius University, Bank of Lithuania, National Courts Administration, Litgrid, Reserve Bank of Zimbabwe, Burundi Central Bank, SEB Bank, DPD, Maxima, Ministry of Energy, Mauritius e-Registry





# National Open Access Research Data Archive (MIDAS)

# CYBER SECURITY



**BUILDING GLOBALLY OPERATING CYBERSECURITY  
SOLUTIONS AND SERVICES PROVIDER.**

## **INDUSTRIES & CLIENTS**

- Specialised public services providers (Law enforcement, National CERTs, Telecom, National communication regulators), and corporates with high data sensitivity

## **SERVICES & SOLUTIONS**

- Cybersecurity incident response Team (NRD CIRT);
- E-crime and abuse handling automation;
- Security assessment and review;
- Cyber defence technologies;
- Cyber security trainings.

## **OPERATIONAL MARKETS**

- CEE, East Africa and South Asia.

## **REFERENCES**

- Law enforcement offices, courts, National communication regulators.





# Annual cyber security conference „Cyber Defence East Africa“

# IT INTENSIVE INDUSTRIES' SOLUTIONS



**BRINGING LOCAL SPECIALISED INDUSTRIES IT SOLUTIONS PROVIDERS TO GLOBAL SCENE.**

## **INDUSTRIES**

- Energy, Utilities, Banks, Retail, Manufacturing & logistics

## **SERVICES & SOLUTIONS**

- E-banking;
- Smart retailing;
- Other sector specific solutions.

## **OPERATIONAL MARKETS**

- CEE, Emerging and frontier economies: CEE, East Africa, South and Southeast Asia, Central America.

