

# INVL Technology

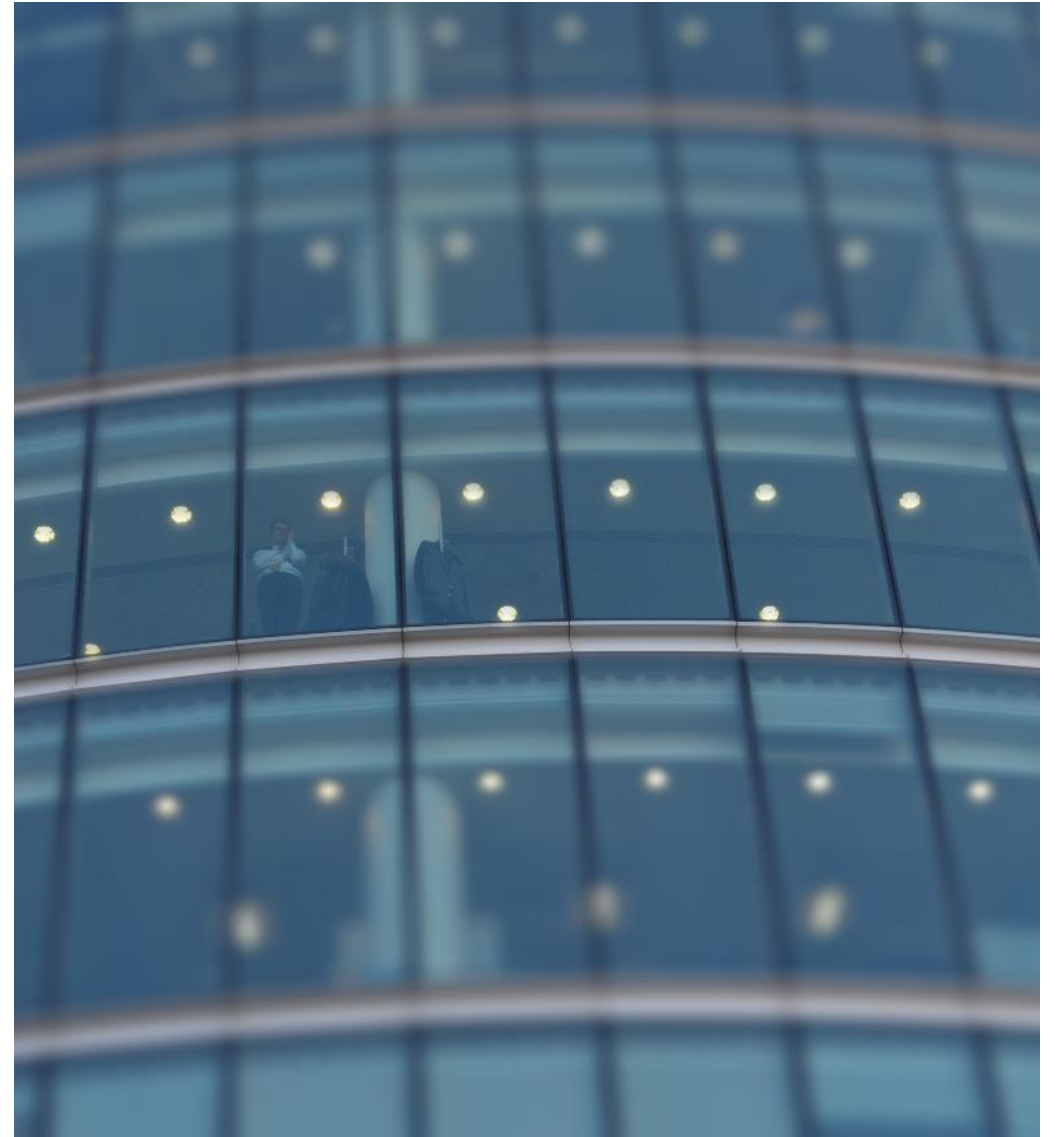
## REVIEW AND OUTLOOK

KAZIMIERAS TONKŪNAS. 2016-09-15



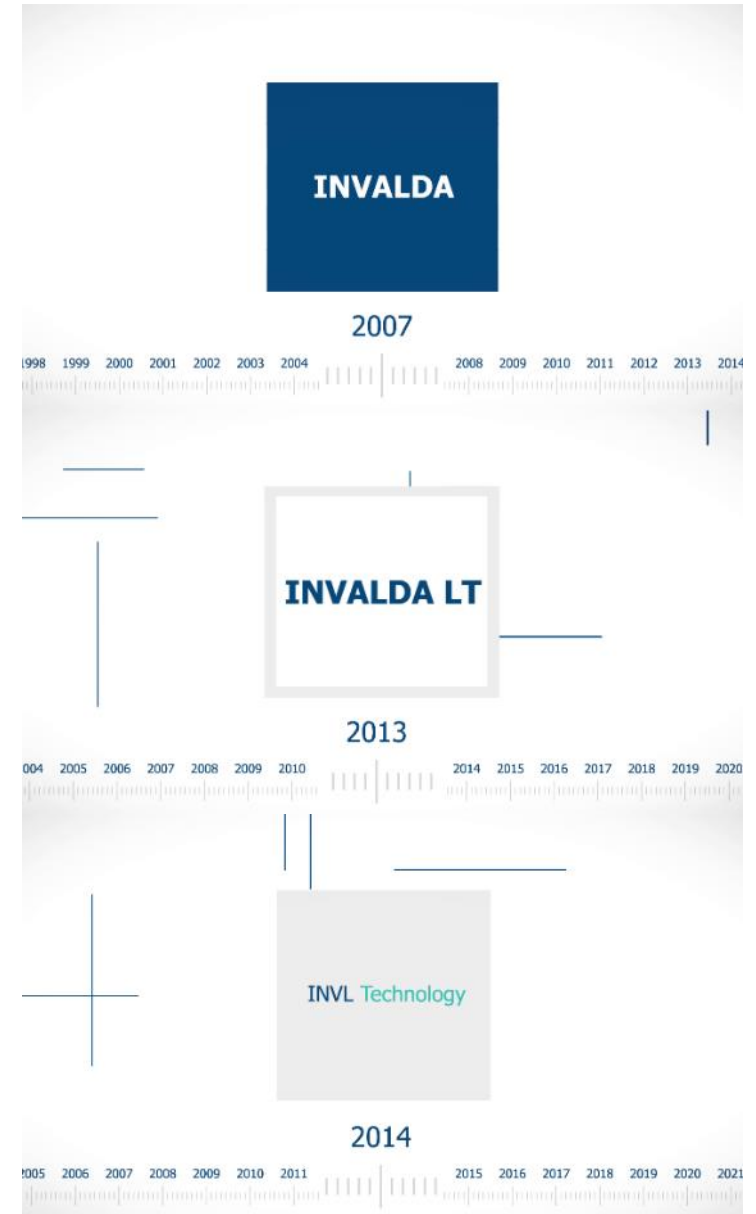
# CONTENTS

1. History of INVL Technology
2. A few facts on managed companies
3. Summary of information for 2016
4. Philosophy of INVL Technology

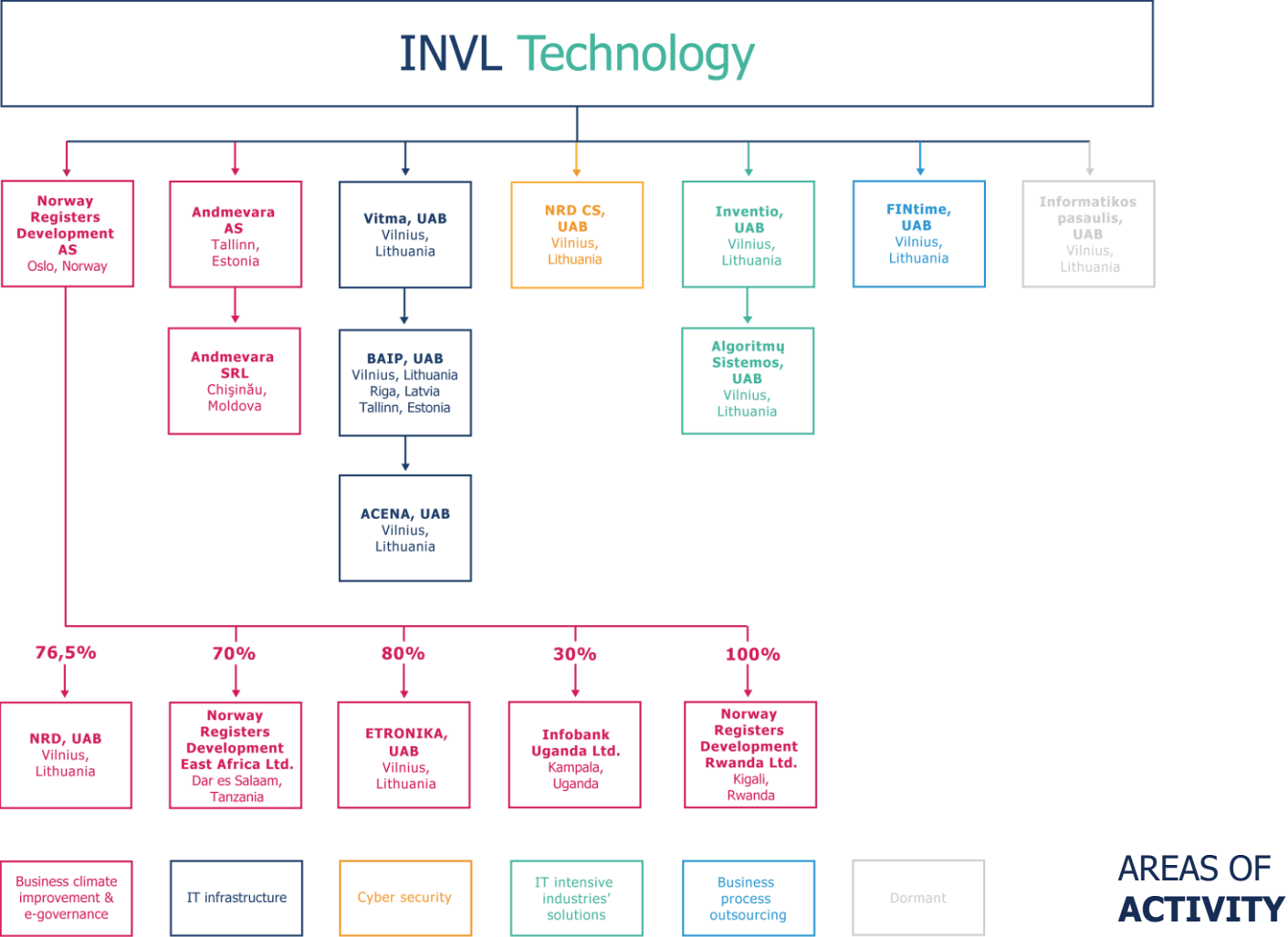



# HISTORY OF INVL TECHNOLOGY

- In February 2011, **Positor UAB** became BAIP grupė UAB.
- In 2014, INVL Technology was spun off from the company **Invalida LT**.
- In 2015, INVL Technology AB was merged into **BAIP grupė AB**. BAIP grupė AB assumed all of rights and obligations of INVL Technology AB and thereafter continues operating under the new name of AB INVL Technology.
- In July 2015, INVL Technology completed a 10-mln-euro share offering – first such offering in the Baltics.
- Currently **INVL Technology UTIB** is an ICT investment company listed on the NASDAQ Vilnius exchange.
- INVL Technology operates as **a diversified cluster of B2B and B2G- oriented IT businesses**, serving as a platform for national companies to globalize their activities and expand their service portfolios.
- **INVL Technology seeks to** increase the value of the companies in its portfolio, sell them profitably to larger actors in the market and generate significant return for the investors.