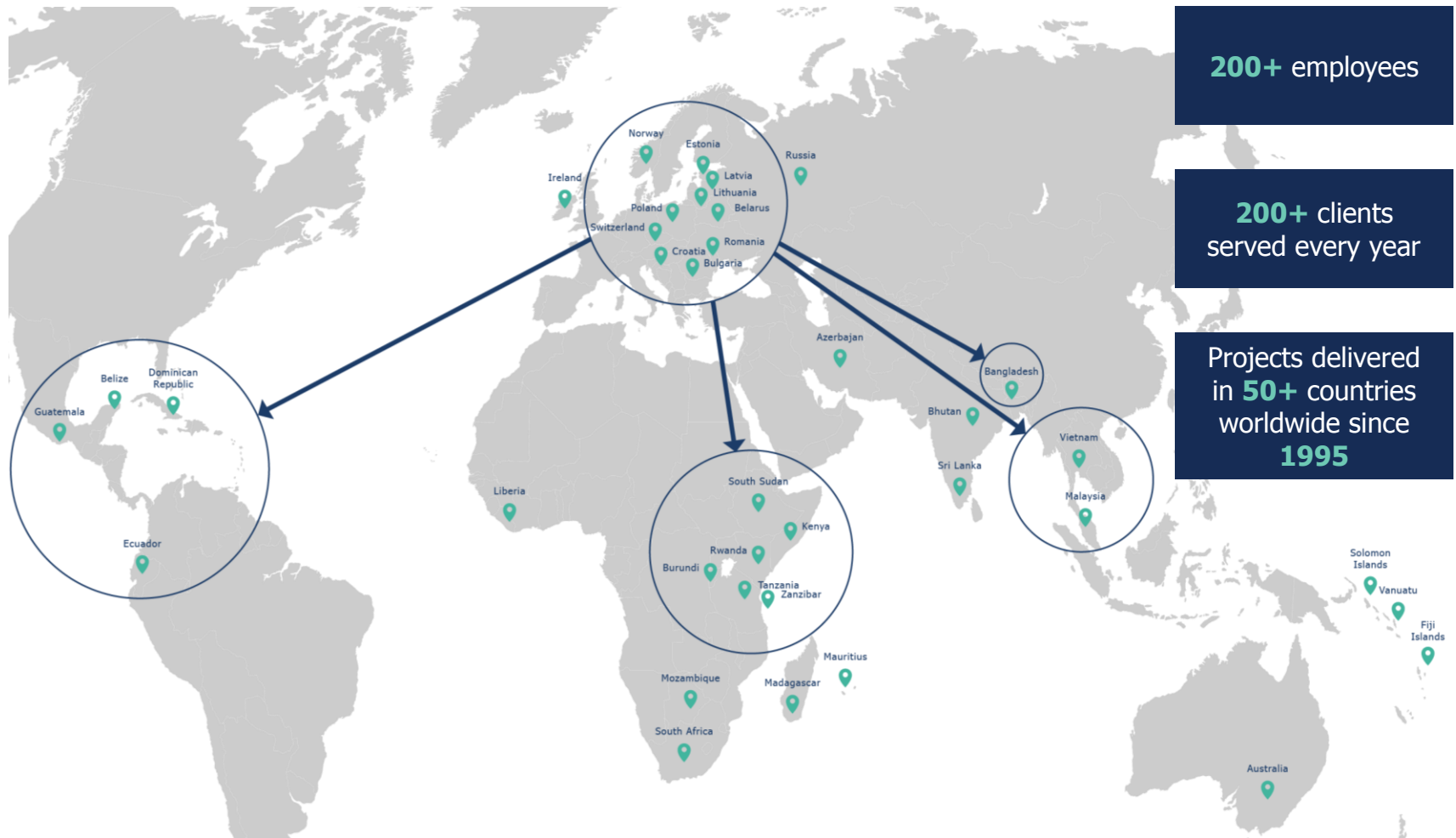
## **REFERENCES**

- Lithuanian Centre of Registers, DnB bank in Lithuania and Estonia, Šiaulių bankas, Medicinos bankas, Reitan Convenience in Lithuania and Estonia, R-Kiosk in Finland