# STRUCTURE OF THE COMPANY





# **A FEW FACTS ON MANAGED COMPANIES**



# EMPLOYEES OF THE MANAGED COMPANIES

**MORE THAN 300 EMPLOYEES** working under employment contracts in seven countries.

## BY PROFESSION:

- Consultants, project managers, system architects: **35+**
- Programmers, analysts: **135+**
- Systems engineers, administrators: **about 50**
- IT specialists: **about 50**
- Finance, company administration: **about 35**



# **PARTNERS**

## **OF THE MANAGED COMPANIES**

### **SALES PARTNERS. BY COUNTRY:**

Bangladesh, Malawi, Burundi, Lesotho, Bhutan, Vietnam, Myanmar, Uganda, Zambia, Mauritius, Moldova, Kenya and others.

### **INSTITUTIONAL PARTNERS:**

FK Norway, VU, KTU, Infobalt, FIRST, Uganda TU, Norad, GIEK, Norwegian embassies, national/governmental CERTs, Center for Internet Security.



# GEOGRAPHY AND GLOBAL COMPETENCE OF THE MANAGED COMPANIES

## PERMANENT OFFICES:

in Lithuania, Latvia, Estonia, Norway, Moldova, Tanzania and Rwanda.

## PROJECT OFFICES:

in Bangladesh, Mauritius, Liberia, Uganda, Mozambique and Tanzania-Zanzibar.

## TRADE HOUSE:

Sales and business development, NRD AS assistance for businesses' import/export of goods and services.

## FINTIME'S INTERNATIONAL COMPETENCE:

Diverse jurisdictions, tax regimes, project support and accountability.



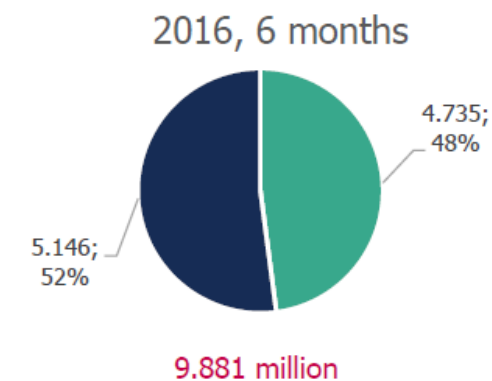
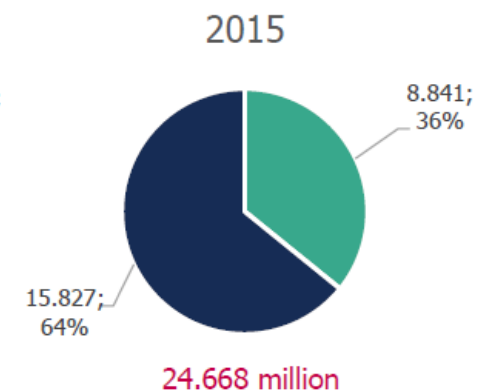
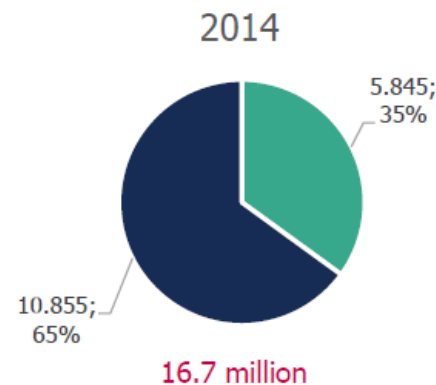
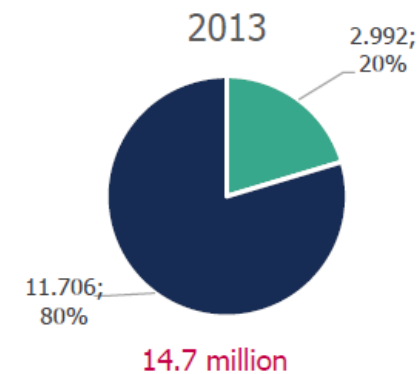
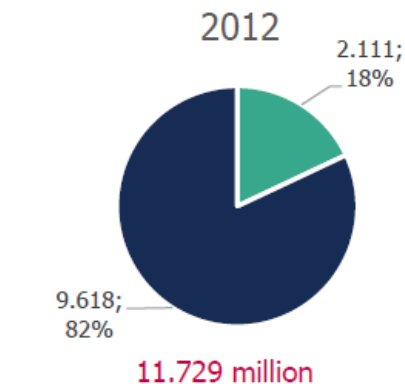
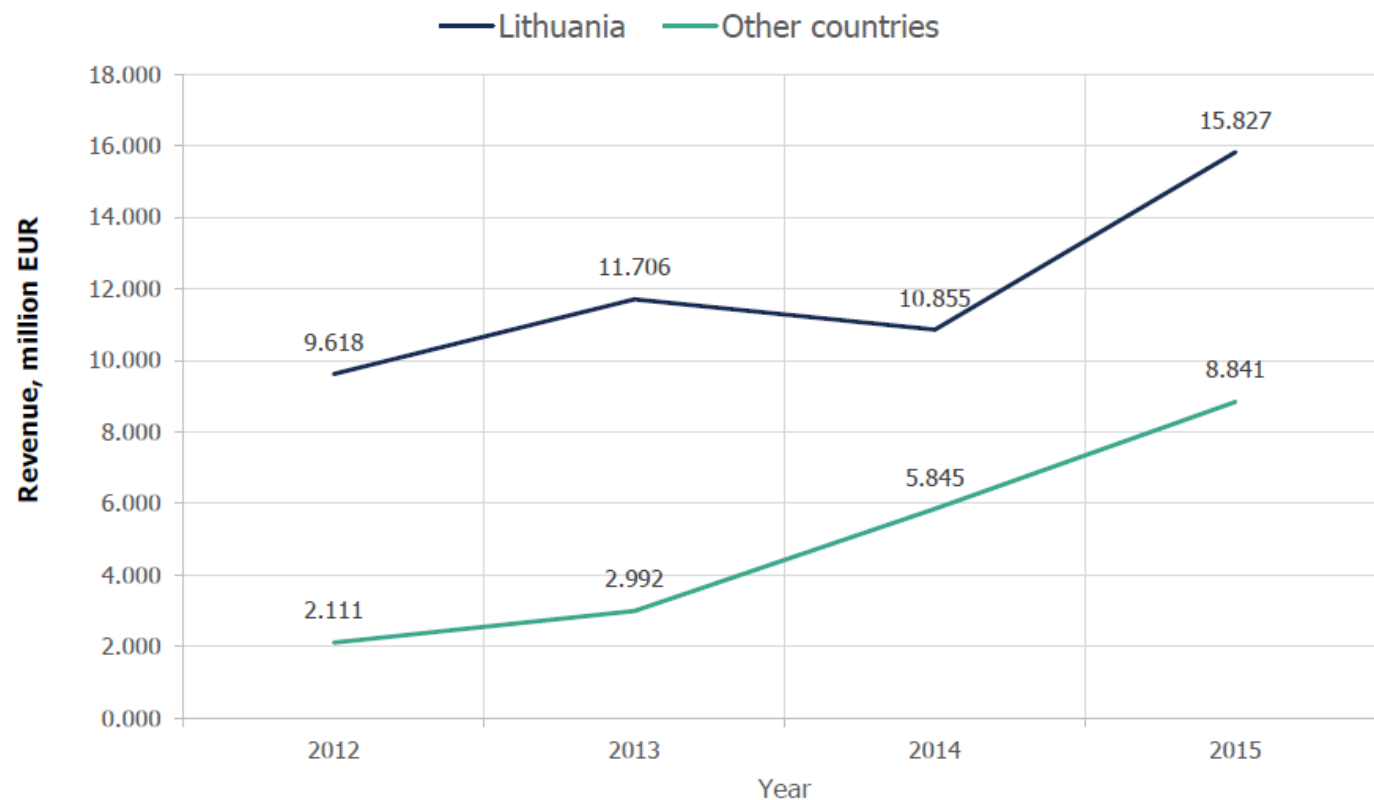


# CLIENTS OF THE MANAGED COMPANIES

- **National institutions:** Ministries of justice, economics, finance and internal affairs, registry offices, courts, communications regulators, public ICT service providers, national CERTs, tax authorities and others.
- Central and commercial **banks**,
- **Law enforcement bodies:** cybersecurity and digital forensic centres,
- Digital/economic **intelligence services**, cyber/forensic **police**,
- **Large** public and commercial **institutions**,
- Projects conducted in 15 countries during 2016.



# REVENUE OF THE MANAGED COMPANIES DISTRIBUTION IN LITHUANIA AND ABROAD\*



\*Prior to 31 Dec. 2014, consolidated reports were being prepared. Effective 1 Jan. 2015, the company does not consolidate its subsidiaries, thus the corresponding aggregated data is presented (eliminating all significant transactions between the companies), data for 2016 is unaudited.

# THE TEAM. INVL ASSET MANAGEMENT



**VYTAUTAS  
PLUNKSNIS**

INVL Asset Management, head of private equity department.

Inventio, CEO.

Algoritimų Sistemų, chairman of the board.

Norway Registers Development AS, NRD and NRD CS, board member.

**12+ years**  
experience in asset management and M&A



**DARIUS  
ŠULNIS**

Invalda INVL, board member and president.

INVL Asset Management, chairman of the board and CEO.

**20+** business sale transactions  
**20+ years**  
experience in asset management and M&A



**KAZIMIERAS  
TONKŪNAS**

INVL Asset Management, managing partner for UTIB INVL Technology.

BAIP, Norway Registers Development AS and NRD CS, chairman of the board.

Acena, board member.

Andmevara AS, supervisory council member.

**20+ years**  
management experience in the ICT sector as well as in M&A, business creation and emerging markets



**VIDA  
JUOZAPAVIČIENĖ**

INVL Asset Management, head of HR and General Affairs.

Norway Registers Development AS, NRD and Algoritimų Sistemų, board member.

ETRONIKA and Acena, chairman of the board.

Andmevara AS supervisory council member.

**15+ years**  
experience in the ICT sector, in M&A, and in HR and marketing



**NERIJUS  
DROBAVIČIUS**

INVL Asset Management, board member and head of Finance and IT Department.

ETRONIKA, board member.

Andmevara AS, supervisory council chairman

**15+ years**  
experience in asset management, M&A and financial analysis

# CORPORATE EVENTS

## AFTER THE SHARE OFFERING

### OFFERING PRICE:

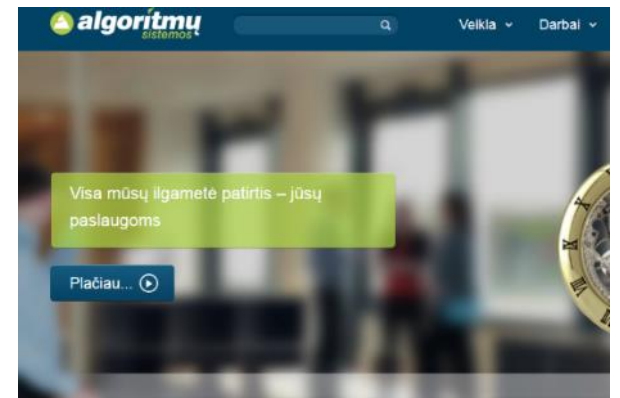
- 8 July 2015: EUR 1.65

### VALUE:

- 30 June 2016: EUR 1.965

### ACQUISITIONS AND EXPANSION:

- 2015.07.27 Norway Registers Development AS acquired 80% of shares of **ETRONIKA**.
- 2016.02.29 **FINtime UAB** established. Authorized capital: EUR 229,000.
- 2016.02.22 **Norway Registers Development AS** established a company in Rwanda.
- 2016.04.20 INVL Technology acquired 100% of the shares of Estonia's **Andmevara** for EUR 664,600. The company also has a subsidiary in Moldova – Andmevara SRL.
- 2016.03.18 Inventio acquired 100% of the shares of **Algoritmu Sistem**, a developer of information systems, for EUR 2.385 million.
- 2016.07.14 The company obtained a closed-end investment company (**UTIB**) license. Its management was assumed by INVL Asset Management.