**ETRONIKA received „Best of Show“ award at „FinovateEurope“ in 2013 and 2014**

# PLATFORM FOR GLOBAL GROWTH...

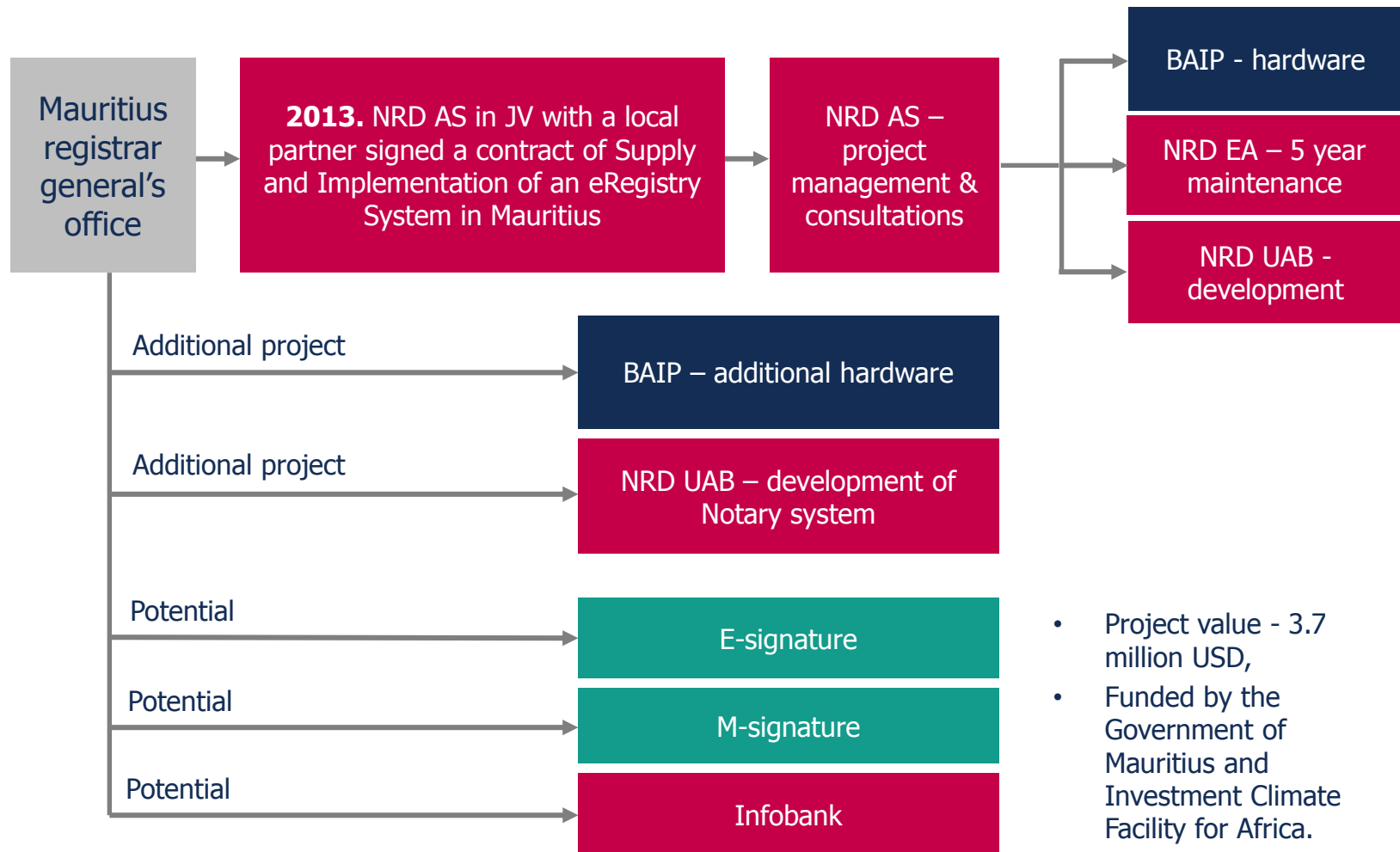




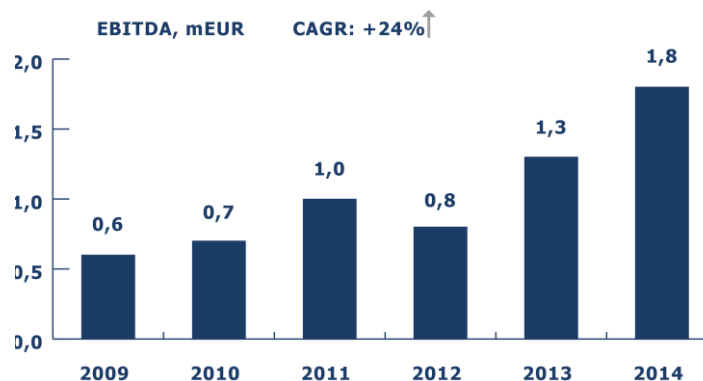
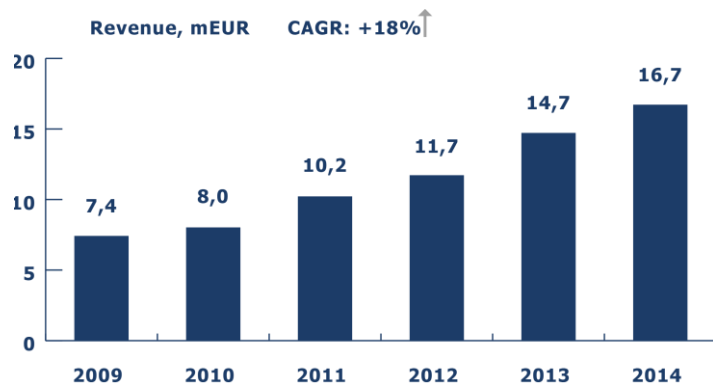


# FK program participants delivering trainings for Zanzibar National university IT students

# EXAMPLE. ENTERING MAURITIUS MARKET

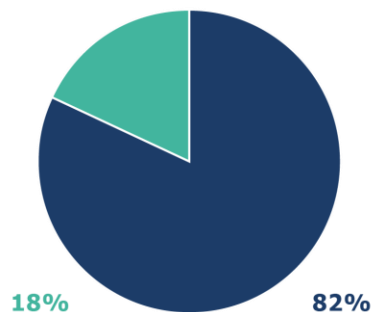


# PORTFOLIO COMPANIES DELIVERING GROWTH

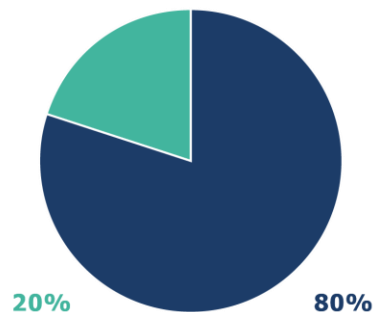


Share of revenue in frontier markets:

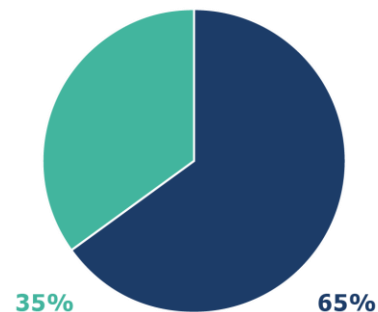
**2012** EUR 11,7 million



**2013** EUR 14,7 million

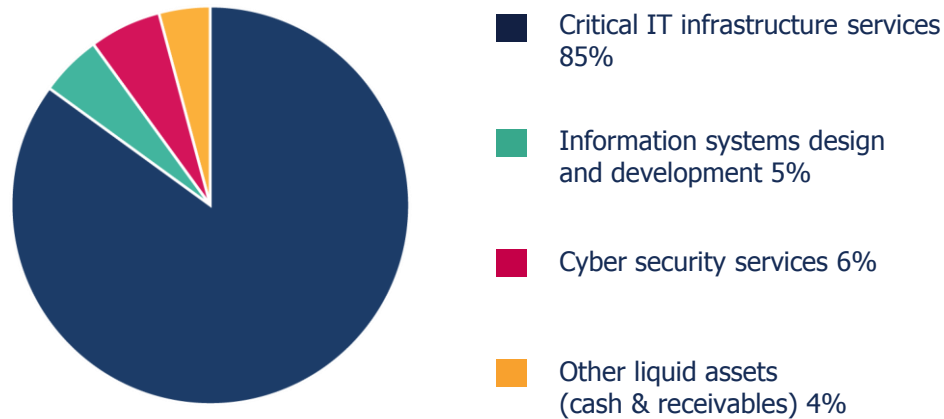


**2014** EUR 16,7 million

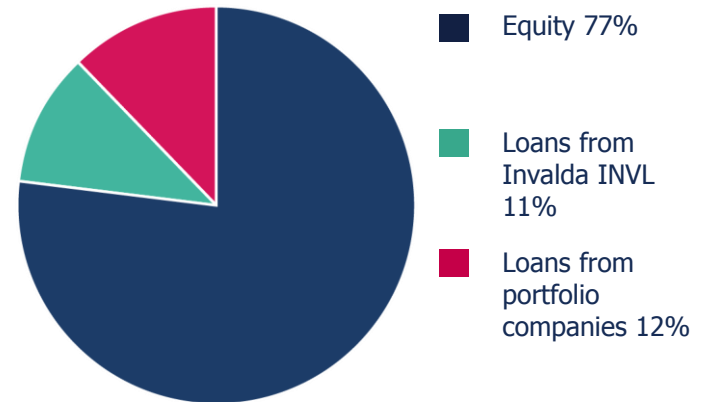


# PORTFOLIO STRUCTURE (2014 12 31)

Portfolio structure by company value



Portfolio capital structure



PORTFOLIO ASSETS STRUCTURE	mEUR	EV/EBITDA	P/E
Critical IT infrastructure services	13,20	6,7	12,4
Information systems design and development	0,70		
Cyber security services	1,00		
Other liquid assets (cash & receivables)	0,57		
Total	15,47		

CAPITAL STRUCTURE	mEUR
Equity	11,92
Loans from Invalida INVL	1,65
Loans from portfolio companies	1,84
Other payables	0,06
<b>Total</b>	<b>15,47</b>

Source: Management estimate; Financial statements; Deloitte valuation

# EXPLOITING GROWTH OPPORTUNITIES

## ACQUISITION

Raising capital facility for additional acquisitions of locally / regionally operating ICT companies

**20 + mEUR**  
**(anchor shareholders committed)**

## DEVELOPMENT

Leveraging companies' operations through add-on acquisitions, new market entry and cluster approach