# 2016 SUMMARY OF INFORMATION

# INVL TECHNOLOGY 2016 6 months PERFORMANCE REVIEW

- The value of the company's investments after 6 months of 2016 was **EUR 20.58 mln** (vs EUR 16.96 million at end-2015).
- **The portfolio of business holdings grew by EUR 3.62 mln.** The increase reflects additional investments of EUR 3.68 mln in the capital of managed companies and a EUR 0.06 million reduction in the value of investments. Investments in the capital of subsidiaries mainly were to finance the acquisition of Algoritmy Sistemas UAB and Andmevara AS.
- The company's cash balance at the end of the second quarter was EUR 3.36 mln.
- The company's equity capital as of 30 June 2016 was **EUR 23.925 mln.**



# VALUE OF INVLT TECHNOLOGY INVESTMENTS BY AREA OF OPERATIONS

AREA	COMPANIES	30-06-2016	31-03-2016	31-12-2015
IT infrastructure	Vitma UAB	11 488	11 486	11 474
Business climate improvement and e-governance	NRD Group	3 951	3 816	3 708
Cybersecurity	NRD CS UAB	1 853	1 814	1 773
IT intensive industries' solutions	Inventio UAB	2 392	2 392	-
Business process outsourcing	FINtime UAB	229	229	-
Business climate improvement and e-governance	Andmevara AS	665	-	-
	Informatikos pasaulis UAB	4	-	-
<b>Total</b>		<b>20 582</b>	<b>19 737</b>	<b>16 955</b>

\* Amounts are shown in thousands of euros

# MAIN PERFORMANCE INDICATORS FOR PORTFOLIO COMPANIES

MAIN ITEMS FROM INCOME STATEMENT, THOUS. EUR	NRD Group*		Andmevara AS***	BAIP and Acena		NRD CS		Algoritmu Sistemas
	30-06-2016	30-06-2015	01-05-2016 to 30-06-2016	30-06-2016	30-06-2015	30-06-2016	30-06-2015	01-04-2016 to 30-06-2016
Revenue	2 834	1 416	191	5 044	4 985	672	150	624
Gross profit	2 223	1 108	154	1 626	1 596	421	48	517
EBITDA	(107)	147	(50)	245	413	94	(147)	138
EBIT	(168)	126	(58)	36	312	85	(156)	132
Net profit (loss)**	(163)**	97**	(58)	19	406	80	(156)	132

\*ETRONIKA UAB included from the month its control was acquired, i.e., from 1 July 2015.

\*\*After minority interest

\*\*\*Andmevara included from the month its control was acquired, i.e., from 1 May 2016.

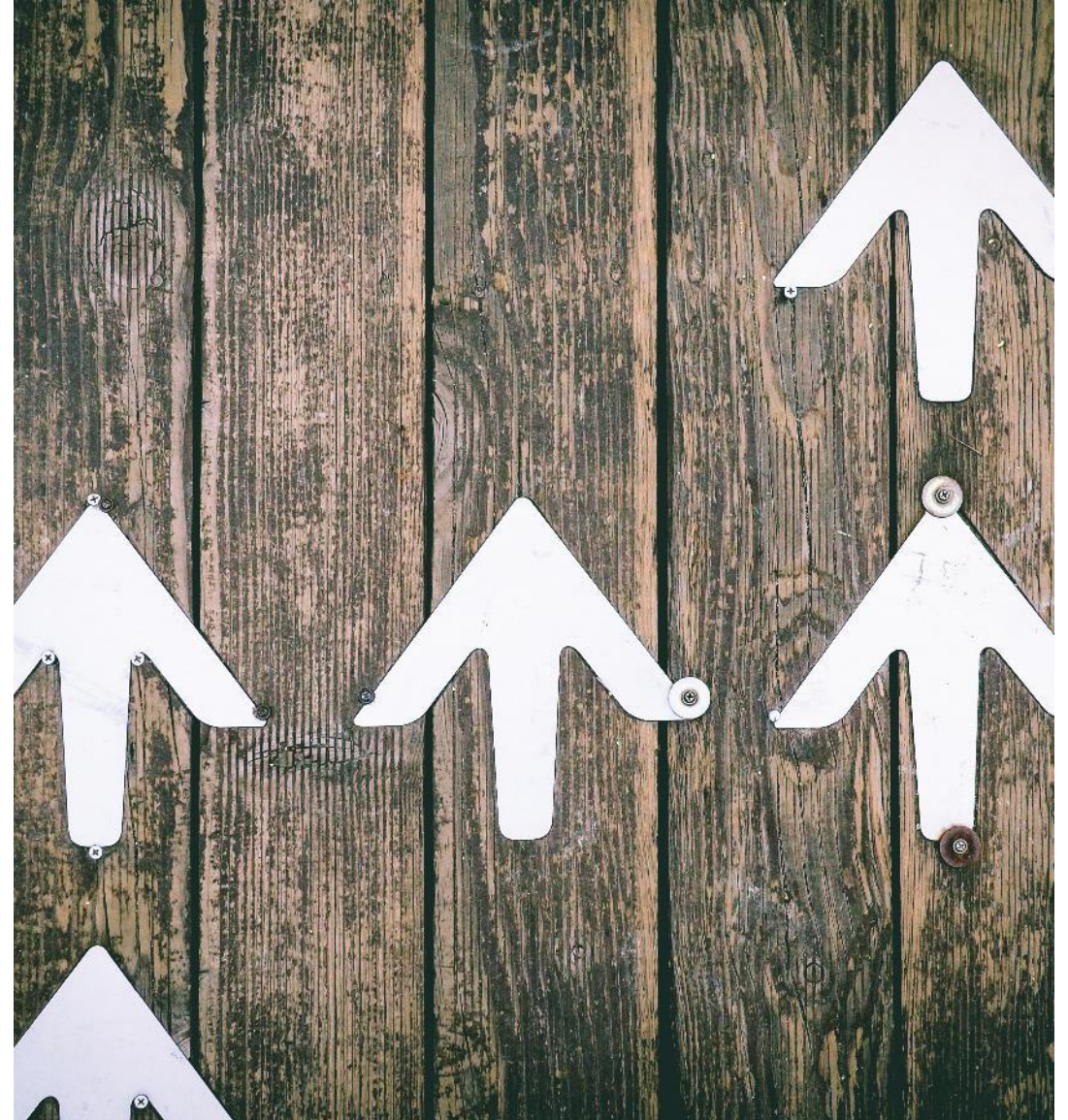




# **PHILOSOPHY OF INV L TECHNOLOGY**

# FACTORS AT WORK AND TRENDS

- The EU financing in the region. Cyclicity. Reduction foreseen from 2020.
- Wage growth in the ICT sector in the Baltic region.
- Trends of strengthening of the national ICT sector and 'insourcing' in Europe and America.
- Increasing depth of digitalization. Internet of Things, robots, 'Big Data' analytics.
- Asia and Africa as suppliers and investors in Europe.



# ORGANIZATIONS IMPACTING THE STRATEGY OF INVTL TECHNOLOGY MANAGED COMPANIES

- United Nations (UN): **Sustainable Development Goals - SDGs**. 17 goals by 2030;
  - ITU: **ICT4SDG; Connect 2020 Agenda**;
- ***Financing the Post-2015 Development Agenda***: The WB Group, the IMF, the African Development Bank (AfDB), the Asian Development Bank (ADB), the EBRD, the EIB and the Inter-American Development Bank (IDB) committed to increase support for implementing development objectives from billions to trillions.
- European Union organizations: The **Europe 2020 Strategy** (smart, sustainable, inclusive growth). The Strategy sets five major goals for the areas of employment, innovations, education, poverty reduction and climate and energy. Smart growth: the **Digital Agenda for Europe**.





# ORGANIZATIONS IMPACTING THE STRATEGY OF INVTL TECHNOLOGY MANAGED COMPANIES

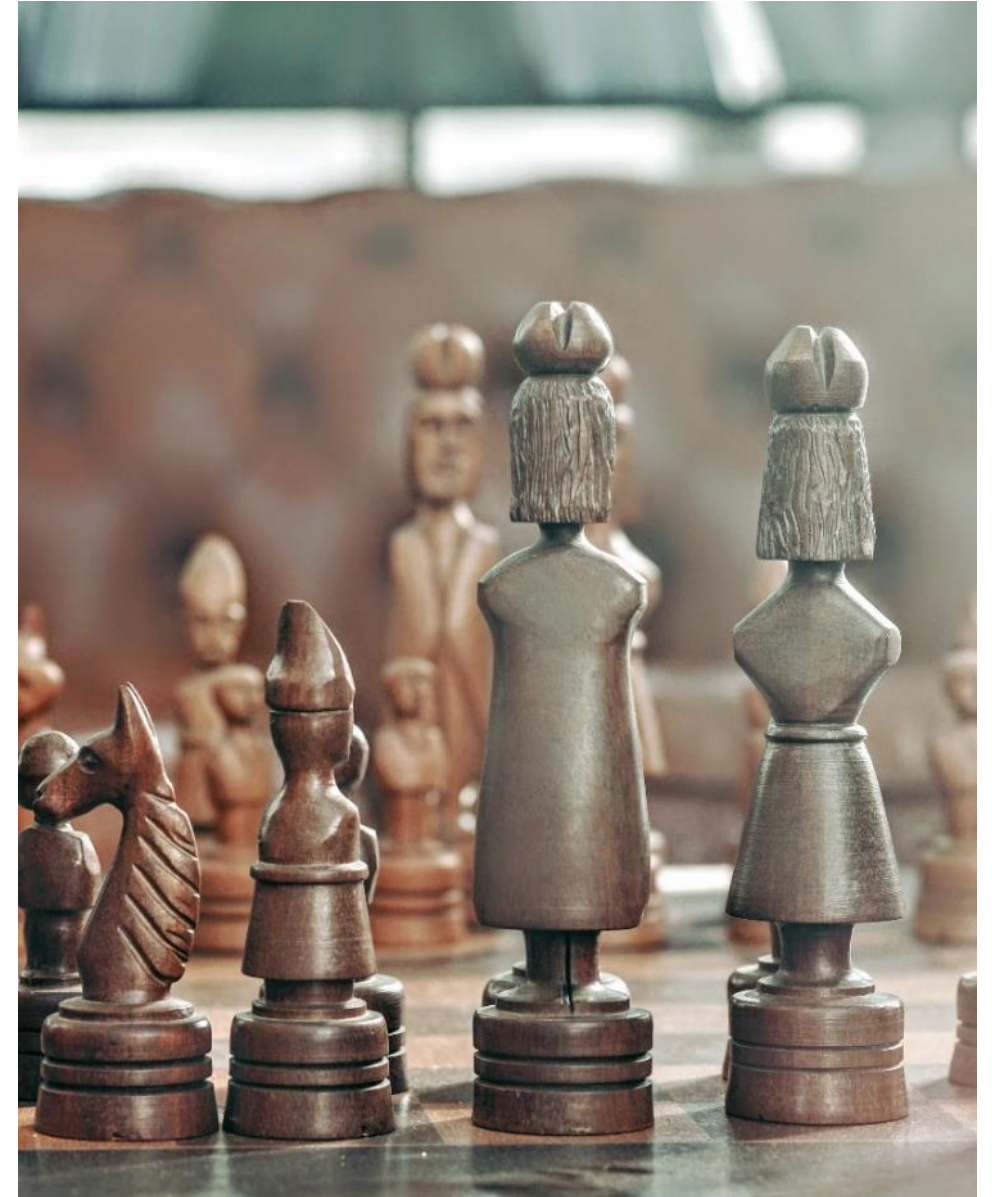
- **The EU** Cybersecurity Strategy (2013), Cyber Defense Policy Framework (2014) and Digital Single Market Strategy (2015).
- **The ENISA Strategy 2016-2020.**
- East African Community: the **EAC Vision 2050** ("An upper-middle income region within a secure and politically united East Africa based on principles of inclusiveness and accountability"). Science, technology and innovation as instruments. The goal is 95% ICT penetration.
- **National organizations:** development strategies of the countries include a digital component.