**20%+ IRR**

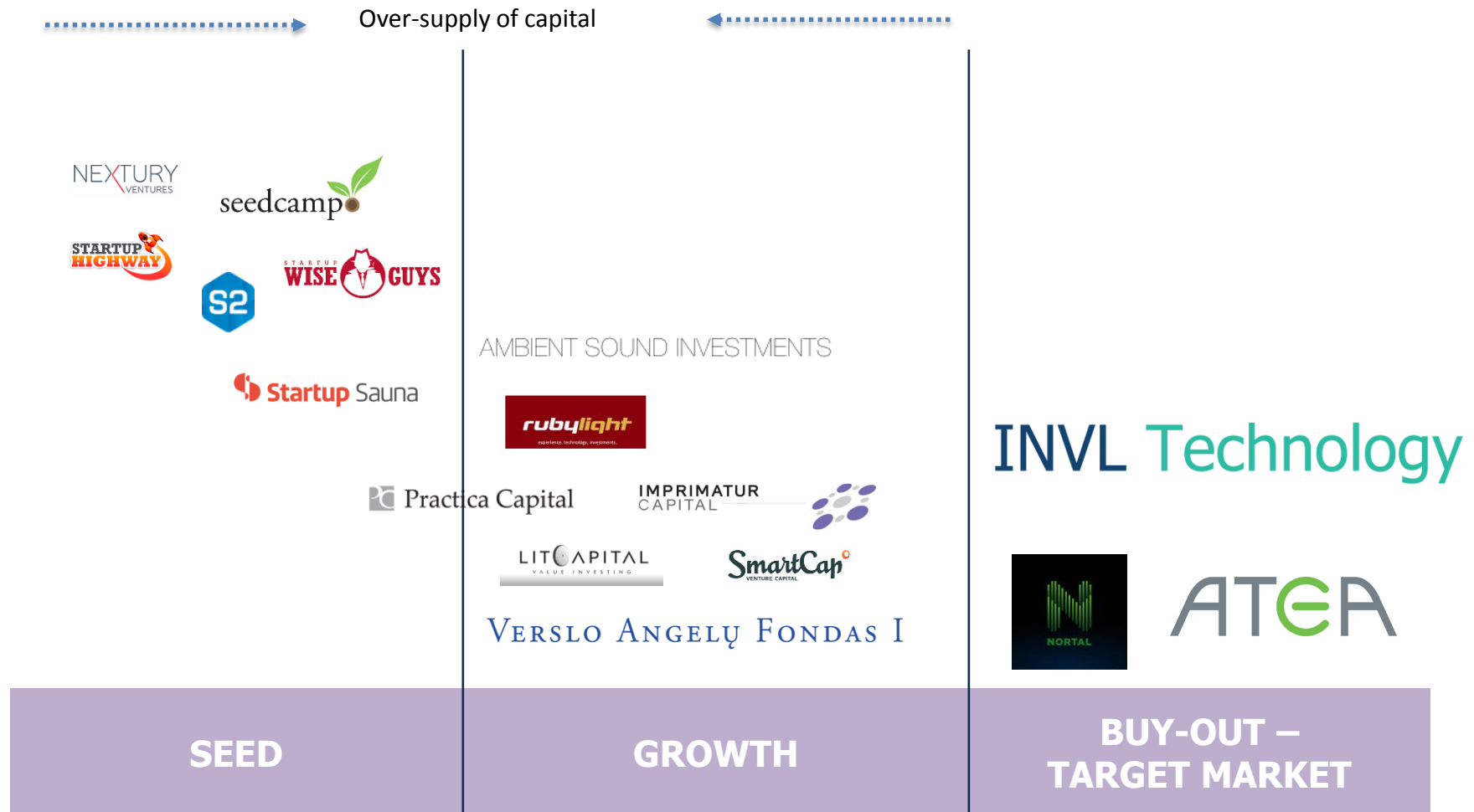
## EXIT

Structuring exit of mature businesses with global footprint

**3 x MM**



# BALTIC ICT DEALS LANDSCAPE



# PIPELINE PARAMETERS

## CYBER SECURITY

- Specialized Cyber & Information security solution providers, with local market footprint
- Baltics , EE
- 2-3 Add-ons with EV range 0,5-1 mEUR /
- 1 platform acquisition EV range 7-10 mEUR

## IT INFRASTRUCTURE

- IT infrastructure services providers, data centers,
- cloud solution providers
- Baltics, Poland, Scandinavia
- 4 Add-ons with EV range 0,5-1 mEUR
- 4 Platform acquisitions with EV range 5-7,5 mEUR
- 2 Minority participations with EV range 5-10 mEUR

30+ potential acquisition targets

## BUSINESS CLIMATE IMPROVEMENT AND E-GOVERNANCE

- E-governance and public sector oriented solution providers, B2G oriented consulting services
- Baltics, Scandinavia
- 3 Add-ons with EV range 0,5-1 mEUR
- 2 Minority participations with EV range 20+ mEUR

50 mEUR+ deals on target

## IT INTENSIVE INDUSTRIES' SOLUTIONS

- B2B solution providers with focus on dedicated IT user industries: financials, utilities, energy; ERP solution providers; GIS solution providers;
- Baltics, Eastern Europe, Scandinavia
- 5-6 Platform acquisitions with EV range 3-5 mEUR, 2 with EV range 10 mEUR+
- 5 Add-on acquisitions with EV range 0,5-1 mEUR