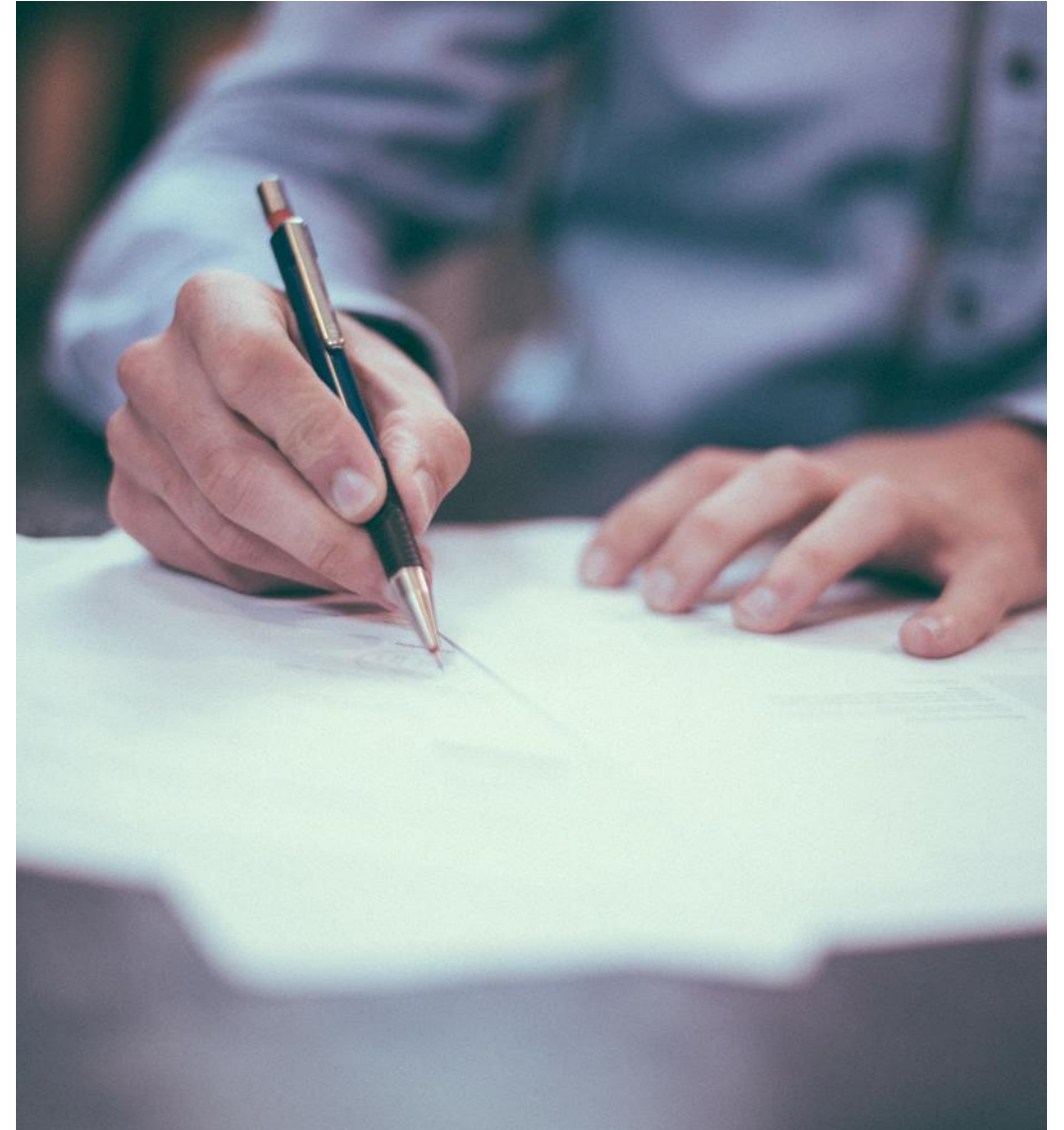
# THE MANAGED COMPANIES' RESPONSE TO CHANGES AND THE ENVIRONMENT. STRATEGIC INSIGHTS.

- Market diversification, multinational markets. Bridging regions.
- New disciplines and ideas will start to dominate in the companies' strategies and R&D:
  - Prognostics, artificial intelligence. In cybersecurity, in supercomputer modelling, in financial technologies.
  - Mechatronics in information systems. Trade, logistics, public sector.
  - Information systems lifecycle management.
  - ID4D. Digital identification for economic development. E-countries, e-citizens.
  - Financial inclusion.