# POTENTIAL DEVELOPMENT MODEL



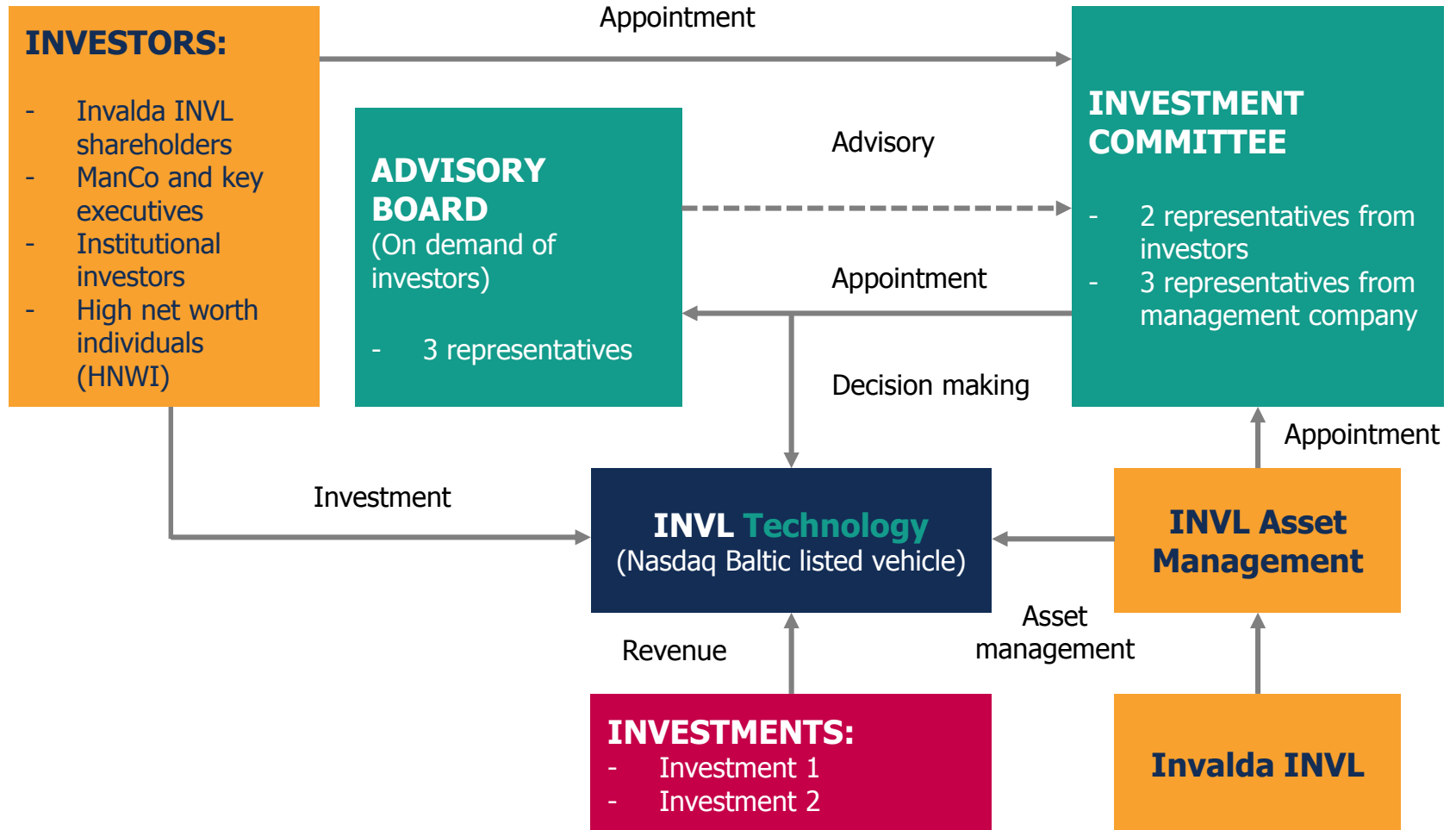
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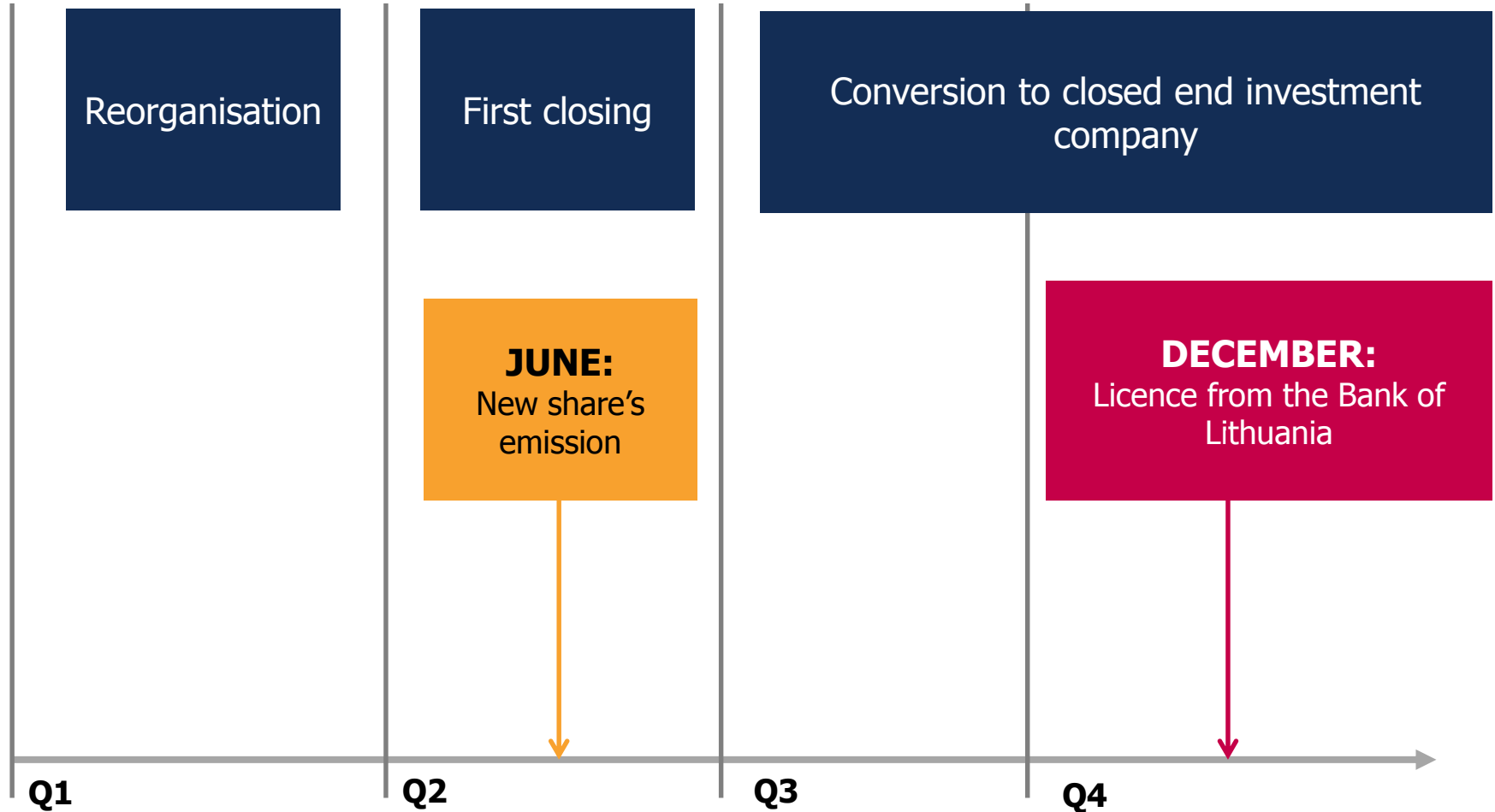
# TARGET LEGAL STRUCTURE

<b>SIZE:</b>	Starting cap - EUR 11.9 million Target cap – EUR 35 million I Hard cap – EUR 50 million
<b>TYPE:</b>	Nasdaq Baltic listed closed end investment company
<b>DOMICILE:</b>	Lithuania (supervised by the Central Bank of Lithuania)
<b>TERM:</b>	10 + 2 years
<b>INVESTMENT PERIOD:</b>	5 years
<b>FEES STRUCTURE:</b>	2% management fee on market cap 20% carry over 8% hurdle rate
<b>MANAGEMENT COMPANY:</b>	INVL Asset Management
<b>AUDIT:</b>	Audited by Big 4 (currently – PwC)

# TARGET LEGAL STRUCTURE



# EXPECTED TIMELINE '2015



# CONTACTS



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