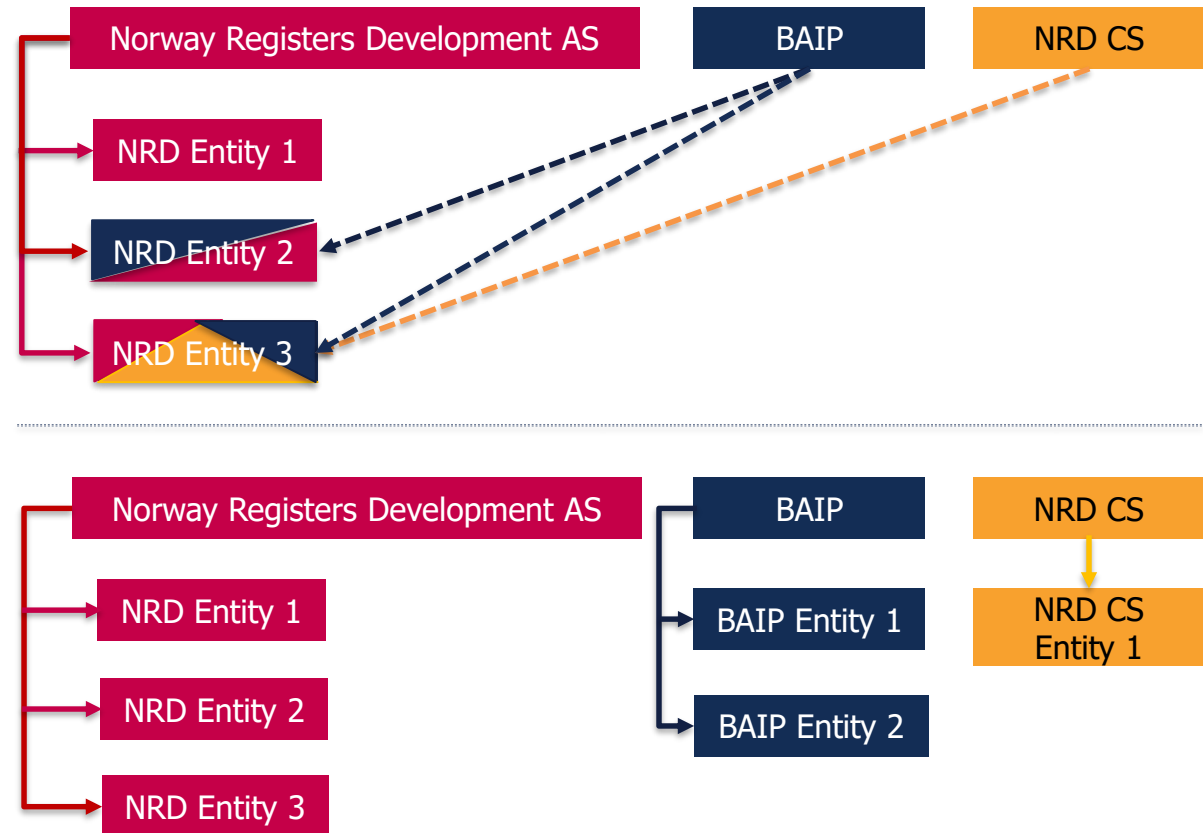
# INVL TECHNOLOGY ACQUISITION LOGIC

- Priorities
- Acquisitions of the managed companies
- Regional expansion of the managed companies



# REGIONAL EXPANSION MODEL

1. Norway Registers Development AS establishes regional companies and participates in joint activities with other companies managed by INVL Technology.
2. Part of the business of the grown companies is transferred to other companies managed by INVL Technology in accordance with their areas of specialization.



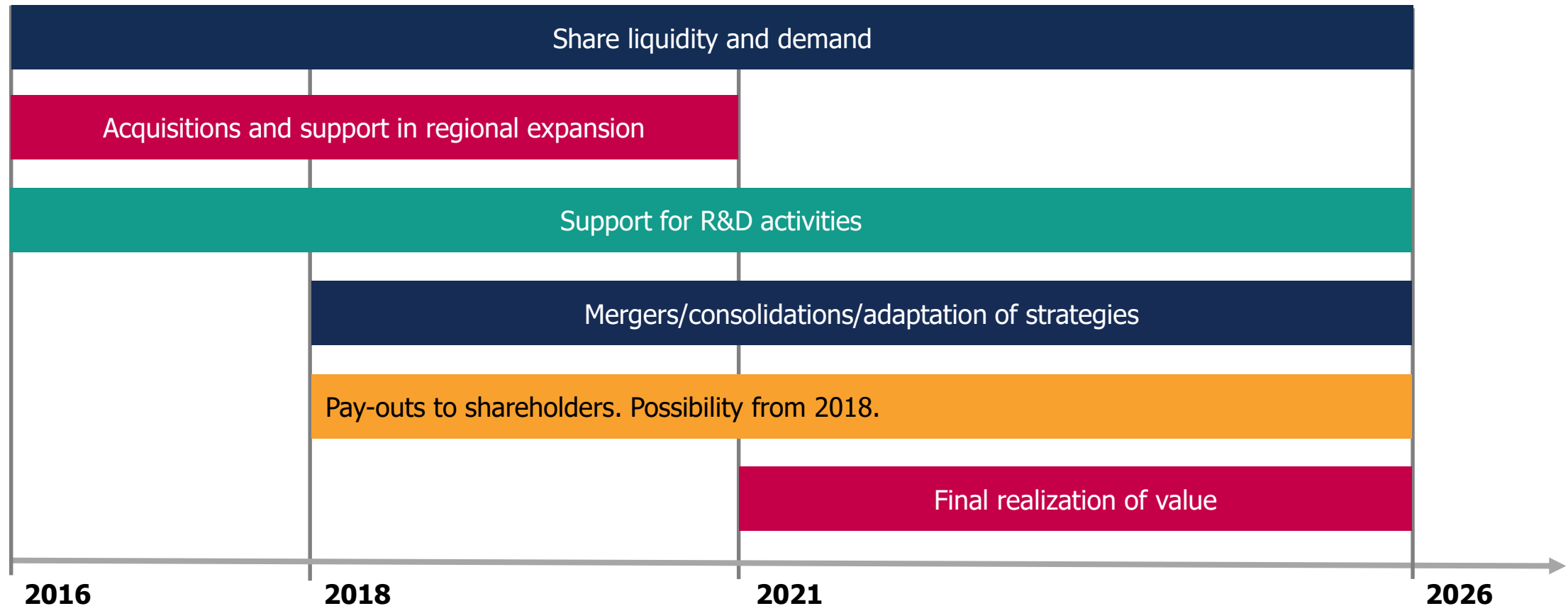
# VALUE OF INVL TECHNOLOGY REALIZATION. 2026.

- Investor portrait.
- ATTRACTIVENESS:
  - Size
  - Bridging of regions
  - R&D
  - Client base
  - Mature processes





# INVL TECHNOLOGY AGENDA AND CALENDAR. 2016-2026.



# OBSERVATION

- This is the presentation of UTIB INVL Technology (hereinafter – the Company).
- The Company is not responsible for any decisions made by third parties on the basis of information provided only in this presentation and assumes no responsibility for expenses or direct or indirect losses incurred in the use of this information alone.
- The information is of a promotional nature. It is not and may not be construed as an offer, an investment recommendation or investment research.
- The depiction of the company's structure is simplified. Unless specified otherwise in the depiction, the company is owned 100%.
- The information provided does not cover all information disclosed by the Company and should be read together with the Company's publicly announced information.
- Financial data included in the presentation should be assessed together with the financial statements. The data in the presentation reflects the results of a previous period and is not a reliable indicator of future results.
- The dates indicated are preliminary and may change.
- The information provided in this promotional material reflects the Company's opinion at the time it was submitted/declared. The information is provided once, but may be updated at the Company's discretion.
- The value of financial instruments can both rise and fall, so there is a risk of losing part or all of the money invested. The investors' right to demand to redeem the Shares of the Company is limited. UTIB INVL Technology has prepared the Prospectus of the shares, which investors can find at the company's website [www.invltechnology.com](http://www.invltechnology.com).

